

Affin Islamic Bank Berhad

Registration no. 200501027372 (709506-V)

Condensed Interim Financial Statements

Unaudited Statements of Financial Position as at 31 December 2025

	Note	Economic Entity		The Bank	
		31/12/2025 RM'000	31/12/2024 RM'000	31/12/2025 RM'000	31/12/2024 RM'000
ASSETS					
Cash and short-term funds		3,410,559	2,442,382	3,410,559	2,442,382
Financial assets at fair value through profit or loss ('FVTPL')	13	737,490	451,582	737,490	451,582
Derivative financial instruments	14	44,242	25,387	44,242	25,387
Financial investments at fair value through other comprehensive income ('FVOCI')	15	3,035,789	3,940,222	3,035,789	3,940,222
Financial investments at amortised cost ('AC')	16	4,249,910	4,594,961	4,249,910	4,594,961
Financing and other financing	17	38,228,706	33,009,886	38,228,706	33,009,886
Other assets	18	170,483	174,366	170,483	174,366
Amount due from joint ventures	19	-	4,639	-	4,639
Tax recoverable		3,088	9,042	3,088	9,042
Deferred tax assets		25,158	39,640	25,158	39,640
Statutory deposits with Bank Negara Malaysia		300,000	539,000	300,000	539,000
Property and equipment		1,582	1,090	1,582	1,090
Intangible assets		952	1,004	952	1,004
Right-of-use assets		38	133	38	133
TOTAL ASSETS		50,207,997	45,233,334	50,207,997	45,233,334
LIABILITIES AND EQUITY					
Deposits from customers	20	32,390,498	28,762,862	32,390,498	28,762,862
Investment accounts of customers	21	1,164,406	757,600	1,164,406	757,600
Deposits and placements of banks and other financial institutions	22	4,079,225	4,164,774	4,079,225	4,164,774
Investment accounts due to designated financial institutions	23	2,559,509	3,262,300	2,559,509	3,262,300
Recourse obligation on financing sold to Cagamas Berhad		2,925,862	2,125,431	2,925,862	2,125,431
Derivative financial instruments	14	37,163	21,357	37,163	21,357
Other liabilities	24	1,007,563	256,624	1,007,563	256,624
Amount due to holding company		142,304	546,064	142,304	546,064
Obligation on securities sold under repurchase agreements		23	-	23	-
Lease liabilities	25	63	162	63	162
Subordinated and Senior Sukuk	26	2,582,817	2,368,791	2,582,817	2,368,791
TOTAL LIABILITIES		46,889,433	42,265,965	46,889,433	42,265,965
Share capital	27	1,310,000	1,310,000	1,310,000	1,310,000
Reserves	28	2,008,564	1,657,369	2,008,564	1,657,369
TOTAL EQUITY		3,318,564	2,967,369	3,318,564	2,967,369
TOTAL LIABILITIES AND EQUITY		50,207,997	45,233,334	50,207,997	45,233,334
COMMITMENTS AND CONTINGENCIES	39	15,955,534	12,635,865	15,955,534	12,635,865
CAPITAL ADEQUACY RATIOS	42				
CET 1 capital ratio		11.347%	11.732%	11.347%	11.732%
Tier 1 capital ratio		13.194%	13.801%	13.194%	13.801%
Total capital ratio		16.227%	17.045%	16.227%	17.045%
Net assets per share attributable to equity holders of the Bank (RM)		2.83	2.58	2.83	2.58

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

Affin Islamic Bank Berhad

Registration no. 200501027372 (709506-V)

Condensed Interim Financial Statements

Unaudited Income Statements for the Financial Year Ended 31 December 2025

	Note	Economic Entity Individual Quarter Ended		Economic Entity Cumulative Quarter Ended	
		31/12/2025 RM'000	31/12/2024 RM'000	31/12/2025 RM'000	31/12/2024 RM'000
Income derived from investment of depositors' funds and others	30	500,327	461,165	1,967,445	1,693,968
Income derived from investment of investment accounts	31	41,947	47,689	170,962	189,534
Income derived from investment of shareholders' funds	32	48,837	41,362	184,432	156,686
Write-back of/(Allowance for) impairment losses on financing and other financing	33	30,202	23,814	27,376	(7,199)
Allowances for impairment losses on other assets	34	(659)	-	(7,143)	(6,948)
Total distributable income		620,654	574,030	2,343,072	2,026,041
Income attributable to the depositors and others	35	(333,270)	(313,401)	(1,318,560)	(1,171,114)
Income attributable to the investment account holders	36	(30,880)	(41,463)	(144,479)	(170,090)
Total net income		256,504	219,166	880,033	684,837
Other operating expenses	37	(119,059)	(96,490)	(425,346)	(356,120)
Profit before zakat and taxation		137,445	122,676	454,687	328,717
Zakat		(2,475)	(2,014)	(4,950)	(5,370)
Profit before taxation		134,970	120,662	449,737	323,347
Taxation		(34,746)	(34,119)	(114,087)	(87,305)
Net profit after zakat and taxation		100,224	86,543	335,650	236,042
Attributable to:					
Equity holders of the Bank		100,224	86,543	335,650	236,042
Earnings per share (sen):					
- Basic/Diluted	38	8.6	7.5	28.7	20.5

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

Affin Islamic Bank Berhad

Registration no. 200501027372 (709506-V)

Condensed Interim Financial Statements

Unaudited Income Statements for the Financial Year Ended 31 December 2025

	Economic Entity Individual Quarter Ended		Economic Entity Cumulative Quarter Ended	
	31/12/2025	31/12/2024	31/12/2025	31/12/2024
	RM'000	RM'000	RM'000	RM'000
Profit after zakat and taxation	100,224	86,543	335,650	236,042
Other comprehensive income:				
<u>Items that may be reclassified subsequently to profit or loss:</u>				
Net fair value change in				
financial investments at FVOCI	(3,268)	(35,366)	73,262	(11,347)
Net credit impairment (loss)/gain change in				
financial investments at FVOCI	(182)	36	173	387
Net gain on financial investments measured at FVOCI				
reclassified to profit or loss on disposal (debt instruments)	(8,517)	(1,916)	(53,657)	(6,627)
Deferred tax on				
financial investments at FVOCI	3,034	10,491	(5,425)	4,672
Other comprehensive income for the financial year, net of tax	(8,933)	(26,755)	14,353	(12,915)
Total comprehensive income for the financial year	91,291	59,788	350,003	223,127
Total comprehensive income for the financial year attributable to:				
Equity holders of the Bank	91,291	59,788	350,003	223,127

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

Affin Islamic Bank Berhad

Registration no. 200501027372 (709506-V)

Condensed Interim Financial Statements

Unaudited Income Statements for the Financial Year Ended 31 December 2025

	Note	The Bank Individual Quarter Ended		The Bank Cumulative Quarter Ended	
		31/12/2025 RM'000	31/12/2024 RM'000	31/12/2025 RM'000	31/12/2024 RM'000
Income derived from investment of depositors' funds and others	30	500,327	461,165	1,967,445	1,693,968
Income derived from investment of investment accounts	31	41,947	47,689	170,962	189,534
Income derived from investment of shareholders' funds	32	48,837	41,362	184,432	156,686
Write-back of/(Allowance for) impairment losses on financing and other financing	33	30,202	23,814	27,376	(7,199)
Allowances for impairment losses on other assets	34	(659)	-	(7,143)	(6,948)
Total distributable income		620,654	574,030	2,343,072	2,026,041
Income attributable to the depositors and others	35	(333,270)	(313,401)	(1,318,560)	(1,171,114)
Income attributable to the investment account holders	36	(30,880)	(41,463)	(144,479)	(170,090)
Total net income		256,504	219,166	880,033	684,837
Other operating expenses	37	(119,059)	(96,490)	(425,346)	(356,120)
Profit before zakat and taxation		137,445	122,676	454,687	328,717
Zakat		(2,475)	(2,014)	(4,950)	(5,370)
Profit before taxation		134,970	120,662	449,737	323,347
Taxation		(34,746)	(34,119)	(114,087)	(87,305)
Net profit after zakat and taxation		100,224	86,543	335,650	236,042
Attributable to:					
Equity holders of the Bank		100,224	86,543	335,650	236,042
Earnings per share (sen):					
- Basic/Diluted	38	8.6	7.5	28.7	20.5

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

Affin Islamic Bank Berhad

Registration no. 200501027372 (709506-V)

Condensed Interim Financial Statements

Unaudited Income Statements for the Financial Year Ended 31 December 2025

	The Bank		The Bank	
	Individual Quarter Ended		Cumulative Quarter Ended	
	31/12/2025	31/12/2024	31/12/2025	31/12/2024
	RM'000	RM'000	RM'000	RM'000
Profit after zakat and taxation	100,224	86,543	335,650	236,042
Other comprehensive income:				
<u>Items that may be reclassified subsequently to profit or loss:</u>				
Net fair value change in				
financial investments at FVOCI	(3,268)	(35,366)	73,262	(11,347)
Net credit impairment (loss)/gain change in				
financial investments at FVOCI	(182)	36	173	387
Net loss on financial investments measured at FVOCI				
reclassified to profit or loss on disposal (debt instruments)	(8,517)	(1,916)	(53,657)	(6,627)
Deferred tax on				
financial investments at FVOCI	3,034	10,491	(5,425)	4,672
Other comprehensive income for the				
financial year, net of tax	(8,933)	(26,755)	14,353	(12,915)
Total comprehensive income for the				
 financial year	91,291	59,788	350,003	223,127
Total comprehensive income for the				
 financial year attributable to:				
Equity holders of the Bank	91,291	59,788	350,003	223,127

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

Affin Islamic Bank Berhad

Registration no. 200501027372 (709506-V)

Condensed Interim Financial Statements

Unaudited Statements of Changes In Equity for the Financial Quarter Ended 31 December 2025

Economic Entity	Attributable to Equity Holder of the Bank					
	Share capital RM'000	FVOCI revaluation reserves RM'000	Regulatory reserves RM'000	Other reserves RM'000	Retained profits RM'000	Total equity RM'000
At 1 January 2025	1,310,000	(1,463)	92,468	1,001	1,565,363	2,967,369
Net profit for the financial year	-	-	-	-	335,650	335,650
Other comprehensive income (net of tax)						
- Financial investments at FVOCI	-	14,353	-	-	-	14,353
Total comprehensive income for the financial year	-	14,353	-	-	335,650	350,003
Share grant scheme granted	-	-	-	1,192	-	1,192
Transfer to regulatory reserves	-	-	120,300	-	(120,300)	-
At 31 December 2025	1,310,000	12,890	212,768	2,193	1,780,713	3,318,564

Economic Entity	Attributable to Equity Holder of the Bank					
	Share capital RM'000	FVOCI revaluation reserves RM'000	Regulatory reserves RM'000	Other reserves RM'000	Retained profits RM'000	Total equity RM'000
At 1 January 2024	1,210,000	11,452	46,469	214	1,375,320	2,643,455
Net profit for the financial year	-	-	-	-	236,042	236,042
Other comprehensive income (net of tax)						
- Financial investments at FVOCI	-	(12,915)	-	-	-	(12,915)
Total comprehensive income for the financial year	-	(12,915)	-	-	236,042	223,127
Issued during the financial year	100,000	-	-	-	-	100,000
Share grant payment granted	-	-	-	787	-	787
Transfer to regulatory reserves	-	-	45,999	-	(45,999)	-
At 31 December 2024	1,310,000	(1,463)	92,468	1,001	1,565,363	2,967,369

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

Affin Islamic Bank Berhad

Registration no. 200501027372 (709506-V)

Condensed Interim Financial Statements

Unaudited Statements of Changes In Equity for the Financial Quarter Ended 31 December 2025

	Non-Distributable				Distributable	Total equity RM'000
	Share capital RM'000	FVOCI revaluation reserves RM'000	Regulatory reserves RM'000	Other reserves RM'000	Retained profits RM'000	
The Bank						
At 1 January 2025	1,310,000	(1,463)	92,468	1,001	1,565,363	2,967,369
Net profit for the financial year	-	-	-	-	335,650	335,650
Other comprehensive income (net of tax)						
- Financial investments at FVOCI	-	14,353	-	-	-	14,353
Total comprehensive income for the financial year	-	14,353	-	-	335,650	350,003
Share grant scheme granted	-	-	-	1,192	-	1,192
Transfer to regulatory reserves	-	-	120,300	-	(120,300)	-
At 31 December 2025	1,310,000	12,890	212,768	2,193	1,780,713	3,318,564

	Non-Distributable				Distributable	Total equity RM'000
	Share capital RM'000	FVOCI revaluation reserves RM'000	Regulatory reserves RM'000	Other reserves RM'000	Retained profits RM'000	
The Bank						
At 1 January 2024	1,210,000	11,452	46,469	214	1,375,320	2,643,455
Net profit for the financial year	-	-	-	-	236,042	236,042
Other comprehensive income (net of tax)						
- Financial investments at FVOCI	-	(12,915)	-	-	-	(12,915)
Total comprehensive income for the financial year	-	(12,915)	-	-	236,042	223,127
Issued during the financial year	100,000	-	-	-	-	100,000
Share grant payment granted	-	-	-	787	-	787
Transfer to regulatory reserves	-	-	45,999	-	(45,999)	-
At 31 December 2024	1,310,000	(1,463)	92,468	1,001	1,565,363	2,967,369

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

Affin Islamic Bank Berhad

Registration no. 200501027372 (709506-V)

Condensed Interim Financial Statements

Unaudited Statements of Cash Flow for the Financial Quarter Ended 31 December 2025

	Economic Entity		The Bank	
	31/12/2025 RM'000	31/12/2024 RM'000	31/12/2025 RM'000	31/12/2024 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before taxation	449,737	323,347	449,737	323,347
Adjustments for items not involving the movement of cash and cash equivalents	(178,414)	(97,853)	(178,414)	(97,853)
Operating profit before changes in working capital	271,323	225,494	271,323	225,494
Net changes in operating assets	(5,135,130)	(4,316,673)	(5,135,130)	(4,316,673)
Net changes in operating liabilities	3,599,362	4,321,369	3,599,362	4,321,369
Tax and Zakat paid	(104,295)	(54,408)	(104,295)	(54,408)
Net cash (used in)/generated from operating activities	(1,368,740)	175,782	(1,368,740)	175,782
CASH FLOWS FROM INVESTING ACTIVITIES				
Finance income and profit received from:				
- financial investments at FVOCI	146,828	100,157	146,828	100,157
- financial investments at AC	179,021	174,077	179,021	174,077
Purchase of:				
- financial investments at FVOCI	(3,051,844)	(3,855,047)	(3,051,844)	(3,855,047)
- financial investments at AC	(34,800)	(269,312)	(34,800)	(269,312)
Redemption/Disposal of:				
- financial investments at FVOCI	3,937,905	1,570,193	3,937,905	1,570,193
- financial investments at AC	367,944	226,425	367,944	226,425
Proceeds from disposal of:				
- property and equipment	-	502	-	502
- foreclosed properties	-	10,592	-	10,592
Purchase of:				
- property and equipment	(644)	(700)	(644)	(700)
- intangible assets	(5)	(7)	(5)	(7)
Net cash generated from/(used in) investing activities	1,544,405	(2,043,120)	1,544,405	(2,043,120)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment in financing	(298,673)	-	(298,673)	-
Net issuance in Subordinated and Senior Sukuk	511,105	4,908	511,105	4,908
Issuance of new shares	-	100,000	-	100,000
Addition of recourse obligation on financing sold to Cagamas Berhad	800,000	1,000,000	800,000	1,000,000
Profit payment from recourse obligation on financing sold to Cagamas Berhad	(100,691)	(44,923)	(100,691)	(44,923)
Profit payment from Subordinated and Senior Sukuk	(110,192)	(108,865)	(110,192)	(108,865)
Lease payments	(102)	(116)	(102)	(116)
Net cash generated from financing activities	801,447	951,004	801,447	951,004
Net decrease in cash and cash equivalents	977,112	(916,334)	977,112	(916,334)
Effects of foreign exchange	(8,935)	(3,163)	(8,935)	(3,163)
Cash and cash equivalents at beginning of the financial year	2,442,382	3,361,879	2,442,382	3,361,879
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	3,410,559	2,442,382	3,410,559	2,442,382
CASH AND CASH EQUIVALENTS COMPRISE:				
Cash and short-term funds	3,410,559	2,442,382	3,410,559	2,442,382
Less: Cash and short-term funds and deposits and placements with banks and other financial institutions with original maturity of more than three months	-	-	-	-
	3,410,559	2,442,382	3,410,559	2,442,382

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

1 BASIS OF PREPARATION

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

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

The unaudited condensed interim financial statements have been prepared in accordance with MFRS 134 Interim Financial Reporting issued by the Malaysian Accounting Standards Board ('MASB') and Policy Document on Financial Reporting issued by Bank Negara Malaysia ('BNM').

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Bank for the financial year ended 31 December 2024. The explanatory notes to the interim financial statements provide an explanation of events and transactions that are significant to an understanding in the financial position and performance of the Bank since the financial year ended 31 December 2024.

2 ACCOUNTING POLICIES

The material accounting policies and methods of computation applied in the condensed interim financial statements are consistent with those applied in the annual financial statements for the financial year ended 31 December 2024, except for the adoption of the following amendments to MFRS that are applicable to the Bank effective for the financial year beginning on 1 January 2025:

Amendments to MFRS 121 'Lack of Exchangeability'

An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose.

A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.

When a currency is not exchangeable into another currency, the spot exchange rate needs to be estimated, i.e. to determine the rate at which an orderly exchange transaction would take place at that date between market participants under prevailing economic conditions.

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

When the amendments are first applied, an entity is not permitted to restate comparative information. Instead, the entity should translate the amount affected by foreign currency that lacks exchangeability using the estimated spot exchange rates at the date of initial application. Entity is also required to make additional disclosures when exchangeability is lacking.

3 AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the audited annual financial statements for the financial year ended 31 December 2024 was not subjected to any qualification.

4 SEASONAL OR CYCLICAL FACTORS

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

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

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

6 CHANGES IN ESTIMATES

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

7 SUKUK AND EQUITY SECURITIES

There were no shares issuance or cancellations, share buy-backs, resale of shares bought back and repayment of sukuk and equity securities by the Bank during the financial year other than the following:

Issuance/ Redemption	Issuance Date	First Call Date	Maturity Date	Nominal Value	Description	Tenure
Issuance	28 November 2025	Not applicable	28 May 2026	RM340.0 million	Islamic Commercial Paper	181 days
Issuance	25 September 2025	Not applicable	25 March 2026	RM115.0 million	Islamic Commercial Paper	181 days
Redemption	27 March 2025	Not applicable	25 September 2025	RM65.0 million	Islamic Commercial Paper	182 days
Redemption	27 September 2024	Not applicable	27 March 2025	RM5.0 million	Islamic Commercial Paper	181 days
Redemption	16 December 2022	Not applicable	16 December 2025	RM230.0 million	Senior Sukuk	5 years

8 DIVIDENDS PAID

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

9 SUBSEQUENT MATERIAL EVENTS

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

10 CHANGES IN THE COMPOSITION OF THE BANK

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

11 PURCHASE AND SALE OF QUOTED SECURITIES

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

12 STATUS OF CORPORATE PROPOSAL

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

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

	Economic Entity and The Bank	
	31/12/2025	31/12/2024
	RM'000	RM'000
At fair value		
<u>Money market instruments</u>		
Malaysian Government investment issues	473,259	392,859
<u>Unquoted securities</u>		
Commercial paper	29,839	-
Corporate Sukuk in Malaysia	13,250	45,300
Corporate Sukuk outside Malaysia	221,142	13,423
	<u>737,490</u>	<u>451,582</u>

14 DERIVATIVE FINANCIAL INSTRUMENTS

	Economic Entity and The Bank					
	31/12/2025			31/12/2024		
	Contract/ notional amount RM'000	Assets RM'000	Liabilities RM'000	Contract/ notional amount RM'000	Assets RM'000	Liabilities RM'000
At fair value						
<u>Trading Derivatives</u>						
Foreign exchange derivatives:						
- Currency forwards	2,834,267	34,690	19,636	787,659	5,280	5,328
- Currency options	22,782	4,514	4,514	17,943	42	42
Profit rate derivatives:						
- Profit rate swap	1,164,233	3,593	4,501	1,325,887	11,213	6,654
<u>Hedging Derivatives</u>						
Profit rate derivatives:						
- Profit rate swap	1,064,235	1,445	8,512	867,286	8,852	9,333
	<u>5,085,517</u>	<u>44,242</u>	<u>37,163</u>	<u>2,998,775</u>	<u>25,387</u>	<u>21,357</u>

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

	Economic Entity and The Bank	
	31/12/2025	31/12/2024
At fair value	RM'000	RM'000
Money market instruments		
Malaysian Government investment issues	787,268	1,204,132
Cagamas Sukuk	133,675	181,585
	920,943	1,385,717
Unquoted securities		
Commercial paper	-	29,838
Corporate Sukuk in Malaysia	852,174	1,743,469
Corporate Sukuk outside Malaysia	1,262,672	781,198
	3,035,789	3,940,222

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

	12-Month ECL Stage 1 RM'000	Lifetime ECL not credit impaired Stage 2 RM'000	Lifetime ECL credit impaired Stage 3 RM'000	Total RM'000
	Economic Entity and The Bank			
31/12/2025				
At beginning of the financial year	429	-	-	429
Financial assets derecognised (other than write-off)	(296)	-	-	(296)
New financial assets originated or purchased	797	-	-	797
Changes due to change in credit risk	(272)	-	-	(272)
Other adjustments				
- Foreign exchange and other movements	(56)	-	-	(56)
At end of the financial year	602	-	-	602
31/12/2024				
At beginning of the financial year	42	-	-	42
Financial assets derecognised (other than write-off)	(149)	-	-	(149)
New financial assets originated or purchased	438	-	-	438
Changes due to change in credit risk	107	-	-	107
Other adjustments				
- Foreign exchange and other movements	(9)	-	-	(9)
At end of the financial year	429	-	-	429

16 FINANCIAL INVESTMENTS AT AMORTISED COST ('AC')

	Economic Entity and The Bank	
	31/12/2025	31/12/2024
	RM'000	RM'000
At amortised cost		
<u>Money market instruments</u>		
Malaysian Government investment issues	2,354,737	2,370,750
Cagamas Sukuk	-	10,074
<u>Unquoted securities</u>		
Corporate Sukuk in Malaysia	<u>1,895,495</u>	<u>2,218,096</u>
	<u>4,250,232</u>	<u>4,598,920</u>
Fair value changes arising from fair value hedges	131	(313)
Less: Expected Credit Losses ('ECL')	<u>(453)</u>	<u>(3,646)</u>
	<u>4,249,910</u>	<u>4,594,961</u>

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

	12-Month ECL Stage 1 RM'000	Lifetime ECL not credit impaired Stage 2 RM'000	Lifetime ECL credit impaired Stage 3 RM'000	Total RM'000
	Economic Entity and Bank			
31/12/2025				
At beginning of the financial year	3,645	1	-	3,646
Financial assets derecognised (other than write-off)	(3,316)	-	-	(3,316)
New financial assets originated or purchased	50	-	-	50
Change due to change in credit risk	68	5	-	73
At end of the financial year	<u>447</u>	<u>6</u>	<u>-</u>	<u>453</u>
Economic Entity and Bank				
31/12/2024				
At beginning of the financial year	6,252	5	-	6,257
Financial assets derecognised (other than write-off)	(416)	-	-	468
New financial assets originated or purchased	468	-	-	(416)
Change due to change in credit risk	(2,659)	(4)	-	(2,663)
At end of the financial year	<u>3,645</u>	<u>1</u>	<u>-</u>	<u>3,646</u>

17 **FINANCING AND OTHER FINANCING**

(i) **By type**

	Economic Entity and The Bank	
	31/12/2025	31/12/2024
	RM'000	RM'000
Cash Line-i	1,093,889	856,320
Term financing		
- House financing	10,470,106	10,342,543
- Hire purchase receivables	9,383,159	7,882,486
- Syndicated financing	2,041,528	1,151,080
- Other term financing	12,399,130	10,405,745
Bills receivables	426,186	136,133
Trust receipts	25,850	22,354
Claims on customers under acceptances credits	1,568,054	1,239,055
Staff financing (of which RM Nil to Directors)	148,194	140,107
Credit/charge cards	134,661	94,064
Revolving credit	832,350	1,135,577
Gross financing and other financing	38,523,107	33,405,464
Less: ECL	(294,401)	(395,578)
Total net financing and other financing	38,228,706	33,009,886

Included in other term financing before expected credit losses as at reporting date is RM Nil (31 December 2024: RM57.7 million) of term financing disbursed by the Bank to a joint venture company Affin-i Nadayu Sdn Bhd.

(ii) **By maturity structure**

	Economic Entity and The Bank	
	31/12/2025	31/12/2024
	RM'000	RM'000
Maturing within one year	4,685,402	4,210,156
One year to three years	1,625,764	1,086,796
Three years to five years	2,902,214	2,238,380
Over five years	29,309,727	25,870,132
	38,523,107	33,405,464

17 FINANCING AND OTHER FINANCING (continued)

(iii) By contract

Economic Entity and The Bank 31/12/2025	Ijarah		Al-Ijarah		Musyarakah			Istisna'	Others	Total
	Al-Bai Bithaman Ajil	Muntahiyah Bitamlik	Thumma Al-Bai	Murabahah	Tawarruq	Mutanaqisah				
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Cash Line-i	-	-	-	-	1,087,126	-	-	-	6,763	1,093,889
Term financing										
- House financing	389,698	-	-	-	599,429	9,480,979	-	-	-	10,470,106
- Hire purchase receivables	-	-	9,383,159	-	-	-	-	-	-	9,383,159
- Syndicated financing	-	140,937	-	-	1,900,591	-	-	-	-	2,041,528
- Other term financing	32,575	406,705	-	38,238	10,275,464	1,137,168	508,980	-	-	12,399,130
Bills receivables	-	11,754	-	132,668	-	-	-	-	281,764	426,186
Trust receipts	-	-	-	25,850	-	-	-	-	-	25,850
Claims on customers under acceptances credits	-	-	-	1,568,054	-	-	-	-	-	1,568,054
Staff financing	1,347	-	-	33,680	57,369	55,798	-	-	-	148,194
Credit/charge cards	-	-	-	-	134,661	-	-	-	-	134,661
Revolving credit	-	-	-	-	832,350	-	-	-	-	832,350
Gross financing and other financing	423,620	559,396	9,383,159	1,798,490	14,886,990	10,673,945	508,980	288,527	288,527	38,523,107

Economic Entity and The Bank 31/12/2024	Ijarah		Al-Ijarah		Musyarakah			Istisna'	Others	Total
	Al-Bai Bithaman Ajil	Muntahiyah Bitamlik	Thumma Al-Bai	Murabahah	Tawarruq	Mutanaqisah				
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Cash Line-i	-	-	-	-	847,887	-	-	-	8,433	856,320
Term financing										
- House financing	427,989	-	-	-	438,889	9,475,665	-	-	-	10,342,543
- Hire purchase receivables	-	-	7,882,486	-	-	-	-	-	-	7,882,486
- Syndicated financing	-	184,761	-	-	966,319	-	-	-	-	1,151,080
- Other term financing	39,641	396,796	-	41,344	8,343,880	1,119,194	464,890	-	-	10,405,745
Bills receivables	-	7,672	-	67,574	-	-	-	-	60,887	136,133
Trust receipts	-	-	-	22,354	-	-	-	-	-	22,354
Claims on customers under acceptances credits	-	-	-	1,239,055	-	-	-	-	-	1,239,055
Staff financing	1,682	-	-	33,867	48,923	55,635	-	-	-	140,107
Credit/charge cards	-	-	-	-	94,064	-	-	-	-	94,064
Revolving credit	-	-	-	-	1,135,577	-	-	-	-	1,135,577
Gross financing and other financing	469,312	589,229	7,882,486	1,404,194	11,875,539	10,650,494	464,890	69,320	69,320	33,405,464

17 FINANCING AND OTHER FINANCING (continued)

	Economic Entity and The Bank	
	31/12/2025	31/12/2024
	RM'000	RM'000
(iv) <u>By type of customer</u>		
Domestic non-banking institutions		
- Others	157,573	69,833
Domestic business enterprises		
- Small medium enterprises	3,336,269	3,049,935
- Others	6,504,439	5,455,128
Government and statutory bodies	522,470	793,374
Individuals	27,522,176	23,945,902
Other domestic entities	19	6,411
Foreign entities	480,161	84,881
	38,523,107	33,405,464
(v) <u>By profit rate sensitivity</u>		
Fixed rate		
- House financing	69,644	62,426
- Hire purchase receivables	8,389,221	7,229,190
- Other fixed rate financing	498,886	888,718
Variable rate		
- Base funding rate and base rate plus	13,430,191	13,573,561
- Cost plus	3,861,916	3,394,736
- Other variable rate	12,273,249	8,256,833
	38,523,107	33,405,464
(vi) <u>By economic sector</u>		
Primary agriculture	910,119	740,541
Mining and quarrying	67,281	57,711
Manufacturing	1,618,224	1,453,467
Electricity, gas and water supply	964,538	413,422
Construction	1,195,722	1,032,926
Real estate	1,326,264	1,083,425
Wholesale & retail trade and restaurants & hotels	1,804,490	1,615,149
Transport, storage and communication	1,110,789	1,100,753
Finance, takaful and business services	719,343	522,286
Education, health & others	1,221,295	1,379,631
Household	27,584,628	24,005,671
Others	414	482
	38,523,107	33,405,464
(vii) <u>By economic purpose</u>		
Purchase of securities	2,987,404	1,803,171
Purchase of transport vehicles	9,699,800	8,175,018
Purchase of landed properties of which:		
- Residential	10,614,620	10,494,116
- Non-residential	2,095,732	2,062,814
Fixed assets other than land and building	262,988	257,065
Personal use	5,267,381	4,131,880
Credit/charge cards	134,661	94,064
Consumer durable	334	306
Construction	884,803	831,675
Working capital	5,874,974	4,805,327
Others	700,410	750,028
	38,523,107	33,405,464

17 FINANCING AND OTHER FINANCING (continued)

	Economic Entity and The Bank	
	31/12/2025	31/12/2024
	RM'000	RM'000
(viii) <u>By geographical distribution</u>		
Perlis	158,542	136,351
Kedah	2,035,792	1,676,660
Pulau Pinang	1,930,008	1,880,878
Perak	1,615,902	1,284,809
Selangor	12,480,309	10,713,670
Wilayah Persekutuan	5,881,892	6,048,256
Negeri Sembilan	1,843,851	1,680,510
Melaka	747,774	633,483
Johor	4,495,974	3,897,058
Pahang	1,416,131	1,274,129
Terengganu	1,154,227	1,030,302
Kelantan	961,584	842,698
Sarawak	1,491,453	1,095,593
Sabah	1,215,039	1,013,139
Labuan	142,346	196,098
Putrajaya	544,290	-
Outside Malaysia	407,993	1,830
	38,523,107	33,405,464

(ix) Movements of impaired financing

	Economic Entity and The Bank	
	31/12/2025	31/12/2024
	RM'000	RM'000
At beginning of the financial year	305,850	220,978
Classified as impaired	424,159	474,586
Reclassified as non-impaired	(268,800)	(239,033)
Amount recovered	(42,199)	(81,586)
Amount written-off	(106,569)	(69,095)
At end of the financial year	312,441	305,850
Ratio of gross impaired financing and other financing to gross financing and other financing*	0.84%	0.98%

* For the Bank, Restricted Investment Account ('RIA') amounted to RM2,553.3 million (31 December 2024: RM3,259.6 million) with impaired financing amounting to RM11.5 million (31 December 2024: RM11.4 million), were excluded from the ratio calculation.

The outstanding contractual amounts of such assets written-off during the quarter ended 31 December 2025 for the Bank was RM106.6 million (2024: RM69.1 million).

17 FINANCING AND OTHER FINANCING (continued)

	Economic Entity and The Bank	
	31/12/2025	31/12/2024
	RM'000	RM'000
(x) <u>Impaired financing by economic sectors</u>		
Primary agriculture	190	176
Mining and quarrying	53	-
Manufacturing	5,873	6,425
Electricity, gas and water supply	-	42
Construction	23,099	28,255
Real estate	8,957	15,414
Wholesale & retail trade and restaurants & hotels	47,194	46,547
Transport, storage and communication	7,831	7,185
Finance, takaful and business services	13,879	13,896
Education, health and others	2,049	2,297
Household	203,316	185,613
	312,441	305,850
(xi) <u>Impaired financing by economic purpose</u>		
Purchase of securities	4	173
Purchase of transport vehicles	53,281	38,328
Purchase of landed properties of which:		
- Residential	138,548	131,939
- Non-residential	28,305	37,676
Personal use	20,009	16,906
Credit card	669	228
Working capital	70,818	79,842
Others	807	758
	312,441	305,850
(xii) <u>Impaired financing by geographical distribution</u>		
Perlis	4,422	3,894
Kedah	24,125	23,692
Pulau Pinang	16,018	14,981
Perak	10,952	10,569
Selangor	125,328	124,461
Wilayah Persekutuan	58,096	53,622
Negeri Sembilan	15,119	14,074
Melaka	8,464	13,279
Johor	23,387	24,274
Pahang	7,567	6,836
Terengganu	4,244	3,450
Kelantan	10,165	8,720
Sarawak	1,131	525
Sabah	3,312	3,473
Labuan	111	-
	312,441	305,850

17 FINANCING AND OTHER FINANCING (continued)

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

Economic Entity and The Bank 31/12/2025	12-Month	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total RM'000
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	
At beginning of the financial year	64,380	216,903	114,295	395,578
Total transfer between stages due to change in credit risk:	(933,042)	975,861	(42,819)	-
- Transfer to 12-month ECL (Stage 1)	50,130	(40,567)	(9,563)	-
- Transfer to Lifetime ECL not credit impaired (Stage 2)	(983,143)	1,036,868	(53,725)	-
- Transfer to Lifetime ECL credit impaired (Stage 3)	(29)	(20,440)	20,469	-
Financing derecognised (other than write-off)	(16,725)	(1,073,245)	(4,192)	(1,094,162)
New financing originated or purchased	1,007,333	-	-	1,007,333
Changes due to change in credit risk	(57,852)	13,535	90,332	46,015
Write-off	-	-	(65,464)	(65,464)
Other adjustments	(41)	(4)	5,146	5,101
At end of the financial year	64,053	133,050	97,298	294,401

Economic Entity and The Bank 31/12/2024	ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total RM'000
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	
At beginning of the financial year	52,663	294,440	82,275	429,378
Total transfer between stages due to change in credit risk:	(108,497)	137,310	(28,813)	-
- Transfer to 12-month ECL (Stage 1)	35,659	(27,627)	(8,032)	-
- Transfer to Lifetime ECL not credit impaired (Stage 2)	(142,421)	192,763	(50,342)	-
- Transfer to Lifetime ECL credit impaired (Stage 3)	(1,735)	(27,826)	29,561	-
Financing derecognised (other than write-off)	(16,489)	(188,402)	(5,221)	(210,112)
New financing originated or purchased	170,247	-	-	170,247
Changes due to change in credit risk	(33,573)	(26,447)	112,396	52,376
Write-off	-	-	(55,319)	(55,319)
Other adjustments	29	2	8,977	9,008
At end of the financial year	64,380	216,903	114,295	395,578

18 OTHER ASSETS

	Economic Entity and The Bank	
	31/12/2025	31/12/2024
	RM'000	RM'000
Other debtors and deposits	73,390	65,106
Prepayments	99,545	76,208
Cheque clearing accounts	1,641	37,145
Foreclosed properties (i)	2,823	2,823
Less: Expected credit losses (ii)	(6,916)	(6,916)
	170,483	174,366
(i) Foreclosed properties		
At beginning of the financial year	2,823	13,415
Disposal	-	(10,592)
At end of the financial year	2,823	2,823
(ii) Movement in expected credit losses		
At beginning of the financial year	6,916	-
Allowance made	-	16,800
Amount written-back	-	(9,884)
At end of the financial year	6,916	6,916

19 AMOUNT DUE FROM JOINT VENTURES

	Economic Entity and The Bank	
	31/12/2025	31/12/2024
	RM'000	RM'000
Advances to joint ventures	49,758	47,254
Less: Expected credit losses	(49,758)	(42,615)
	-	4,639
	31/12/2025	31/12/2024
Movements in expected credit losses		
At beginning of the financial year	42,615	52,467
Charge during the financial year	7,143	32
Other adjustment	-	(9,884)
At end of the financial year	49,758	42,615

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

20 DEPOSITS FROM CUSTOMERS

	Economic Entity and The Bank	
	31/12/2025	31/12/2024
	RM'000	RM'000
(i) <u>By type of deposit</u>		
Qard		
Demand deposits	7,539,973	6,879,112
Savings deposits	738,665	786,248
	8,278,638	7,665,360
Mudarabah		
General investment deposits	27,306	27,660
Tawarruq		
Murabahah term deposits	22,099,127	17,947,587
Commodity Murabahah	856,351	576,349
Savings deposits	340,675	1,373,544
Demand deposit	788,401	1,172,362
	24,084,554	21,069,842
	32,390,498	28,762,862
(ii) <u>By maturity structure of Murabahah term deposits and general investment deposits</u>		
Due within six months	15,857,051	12,279,457
Six months to one year	6,257,694	5,680,841
One year to three years	11,668	14,635
Three years to five years	20	314
	22,126,433	17,975,247
(iii) <u>By type of customer</u>		
Government and statutory bodies	10,880,070	9,160,954
Business enterprises	10,322,045	8,612,294
Individuals	9,405,590	9,563,299
Domestic banking institutions	1,015,430	500
Domestic non-banking financial institutions	222,285	895,545
Foreign entities	208,575	180,485
Others entities	336,503	349,785
	32,390,498	28,762,862

21 INVESTMENT ACCOUNTS OF CUSTOMERS

	Economic Entity and The Bank	
	31/12/2025	31/12/2024
	RM'000	RM'000
(i) <u>By type of deposit</u>		
Mudarabah	1,164,406	757,600
(ii) <u>By maturity structure</u>		
Due within six months	840,932	755,891
Six months to one year	323,474	1,709
	1,164,406	757,600
(iii) <u>By type of customer</u>		
Individuals	1,101,088	-
Corporate	30,625	754,503
Other entities	32,693	3,097
	1,164,406	757,600
(iv) <u>By contract</u>		
Business Term Financing	1,164,406	757,600
(v) <u>Movements in investment accounts</u>		
At beginning of the financial year	757,600	359
New placement	1,194,319	757,600
Redemption	(815,707)	(357)
Finance expense	63,936	3
Profit distributed	(35,742)	(5)
At end of the financial year	1,164,406	757,600
Of which Term Investment Account-i ('TIA') investment asset:		
Personal financing	1,164,406	757,600

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

	Economic Entity and The Bank			
	31/12/2025		31/12/2024	
	Average profit sharing ratio ('PSR') %	Average rate of return ('ROR') %	Average profit sharing ratio ('PSR') %	Average rate of return ('ROR') %
<u>Due within:</u>				
Six months to one year	49	3.73	85	5.56

22 DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	Economic Entity and The Bank	
	31/12/2025	31/12/2024
	RM'000	RM'000
Tawarruq		
Licensed banks	506,020	362,533
Licensed investment banks	265,570	132,010
Other financial institutions	3,307,635	3,670,231
	4,079,225	4,164,774
Maturity structure of deposits		
Due within six months	3,602,094	3,611,694
Six months to one year	477,131	553,080
	4,079,225	4,164,774

23 INVESTMENT ACCOUNTS DUE TO DESIGNATED FINANCIAL INSTITUTIONS

	Economic Entity and The Bank	
	31/12/2025	31/12/2024
	RM'000	RM'000
Mudarabah		
Licensed banks	2,559,509	3,262,300
	Economic Entity and The Bank	
	31/12/2025	31/12/2024
	RM'000	RM'000
Movements in investment accounts		
At beginning of the financial year	3,262,300	3,579,578
New placement	411,072	346,460
Redemption	(1,109,677)	(666,611)
Finance expense on Restricted Investment Account ('RIA')	142,473	206,623
Profit distributed	(145,449)	(167,897)
Exchange differences	(1,210)	(35,853)
At end of the financial year	2,559,509	3,262,300

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

	Economic Entity and The Bank			
	31/12/2025		31/12/2024	
	Average PSR %	Average ROR %	Average PSR %	Average ROR %
<u>Due within:</u>				
One month	86	4.81	74	4.89
One to three months	92	5.46	-	-
Three to six months	85	4.80	63	4.83
Six months to one year	90	5.56	88	4.82
One year to three years	83	5.15	84	5.65
Three years to five years	78	5.12	92	5.66
Five years and above	84	4.83	85	4.93

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

Inclusive of RIA is an amount placed by the holding company amounting to RM2,559.5 million (31 December 2024: RM3,262.3 million). These investments are used to fund certain specific financing. The RIA is a contract based on the Mudarabah principle between two parties to finance a financing where the investor (i.e. 'Affin Bank Berhad') solely provides capital and the business venture is managed solely by the Mudarib (Manager) (i.e. 'the Bank'). The profit of the business venture is shared between both parties based on pre-agreed ratio. Losses shall be borne by the investor.

24 OTHER LIABILITIES

	Economic Entity and The Bank	
	31/12/2025	31/12/2024
	RM'000	RM'000
Bank Negara Malaysia and Credit Guarantee Corporation Funding programmes	38,894	21,376
Clearing accounts	29,514	-
Margin and collateral deposits	35,172	26,376
Other creditors and accruals	6,140	49,596
Sundry creditors	78,157	56,958
Structured Investment Product	742,018	-
Provision for zakat	3,718	3,965
Defined contribution plan (i)	1,655	2,044
Accrued employee benefits	2,942	4,632
Charity funds (ii)	47	42
Contract Liability	62,112	86,550
Expected credit losses: Financing commitments and financial kafalah (iii)	7,194	5,085
	1,007,563	256,624

(i) Defined contribution plan

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

	Economic Entity and The Bank	
	31/12/2025	31/12/2024
	RM'000	RM'000
(ii) Charity funds		
At beginning of the financial year	42	16
<u>Sources of charity funds</u>		
- Non-Islamic/prohibited income	4	60
- Affin Barakah Charity Account-i	5	9
<u>Uses of charity funds</u>		
- Contribution to non-profit organisation	(4)	(10)
- Contribution to program/event	-	(33)
	(4)	(43)
At end of the financial year	47	42

The source of charity funds were from the following categories:

- Sources from Shariah non-compliant events.
- Affin Barakah Charity Account-i refers to a savings account with element of "Save and Donate" by transferring the earned profit to charity with the flexibility to change the percentage of contribution agreed by the depositor.
- Any other charity allocation by the Bank or funds collected from customers/depositors.

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

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

	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
Economic Entity and the Bank				
31/12/2025				
At beginning of the financial year	2,726	1,269	1,090	5,085
Net remeasurement of loss allowance	(445)	2,261	(272)	1,544
New financing commitments/financial kafalah	2,872	-	-	2,872
Financing commitment/financial kafalah derecognised	(1,606)	(560)	(141)	(2,307)
At end of the financial year	3,547	2,970	677	7,194
Economic Entity and the Bank				
31/12/2024				
At beginning of the financial year	4,357	1,787	843	6,987
Net remeasurement of loss allowance	(2,403)	331	825	(1,247)
New financing commitments and financial kafalah	2,097	940	-	3,037
Financing commitment/financial kafalah derecognised	(1,325)	(1,789)	(578)	(3,692)
At end of the financial year	2,726	1,269	1,090	5,085

25 LEASE LIABILITIES

	Economic Entity and The Bank	
	31/12/2025	31/12/2024
	RM'000	RM'000
At beginning of financial year	162	271
Finance expense	3	7
Lease payment	(102)	(116)
At end of the financial year	63	162

26 SUBORDINATED AND SENIOR SUKUK

	Economic Entity and The Bank	
	31/12/2025	31/12/2024
	RM'000	RM'000
(a) Medium Term Notes Tier-2 Sukuk Murabahah ('MTN Tier-2 Sukuk Murabahah')	505,178	505,178
(b) Additional Tier-1 Sukuk Wakalah ('AT1S')	505,808	505,808
(c) Senior Sukuk	1,122,413	1,352,849
(d) Islamic Commercial Paper ('ICP')	449,418	4,956
	2,582,817	2,368,791

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

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

(c) The Bank had on 16 December 2022, issued two Senior Sukuk of RM230.0 million for a tenure of 3 years from the issue date, at a profit rate of 4.55% p.a and RM520.0 million for a tenure of 5 years from the issue date, at a profit rate of 4.75% p.a. The Senior Sukuk was issued for the purpose of general banking business and working capital requirements of the Bank. The RM230.0 million Sukuk was fully redeemed on 16 December 2025.

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

(d) The Bank had on 27 September 2024, issued an ICP of RM5.0 million for a tenure of 181 days from the issue date, at a profit rate of 3.70% p.a. The ICP of RM5.0 million was fully redeemed on 27 March 2025.

On 27 March 2025, the Bank issued another tranche of ICP of RM65.0 million for a tenure of 182 days from the issue date, at a profit rate of 3.81% p.a. The ICP was issued for the purpose of general banking business and working capital requirements of the Bank. The ICP of RM65.0 million was fully redeemed on 25 September 2025.

On 25 September 2025, the Bank issued another tranche of ICP of RM115.0 million for a tenure of 181 days from the issue date, at a profit rate of 3.38% p.a. The ICP was issued for the purpose of general banking business and working capital requirements of the Bank.

On 28 November 2025, the Bank issued another tranche of ICP of RM340.0 million for a tenure of 181 days from the issue date, at a profit rate of 3.40% p.a. The ICP was issued for the purpose of general banking business and working capital requirements of the Bank.

27 SHARE CAPITAL

	Economic Entity and the Bank			
	31/12/2025	31/12/2024	31/12/2025	31/12/2024
	Number of ordinary shares ('000)		RM'000	RM'000
Ordinary share issued and fully paid:				
At beginning of the financial year	1,171,515	1,128,807	1,310,000	1,210,000
Issued during the financial year	-	42,708	-	100,000
At end of the financial year	1,171,515	1,171,515	1,310,000	1,310,000

During the financial year ended 31 December 2025, there were no new ordinary shares were issued.

28 RESERVES

	Economic Entity		The Bank	
	31/12/2025	31/12/2024	31/12/2025	31/12/2024
	RM'000	RM'000	RM'000	RM'000
Retained profits	1,780,713	1,565,363	1,780,713	1,565,363
FVOCI revaluation reserves (a)	12,890	(1,463)	12,890	(1,463)
Regulatory reserves (b)	212,768	92,468	212,768	92,468
Other reserves (c)	2,193	1,001	2,193	1,001
	2,008,564	1,657,369	2,008,564	1,657,369

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

29 INCOME FROM ISLAMIC BANKING BUSINESS

	Economic Entity and The Bank		Economic Entity and The Bank	
	Individual Quarter Ended		Cumulative Quarter Ended	
	31/12/2025	31/12/2024	31/12/2025	31/12/2024
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds and others	500,327	461,165	1,967,445	1,693,968
Income derived from investment of investment account funds	41,947	47,689	170,962	189,534
Income derived from investment of shareholders' funds	48,837	41,362	184,432	156,686
Income attributable to depositors and others	(333,270)	(313,401)	(1,318,560)	(1,171,114)
Income attributable to investment account holders	(30,880)	(41,463)	(144,479)	(170,090)
	226,961	195,352	859,800	698,984

30 INCOME DERIVED FROM INVESTMENT OF DEPOSITORS' FUNDS AND OTHERS

	Economic Entity and The Bank		Economic Entity and The Bank	
	Individual Quarter Ended		Cumulative Quarter Ended	
	31/12/2025	31/12/2024	31/12/2025	31/12/2024
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of:				
- General investment deposits (i)	313,751	267,123	1,207,812	1,027,391
- Other deposits (ii)	186,576	194,042	759,633	666,577
	500,327	461,165	1,967,445	1,693,968

(i) INCOME DERIVED FROM INVESTMENT OF GENERAL INVESTMENT DEPOSITS

	Economic Entity and The Bank		Economic Entity and The Bank	
	Individual Quarter Ended		Cumulative Quarter Ended	
	31/12/2025	31/12/2024	31/12/2025	31/12/2024
	RM'000	RM'000	RM'000	RM'000
Finance income and profit				
Financing and other financing	240,330	197,997	908,359	777,594
Financial investments at FVOCI	16,551	20,093	75,226	60,754
Financial investments at AC	22,892	21,847	92,528	88,755
Money at call and deposit placements with financial institution	7,981	7,333	30,760	39,041
	287,754	247,270	1,106,873	966,144
Accretion of discount less amortisation of premium	(3,273)	(3,190)	(13,083)	(11,531)
Total finance income and profit	284,481	244,080	1,093,790	954,613
Other operating income				
Fee income:				
Commission	6,332	3,875	19,874	14,779
Service charges and fees	3,143	2,357	9,372	8,009
Kafalah fees	1,288	1,001	3,971	3,097
	10,763	7,233	33,217	25,885
Fee and comission paid	(22)	(12)	(73)	(82)
Income from financial instruments:				
Gain arising on financial assets at FVTPL				
- net gain on disposal	622	515	4,425	1,160
- finance income	2,978	1,533	15,496	4,279
Net gain/losses on revaluation of derivative				
- realised	(642)	4,917	(2,005)	1,652
- unrealised	1,278	3,412	(6,137)	3,412
Gain on sale of financial investments at FVOCI	4,595	933	27,900	3,337
Gain arising from redemption of financial investments at AC	3,842	1,548	3,842	1,548
Unrealised gain/(losses) on fair value changes arising from fair value hedges	(774)	(2,724)	2,332	218
	11,899	6,722	45,853	15,606
Other income:				
Foreign exchange (loss)/profit				
- realised	(2,352)	5,695	15,694	19,985
- unrealised	7,086	62	7,853	1,000
Other non-operating income	1,896	3,343	11,478	10,384
	6,630	9,100	35,025	31,369
Total income derived from investment of general investment deposits	313,751	267,123	1,207,812	1,027,391

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

(ii) INCOME DERIVED FROM INVESTMENT OF OTHER DEPOSITS

	Economic Entity and The Bank		Economic Entity and The Bank	
	Individual Quarter Ended 31/12/2025 RM'000	31/12/2024 RM'000	Cumulative Quarter Ended 31/12/2025 RM'000	31/12/2024 RM'000
Finance income and profit				
Financing and other financing	143,114	144,267	571,294	504,507
Financial investments at FVOCI	9,704	14,146	47,312	39,418
Financial investments at AC	13,560	15,999	58,194	57,585
Money at call and deposit placements with financial institution	4,746	5,623	19,346	25,330
	<u>171,124</u>	<u>180,035</u>	<u>696,146</u>	<u>626,840</u>
Accretion of discount less amortisation of premium	(1,940)	(2,297)	(8,228)	(7,481)
Total finance income and profit	<u>169,184</u>	<u>177,738</u>	<u>687,918</u>	<u>619,359</u>
Other operating income				
Fee income:				
Commission	3,819	2,811	12,499	9,589
Service charges and fees	1,902	1,683	5,894	5,196
Kafalah fees	779	707	2,498	2,010
	<u>6,500</u>	<u>5,201</u>	<u>20,891</u>	<u>16,795</u>
Fee and commission paid	(12)	(10)	(44)	(53)
Income from financial instruments:				
Gain arising on financial assets at FVTPL				
- net gain on disposal	345	352	2,783	753
- finance income	1,721	1,069	9,746	2,776
Net losses/gain on revaluation of derivative				
- realised	(386)	-	(1,262)	-
- unrealised	893	3,193	(3,859)	3,285
Gain on sale of financial investments at FVOCI	2,609	671	17,547	2,165
Gain arising from redemption of financial investments at AC	2,417	1,005	2,417	1,005
Unrealised (losses)/gain on fair value changes arising from fair value hedges	(524)	(1,688)	1,467	141
	<u>7,075</u>	<u>4,602</u>	<u>28,839</u>	<u>10,125</u>
Other income:				
Foreign exchange (loss)/profit				
- realised	(1,695)	4,085	9,871	12,966
- unrealised	4,447	65	4,939	648
Other non-operating income	1,077	2,361	7,219	6,737
	<u>3,829</u>	<u>6,511</u>	<u>22,029</u>	<u>20,351</u>
Total income derived from investment of other deposits	<u>186,576</u>	<u>194,042</u>	<u>759,633</u>	<u>666,577</u>

31 INCOME DERIVED FROM INVESTMENT OF INVESTMENT ACCOUNT

	Economic Entity and The Bank		Economic Entity and The Bank	
	Individual Quarter Ended 31/12/2025 RM'000	31/12/2024 RM'000	Cumulative Quarter Ended 31/12/2025 RM'000	31/12/2024 RM'000
Finance income and profit				
Financing and other financing	32,176	35,314	128,574	143,451
Financial investments at FVOCI	2,181	3,622	10,648	11,208
Financial investments at AC	3,048	3,891	13,097	16,374
Money at call and deposit placements with financial institution	1,067	1,286	4,354	7,202
	38,472	44,113	156,673	178,235
Accretion of discount less amortisation of premium	(436)	(571)	(1,852)	(2,127)
Total finance income and profit	38,036	43,542	154,821	176,108
Other operating income				
Fee income:				
Commission	859	691	2,813	2,726
Service charges and fees	428	422	1,327	1,477
Kafalah fees	175	180	562	571
	1,462	1,293	4,702	4,774
Fee and comission paid	(3)	(2)	(10)	(15)
Income from financial instruments:				
Gain arising on financial assets at FVTPL				
- net gain on disposal	77	94	626	214
- finance income	387	277	2,194	789
Net losses/gain on revaluation of derivative				
- realised	(85)	-	(283)	-
- unrealised	201	907	(869)	935
Gain on sale of financial investments at FVOCI	586	168	3,949	616
Gain arising from redemption of financial investments at AC	544	286	544	286
Unrealised (losses)/gain on fair value changes arising from fair value hedges	(117)	(509)	331	40
	1,593	1,223	6,492	2,880
Other income:				
Foreign exchange (loss)/profit				
- realised	(383)	1,021	2,221	3,687
- unrealised	1,001	9	1,112	184
Other non-operating income	241	603	1,624	1,916
	859	1,633	4,957	5,787
Total income derived from investment of investment account	41,947	47,689	170,962	189,534

32 INCOME DERIVED FROM INVESTMENT OF SHAREHOLDERS' FUNDS

	Economic Entity and The Bank		Economic Entity and The Bank	
	Individual Quarter Ended 31/12/2025 RM'000	31/12/2024 RM'000	Cumulative Quarter Ended 31/12/2025 RM'000	31/12/2024 RM'000
Finance income and profit				
Financing and other financing	37,393	30,672	138,706	118,590
Financial investments at FVOCI	2,588	3,098	11,487	9,266
Financial investments at AC	3,568	3,387	14,129	13,536
Money at call and deposit placements with financial institution	1,242	1,144	4,697	5,954
	<u>44,791</u>	<u>38,301</u>	<u>169,019</u>	<u>147,346</u>
Accretion of discount less amortisation of premium	(510)	(494)	(1,998)	(1,759)
Total finance income and profit	<u>44,281</u>	<u>37,807</u>	<u>167,021</u>	<u>145,587</u>
Other operating income				
Fee income:				
Commission	981	600	3,035	2,254
Service charges and fees	486	364	1,431	1,221
Kafalah fees	199	154	606	472
	<u>1,666</u>	<u>1,118</u>	<u>5,072</u>	<u>3,947</u>
Fee and comission paid	(3)	(1)	(11)	(12)
Income from financial instruments:				
Gain/(loss) arising on financial assets at FVTPL				
- net gain on disposal	99	79	676	177
- finance income	467	236	2,366	653
Net losses/gain on revaluation of derivative				
- realised	(100)	-	(306)	-
- unrealised	187	750	(937)	772
Gain on sale of financial investments at FVOCI	726	144	4,260	509
Gain arising from redemption of financial investments at AC	587	236	587	236
Unrealised gain/(losses) on fair value changes arising from fair value hedges	(115)	(413)	356	33
	<u>1,851</u>	<u>1,032</u>	<u>7,002</u>	<u>2,380</u>
Other income:				
Foreign exchange (loss)/profit				
- realised	(340)	880	2,397	3,048
- unrealised	1,083	10	1,199	152
Other non-operating income	299	516	1,752	1,584
	<u>1,042</u>	<u>1,406</u>	<u>5,348</u>	<u>4,784</u>
Total income derived from investment of shareholders' fund	<u>48,837</u>	<u>41,362</u>	<u>184,432</u>	<u>156,686</u>

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

	Economic Entity and The Bank		Economic Entity and The Bank	
	Individual Quarter Ended 31/12/2025	31/12/2024	Cumulative Quarter Ended 31/12/2025	31/12/2024
	RM'000	RM'000	RM'000	RM'000
Expected credit loss (written-back)/made on:				
- financing and other financing	(29,122)	(22,673)	(40,859)	12,542
- securities	(3,425)	(757)	(3,021)	(2,230)
- financing commitments and financial kafalah	1,340	(1,810)	2,109	(1,902)
Impaired financing				
- recovered	(6,231)	(3,319)	(17,687)	(13,559)
- written-off	7,236	4,745	32,082	12,348
	(30,202)	(23,814)	(27,376)	7,199

34 ALLOWANCES FOR IMPAIRMENT LOSSES ON OTHER ASSETS

	Economic Entity and The Bank		Economic Entity and The Bank	
	Individual Quarter Ended 31/12/2025	31/12/2024	Cumulative Quarter Ended 31/12/2025	31/12/2024
	RM'000	RM'000	RM'000	RM'000
Allowance for impairment made on:				
- amount due from joint ventures	659	-	7,143	32
- other assets	-	-	-	6,916
	659	-	7,143	6,948

35 INCOME ATTRIBUTABLE TO THE DEPOSITORS AND OTHERS

	Economic Entity and The Bank		Economic Entity and The Bank	
	Individual Quarter Ended 31/12/2025	31/12/2024	Cumulative Quarter Ended 31/12/2025	31/12/2024
	RM'000	RM'000	RM'000	RM'000
Deposits from customers				
- mudarabah	204	172	812	720
- non-mudarabah	246,549	221,149	978,445	837,325
Deposits and placements of banks and other financial institutions				
- murabahah	31,227	44,318	125,009	166,520
Subordinated and Senior Sukuk	28,870	27,328	111,786	108,978
Recourse obligation on financing sold to Cagamas Berhad	26,056	20,430	102,161	57,547
Others	364	4	347	24
	333,270	313,401	1,318,560	1,171,114

36 INCOME ATTRIBUTABLE TO THE INVESTMENT ACCOUNT HOLDERS

	Economic Entity and The Bank		Economic Entity and The Bank	
	Individual Quarter Ended 31/12/2025	31/12/2024	Cumulative Quarter Ended 31/12/2025	31/12/2024
	RM'000	RM'000	RM'000	RM'000
Restricted investment account - Mudarabah	30,880	41,463	144,479	170,090

37 OTHER OPERATING EXPENSES

	Economic Entity and The Bank		Economic Entity and The Bank	
	Individual Quarter Ended 31/12/2025	31/12/2024	Cumulative Quarter Ended 31/12/2025	31/12/2024
	RM'000	RM'000	RM'000	RM'000
<u>Personnel costs</u>				
Wages, salaries and bonuses	53,262	49,311	192,653	189,177
Defined contribution plan ('EPF')	14,025	8,186	37,980	32,541
Other personnel costs	4,644	16,692	35,301	20,505
	71,931	74,189	265,934	242,223
<u>Establishment costs</u>				
Equipment rental	1,438	154	1,903	614
Repair and maintenance	21,247	14,424	64,710	57,697
Depreciation of property and equipment	23	26	93	118
Depreciation of right-of-use assets	16	44	95	105
Amortisation of intangible assets	29	28	113	140
Dataline rental	7,364	2,446	14,750	9,783
Security services	2,827	1,550	7,484	6,177
Electricity, water and sewerage	793	1,251	4,497	4,995
Licence fees	4	76	231	305
Takaful and indemnities	985	782	5,794	5,328
Other establishment costs	1,001	499	24,030	5,842
	37,709	21,280	125,682	91,104
<u>Marketing expenses</u>				
Business promotion and advertisement	500	91	1,361	595
Entertainment	511	18	561	65
Travelling and accommodation	178	300	986	1,249
Brokerage expenses	366	406	1,734	1,551
Other marketing expenses	412	334	2,040	2,612
	1,967	1,149	6,682	6,072
<u>Administration and general expenses</u>				
Telecommunication expenses	80	587	1,215	1,325
Auditors' remuneration	177	146	508	424
Professional fees	1,882	(4,387)	3,538	3,157
Property and equipment written-off	3	(10)	3	-
Mail and courier charges	639	(510)	719	104
Stationery and consumables	2,404	(646)	3,660	3,094
Directors' fees and allowances	646	895	2,292	2,264
Shariah fees	86	141	552	531
Donations	73	266	251	363
Settlement, clearing and bank charges	1,334	2,443	5,146	4,470
Stamp duties	65	8	87	29
Other administration and general expenses	63	939	9,077	960
	7,452	(128)	27,048	16,721
Total other operating expenses	119,059	96,490	425,346	356,120

38 EARNINGS PER SHARE

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

	Individual Quarter Ended		Cumulative Quarter Ended	
	31/12/2025	31/12/2024	31/12/2025	31/12/2024
Economic Entity and The Bank				
Net profit attributable to ordinary equity holders (RM'000)	100,224	86,543	335,650	236,042
Weighted average number of shares in issue ('000)	1,171,515	1,149,312	1,171,515	1,149,312
Basic/Diluted earnings per share (sen)	8.6	7.5	28.7	20.5

There were no dilutive potential ordinary shares outstanding as at 31 December 2025.

39 COMMITMENTS AND CONTINGENCIES

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

The commitments and contingencies consist of:

	Economic Entity and The Bank	
	Principal Amount 31/12/2025 RM'000	31/12/2024 RM'000
Direct credit substitutes - financial kafalah contracts	248,326	152,064
Transaction-related contingent items	369,888	385,828
Short-term self-liquidating trade related contingencies	1,762,839	3,652,257
Irrevocable commitments to extend credit:		
- maturity less than one year	6,496,757	4,270,946
- maturity more than one year	1,448,960	791,248
Unutilised credit card lines	543,247	393,718
Foreign exchange related contracts #		
- less than one year	2,857,049	796,631
Profit rate related contracts #		
- less than one year	800,000	-
- one year to less than five years	1,428,468	2,090,148
- five years and above	-	103,025
	15,955,534	12,635,865

The fair value of these derivatives have been recognised as 'derivative financial instruments' in the statements of financial position and disclosed in Note 14 to the financial statements.

40 FAIR VALUE MEASUREMENTS

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

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

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

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

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

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

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

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

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

The Bank recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the transfer has occurred. Transfers between fair value hierarchy primarily due to change in the level of trading activity, change in observable market activity related to an input, reassessment of available pricing information and change in the significance of the unobservable input. There were no transfers between Level 1, 2 and 3 of the fair value hierarchy during the financial year (2024: Nil).

40 FAIR VALUE MEASUREMENTS (continued)

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

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Economic Entity and The Bank				
31/12/2025				
<u>Financial Assets</u>				
Financial assets at FVTPL				
- Money market instruments	-	473,261	-	473,261
- Corporate Sukuk	-	264,229	-	264,229
	-	737,490	-	737,490
Derivative financial instruments	-	44,242	-	44,242
Financial investments at FVOCI				
- Money market instruments	-	920,943	-	920,943
- Corporate Sukuk	-	2,114,846	-	2,114,846
	-	3,035,789	-	3,035,789
Total	-	3,817,521	-	3,817,521
<u>Financial Liabilities</u>				
Derivative financial instruments	-	37,163	-	37,163
Total	-	37,163	-	37,163

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Economic Entity and The Bank				
31/12/2024				
<u>Financial Assets</u>				
Financial assets at FVTPL				
- Money market instruments	-	392,859	-	392,859
- Corporate Sukuk	-	58,723	-	58,723
	-	451,582	-	451,582
Derivative financial instruments	-	25,387	-	25,387
Financial investments at FVOCI				
- Money market instruments	-	1,385,717	-	1,385,717
- Corporate Sukuk	-	2,554,505	-	2,554,505
	-	3,940,222	-	3,940,222
Total	-	4,417,191	-	4,417,191
<u>Financial Liabilities</u>				
Derivative financial instruments	-	21,357	-	21,357
Total	-	21,357	-	21,357

Effect of changes in significant unobservable assumptions to reasonably possible alternatives

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

41 CREDIT EXPOSURES ARISING FROM CREDIT TRANSACTIONS WITH CONNECTED PARTIES

The following credit exposures are based on BNM's Guidelines on Credit Transaction and Exposures with Connected Parties for Islamic Banks, which are effective on 1 January 2008.

	The Bank	
	31/12/2025	31/12/2024
(i) The aggregate value of outstanding credit exposures with connected parties (RM'000)	1,853,423	1,467,953
(ii) The percentage of outstanding credit exposures to connected parties as a proportion of total credit exposures	3%	3%
(iii) The percentage of outstanding credit exposures with connected parties which is impaired or in default	Nil	Nil

42 CAPITAL ADEQUACY

Capital adequacy ratios of the Bank are computed in accordance with BNM's Capital Adequacy Framework (Capital Components) updated on 14 June 2024.

The Bank are currently adopting the Standardised Approach for Credit Risk, Market Risk and Operational Risk. Under the BNM's Capital Adequacy Framework (Capital Components), the minimum capital adequacy requirement for Common Equity Tier 1 Capital Ratio ('CET 1') and Tier 1 Capital Ratio are 7.000% (2024: 7.000%) and 8.500% (2024: 8.500%) respectively for the financial year ended 31 December 2025. The minimum regulatory capital adequacy requirement is 10.500% (2024: 10.500%) for total capital ratio.

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

	Economic Entity		The Bank	
	31/12/2025	31/12/2024	31/12/2025	31/12/2024
	RM'000	RM'000	RM'000	RM'000
<u>CET 1</u>				
Paid-up share capital	1,310,000	1,310,000	1,310,000	1,310,000
Retained profits	1,780,713	1,565,363	1,780,713	1,565,363
Other Reserves	2,193	1,001	2,193	1,001
Unrealised gains/(loss) on FVOCI instruments	12,890	(1,463)	12,890	(1,463)
	3,105,796	2,874,901	3,105,796	2,874,901
Less Regulatory adjustments:				
- Intangible assets	(724)	(1,004)	(724)	(1,004)
- Deferred tax assets	(25,386)	(39,640)	(25,386)	(39,640)
- 55% Cumulative unrealised gains on FVOCI instruments	(7,090)	-	(7,090)	-
Total CET 1 Capital	3,072,596	2,834,257	3,072,596	2,834,257
Additional Tier 1 capital	500,000	500,000	500,000	500,000
Total Tier 1 capital	3,572,596	3,334,257	3,572,596	3,334,257
<u>Tier 2 capital</u>				
Subordinated medium term notes	500,000	500,000	500,000	500,000
Expected loss provision #	321,365	283,783	321,365	283,783
Total Tier 2 capital	821,365	783,783	821,365	783,783
Total Capital	4,393,961	4,118,040	4,393,961	4,118,040
ii) The breakdown of risk-weighted assets:				
Credit risk	25,709,206	22,702,622	25,709,206	22,702,622
Market risk	290,843	200,484	290,843	200,484
Operational risk	1,077,485	1,255,781	1,077,485	1,255,781
Total risk-weighted assets	27,077,534	24,158,887	27,077,534	24,158,887
iii) Capital adequacy ratios:				
CET 1 capital ratio	11.347%	11.732%	11.347%	11.732%
Tier 1 capital ratio	13.194%	13.801%	13.194%	13.801%
Total capital ratio	16.227%	17.045%	16.227%	17.045%

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

In accordance with BNM's Guidelines on Investment Account, the credit and market risk weighted on the assets funded by the RIA are excluded from calculation of capital adequacy. As at 31 December 2025, RIA assets excluded from Total Capital Ratio calculation amounted to RM2,553.3 million (31 December 2024: RM3,259.6 million)

43 REVIEW OF PERFORMANCE OF THE BANK

Analysis of financial performance of current period-to-date vs. previous corresponding period-to-date

For the financial year ended 31 December 2025, the Bank recorded a Profit Before Tax (PBT) of RM449.7 million. This represents an increase of 39.1%, or RM126.4 million, in comparison to the PBT of RM323.3 million reported in the previous corresponding period. The growth in PBT is attributable to an increase in net financing income by RM160.8 million and a decrease in allowances for impairment losses by RM34.4 million. This was partially offset by an increase in operating expenses amounting to RM69.2 million due to higher personnel cost and establishment expenses.

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

The Bank recorded a PBT of RM135.0 million for the current quarter ended 31 December 2025, an increase of RM14.3 million as compared to a PBT of RM120.7 million in the corresponding quarter last year due to a growth in net financing income by RM31.6 million and a decrease in allowance for impairment losses by RM5.7 million. These were partially offset by an increase in operating expenses by RM22.6 million.

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

For the current financial quarter ended 31 December 2025, the Bank recorded a PBT of RM135.0 million, an increase of RM5.6 million from a PBT of RM129.4 million reported in the preceding quarter ended 30 September 2025. This quarter's higher PBT is primarily due to a growth in net financing income by RM10.3 million and a decrease in allowance for impairment losses by RM5.8 million. These were partially offset by an increase in operating expenses by RM10.5 million.

44 ECONOMIC AND BUSINESS OUTLOOK FOR 2026

The global economic outlook for 2026 is expected to be stable but measured, with growth of around 3% and easing inflation supporting activity, while geopolitical risk and uneven regional conditions remain key considerations for banks. Malaysia's macroeconomic outlook for 2026 is projected to remain positive, with analysts and financial institutions broadly forecasting real Gross Domestic Product ('GDP') growth in the range of approximately 4.0% to 4.5%, underpinned by resilient domestic demand, sustained investment activity and strengthening external trade flows. Inflation is expected to remain contained, supporting a stable monetary policy stance, with BNM's Overnight Policy Rate ('OPR') anticipated to be maintained at 2.75% for 2026 to balance growth and price stability. Against this backdrop, the Malaysian banking sector is expected to deliver steady credit expansion, supported by favourable financing demand across business and household segments, modest net profit margin improvement and resilient non-profit income contributions. AFFIN Group fundamentals remain strong, with capital and liquidity buffers at healthy levels, supported by resilient asset quality as Gross Impaired Financing ('GIF') stand at 1.64% and Financing Loss Coverage ('FLC') at 75.70%, positioning the financial institution to navigate both domestic challenges and external headwinds.

The Bank is confident in sustaining its growth momentum, underpinned by healthy business pipelines. The Bank continue to reinforce the sustainability of the Bank's franchise through disciplined asset quality management, prudent capital optimisation and the maintenance of strong liquidity buffers. These measures support the Bank's ability to pursue sustainable long-term growth while continuing to deliver value to shareholders.