



Sustainability Statement

Introduction

BASIS OF THIS REPORT

This report is prepared with the aim of providing our stakeholders with meaningful disclosures to make well-informed decisions. It has been developed with reference to best practices and standards, adhering to international and local sustainability guidelines and frameworks. These include:



Primary Frameworks

- Global Reporting Initiative (GRI) Standards
- ISSB Standards: IFRS S1 (General Requirements) and IFRS S2 (Climate-related Disclosures)
- Task Force on Climate-related Financial Disclosures (TCFD) – incorporated within IFRS S2



Local Governance Requirements

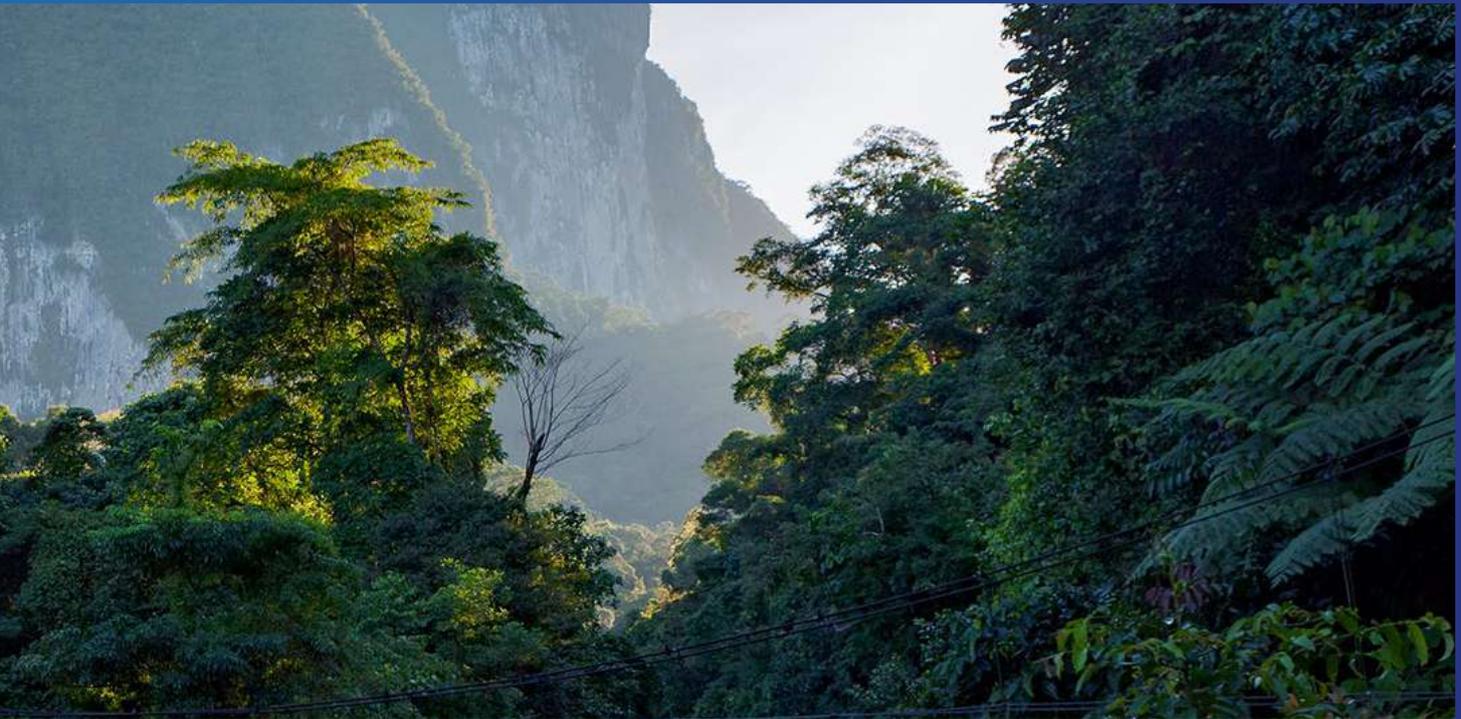
- Bursa Malaysia Sustainability Reporting Guide (3rd Edition)
- Bank Negara Malaysia (BNM) Climate Change and Principle-based Taxonomy (CCPT)
- BNM Value-Based Intermediation (VBI) Guidance Documents
- Malaysia National Sustainability Reporting Framework (NSRF)



Additional Global Frameworks

- United Nations Sustainable Development Goals (UNSDGs)
- Sustainability Accounting Standards Board (SASB)
- Partnership for Carbon Accounting Financials (PCAF)

Data presented in this report reflects the best available information as at the date of publication. Quantitative data is sourced from internal systems, subject-matter owners and reviewed through internal governance. Qualitative disclosures are based on management insights, policies, and strategic plans approved by the relevant committees.



SCOPE

Reporting Coverage & Principles

In our pursuit of AX28 transformation goals, we acknowledge the significant role that sustainability plays in driving innovation, cultivating productive and inspiring work environments, and safeguarding our reputation as a responsible and progressive organisation.

AFFIN Sustainability Statement offers a comprehensive overview of our sustainability journey, highlighting our achievements, challenges, and performance. We delve into the material issues that significantly impact our business and stakeholders, showcasing our commitment to addressing them responsibly. By reflecting on our strengths and areas for improvement, we aim to refine our sustainability strategy and maximise positive impact while minimising negative externalities.

Reporting Boundaries

All information in this report covers the calendar year from 1 January 2025 to 31 December 2025, unless otherwise stated. It reflects our activities across our three main business entities - ABB, AIBB and AHIBB (collectively referred to as AFFIN or the Group). As per the prior year, the scope was determined based on the areas of our business where we have identified a material impact on the economy, the environment, and local communities. This statement aims to highlight the latest developments to our ESG-related strategy, governance, and initiatives in FY2025 and should be read together with our previous statements. We have strived to ensure our report is balanced, comparable, clear, complete, reliable, and accurate. Our previous report was released in March 2025.

Forward Looking Statement

This Sustainability Statement contains forward-looking information relating to the Group's sustainability strategy, targets, commitments, and planned initiatives. These statements are based on current expectations, assumptions, and projections about future events, which may differ from actual outcomes due to economic conditions, regulatory changes, market developments, technological shifts, and other uncertainties.

The Group does not undertake any obligation to update these forward-looking statements except as required by applicable laws and reporting standards. Readers are advised not to place undue reliance on such statements, as they are provided for transparency and reporting purposes in line with GRI Standards and ISSB (IFRS S1 and IFRS S2) requirements.

Feedback for Continuous Improvement

In our effort to continuously improve our sustainability performance and disclosures, we welcome any feedback and suggestions on this statement. Please address all feedback to our Sustainability Office at sustainability@affingroup.com.

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AFFIN's Sustainability Journey in a Snapshot

SUSTAINABILITY HIGHLIGHTS

2023

- Appointed our Group Corporate Strategy & Sustainability Officer (GCCSSO) to drive sustainability integration across the organisation.
- Established our board-level sustainability committee, the Group Board Sustainability Committee (GBSC), to provide strategic oversight of Sustainability matters.
- Developed a Sustainability Framework, guided by four key principles, to align all activities with our sustainability goals.
- Committed to increase Sustainable Financing to 25% by 2028 and improve livelihood of the society through impactful CSR activities.
- Pledged to reduce 30% of our operational emissions (Scope 1 & Scope 2) by 2030 and Net Zero by 2050.

2024

- The Sustainability Framework to incorporate a double materiality assessment, considering both financial impacts and environmental and social impacts, and expanding the number of material matters from 11 to 14.
- Established and published our Scope 3 baseline, comprising key categories such as employee commuting, business travel and financed emissions from investments.
- Developed the Sustainable Finance Framework to advance our commitment to responsible financing.
- Implemented our Value-Based Intermediation (VBI) Framework to support social and green aspects under Responsible Banking with Impact pillars.
- Developed the Diversity, Equity, and Inclusion (DEI) Framework to promote a more equitable and inclusive workplace.
- Successfully reduced our operational emissions (Scope 1 & 2) by 38.3% compared to our 2022 baseline.

2025

- Revised our operational emissions reduction target from 30% to 70% by 2030, reflecting the Group's achievement of a 38.3% reduction in operational emissions compared to the 2022 baseline in 2024, surpassing our initial target.
- Established the AFFIN Net Zero Roadmap with a 2050 net zero ambition, supported by interim 2030 emissions reduction targets for the Group's three highest-emitting sectors specifically Palm Oil, Energy Supply, and Oil & Gas.
- Launched Yayasan AFFIN with the objective of advancing long-term community empowerment, guided by five strategic pillars namely Community Support, Health, Education, Disaster Relief and the Environment.
- Established the AFFIN Impact Assessment Template (AFIAT) with the objective of systematically assessing the anticipated outcomes of CSR and sponsorship initiatives, demonstrating the value of our contributions beyond merely counting beneficiaries or the amount of ringgit spent.

AFFIN's Sustainability Journey in a Snapshot

KEY RATINGS

MSCI ESG Rating



Upgrade to “AA” from “A” rating during the 2025 MSCI ESG Ratings assessments, outperforming industry peers. The upgrade reflects improved corporate governance, stronger sustainability practices and enhanced transparency.

FTSE4Good Bursa Malaysia (F4GBM) Index Rating



FTSE4Good

Upgrade to a **4-star** rating from a **3-star** rating, highlighting AFFIN BANK's commitment to sustainable and inclusive growth.

KEY AWARDS

Bank of the Year - ESG Champion 2025 by CSR Malaysia



Outstanding Energy Efficiency for Improved Sustainability from The Digital Banker.



OUTSTANDING ENERGY EFFICIENCY FOR IMPROVED SUSTAINABILITY

WINNER

Listed under Top 50th Overall Excellence Award (Rank 26)



3-Star Lister under the ESG Select List by UNGCMYB for FY2025



MEMBERSHIPS & SIGNATORIES

AFFIN collaborates with key industry stakeholders such as regulatory bodies and industry partners to strengthen responsible banking practices and accelerate the integration of sustainability across its operations. These collaborations support the Bank’s efforts to enhance ESG governance, improve risk management, and advance sustainable finance practices across the financial sector.



Joint Committee on Climate Change (JC3) Sub-Committee

AFFIN actively participates in JC3 sub-committees to contribute to industry-level discussions on climate-related risks, governance and disclosures, strengthening the Bank’s understanding and application of emerging sustainability practices. AFFIN is also member of the following subcommittees:

- Sub Committee 1**
Risk Management
- Sub Committee 2**
Governance and Disclosure



Value-based Intermediation Community of Practitioners (VBI CoP)

Through AIBB, AFFIN contributes to the VBI CoP by supporting the development and implementation of key VBI tools, including the VBI Scorecard, VBIAF and Sectoral Guides. These efforts enhance the integration of ESG considerations into financing decisions and credit risk assessments. The VBI Sectoral Guides play an important role in promoting responsible financing. Complementing the CCPT, they provide sector-specific ESG risk assessment templates to support our business and credit teams in assessing environmental and social risks. We are currently participating in the fourth VBIAF cohort for the wholesale and retail trade sectors.



Association of Islamic Banking and Financial Institutions Malaysia

AIBB participates in industry-led Value-Based Intermediation (VBI) initiatives such as myWakaf and myZakat, supporting collaborative efforts to channel financial resources towards community development, economic empowerment and sustainable social outcomes.



Partnership on Carbon Accounting Financials

The Partnership for Carbon Accounting Financials (PCAF) is a global industry-led coalition of financial institutions to enable harmonized assessments and disclosures of greenhouse gas emissions associated with financial activities . AFFIN’s participation in PCAF supports the measurement and disclosure of financed emissions, enhancing transparency in climate impact and strengthening the Bank’s capacity to align its portfolio with climate-related targets and transition objectives.



United Nations Global Compact Malaysia and Brunei

AFFIN’s participation in UNGCMYB and involvement in the Sustainability Leaders Pathway strengthen leadership capability in ESG integration and reinforce alignment with global sustainability principles.

Leadership Statement

Message From Chairman Of The Group Board Sustainability Committee

Globally, the financial landscape continues to be shaped by heightened uncertainty and rapid transformation. Persistent inflationary pressures, evolving regulatory expectations, accelerating digitalisation and the transition towards a low-carbon economy are redefining how financial institutions operate. At the same time, ESG challenges ranging from climate-related risks to widening social and economic inequalities are becoming more pronounced. While these dynamics are complex, they present opportunities to drive meaningful and lasting progress. At AFFIN, we respond by translating challenges into decisive action, guided by our strategic objective of Responsible Banking with Impact.

In 2025, a key milestone in our sustainability journey was the establishment of the AFFIN Net Zero Roadmap. This forward-looking plan reflects our commitment to environmental stewardship and long-term resilience, while providing a clear pathway for our transition towards a more sustainable future. Anchored in Malaysia's national climate commitment to achieve net zero emissions by 2050 and aligned with the Paris Agreement's 1.5°C goal, the roadmap underscores our responsibility as a financial institution to support the transition to a low-carbon economy and to safeguard long-term value for our stakeholders.

Our progress was further affirmed by recognition from both international and local sustainability assessments. During the year, our MSCI ESG Rating was



EMELIANA DALLAN RICE-OXLEY
Chairman,
Group Board Sustainability Committee

IRWIN MOHD EUSOFF
Group Chief Corporate Strategy
& Sustainability Officer

upgraded from A to AA, and our FTSE4Good Bursa Malaysia (F4GBM) Index rating improved from 3 to 4-star. These achievements reflect the strength of ongoing execution and advancement across key ESG priorities, reinforcing our commitment to continuous improvement.

Looking ahead, we recognise that the operating environment will remain complex. Political developments, heightened scrutiny of ESG commitments and an evolving energy landscape require financial institutions to remain agile, resilient and forward-looking. In navigating these changes, our role is to support our stakeholders by building resilience, delivering meaningful impact and unlocking sustainable opportunities. Guided by this responsibility, AFFIN

Our progress was further affirmed by recognition from both international and local sustainability assessments.

remains firmly committed to shaping a more sustainable future for our stakeholders, our communities and the planet.

We recognise that the operating environment will remain complex. Political developments, heightened scrutiny of ESG commitments and an evolving energy landscape require financial institutions to remain agile, resilient and forward-looking.

Message from Group Chief Corporate Strategy & Sustainability Officer

In an increasingly complex and fast-changing environment, our commitment to building a more resilient and inclusive economy remains steadfast. Climate, resource and social challenges are reshaping the operating landscape, but they also present opportunities to create long-term value. We will support our clients in navigating this transition by strengthening resilience while advancing sustainable growth. Guided by our Always About You brand promise, we continue to focus on meaningful engagement, accessibility and outcomes that matter.

Looking ahead, we are accelerating the growth of sustainable finance, enhancing the quality of financed-emissions measurement, supporting client transition efforts and strengthening sustainability capabilities across the Group. Our ambition is to build a future-ready AFFIN that contributes to national sustainability objectives while delivering enduring financial and societal value.

Our progress has been driven by the dedication, resilience, and shared purpose of AFFIN alongside the continued support of our clients and partners. We sincerely appreciate their commitment to advancing this agenda. By working together with focus and resolve, we can scale meaningful action by delivering responsible banking with impact for a sustainable future.

SUSTAINABILITY ROADMAP

Our sustainability roadmap underscores our commitments and targets, as outlined in AFFIN's Sustainability Approach of this statement. We have established the necessary frameworks and policies to ensure alignment with our AX28 targets.

In the coming years, we shall implement the following initiatives:



These initiatives will accelerate our progress towards achieving our targets while strengthening our performance measurement capabilities to ensure the accuracy and reliability of our reporting.

AFFIN's Sustainability Approach

SUSTAINABILITY FRAMEWORK, AGENDA AND STRATEGY

Sustainability @ AFFIN – Responsible Banking with Impact

AFFIN | SUSTAINABILITY & CLIMATE VISION & MISSION

VISION

Shaping a sustainable future by providing digitalised and impactful responsible banking solutions for unrivalled customer service

MISSION

To apply our financial expertise to create value for **individuals, businesses, community** and the **environment**

HOW WE MEASURE

STEWARDSHIP

We are passionate about making things better for the future i.e. our people, the community and environment

SUSTAINABILITY PILLARS



PLANET



PEOPLE



PROGRESS

SUSTAINABILITY PRINCIPLES

Driving Sustainable and Equitable Financial Solutions

Preserving Our Environment for a Sustainable Future

Empowering Communities and Fostering Inclusive Growth

Leading with Integrity & Transparency

SUSTAINABILITY FOCUS AREAS



Sustainable Financing



Sustainable Operations



People & Culture



Support the community

A.F.F.I.N CORE VALUES

A

Always Innovating & Adapting

F

Forever working as a team as we are one family

F

Fair treatment, diversity & **SUSTAINABILITY**

I

Integrity is our foundation

N

Never ending customer centricity

In alignment to:

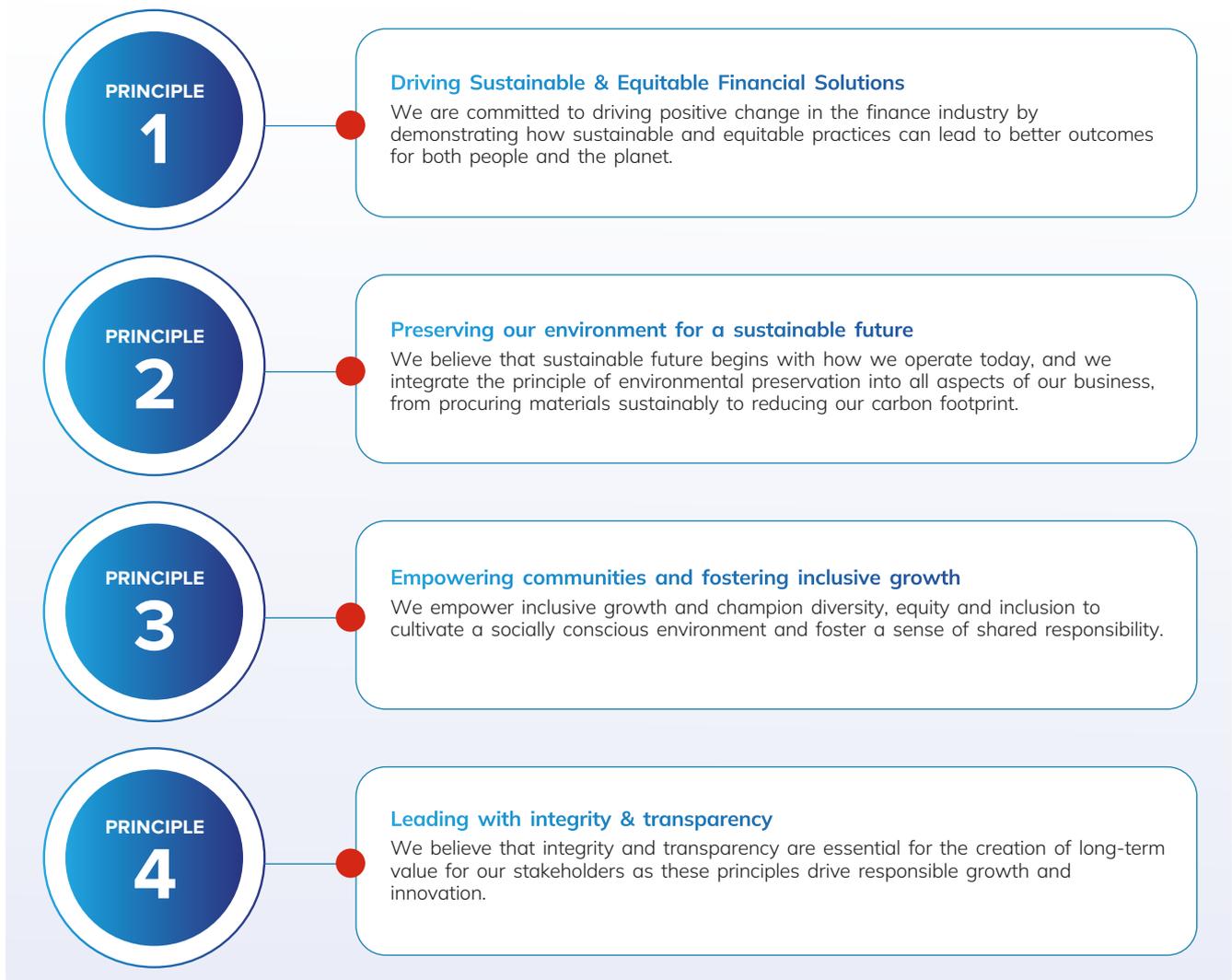


AFFIN recognises its role in advancing sustainability not only through internal initiatives, but also by enabling clients and stakeholders to drive meaningful change. Our approach focuses on translating commitment into action reducing negative impacts, strengthening social and environmental outcomes, and supporting long-term value creation for communities, customers and the environment.

This commitment is anchored in the AFFIN Sustainability Framework, which aligns with our strategic focus on Responsible Banking with Impact and is guided by the AX28 strategy and three core sustainability pillars. Through this framework, we seek to deliver responsible and digitalised banking solutions that enhance customer experience while leveraging our financial expertise to create value for individuals, businesses, communities and the environment.

The AFFIN Sustainability Framework serves as a central mechanism for integrating sustainability into our strategic objectives, business operations and decision-making processes. It supports our vision of shaping a sustainable future through impactful responsible banking solutions and our mission to generate shared value across economic, social and environmental dimensions. Our sustainability agenda is structured around Planet, People and Progress. For Planet, we prioritise environmentally responsible practices to mitigate environmental impact and strengthen ecosystem resilience. For People, we advance initiatives that promote social well-being, economic inclusion and equitable access to opportunities. For Progress, we focus on driving positive societal outcomes and supporting sustainable development across our value chain.

To operationalise this agenda, AFFIN applies four guiding principles that connect strategic intent with measurable outcomes, reinforcing the integration of sustainability considerations across business activities and organisational decisions.



AFFIN's Sustainability Approach

Complementing our Sustainability Framework and Agenda, AFFIN's sustainability strategy is structured around four focus areas that align with our most material matters and guide the Bank's sustainability priorities. These focus areas translate sustainability commitments into concrete actions and outcomes, reinforcing the integration of sustainability considerations across business operations and decision-making.

Sustainable Financing	Sustainable Operations	People & Culture	Support the Community
To drive the transition to a sustainable economy by providing sustainable products and financing support to customers.	To minimise the negative environmental and social impacts of our operations while maintaining economic viability.	To create a diverse, inclusive and sustainability-focused organisation united by shared values across all levels.	To reach out and give back to communities, improving the livelihoods of their residents through impactful Corporate Social Responsibility ("CSR") activities.

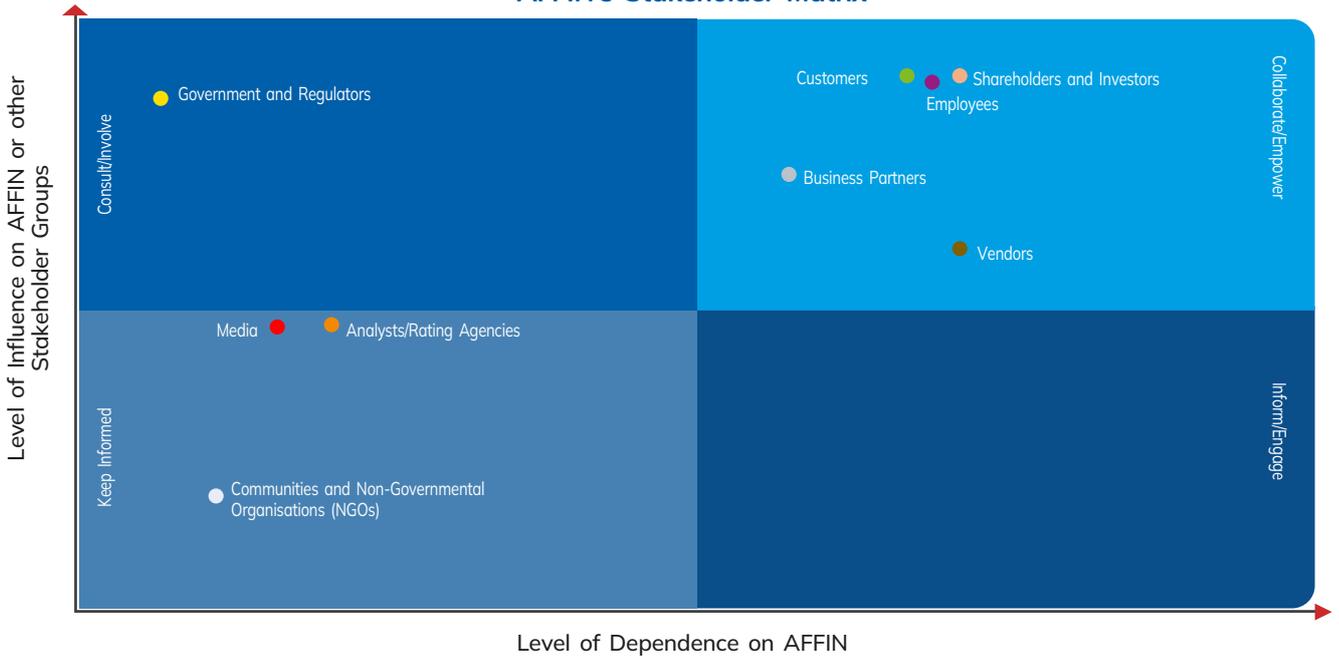
These focus areas are anchored in AFFIN's core values, which underpin the Sustainability Framework and guide responsible and ethical business conduct. By aligning sustainability initiatives with organisational values and business objectives, AFFIN ensures a consistent and principled approach to value creation.

<p>A</p> <p>Always Innovating and Adopting</p> <p>Nurture creativity that challenges constraints, drives progress and encourages thinking out of the box</p>	<p>F</p> <p>Forever working as a team as we are one family</p> <p>Sustainable success comes when we think and collaborate as one team for a common vision. We are stronger together</p>	<p>F</p> <p>Fair treatment, diversity and Sustainability</p> <p>Our success and competitiveness depend upon our ability to embrace diversity and realise its benefits</p>	<p>I</p> <p>Integrity is our foundation</p> <p>Be responsible, protect your family, protect your organisation, protect what you love</p>	<p>N</p> <p>Never-ending customer centricity</p> <p>Putting the customer first in everything we do</p>
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STAKEHOLDER ENGAGEMENTS

Our ability to create long-term shared value is built on the trust of our stakeholders, who are at the heart of our sustainability journey. We regularly engage with our diverse stakeholders to capture their valuable feedback on how we can continue to meet their evolving needs and expectations. This is done through various engagement modes that enable us to effectively gain insights into delivering innovative programmes and solutions that address their most critical environmental, social, economic and governance concerns.

AFFIN's Stakeholder Matrix



CUSTOMER

FREQUENCY:

Daily

An individual or entity that uses AFFIN's financial products and services, such as financing/loans, deposits, or investment products.

How We Engage	Objectives for Stakeholders	How We Responded
<ul style="list-style-type: none"> Feedback from annual and post-interaction surveys Frontline channels, including call centres, branches and social media Complaints and feedback mechanisms Relationship Managers 	<ul style="list-style-type: none"> Improve customer experience by providing fast, simple, secure, and convenient real-time banking services Educate customers about market risks, fraud, and scams, while implementing robust fraud and scam prevention measures Ensure the performance reliability of digital platforms Prioritize data privacy and cybersecurity to safeguard customer information Maintain transparent and fair business relationships with all stakeholders 	<ul style="list-style-type: none"> Delivering customer experiences through innovation and personalized solutions Accelerating digital transformation for seamless and convenient banking Continuously innovating to meet evolving customer needs Ensuring fair and ethical treatment for all customers

AFFIN's Sustainability Approach

EMPLOYEES FREQUENCY: Daily

- Individuals employed by AFFIN on a part-time, contract, or full-time basis.
- Groups that represent employees in negotiations with AFFIN's management, advocating for issues such as fair wages, benefits, and working conditions. They engage in collective bargaining, addressing workplace issues, and protecting employees' rights.

How We Engage	Objectives for Stakeholders	How We Responded
<ul style="list-style-type: none"> • Department meetings • Performance reviews and regular check-ins and surveys • Survey Feedback platforms such as Viva Engage • Employee engagement and appreciation events 	<ul style="list-style-type: none"> • Staff physical and mental well-being • Conducive and inclusive working environment • Enable greater flexibility in performing daily functions via access to tools and arrangements that allow employees to work remotely with minimal interruption 	<ul style="list-style-type: none"> • Prioritising employee well-being and work-life balance • Fosters a diverse, equitable, and inclusive workplace

BUSINESS PARTNERS FREQUENCY: Quarterly

- AFFIN's business partners are entities that play a critical role in supporting AFFIN's operations, including the provision of systems, technology, equipment, and services.
- Organisations that advocate for and represent the interests of businesses. These associations offer a platform for sharing best practices, influencing policy and regulatory changes, establishing industry standards, and promoting ethical practices within their respective industries

How We Engage	Objectives for Stakeholders	How We Responded
<ul style="list-style-type: none"> • Meetings • Webinars/Seminars • Workshops 	<ul style="list-style-type: none"> • Business strategy and Group's key strategic priorities • Collaborative efforts, including stakeholder engagement initiatives 	<ul style="list-style-type: none"> • Establishing mutually beneficial partnerships to drive the transition to a low carbon economy • Strategic collaborations with key industry partners to drive the low-carbon transition

GOVERNMENT AND REGULATORS FREQUENCY: Quarterly/Annually

- Government refers to the Government of Malaysia. Regulators refer to bodies that govern AFFIN, such as Bank Negara Malaysia, the Securities Commission Malaysia, and Bursa Malaysia.

How We Engage	Objectives for Stakeholders	How We Responded
<ul style="list-style-type: none"> • One-on-one meetings • Industry initiatives, such as the Joint Committee on Climate Change (JC3) and its various subcommittees 	<ul style="list-style-type: none"> • Cultivate an ethical risk-aware culture that complies with regulations • Adhere to laws and regulations, manage cyber risks, ensure monetary and financial stability, professional business conduct and fair treatment of financial consumers 	<ul style="list-style-type: none"> • Strengthen climate risk management to ensure long-term sustainability • Develop a climate strategy to reduce carbon and invest in renewable energy • Uphold strong corporate governance and ethical business practices to build trust with stakeholders

SHAREHOLDERS AND INVESTORS FREQUENCY:
Quarterly/Annually

Shareholders own shares or equity in AFFIN with the expectation of earning dividends, and investors refer to individuals or entities that invest their money in AFFIN with the expectation of earning returns.

How We Engage	Objectives for Stakeholders	How We Responded
<ul style="list-style-type: none"> Quarterly financial results briefings Investor roadshows One-on-one investor engagements Annual General Meetings ESG and credit rating agencies 	<ul style="list-style-type: none"> Sustainability practices and disclosure Embed sustainability considerations into lending and investment practices 	<ul style="list-style-type: none"> Guided disclosures on company strategy and growth initiatives Issuance of quarterly results announcements, quarterly analyst briefings and press statements. Continuous engagement with all relevant stakeholders Timely response to queries and shareholders' feedback Disclosure of sustainability and governance practices in annual report, company presentations and website

VENDORS FREQUENCY:
Periodic

Vendors refer to consultants, contractors or vendors engaged to provide vital goods or services to AFFIN.

How We Engage	Objectives for Stakeholders	How We Responded
<ul style="list-style-type: none"> Procurement process Performance evaluations Seminars and conferences 	<ul style="list-style-type: none"> Policies and guidelines that affect vendor criteria, including sustainable procurement practices User-friendliness of the e-procurement system Privacy and confidentiality of contracts and business arrangements 	<ul style="list-style-type: none"> Guidance and knowledge-sharing sessions with suppliers Continuous refinement of the e-procurement system Incorporated confidentiality clauses in contracts and continued reassurance to suppliers

ANALYSTS/ RATING AGENCIES FREQUENCY:
Annually

This refers to both domestic and internationally registered intermediaries that provide a variety of services, such as, research coverage, trading solutions, and other related services.

How We Engage	Objectives for Stakeholders	How We Responded
<ul style="list-style-type: none"> Quarterly and annual financial results announcements Meetings and briefings with analysts and fund managers Periodic meetings/discussions 	<ul style="list-style-type: none"> Financial performance, capital structure, asset quality and liquidity Progress of the Group's sustainability journey and the financial impacts of ESG risks and opportunities Corporate governance practices Revenue growth and strategic thrust of the Group 	<ul style="list-style-type: none"> Regular engagement with analysts to provide updates on the Group's financial performance

AFFIN's Sustainability Approach

NGO COMMUNITIES AND NON-GOVERNMENTAL ORGANISATIONS (NGOS)

FREQUENCY:
Quarterly

Communities refer to local communities where AFFIN operates. NGOs refer to Non-Governmental Organisations that partner with AFFIN to implement social support programmes.

How We Engage	Objectives for Stakeholders	How We Responded
<ul style="list-style-type: none"> • Non-governmental organisation (NGO) engagements • One-on-one meetings • Community partnerships • Donations and sponsorships • Employee volunteerism activities 	<ul style="list-style-type: none"> • Maximise the positive impact of our community initiatives towards a sustainable future for all • Support initiatives that address unemployment, low financial literacy and empower disadvantaged communities 	<ul style="list-style-type: none"> • Empowerment Through Financial Inclusion • Creating Meaningful Impact • Lowered barriers to capital for SMEs through digital solutions for efficient loans application and approval, as well as reaching out to MSMEs via a social empowerment programme to provide further support

MEDIA

FREQUENCY:
Quarterly

This refers to the various entities responsible for disseminating AFFIN's information to the public through different channels, such as newspapers, television, radio, social media, and online platforms, which are vital in shaping public perception of AFFIN.

How We Engage	Objectives for Stakeholders	How We Responded
<ul style="list-style-type: none"> • Events • Media releases • Interviews • Engagements 	<ul style="list-style-type: none"> • Senior Appointment announcements • Product, service and innovation announcements • Business strategies and progress, and key achievements 	<ul style="list-style-type: none"> • Regular engagement with various media titles to provide updates on the Group's financial and business performance

MATERIAL MATTERS

Our sustainability material matters are identified through comprehensive materiality assessments conducted on a three-year cycle*, with interim reviews undertaken as needed. These assessments incorporate detailed analyses of emerging trends, regulatory developments, and sector-wide priorities. Feedback and insights gathered from our stakeholders are then utilised to periodically review and refine our sustainability strategy, ensuring it remains responsive to evolving expectations, issues, and areas of concern.

This structured approach enables us to prioritise impact-driven initiatives that deliver meaningful value to our customers, strengthen community resilience, and embed sustainable practices across our core business operations. Following the most recent double materiality assessment undertaken in FY2024, we concluded that the material issues identified continue to accurately represent current stakeholder priorities.

As a banking group with a central role in allocating capital and supporting customers and communities, AFFIN remains committed to meeting the expectations of its key stakeholders, including customers, employees, regulators, shareholders and investors, business partners and the wider community. A core part of this commitment is identifying and prioritising the economic, environmental and social matters that are most relevant to the Group.

Central to the Group’s approach is double materiality. This means the Group considers both the potential impacts of its activities on the economy, the environment and people and how sustainability-related matters may influence the Group’s performance and enterprise value over time. By integrating both perspectives, the Group develops a more complete view of sustainability-related impacts, risks and opportunities (IROs) across its operations and value chain, strengthening decision-making and guiding responsible allocation of resources.

The Group identifies its material matters through a structured assessment process aligned with the Bursa Malaysia Materiality Assessment Toolkit (3rd Edition), supported by a multi-source review and stakeholder inputs gathered through engagement channels such as workshops, surveys, AGM feedback, rating agency reports and stakeholder meetings. The resulting material matters inform the Group’s sustainability strategy and help focus efforts on the topics that matter most for long-term resilience, value creation and competitiveness.

OUR PRIORITISED MATERIAL MATTERS

- SP** Sustainable Procurement Practices
- DS** Data Privacy & Security
- FE** Fair Employment Practices
- EI** Ethics & Integrity
- RM** Systemic Risk Management
- CE** Community Empowerment
- FS** Responsible Financial Services
- EM** Environmental Management
- FI** Financial Inclusion
- CC** Customer Centricity
- CH** Climate Change
- DE** Diversity, Equity and Inclusion
- DI** Digital Innovation
- TM** Talent Management

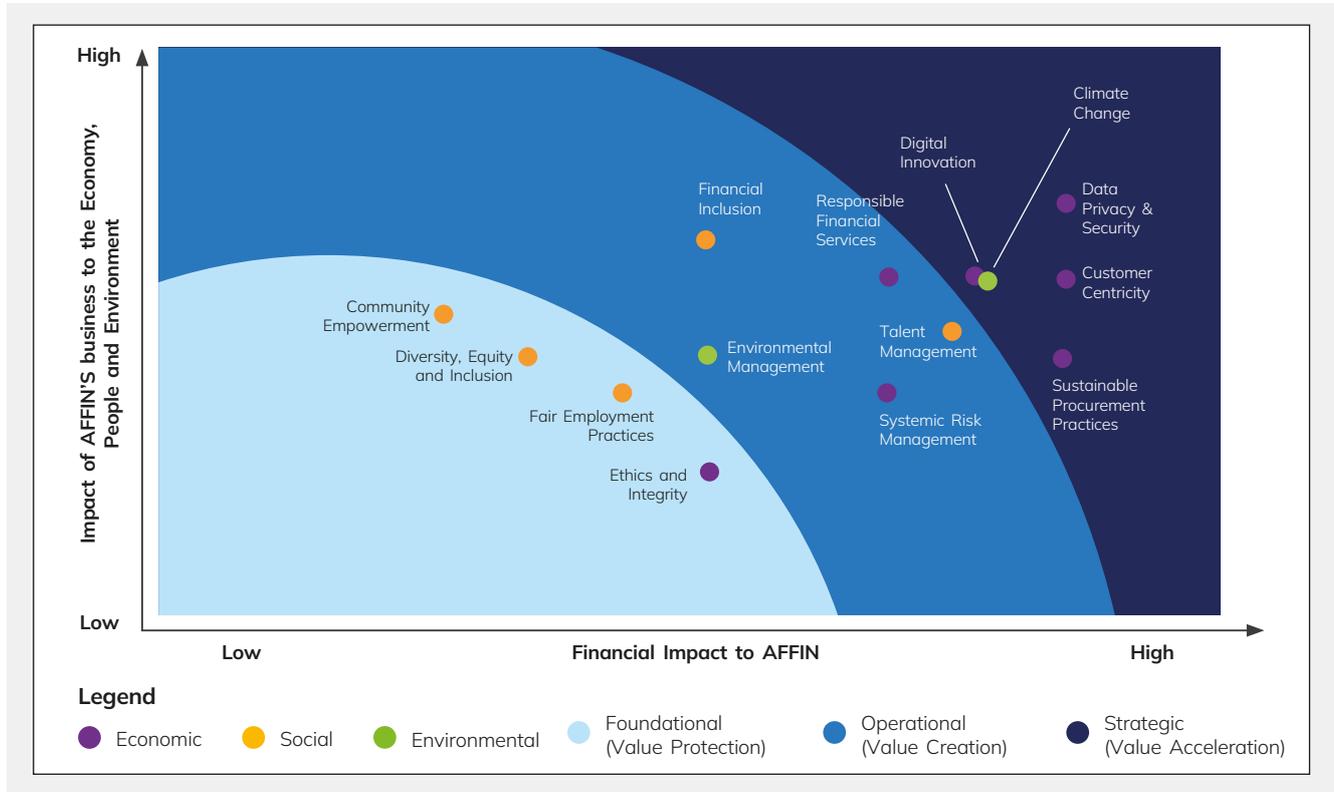
Double Materiality Assessment Matrix

The material matters outlined above led to the development of our materiality matrix, which provides a visual representation of our most significant material matters. The matrix demonstrates the importance of each material matter to our stakeholders as well as their potential influence on our business activities, considering factors such as risk, likelihood and the magnitude of impact from both internal and external perspectives.

*Note: The Group has previously stated that its materiality assessment is conducted on a bi-annual basis. This statement is hereby restated to clarify that the materiality assessment is conducted at least once every three years, supported by ongoing monitoring and interim reviews where relevant.

AFFIN's Sustainability Approach

Materiality Assessment Matrix



Our double materiality matrix depicts the positioning of our 14 material matters according to their “Financial Impact on AFFIN” (x-axis) and “Impact of AFFIN’s business on the Economy, People, and Environment” (y-axis). These matters have been further classified under three categories – Strategic (Value Acceleration), Operational (Value Creation), and Foundational (Value Protection) – to enhance strategic alignment between sustainability initiatives and overall business objectives.

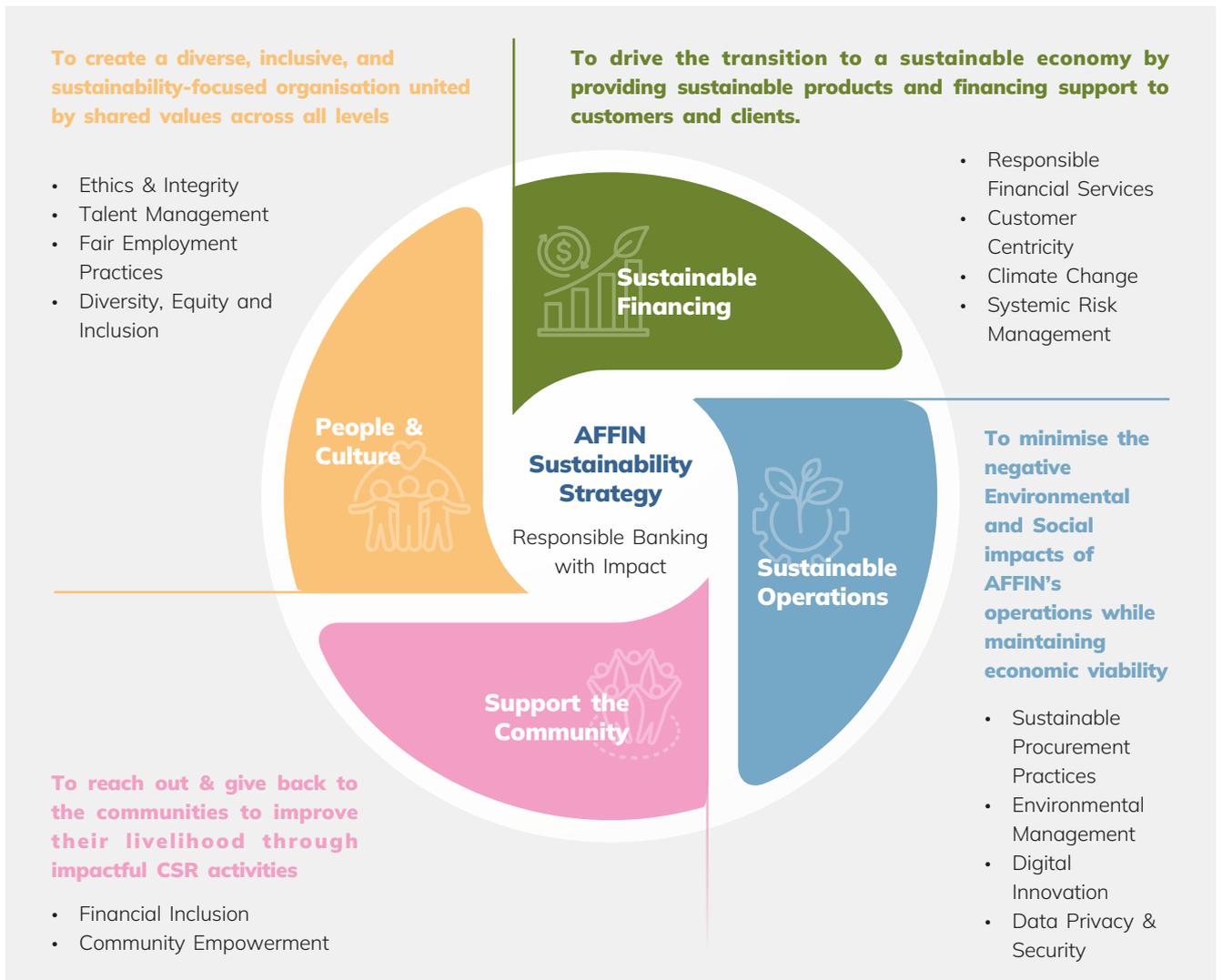
Foundational (Value Protection)	Operational (Value Creation)	Strategic (Value Acceleration)
Consistently managed areas that protect the company’s existing value and maintain operational continuity through well-established policies and practices, thereby aligning with traditional risk management and prioritising regulatory and compliance.	Sustainability matters that are integrated into operations that create value by enhancing efficiency, reducing risks, and improving stakeholder relations.	Forward-looking matters that can accelerate the company’s growth and leadership , driving innovation, competitive advantage, and large-scale impact.

Impact of Double Materiality on our Material Matters

Our identified material matters represent our most significant economic, environmental and social impacts. To enhance our practices across these matters, we develop targeted approaches that enable us to minimise associated risks and seize opportunities to generate sustainable value for our stakeholders. This section highlights the key sustainability issues that are most critical to our business strategy and stakeholder interests.

Changes in the identified material matters, such as the emergence of new issues or shifts in their significance, may require adjustments to the allocation of these matters within our focus areas to ensure we address the most critical sustainability challenges effectively. Based on the recent materiality assessment, there were no significant changes to the previously identified material matters, except that two material matters were combined into a single material matter. The assessment reaffirmed the continued relevance of these material matters, with the addition of four new material matters. These 14 identified material matters serve as the foundation for our four Sustainability Focus Areas, which link our actions to desired outcomes and reflect our commitment to integrating sustainability principles throughout our operations.

Additionally, this exercise further validates the importance of our AX28 strategy for embedding our sustainability strategies, ensuring alignment with stakeholder interests, and driving effective resource allocation.



AFFIN's Sustainability Approach

Sustainable Financing

Responsible Financial Services

Approach

- Integrating ESG considerations into every stage of decision making process for green financing.
- Ensuring transparency and clarity in marketing materials.
- Assessing the suitability and appropriateness of transactions when providing advice to customers, while also supporting customers' sustainability needs through our financial offerings.

Impact on AFFIN (Outside-In)

Positive

- ESG-aligned investments enhance risk management, promoting long-term financial resilience and reducing volatility.
- Capture new investment flows and expand the financial intermediation business.

Negative

- Responsible lending, financing and investment practices may generate lower-than-expected returns. If these services do not meet profitability expectations, it could result in financial losses.
- Reputational damage may weaken customer trust and reduce customer loyalty. If not managed effectively, it could lead to customer attrition, penalties or legal action, resulting in financial and legal consequences.

Impact to Economy, Environment, People (Inside-Out)

Positive

- Promotes the development of green technologies, ethical businesses, and responsible governance, to stimulate innovation and economic growth expansion in sectors aligned with global sustainability goals.
- Channel capital into green industries such as renewable energy, sustainable agriculture and green infrastructure, fostering economic growth, creating diverse job opportunities and contributing to a sustainable future for all.

Negative

- ESG-focused investments may sometimes underperform compared to traditional investments. If these products fail to meet return expectations, it could result in slower economic growth and diminished investor interest in ESG markets.

Climate Change

Approach

- Undertaking initiatives to achieve a 70% reduction in operational emissions (Scope 1 & 2) by 2030, compared to 2022 baseline, paving the way to our goal of net zero by 2050.
- Ensuring effective stewardship of GHG emissions including the comprehensive management of climate-related risks and opportunities.

Impact on AFFIN (Outside-In)

Positive

- Supporting a diverse range of customers in their transition to net zero by offering tailored guidance, financial solutions and resources to facilitate sustainable practices and carbon reduction efforts through our Net Zero Roadmap by 2050.
- Enhancing long-term financial stability by reducing exposure to high-risk sectors, protecting assets from physical climate risks and mitigating credit and regulatory risks.
- Contribute to AFFIN's target of achieving a 70% reduction in operational emissions by 2030

Negative

- Possible increase in costs associated with transitioning to a low-carbon economy.
- Risk of financial losses and reduced market competitiveness due to exposure to high-risk assets affected by climate-related events.
- Insufficient adaptation efforts may result in operational disruptions to physical infrastructure (e.g. branches, data centres) due to climate-related events.

Impact to Economy, Environment, People (Inside-Out)

Positive

- Supporting the financing of green technologies, renewable energy and energy-efficient infrastructure accelerates the transition to a low-carbon economy.
- Proactive climate risk management helps reduce the economic costs associated with climate-related disasters, such as insurance claims, property damage and business disruptions.
- Contributes to national and global efforts to reduce the environmental footprint.

Negative

- Continued financing of industries that fail to transition to sustainable business models contributing to increased carbon footprint, impeding global climate goals.
- Financial losses from loan/financing defaults, stranded assets and operational disruptions could lead to economic instability, resulting in credit shortages, reduced lending/financing capacity and slower economic growth.

AFFIN's Sustainability Approach

Systemic Risk Management

Approach

- Managing our contributions and safeguarding our business against systemic risk.
- This includes our ability to withstand impacts from financial and economic crises while complying with stricter regulations.

Impact on AFFIN (Outside-In)

Positive

- Increased resilience to economic shocks, helping to avoid significant financial disruptions and ensure continuity of the bank's operations through stress testing exercise.
- Enhanced operational efficiency through the adoption of advanced analytics.
- Greater investor and stakeholder trust fostered by offering more secure and reliable services could attract more capital.

Negative

- Potential penalties, reprimands from regulatory bodies and legal costs could significantly impair profitability and financial stability.
- Operational disruptions, such as transaction settlement failures could result in customer dissatisfaction and a loss of investor confidence.

Impact to Economy, Environment, People (Inside-Out)

Positive

- Effective management of systemic risks enables the Bank to absorb financial shocks and maintain operations during economic downturns, contributing to overall economic stability.
- A bank that effectively manages systemic risks is better positioned to continue financing green projects and environmentally sustainable initiatives, even during periods of economic stress. This ensures the flow of capital into renewable energy, climate-resilient infrastructure and environmental conservation efforts.

Negative

- Widespread financial instability, may result in market crashes, loss of confidence and potential recessions.
- It will further disrupt economic activity, leading to business failures, job losses and prolonged downturns.
- A liquidity crisis could freeze lending/financing and stifle business activity, which may lead to layoffs, slower economic growth and higher unemployment.
- A systematic financial crisis may shift focus from green projects, as mismanaged risks drive economic priorities towards short-term survival, thus sidelining environmental initiatives in favour of immediate recovery efforts.

Customer Centricity

Approach

- Maintaining high customer satisfaction levels by continually improving our services to address evolving needs and implementing initiatives designed to elevate the overall customer experience.
- Adhering to a customer-centric approach that focuses on enhancing the entire customer journey.
- Ensuring the fair treatment of financial consumers.

Impact on AFFIN (Outside-In)

Positive

- Builds brand loyalty and increase market share.

Negative

- A negative customer experience may potentially erode AFFIN's reputation and result in a reduction in market share.

Impact to Economy, Environment, People (Inside-Out)

Positive

- Boosts consumer confidence, drives spending, and supports business growth, ultimately contributing to economic expansion.
- Promotes competition within the financial sector, which enhances overall economic productivity.

Negative

- In efforts to expand customer services, additional physical branches or more resources for marketing and service delivery may be increased, which could lead to higher resource consumption and waste if sustainability is not prioritised.

AFFIN's Sustainability Approach

Sustainable Operations

Sustainable Procurement Practices

Approach

- Responsibly and efficiently managing our procurement of goods, supplies, and services.
- Supporting local suppliers that uphold sustainable practices in their business operations.

Impact on AFFIN (Outside-In)

Positive

- Suppliers' sustainable practices can improve operational efficiency and help avoid penalties, potentially reducing their operational costs while being able to offer more competitive pricing.

Negative

- Reputational damage for engaging non-compliant suppliers.
- Increased costs arising from supply chain disruptions linked to supplier controversies.

Impact to Economy, Environment, People (Inside-Out)

Positive

- Supplier's sustainable practices can improve operational efficiency, reduce pollution and contribute to the growth of suppliers.
- These practices have material impacts such as the creation of new job opportunities that boost local employment and support broader economic growth.

Negative

- Non-compliant suppliers may cause environmental pollution, harming the wider environment.
- Non-compliant suppliers may worsen social inequality by failing to provide fair wages, thereby contributing to poverty and social instability.

Digital Innovation

Approach

- AFFIN's efforts to accelerate efficiency and fostering innovation by leveraging technology to meet the evolving business needs of customers.

Impact on AFFIN (Outside-In)

Positive

- Increased operational efficiency may lead to higher profits.
- Enhanced monitoring of ESG impacts within the portfolio ensures that AFFIN meets its portfolio sustainability targets, raising stakeholder confidence.

Negative

- Increased operational costs may arise from the need for rapid adaptation and investments in technologies, as well as the expenses associated with maintaining outdated and inefficient systems.
- Failure to meet stakeholder expectations on innovation could lead to customer attrition and a loss of investor confidence.

Impact to Economy, Environment, People (Inside-Out)

Positive

- Broaden access to financial services for underserved populations, fostering greater economic participation.
- Improved operational efficiency enables faster application processing, allowing SMEs faster access to credit and contributing to overall economic growth.
- Minimise environmental impact by reducing the need for printing, transportation and document storage.
- Enhance monitoring of ESG portfolio impacts, ensuring positive outcomes.

Negative

- Delayed adoption of advanced technology may hinder access to digital financial services, marginalising unbanked and underserved populations.

Data Privacy & Security

Approach

- Ensuring the responsible collection, use, storage, and protection of data to safeguard the privacy of our employees and customers.
- This includes protecting against cyberattacks and preventing data and information breaches.

Impact on AFFIN (Outside-In)

Positive

- Strengthens AFFIN's reputation as a trusted financial institution, supporting customer confidence and attracting a broader customer base.
- Prevents data breaches and related risks, minimises service disruptions, and enhances overall operational efficiency.

Negative

- Exposure to regulatory penalties, reprimands, and legal costs could have a material adverse impact on profitability and the Group's overall financial stability.

Impact to Economy, Environment, People (Inside-Out)

Positive

- Safeguards customers' personal data and assets, strengthening trust in the financial system and contributing to social stability.

Negative

- Disruptions to customers' access to AFFIN's financial services or IT systems may lead to broader economic instability and reduced economic activity.

Environmental Management

Approach

- Adopting comprehensive practices to manage our environmental impacts, including energy management, water consumption and waste management.
- Advocating for the responsible use of natural resources beyond our business.
- Empowering both internal and external stakeholders to actively participate in environmental conservation.

Impact on AFFIN (Outside-In)

Positive

- May improve operational efficiency, resulting in cost savings and supporting long-term sustainability.

Negative

- Reputational damage and potential penalties for non-compliance with environmental management regulations.
- Poor energy efficiency, excessive waste generation and failure to adopt resource-saving technologies may result in higher operating costs over time.

Impact to Economy, Environment, People (Inside-Out)

Positive

- To promote a sustainable future by reducing environmental impact, enhancing operational efficiency and contributing to a healthier society, thereby driving long-term economic growth and improving the quality of life for our stakeholders.

Negative

- Inefficient energy use, high waste production, and excessive reliance on non-renewable resources can contribute to environmental degradation, including increased pollution and resource depletion.

AFFIN's Sustainability Approach

People & Culture

Ethics and Integrity

Approach

- Upholding ethical practices and preventing all forms of corruption, including bribery, facilitation payments, fraud, extortion, collusion, and money laundering.

Impact on AFFIN (Outside-In)

Positive

- Enhance our reputation as a trustworthy organisation among stakeholders, potentially attracting more customers, increasing profits and delivering higher returns to shareholders.
- Good governance supports better decision-making in lending/financing and investments, enabling efficient capital allocation and potentially boosting returns.

Negative

- Potential penalties, reprimands and legal consequences from regulatory bodies due to data breaches.
- Adverse impact on our reputation, leading to decreased customer confidence and a potential decline in customer base.
- Poor governance may result in inefficient capital allocation in lending/financing and investments, leading to suboptimal decisions that would affect our returns.

Impact to Economy, Environment, People (Inside-Out)

Positive

- Supports ethical conduct and transparency within AFFIN's operations, contributing to responsible business practices and stakeholder trust.
- Strengthens ethical conduct and governance practices, contributing to improved perceptions of integrity and transparency, which support confidence reflected in measures such as Malaysia's Corruption Perceptions Index (CPI).

Negative

- Reputational damage may weaken stakeholder confidence and reduce AFFIN's capacity to support economic activities through lending, financing, and investment, potentially affecting customers and local businesses.
- Deterioration in governance and integrity standards may undermine investor confidence and reduce the attractiveness of the operating environment for investment.

Talent Management

Approach

- Adopting a proactive approach to talent acquisition to enhance our stock of human capital.
- Taking steps to engage and retain employees with relevant expertise.
- Promoting diversity and inclusion in our hiring and employee management practices.
- Enhancing skills and improving our talent pool through robust employee development programmes.
- Nurturing a high-performance culture that rewards employee performance.

Impact on AFFIN (Outside-In)

Positive

- Higher productivity and improved business outcomes as employees gain relevant skills.
- Retaining skilled employees ensures continuity, reduces recruitment costs and strengthens the bank's capacity to innovate and grow.

Negative

- Employees may feel undervalued or disengaged, resulting in lower productivity and reduced innovation.
- High employee turnover can disrupt workflow and business operations.
- Slower innovation, reduced productivity and failure to keep pace with technological advancements may lead to higher costs from hiring external talents to bridge these gaps.

Impact to Economy, Environment, People (Inside-Out)

Positive

- Foster a culture of innovation and continuous improvement to drive growth and enhance the competitiveness of businesses within the industry.
- Improve operational efficiency, drive innovation and deliver better services to customers and businesses, thus boosting economic activity through increased lending/financing and investment.

Negative

- Reduced workforce capability and productivity may weaken service quality and operational performance, affecting business continuity and stakeholder confidence.
- Skills gaps and high employee turnover may constrain innovation and slow business growth, potentially impacting employment opportunities and economic activity within the industry.
- Increased reliance on external talent or contractors may raise costs and limit knowledge transfer, reducing long-term organisational and sector resilience.
- Insufficient investment in employee development may limit workforce readiness and employability, affecting long-term human capital development.

AFFIN's Sustainability Approach

Fair Employment Practices

Approach

- Adopting a systematic and fair approach to hiring, recruitment, retention, and their related practices.
- Managing employment and working conditions to ensure a safe working environment and promote employee health and safety.

Impact on AFFIN (Outside-In)

Positive

- Increased employee productivity and efficiency can boost business performance and profitability.
- Strengthened brand reputation boosts market share and improves access to capital.

Negative

- Reputational damage and potential penalties for non-compliance with relevant regulations.
- Unfair practices may limit career advancement and professional growth opportunities, hindering work performance and overall progress.

Impact to Economy, Environment, People (Inside-Out)

Positive

- Contribute to job stability in the financial sector, creating long-term employment opportunities and reducing unemployment, which positively impacts local and national economies.

Negative

- Undermining principles of social justice and equity may lead to widespread dissatisfaction, fostering a sense of unfairness and inequity within the workforce.

Diversity, Equity and Inclusion

Approach

- AFFIN's efforts to actively promote diversity and equality in the workplace, as well as to provide a safe and inclusive environment for all employees.

Impact on AFFIN (Outside-In)

Positive

- Employees from diverse backgrounds bring unique perspectives, enhancing the bank's ability to develop innovative products and services that expand opportunities.
- A strong DEI culture fosters psychological safety, collaboration and career development, resulting in higher job satisfaction and reduced employee turnover.

Negative

- Limited diversity and inclusion may reduce AFFIN's ability to attract and retain talent, particularly from diverse backgrounds, affecting workforce capability and innovation.
- A lack of inclusive practices may weaken employee engagement and morale, potentially leading to higher turnover and increased recruitment and training costs.
- Insufficient diversity in perspectives may constrain decision-making and product development, reducing AFFIN's ability to effectively meet the needs of a diverse customer base.

Impact to Economy, Environment, People (Inside-Out)

Positive

- Supports broader economic participation by improving understanding of and engagement with diverse customer segments, including underserved communities.
- Enhances access to financial services for a wider range of customers, which may contribute to gradual market expansion and sustainable business growth.

Negative

- Missed opportunities to build a more equitable and inclusive workforce, potentially exacerbating social inequity if certain groups remain underrepresented or face barriers to career advancement within the bank.
- Diminished ability to effectively serve diverse customer segments effectively, further marginalising underserved segments.

AFFIN's Sustainability Approach

Supporting the Community

Community Empowerment

Approach

- AFFIN's initiatives to empower and support individuals or groups impacted by its activities. This includes providing access to affordable finance to enhance economic growth and improve the livelihoods of disadvantaged groups, youth, and SMEs.

Impact on AFFIN (Outside-In)

Positive

- Strengthen connections with local communities through initiatives that foster trust, loyalty and a positive brand perception.

Negative

- Potential controversies and/or poor communication may erode trust, hindering AFFIN's ability to collaborate with stakeholders.
- A loss of trust within local communities may weaken customer relationships and potentially affect customer loyalty

Impact to Economy, Environment, People (Inside-Out)

Positive

- Enhance SMEs' access to financial resources, education and growth opportunities, fostering economic development, promoting financial inclusion and improving local community livelihoods.
- Boost economic growth by fostering entrepreneurship, reducing poverty and improving financial literacy, contributing to a stronger and more resilient economy.
- Encourage sustainable practices by supporting green businesses and promoting responsible consumption.
- Implement impactful community programmes to strengthen our reputation as a socially and environmentally responsible financial services provider.

Negative

- Disadvantaged groups, youth and SMEs may face restricted access to financial services, limited growth opportunities and insufficient economic support, exacerbating inequality.
- Neglecting sustainable development initiatives may harm the environment and limit access to financial services, negatively impacting local communities.

Financial Inclusion

Approach

- Supporting inclusive access to financial services through a diverse range of products and services, alongside initiatives to strengthen financial literacy among customers and local communities, with particular focus on youth, unserved, and underserved populations.

Impact on AFFIN (Outside-In)

Positive

- Enhance our market share and revenue growth, strengthen customer loyalty and boost our brand value.

Negative

- Failure to adequately address societal expectations may pose reputational risks and potentially impact business performance.

Impact to Economy, Environment, People (Inside-Out)

Positive

- Help marginalised communities achieve financial independence, reduce vulnerability to financial risks, gain greater access to financial services and access enhanced economic opportunities.

Negative

- Lack of inclusion may exacerbate inequality, limit economic opportunities and worsen financial exclusion within the local community.
- Extending excessive credit to individuals without sufficient financial literacy or risk awareness could result in high default rates and personal debt, leading to economic instability.

AFFIN's Sustainability Approach

OUR CONTRIBUTION TO UN SDGs

AFFIN contributes meaningfully to 12 United Nations Sustainable Development Goals (SDGs) by embedding sustainability principles across its operations, business strategies, and stakeholder engagements, with the aim of delivering long-term and positive socio-economic and environmental impact.

In support No Poverty (Goal 1), AFFIN ISLAMIC participates in Programme iTEKAD Perwira-i 2025/2026, an initiative under Bank Negara Malaysia's iTEKAD framework. The programme is designed to strengthen the financial resilience and business capabilities of low-income micro-entrepreneurs through financial inclusion, access to economic resources, and targeted capacity-building support.

In advancing Good Health and Well-Being (Goal 3), AFFIN promotes employee mental health and holistic well-being through initiatives such as GPO Week and other wellness programmes, fostering a healthy, supportive, and resilient workplace culture.

Aligned with Quality Education (Goal 4), AFFIN continuously invests in employee development by offering structured training programmes, professional certifications, and sustainability-related learning initiatives across all organizational levels, enabling upskilling and the development of future-ready capabilities.

AFFIN upholds Gender Equality (Goal 5) through fair and inclusive employment practices, ensuring equal opportunities, non-discrimination, and equitable treatment for all employees, regardless of gender.

AFFIN advances Affordable and Clean Energy (Goal 7) by installing solar panels at selected branches and planning the integration of renewable energy solutions in new branch developments. In parallel, AFFIN actively promotes energy efficiency and reduces overall energy consumption across its operations.

Supporting Decent Work and Economic Growth (Goal 8), AFFIN remains committed to its brand promise, "Always About You," by providing financial support and tailored financial solutions to micro, small and medium enterprises (MSMEs), thereby fostering inclusive economic growth, entrepreneurship, and job creation.

In line with Industry, Innovation and Infrastructure (Goal 9), AFFIN integrates sustainability considerations into infrastructure development, including adherence to eco-certified Green Building Index (GBI) standards. AFFIN further supports emissions reduction efforts through the purchase of Renewable Energy Certificates (RECs) from Tenaga Nasional Berhad (TNB).

Through the establishment of Yayasan AFFIN, the Group strengthens its commitment to community empowerment and social development, contributing to Reduced Inequalities (Goal 10) by supporting underserved and vulnerable communities.

Efforts aligned with Responsible Consumption and Production (Goal 12) include initiatives to divert waste from landfill and disposal, the adoption of sustainable procurement practices, and support for local suppliers. These efforts are aimed at minimising environmental impacts across our operations and value chain through more efficient resource use and responsible sourcing.

AFFIN demonstrates a strong commitment to Climate Action (Goal 13) through the development of a Net Zero Roadmap, with an ambition to achieve Net Zero by 2050. Climate considerations are embedded into operational activities, including the measurement of AFFIN's value chain emissions, management of financed emissions, and engagement with customers to support the transition towards a low-carbon economy.

As a responsible financial institution, AFFIN operates in accordance with the highest standards of ethics, transparency, and integrity, in line with Peace, Justice and Strong Institutions (Goal 16). This commitment is underpinned by a robust governance framework and a comprehensive code of conduct.

Recognising the importance of collaboration in achieving sustainable development, AFFIN actively advances Partnerships for the Goals (Goal 17) by engaging with industry leaders and key stakeholders. These efforts include participation in platforms such as the United Nations Global Compact (UNGC), collaboration with AIBIM, and contributions to national initiatives including JC3, to drive collective action, knowledge sharing, and systemic change.



OUR TARGET

Our sustainability commitments are guided and monitored through a set of robust value-creation indicators, which include quantitative targets where feasible and qualitative commitments for the remaining indicators. These targets are aligned with national priorities, UN SDGs, and industry benchmarks

KEY PERFORMANCE INDICATOR % of sustainable financing against total portfolio			Related UN SDGs
2023 Performance 8.60% Sustainable Finance	2024 Performance 10.56% Sustainable Finance	2025 Performance 15.19% Sustainable Finance	Commitments 25% of Sustainable Finance against total portfolio by 2028
KEY PERFORMANCE INDICATOR Reduction of tonnes of operational emission (Scope 1 & 2)			Related UN SDGs
2023 Performance 1,304.00 tCO ₂ e against 2022 baseline	2024 Performance 7,024.23 tonnes of tCO ₂ e against 2022 baseline	2025 Performance 6,496.17 tonnes of tCO ₂ e against 2022 baseline	Commitments Achieve a 70% reduction in operational emissions by 2030
KEY PERFORMANCE INDICATOR Measurement of Scope 3 (Category 6, 7 and 15)			Related UN SDGs
2024 Performance Category 6 (Business Travel) 709.20 tCO ₂ e Category 7 (Employee Commuting) 7,531.86 tCO ₂ e Category 15 (Investments) / Financed Emissions Based on FY2023 data (Baseline Year) 3,431,133* tonnes CO ₂ e 3,608,453** tonnes CO ₂ e		2025 Performance Category 6 (Business Travel) 590.8 tCO ₂ e Category 7 (Employee Commuting) 7,765.97 tCO ₂ e Category 15 (Investments) / Financed Emissions Based on FY2024 data 3,585,237* tonnes CO ₂ e 3,803,418** tonnes CO ₂ e	Commitments Achieve Net Zero by 2050
<i>*Excluding LULUCF **Including LULUCF</i> Note: Scope 3 - Category 15 (Investments) / Financed Emissions are reported with a one-year reporting lag due to the timing of data availability from investee companies, which is typically published after the close of their respective financial reporting cycles.			
KEY PERFORMANCE INDICATOR Numbers of beneficiaries from CSR activities per annum			Related UN SDGs
2023 Performance 83,283 beneficiaries	2024 Performance 116,833 beneficiaries	2025 Performance 170,279 beneficiaries	Commitments Improve the livelihood of society through impactful CSR activities

Sustainability Commitments

AFFIN's commitment to sustainability is reflected in our focus on Planet, People and Progress, guided by our Sustainability Principles and Focus Areas. We have set clear targets to advance sustainable financing, reduce operational emissions, and strengthen social impact across our communities.

By 2028, we aim to achieve sustainable financing equivalent to 25% of our total loan portfolio. We are committed to reducing operational emissions (Scope 1 and Scope 2) by 70% by 2030 and achieving Net Zero by 2050. In parallel, we seek to enhance societal well-being through impactful corporate social responsibility initiatives. These targets demonstrate AFFIN's strategic investment in sustainability and alignment with the United Nations Sustainable Development Goals (UN SDGs).

Our ISSB Report

BASIS OF PREPARATION

The Group's Sustainability Statement has been prepared in line with Bursa Malaysia's Main Market Listing Requirements, with disclosures developed with reference to the IFRS Sustainability Disclosure Standards issued by the ISSB. The Group has also applied the transition reliefs available during the transition period, including certain reliefs provided under the Main Market Listing Requirements that are not included in the ISSB Standards. As such, the Group does not claim full compliance with the ISSB Standards for the reporting period, and will continue to enhance readiness and communicate progress towards full alignment in future reporting cycles.

Additional disclosures required under Bursa Malaysia's Main Market Listing Requirements are included in the appendix, and SASB disclosure topics were referenced and considered in shaping the Group's materiality assessment.

This Sustainability Statement has been prepared for Affin Bank Berhad and its subsidiaries and should be read together with the Group's consolidated financial statements, which are prepared in accordance with Malaysian Financial Reporting Standards (MFRS), IFRS Accounting Standards and the requirements of the Companies Act 2016 (Malaysia). The Sustainability Statement covers the financial year ended 31 December 2025 and is aligned to the reporting period of the related consolidated financial statements.

The Group is reporting with reference to the IFRS Sustainability Disclosure Standards for the first time for the annual reporting period ended 31 December 2025, and has applied: IFRS S2 Climate-related Disclosures.

In the first year of application, the Group has applied the transition relief whereby comparative information is not required to be disclosed. Additional information required under the Main Market Listing Requirements is included in the Appendix of this report.

For this first annual reporting period, AFFIN has applied the following transition reliefs:

- Comparative information relief, under which the Group is not required to present comparative information for IFRS-related disclosure in this initial reporting period. However, AFFIN presents comparative information for certain indicators disclosed in the previous reporting period for continuity of our reporting practices. (ATR 1).
- Climate-first approach, which permits entities to initially focus on climate-related disclosures. The Group has elected to apply this transition relief and, accordingly, its sustainability disclosures for the current reporting period related primarily to climate-related risks and opportunities in accordance with IFRS S2. Nevertheless, as part of AFFIN's progress towards full adoption of IFRS S1 and S2, AFFIN proactively discusses the material sustainability-related risks and opportunities and its associated material information in this IAR 2025 (ATR 2).
- Scope 3 GHG emissions which permits an entity to not disclose Scope 3 GHG emissions (IFRS S2 Paragraph C4(b)), except for categories already required by applicable entities' respective regulators (ATR 3)

REPORTING BOUNDARY

AFFIN's climate-related disclosures have been prepared for Affin Bank Berhad and its subsidiaries, and should be read together with the Group's consolidated financial statements for the financial year ended 31 December 2025. The reporting period for these disclosures is aligned with that of the consolidated financial statements, and the presentation currency is Ringgit Malaysia (RM), unless otherwise stated.

In preparing these disclosures, AFFIN has assessed both its own operations and its value chain, including associates and joint ventures where relevant to climate-related risks and opportunities. For operational greenhouse gas emissions, the organisational boundary for Scope 1 and Scope 2 covers Affin Bank Berhad, Affin Islamic Bank Berhad and Affin Hwang Investment Bank Berhad, applying the GHG Protocol financial control approach. Accordingly, emissions from associates and joint ventures are excluded from the Group's operational emissions inventory.

For financed emissions, the reporting boundary covers the on-balance sheet exposures included in the financed emissions calculation, based on a point-in-time portfolio snapshot as at financial year-end. Client financial variables and emissions data are based on the most recent information available at the time of extraction and are applied consistently across the portfolio. AFFIN attributes relevant counterparty emissions to its exposures across applicable sectors. Scope 3 financed emissions are included where they are considered decision-useful and supported by sufficient data quality, with coverage expected to expand progressively as data maturity improves.

SIGNIFICANT JUDGEMENTS AND MEASUREMENT UNCERTAINTY

The preparation of AFFIN's climate-related disclosures requires the use of significant judgements, assumptions and estimates, particularly in areas where methodologies continue to evolve and data availability remains uneven across sectors and counterparties. These judgements affect the identification, assessment and measurement of climate-related risks and opportunities, as well as the interpretation of related metrics, scenario outputs and anticipated financial effects.

A key area of judgement relates to the identification and prioritisation of climate-related risks and opportunities. AFFIN applies a structured assessment process combining bottom-up and top-down analysis across portfolio, transaction and operational levels. Risks are assessed using qualitative and quantitative input depending on the nature of the exposure and the availability of reliable data. Management judgement is also applied in interpreting macroeconomic information, emerging climate trends, sector practices and scenario outputs.

Judgement is also required in determining the scope and methodology for financed emissions. AFFIN applies the PCAF Standard and uses a data hierarchy that prioritises counterparty-reported emissions, followed by third-party datasets and sector proxies, and then secondary data or industry averages where estimation is required. Where client-specific information is limited, proxy data and estimation techniques are used to support consistency and comparability. In addition, judgement is exercised in determining the extent to which Scope 3 emissions are included, based on decision-usefulness and data quality.

Climate scenario analysis also involves inherent uncertainty. AFFIN's current modelling is subject to limitations, including assumptions that isolate climate risk impacts from broader macroeconomic drivers, incomplete reflection of government-specific climate policies, gaps in counterparty-specific emissions data, and limited availability of Malaysia-specific scenario variables, which may require the use of regional proxies. These limitations may affect the precision of modelled outputs, including projected credit risk impacts and expected credit losses.

The prioritisation of Palm Oil, Energy Supply and Oil & Gas as focus sectors under AFFIN's Net Zero Roadmap also involves judgement, taking into account their contribution to financed emissions, relevance to Malaysia's economy, readiness of decarbonisation levers, and the availability of credible methodologies and data. AFFIN will continue to refine these disclosures as methodologies mature, regulatory guidance evolves and internal data capabilities strengthen.

STATEMENT OF ASSURANCE

AFFIN has undertaken an internal review and validation process to support the accuracy, completeness and reliability of the sustainability information presented in this Statement and the Bursa Malaysia Common Sustainability Indicators. This process involved relevant business units, data owners and subject matter experts, and was coordinated by the Sustainability Department.

The Group Internal Audit function has independently reviewed the adequacy of key data controls, reporting processes and the integrity of disclosed information. Internal also assessed the financed emissions calculation approach and noted that, based on the procedure performed, it is reasonably aligned with PCAF requirements, taking into account the assumptions and data input reviewed.

External assurance has not yet been obtained for the climate-related disclosures in the current reporting period. Nevertheless, AFFIN remains committed to strengthening its data governance, documentation, internal controls and reporting processes to support future external assurance in line with Bursa Malaysia requirements and evolving market expectations.

AFFIN'S CLIMATE-RELEVANT BUSINESS MODEL AND VALUE CHAIN

AFFIN is a banking group whose business model is centred on the provision of banking, financing, investment and related financial services. As a financial institution, the Group's most significant climate-related exposures arise not only from its own operational footprint, but more materially from the activities it finances and supports through its lending and investment portfolio. This makes financed emissions a key indicator of climate-related exposure and an important lever through which AFFIN can influence transition outcomes.

Our ISSB Report

Climate considerations are increasingly embedded into AFFIN's business model through credit assessments, portfolio monitoring, capital allocation and customer engagement. The Group's Net Zero Roadmap provides a strategic basis for aligning its financing activities with lower-carbon pathways, particularly in sectors that are more emissions-intensive yet economically significant to Malaysia. In this context, Palm Oil, Energy Supply and Oil & Gas have been identified as priority sectors for further assessment, engagement and transition planning.

From a value chain perspective, AFFIN considers both its direct operations and the broader ecosystem through which climate-related risks and opportunities may arise. Within its own operations, this includes branches, buildings, vehicles, and data centres, where emissions, energy use and physical climate exposure may affect operational resilience and efficiency. Across its value chain, relevant exposures arise through customers, counterparties, financed sectors, service providers and, where relevant, associates and joint ventures. Climate-related physical risks may affect collateral values, and business continuity, while transition risks may influence borrower performance, capital demand, sector competitiveness and portfolio resilience.

At the same time, AFFIN's business model is positioned to capture climate-related opportunities through sustainable and transition financing, portfolio realignment, and customer engagement to support credible transition pathways. In this way, climate-related considerations are increasingly shaping how the Group creates long-term value while managing downside risk.



HOW CLIMATE-RELATED FINANCIALLY MATERIAL RISKS AND OPPORTUNITIES WERE DETERMINED

AFFIN determines its climate-related financially material risks and opportunities through a combination of its broader double materiality assessment and its climate risk management processes. In FY2024, the Group undertook a comprehensive double materiality assessment involving more than 2,000 stakeholders, which identified climate change as one of AFFIN's material matters. This process considered both the potential impacts of AFFIN's activities on the economy, environment and society, and the way sustainability-related matters may affect the Group's performance and enterprise value over time.

For climate-related matters specifically, AFFIN applies a structured and multi-layered approach to identify, assess and prioritise financially material risks and opportunities across portfolio, transaction and operational levels. This combines bottom-up assessments by business and support units across the Three Lines of Defence with top-down management review informed by financial and macroeconomic information, industry practices, emerging climate trends and outputs from internal risk assessments.

Through AFFIN's Materiality Risk Assessment (MRA), climate-related risks are assessed based on the likelihood of occurrence and severity of impact, using both qualitative and quantitative methods depending on the nature of the exposure and data availability. These assessments are then mapped against a risk matrix to support materiality determination and prioritisation. At portfolio level, AFFIN undertakes annual qualitative assessments to identify sectors with heightened ESG and climate-related exposure. At transaction level, climate-related considerations are incorporated into customer onboarding and credit evaluation processes, including reference to relevant taxonomies. Within operations, the Group also assesses the resilience of internal activities and key third-party service providers to climate-related events. To strengthen the financial materiality assessment, AFFIN also applies quantitative tools, including financed emissions measurement and climate scenario analysis.

Governance

SUSTAINABILITY GOVERNANCE AND OVERSIGHT

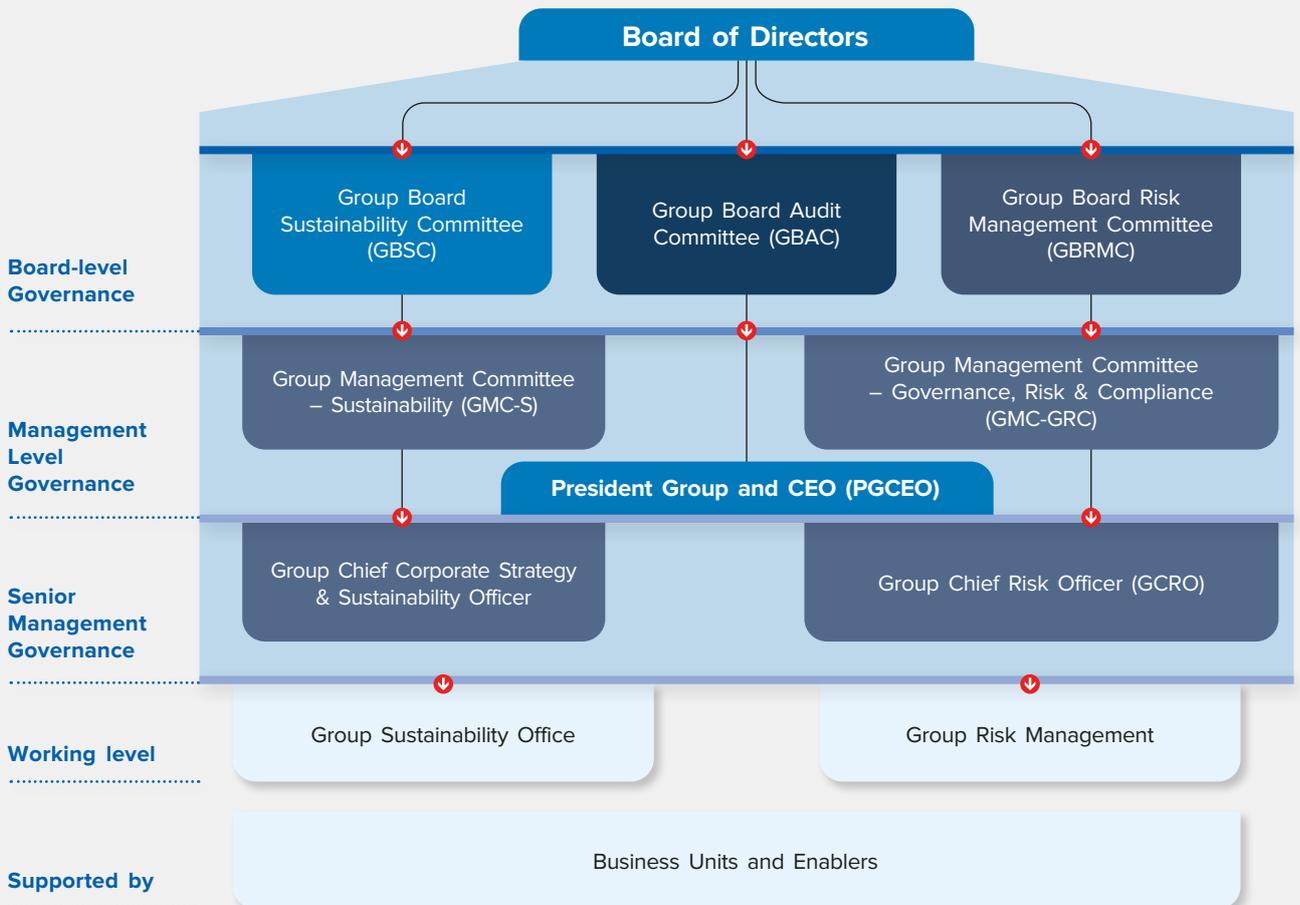
The sustainability governance was established to embed sustainability across the Bank’s operations. AFFIN’s commitment to sustainability is supported by a governance structure aligned with regulatory requirements and recognised best practices, with a focus on accountability and transparency. This structure enables the effective implementation of the Group’s sustainability strategy and supports informed oversight of sustainability and climate-related matters. Through cross-functional collaboration and diverse expertise, AFFIN is positioned to respond to evolving sustainability risks and opportunities and to support a responsible transition towards a low-carbon future.

Responsibilities for climate-related oversight are defined in the AFFIN Group Board Charter and the AFFIN Sustainability Framework. The Board of Directors (BOD) provides ultimate oversight of the Group’s sustainability agenda, including climate-related issues, ESG matters and their long-term implications. Oversight is supported by the Board Committees, namely the Group Board Sustainability Committee (GBSC), Group Board Risk Management Committee (GBRMC), Group Board Audit Committee (GBAC).

(For more information, refer to our Board Charter, Section 3.1.4(e)).

Sustainability Governance Structure

Our Sustainability Governance Structure is depicted by the following diagram:



Governance

Board and Committee Roles

Responsibilities for climate-related oversight are defined in the AFFIN Group Board Charter. Oversight is supported by the Board Committees, namely the Group Board Sustainability Committee (GBSC), Group Board Risk Management Committee (GBRMC) and Group Board Audit Committee (GBAC). The respective responsibilities and accountability of each party within our sustainability governance structure are as follows:

STAKEHOLDER	ROLES & RESPONSIBILITIES
Board of Directors	<ul style="list-style-type: none"> The highest governance body responsible for AFFIN's sustainability strategy, overseeing material ESG issues, risks and opportunities. Provides oversight of the Group's business, periodically reviews strategies to ensure alignment with ESG considerations and ESG risks for long-term value creation, and oversees Board-level committees focused on sustainability.
Group Board Sustainability Committee (GBSC)	<ul style="list-style-type: none"> Oversees and endorses the development, implementation and monitoring of strategies, frameworks, policies, performance, metrics and targets relating to sustainability, climate change, and the Value-based Intermediation Financing and Investment Impact Assessment Framework (VBIAF). Ensures that our sustainability strategy is compliant with the regulatory requirements issued by Bank Negara Malaysia and Bursa Malaysia.
Group Board Risk Management Committee (GBRMC)	<ul style="list-style-type: none"> Oversees the governance of risks across the Group including ESG and climate related risks. Reviews and endorse new or revised policies, frameworks and other significant risk management matters including those related to ESG and climate risk ensuring alignment with the Group's risk strategy.
Group Board Audit Committee (GBAC)	<ul style="list-style-type: none"> Oversees the assurance on the indicators reported in the Sustainability Statement against the requirements set out in Bursa Malaysia's Sustainability Reporting Guide.
Group Management Committee – Sustainability (GMC-S)	<ul style="list-style-type: none"> Leads the Group's sustainability agenda, develops and implements strategies, approved frameworks and guidelines and oversee the embedment of sustainable practices throughout the Group.
Group Management Committee - Governance, Risk and Compliance (GMC- GRC)	<ul style="list-style-type: none"> Reviews and recommends on risk frameworks, policies, risk appetite statements, including those related ESG risks.
Group Chief Corporate Strategy and Sustainability Officer (GCCSSO)	<ul style="list-style-type: none"> Leads the design, alignment and integration of sustainability initiatives and target across the Group. Embeds sustainability as guiding principles in AFFIN and provides the Board with the updates on the Group's sustainability strategy and target while overseeing its development execution.
Group Chief Risk Officer (GCRO)	<ul style="list-style-type: none"> Oversee the management of group-wide ESG and climate-related risks, ensures their integration into AFFIN's Group Risk Management Framework and ERM processes, and supports ESG risk-related strategy in collaboration with Sustainability and other control functions.
Sustainability Department	<ul style="list-style-type: none"> Responsible for embedding and integrating sustainability across the Group.
Group Risk Management	<ul style="list-style-type: none"> Provides oversight of risk management on an enterprise-wide level by incorporating ESG risk elements into frameworks and policy.

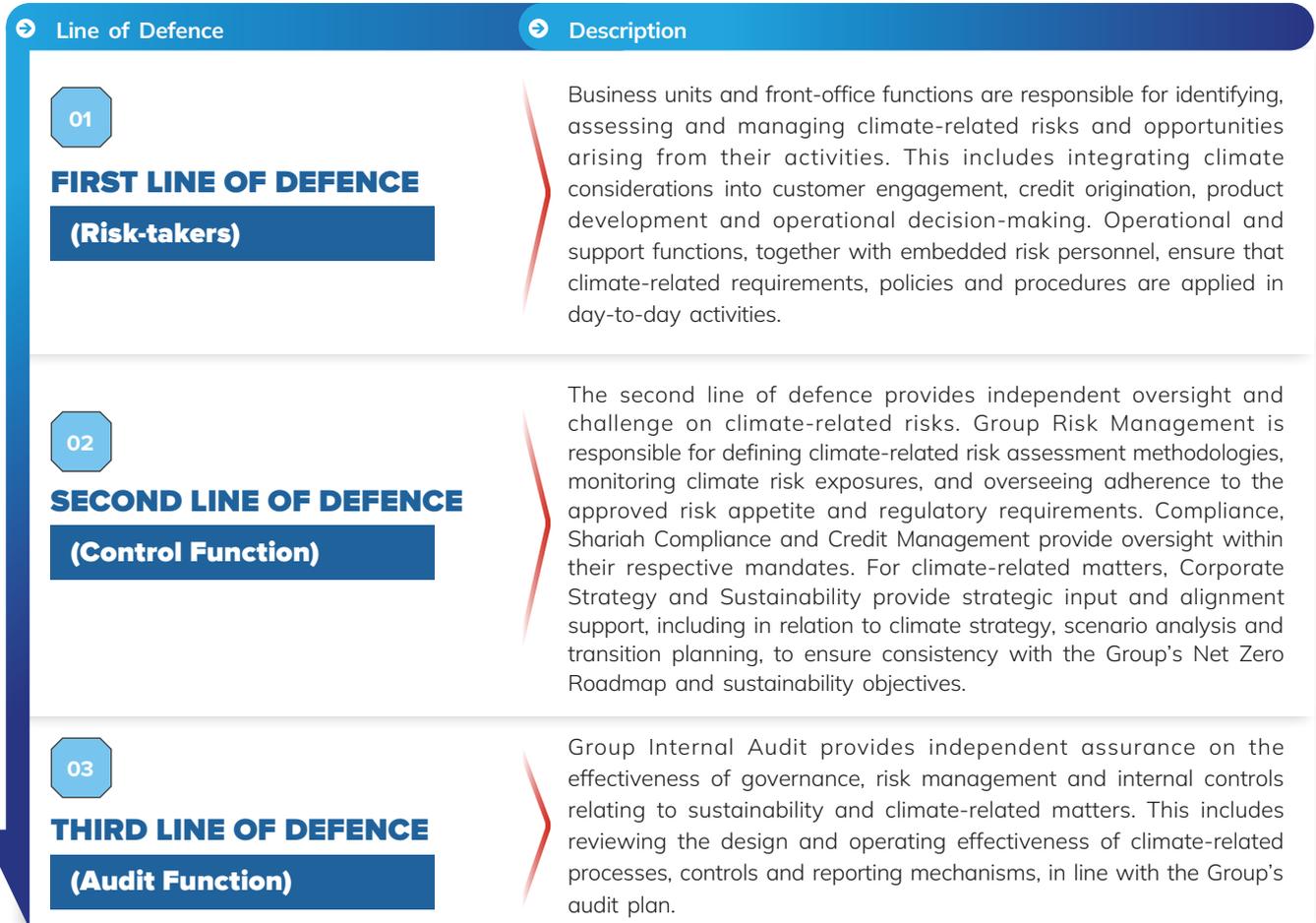
GOVERNANCE PROCESSES & DECISION-MAKING IFRS S2 6(a)(iii), 6(b)(i), 6(b)(ii)

Sustainability governance at AFFIN is operationalised through a multi-tiered structure that enables effective oversight, disciplined decision-making and clear accountability across the organisation. The Board provides ultimate oversight of sustainability and climate-related matters, supported by the GBSC, which focuses on sustainability strategy, climate-related risks and opportunities, and progress against key targets and commitments.

At the management level, the Group Management Committee – Sustainability (GMC-S) oversees sustainability and climate-related matters on an ongoing basis, providing strategic direction and ensuring alignment between sustainability objectives, business priorities and risk considerations. The Group Chief Corporate Strategy and Sustainability Officer (GCCSSO) leads the development and implementation of the Group’s sustainability strategy, including climate-related initiatives, while the Head of Sustainability, supported by the Sustainability Working Group, is responsible for day-to-day execution, coordination across functions and monitoring of sustainability performance. This governance structure supports the integration of sustainability and climate considerations into business processes, credit and risk decisions, and strategic planning, enabling AFFIN to respond to evolving sustainability risks and opportunities while creating long-term value.

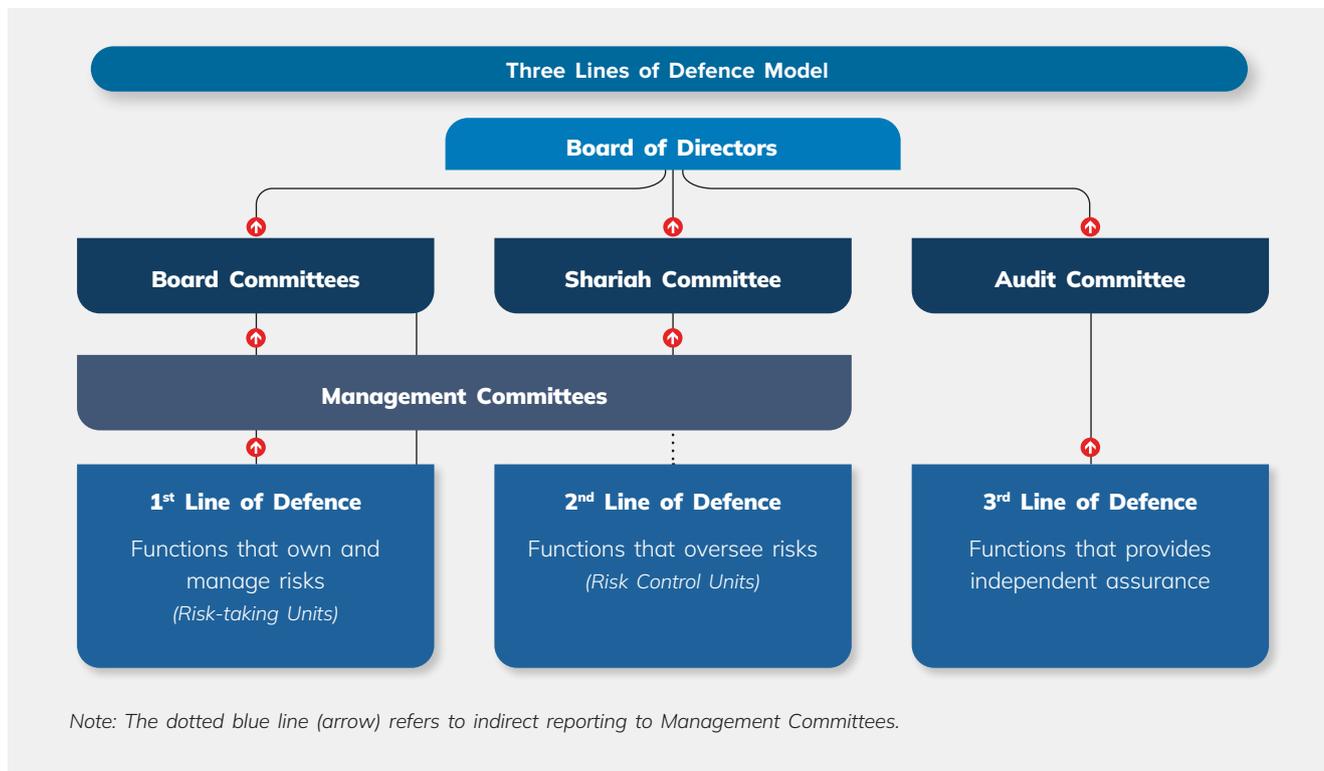
AFFIN applies a Three Lines of Defence model, as set out in the AFFIN Group Risk Management Framework, to manage climate-related risks and opportunities in a structured and consistent manner. Climate-related risks and opportunities identified across the three lines of defence are escalated through management committees, including the GMC-S and the Group Management Committee – Governance, Risk and Compliance (GMC-GRC), before being reported to the relevant Board committees. Climate-related financial risks are reviewed by the GBRMC, while broader sustainability and climate strategy matters are overseen by the GBSC. Matters requiring strategic direction or approval are ultimately deliberated by the Board of Directors.

This structured escalation and oversight process ensures that climate-related considerations are embedded into AFFIN’s enterprise risk management, strategic decision-making and governance processes.



Governance

The operationalisation of the 3-LOD model is illustrated below:



AFFIN ensures that sustainability and climate-related matters are escalated to and overseen by all Boards within the Group, namely Affin Bank Berhad (ABB), Affin Islamic Bank Berhad (AIBB) and Affin Hwang Investment Bank Berhad (AHIBB). The Boards receive regular, structured updates on sustainability and climate developments, prepared by the Group Chief Corporate Strategy and Sustainability Officer (GCCSO), and the Group Chief Risk Officer where relevant, in line with the meeting cadence of the respective Board Committees. These updates cover key topics including the Group’s Net Zero Roadmap, greenhouse gas emissions performance, sustainability and climate-related frameworks and policies, regulatory and disclosure requirements, as well as climate scenario analysis and stress testing. This approach supports informed Board deliberation and effective integration of sustainability considerations into strategic and risk-related decisions.

At management level, sustainability oversight is supported by dedicated committees. The Group Management Committee – Governance, Risk and Compliance (GMC-GRC) oversees sustainability-related risks, including climate risk exposures, scenario analysis outcomes and risk appetite thresholds. The Group Management Committee – Sustainability (GMC-S) is responsible for developing and implementing sustainability strategies and initiatives, building sustainability capabilities across the Group, and monitoring sustainability KPIs, with matters escalated to the GMC and GMC-GRC as appropriate. All committees are chaired by the President & Group CEO, ensuring climate considerations are embedded into day-to-day decision-making across business, risk and sustainability functions. The GMC-S reports to the Group Board Sustainability Committee (GBSC), which provides Board-level oversight of sustainability and climate-related risks, opportunities, targets and disclosures.

Climate-related financial risks are managed through the GMC-GRC within the Group’s Risk Management framework, covering credit, market and operational risks. The GMC-GRC reports directly to the Group Board Risk Management Committee (GBRMC), ensuring appropriate governance, escalation and accountability. Collectively, this governance structure ensures that sustainability and climate-related matters are consistently considered at the highest level of oversight and embedded across AFFIN Group’s strategy, risk management and long-term value creation.

Board Credentials and Composition

IFRS S2 6(a)(ii)

AFFIN Group's Board comprises individuals with a diverse mix of skills, experience and subject matter expertise that collectively support the Group's strategic priorities, including sustainability and climate-related oversight. Independent Non-Executive Directors play a key role in providing objective challenge and oversight into sustainability and climate matters at the Board level.

The Group Board Nomination & Remuneration Committee (GBNRC) is responsible for evaluating the Board's collective composition and recommending appointments based on a balanced mix of competencies, experience and diversity, as guided by the Board Charter and related governance policies. As part of this process, sustainability and climate-related competencies are embedded within the Board's skills matrix and reviewed annually to ensure continued relevance in light of evolving regulatory expectations, climate risks and transition opportunities.

For more information on our Senior Management individual profiles, please visit our website

Key Matters Discussed in FY2025

IFRS S2 6(a)(iii), 6(a)(iv)

The Board and relevant Board Committees are kept regularly informed of sustainability and climate-related risks and opportunities through structured updates prepared by Management. These updates are tabled at least once every month for GBRMC and two months, in line with the meeting frequency of the GBSC, and supplemented on an ad hoc basis where material developments arise.

Board deliberations on climate-related matters cover a broad range of topics, including the Group's Net Zero Roadmap, greenhouse gas emissions performance, climate scenario analysis outcomes, regulatory and disclosure developments, and the endorsement of sustainability and climate-related policies. Insights from these discussions inform strategic decisions relating to sustainability strategy of the group such as portfolio alignment, sectoral focus and the development of reduction of high emitting sectors target.

Matters Discussed at GBSC and GBRMC

Matters Discussed in FY2025 in GBSC

Chairperson:

Chairman of GBSC, Independent Non-Executive Director

Frequency Meeting: Every 2 months

- AFFIN's Enhanced Sustainability Framework.
- AFFIN Sustainability Statement FY2024.
- ESG Dashboard which consists of the following:
 - 2025 ESG Key Performance Indicators.
 - Initiatives against Regulatory Requirements.
 - Sustainability Market Trends/Updates.
 - Peer Benchmarking.
- ESG Metric and Target for climate-related targets.
- AFFIN's Financed and Enterprise Emissions Baseline Calculations for FY2023.
- Cost Benefit Analysis on the revised climate target – 70% reduction of operational emission (Scope 1 & 2) by FY2030.
- Preliminary Gap Assessment of FY2024 disclosure against the National Sustainability Reporting Framework (NSRF).
- Progress updates on decarbonisation pathway.
- Sustainability team resources planning strategy.
- Validation of Sustainability Reporting 2025.
- Updates to Establishment of Yayasan AFFIN.
- AFFIN Net Zero Roadmap by 2050.
- Integrated Sustainability Risk Management.
- AFFIN Impact Assessment Template (AFIAT).
- Key Performance Indicators (KPI) under sustainability agenda for FY2026 implementation.
- Structure of Sustainability Statement FY2025.
- Presentation of Sustainability Initiatives by the Business Units.
- Updates of Yayasan AFFIN.

Matters Discussed in FY2025 in GBRMC*

Chairperson:

Chairman of GBRMC, Independent Non-Executive Director

Frequency Meeting: Monthly

- Half-yearly Climate Change and Principle-based Taxonomy (CCPT) classification results.
- Group Credit Policy on Sustainable Financing (GCPSF).
- Group Credit Risk Policy (Non-Retail).
- Annual Credit Plan (ESG-related lending/financing).
- Group Risk Management Framework (Climate-related risks taxonomy).
- Material Risk Assessment as part of ICAAP.
- Risk Appetite Statement.
- Climate Risk Scenario Analysis/Stress Testing Results.

* Only climate-related information is captured in this section.

Governance

Leadership Competencies IFRS S2 6(a)(ii), 6(b)(i)

To strengthen governance capability over climate and sustainability-related matters, Directors across AFFIN boards participated in broad programmes of external and internal learning engagements in 2025. These engagements covered climate governance and risk management, emerging regulatory and disclosure developments, and enabling capabilities such as data governance, AI and cybersecurity, alongside core governance and integrity topics. In addition to formal programmes, the Board receives periodic internal briefings and management-led updates on the Group’s climate risk profile, Net Zero Roadmap and progress against sustainability targets, with training needs reviewed as climate risks, data maturity and regulatory expectations evolve.

Theme	Description
Climate & sustainable finance	Climate governance masterclasses, climate risk management for directors, carbon pricing/markets, sustainable finance topics
Sustainability reporting & regulatory developments	Updates on sustainability disclosure expectations and board oversight implications of evolving rules
Enterprise risk & strategic outlook	Credit / market outlook briefings, governance for execution and risk oversight topics relevant to financial institutions
Digital, AI & data governance	AI board/CXO sessions, GenAI implications, data governance and digital transformation oversight
Cybersecurity & information security	Cybersecurity trainings including information security refreshers, resilience and incident readiness topics
Ethics, compliance & integrity	COI refreshers including annual compliance attestations, AML/CFT/CPF and ABC modules

Sustainability Linked Remuneration IFRS S2 6(a)(v)

Sustainability and climate-related performance considerations are embedded into the Group’s performance management and remuneration framework to reinforce accountability and alignment between Board oversight, management execution and strategic priorities. The BOD and relevant senior management have sustainability KPIs integrated into their scorecards. These KPIs reflect the Group’s key sustainability and climate priorities and directly influence bonus pool funding and, consequently, remuneration outcomes. This ensures that sustainability considerations, including climate-related objectives, are actively translated into management behaviour, decision-making and performance incentives.

In recognition of the strategic importance of sustainability leadership, the GCCSSO carries a 30% sustainability-related weighting in the performance scorecard. This weighting underscores the critical role of the GCCSSO in driving the Group’s sustainability agenda, overseeing climate strategy execution, and ensuring progress against the Net Zero Roadmap and broader ESG objectives.



IDENTIFICATION OF CLIMATE-RELATED RISKS AND OPPORTUNITIES IFRS S2 9(b), 13(a)

Climate change presents both physical risks, such as acute and chronic extreme weather events, and transition risks, including changes in policy, regulation, technology and market preferences. These risks, alongside emerging transition opportunities, have the potential to affect AFFIN’s business model, financing and investment portfolios, and long-term financial performance.

To address these challenges, AFFIN has strengthened its Sustainability Framework by integrating climate change and systemic risk management as key material issues in FY2024. Climate-related risks and opportunities are identified and assessed early in the credit evaluation and portfolio screening process. This structured approach ensures that climate considerations are embedded into strategic planning, risk management and financing decisions, consistent with the Group’s commitment to responsible banking with impact.

AFFIN leverages established climate and environmental risk tools, including sector-specific policies, a Prohibition List and climate risk assessment methodologies, to identify exposures across portfolios, sectors and geographies. These tools support the identification of vulnerable sectors, counterparties and assets, as well as opportunities to support customer transition and expand sustainable and transition-aligned financing.

IDENTIFICATION AND IMPACT OF CLIMATE-RELATED RISKS IFRS S2 9(b), 13(a)

Identifying the physical and transition risks associated with climate change is essential to strengthening our environmental and climate resilience and supporting a just transition to a low-carbon economy. Over time, we have systematically identified climate-related risks and opportunities, reflecting our commitment to transparently managing climate-related impacts and aligning with industry best practices and globally recognised standards. Our approach continues to be guided by the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), and we are committed to transparent reporting on our progress in implementing these recommendations through ongoing stakeholder engagement.

The Group recognises climate risk as a potential threat stemming from climate change, which can impact the sustainability of its overall business and operations. This risk may manifest through:

- a** Transition Risk
- b** Physical Risk

The impacts of these risks, whether altogether or on a standalone basis, may affect the Group’s business activities, operations and reputation, as well as the value of its assets and investments. If not properly managed, these risks could lead to the Group’s assets being stranded.

SCENARIO ANALYSIS IFRS S2 10(d), 22(b)

Scenario analysis was performed to evaluate the impact of physical and transition risks on the Group’s assets and operations. The analysis quantifies climate risk impacts on credit risk in terms of Expected Credit Losses (ECL), based on Probability of Default (PD) and Loss Given Default (LGD). The Bank has performed climate-related scenario analysis based on one short-term acute physical risk scenario and three long-term climate scenarios.

The **short-term** scenario considers a one-off 1-in-200-year flood event in Malaysia, aligned with the IPCC Representative Concentration Pathways (RCP) 8.5 scenario, assuming a future with high emission scenario and thus resulting in the highest physical risks among other RCPs.

For **long-term** analysis, AFFIN applies three adverse climate scenarios developed by the Network for Greening the Financial System (NGFS):

ORDERLY: NET ZERO 2050	DISORDERLY: DIVERGENT NET ZERO	HOT HOUSE WORLD: NATIONALLY DETERMINED CONTRIBUTIONS
Time horizons are defined as:		
SHORT-TERM: 0–3 years	MEDIUM-TERM: 4–10 years	LONG-TERM: beyond 10 years

Strategy

The long-term scenarios were assessed over a time horizon from December 2023 to 2050.

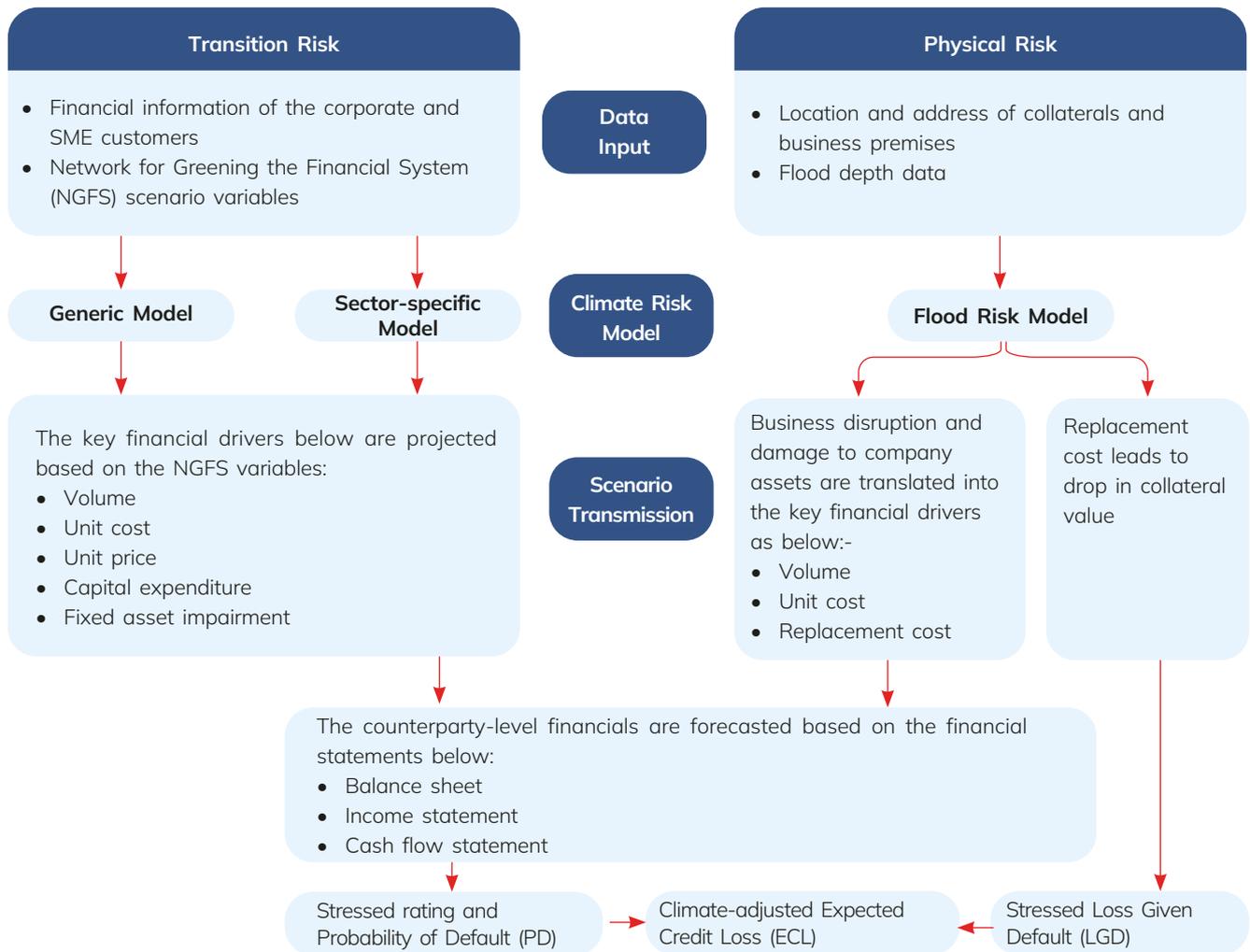
The defined time horizons are aligned with the Group’s strategic planning cycles. The short-term horizon (0–3 years) aligns with annual planning and the remaining AX25 execution period; the medium-term horizon (4–10 years) supports strategic planning beyond AX25, including AX28; and the long-term horizon (beyond 10 years) informs high-level strategic resilience and long-term positioning. These horizons guide how climate-related risks and opportunities are considered in management’s strategy formulation and decision-making.

CLIMATE RISK MODELLING APPROACH IFRS S2 22(b)

AFFIN’s climate risk modelling assesses the potential impacts of transition and physical risk on borrower credit quality and portfolio-level expected credit losses. Transition risks are assessed using NGFS climate scenarios, where key financial drivers, including revenue, costs, capital expenditure and asset impairment, are stressed at both generic and sector-specific levels. Physical risks, with an initial focus on flood risk, assess the impacts of asset damage, business disruption and collateral value deterioration using geolocation and hazard data.

The modelling framework enables AFFIN to identify vulnerable sectors and counterparties, support portfolio steering and strengthen strategic decision-making. In practice, the assessed climate hazards and transition impacts are translated into stressed borrower financials and reduced collateral values, which in turn inform climate-adjusted probability of default (PD) and loss given default (LGD) respectively. Our climate risk modelling approach will be progressively enhanced over time as data quality, hazard coverage and modelling capabilities continue to improve.

Climate Risk Modelling Approach



STRATEGIC RESPONSE AND TRANSITION PATHWAY IFRS S2 9(c), 14(a), 16(c),16(d)

In FY2025, AFFIN formalised its Net Zero Roadmap to 2050, reinforcing its ambition to achieve Net Zero emissions by 2050. The roadmap sets out a structured pathway anchored by a financed emissions baseline, sector prioritisation and near-term 2030 targets, particularly for sectors with higher emissions intensity and strong economic relevance.

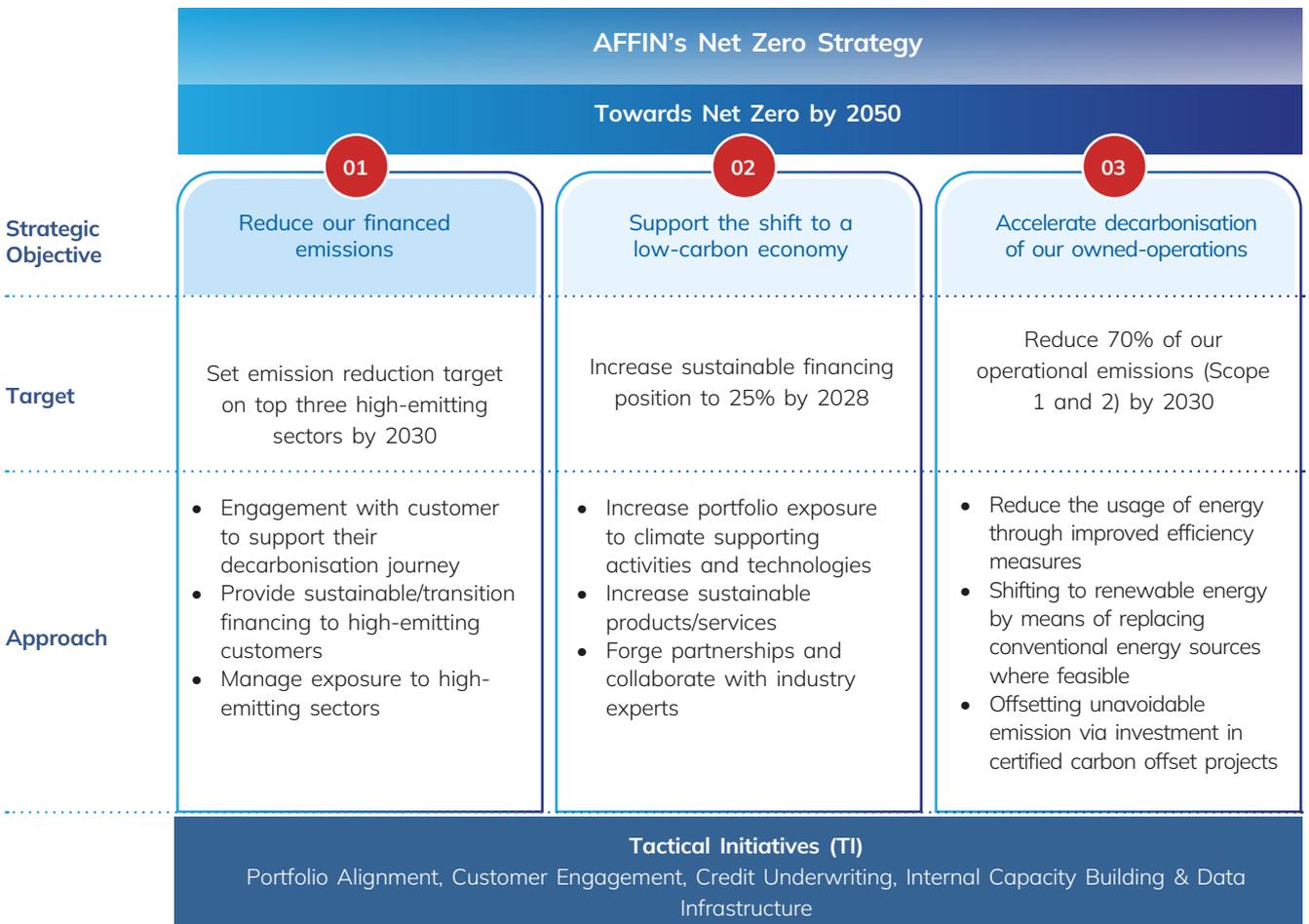
AFFIN has identified Palm Oil, Energy Supply and Oil & Gas as priority sectors based on their contribution to financed emissions, importance to Malaysia’s economy and the availability of credible decarbonisation pathways. Sector-specific emissions intensity targets help guide portfolio alignment, customer engagement and financing decisions, while recognising different levels of transition readiness across the real economy. Climate-related risks and opportunities are also increasingly reflected in strategic decision-making, shaping sectoral priorities, capital deployment, product development and the Group’s approach to sustainable and transition financing.

AFFIN’s Net Zero Roadmap is closely aligned with the Group’s broader transformation under the AFFIN Axelerate 2028 (AX28) Plan, which guides its development through 2028 and reflects a stronger commitment to embedding sustainability into the business. Within this broader direction, AFFIN’s Net Zero Strategy

focuses on three key priorities: reducing financed emissions, expanding sustainable financing, and lowering its own operational emissions.

To support portfolio decarbonisation, AFFIN is pursuing an engagement-led transition approach, working with customers to assess transition readiness, support credible transition plans and structure suitable sustainable or transition financing solutions. In parallel, the Group aims to increase sustainable financing to 25% of its total portfolio by 2028, while progressively increasing exposure to climate-supporting activities. AFFIN also targets a 70% reduction in Scope 1 and Scope 2 emissions by 2030 through energy efficiency measures, greater use of renewable energy and certified carbon offset initiatives.

As data maturity and modelling capabilities continue to evolve, AFFIN expects climate-related insights to play an increasingly central role in credit underwriting, portfolio monitoring and capital allocation. Together, the AX28 Plan and Net Zero Roadmap reinforce a unified direction for the Group, integrating climate action, responsible financing and long-term value creation in alignment with national priorities such as the National Energy Transition Roadmap (NETR).



Strategy

AFFIN'S NET ZERO ROADMAP BY 2050 IFRS S2 14(a)

Climate change poses both physical risks, such as extreme weather events, and transition risks, including policy shifts and technological advancements, which can materially affect the Group's operations and financial performance. In response, AFFIN has strengthened its Sustainability Framework by integrating climate change and systemic risk management as key material issues.

The roadmap serves as AFFIN's blueprint for transformation, setting out a clear and actionable pathway to decarbonise both our own operations and the financed emissions associated with our customers. It strengthens our ability to manage climate-related risks while positioning AFFIN to capture opportunities arising from the transition to a greener economy. At its core are sector-specific emissions-reduction targets, with an initial focus on high-emitting sectors such as palm oil, energy supply, and oil and gas, which provide a clear direction for our journey towards a lower-carbon future.

Designed to be adaptive, the roadmap will evolve as data quality improves, sector readiness advances and new technologies emerge, ensuring a pragmatic, credible and impact-focused approach. Climate considerations are being systematically embedded across the Group through enhancements to risk management, product innovation, and

customer engagement. This includes integrating climate risk into credit and portfolio decisions, expanding sustainable and transition-focused financing solutions, strengthening governance and internal capabilities, and leveraging data and technology to track progress and refine our strategy.

AFFIN adopts an engagement-led approach, working in partnership with clients in higher-emitting sectors to assess transition readiness and support the development of credible transition plans, rather than relying on immediate divestment. In parallel, we are increasing our exposure to climate-supporting activities, with sustainable financing targeted to reach 25% of total financing by 2028, enabling us to participate meaningfully in Malaysia's energy transition and the growth of the green economy.

Collectively, these initiatives support the progressive rebalancing of our portfolio, strengthen long-term resilience and ensure alignment with national priorities such as the National Energy Transition Roadmap (NETR). Through this integrated approach, sustainability is embedded at the heart of AFFIN's business model, advancing responsible banking with impact and supporting an orderly, inclusive and economically sustainable transition.

LINKAGE TO SUSTAINABILITY FRAMEWORK

Recap: Sustainability Framework



AFFIN | SUSTAINABILITY & CLIMATE VISION & MISSION

<p>VISION</p> <p>Shaping a sustainable future by providing digitalised and impactful responsible banking solutions for unrivalled customer service</p>	<p>MISSION</p> <p>To apply our financial expertise to create value for individuals, businesses, community and the environment</p>	<p>HOW WE MEASURE</p> <p>STEWARDSHIP We are passionate about making things better for the future i.e. our people, the community and environment</p>
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SUSTAINABILITY PILLARS

- PLANET
- PEOPLE
- PROGRESS

SUSTAINABILITY PRINCIPLES

- Driving Sustainable and Equitable Financial Solutions
- Preserving Our Environment for a Sustainable Future
- Empowering Communities and Fostering Inclusive Growth
- Leading with Integrity & Transparency

SUSTAINABILITY FOCUS AREAS

- Sustainable Financing
- Sustainable Operations
- People & Culture
- Support the community

A.F.F.I.N CORE VALUES

- A** Always Innovating & Adapting
- F** Forever working as a team as we are one family
- F** Fair treatment, diversity & **SUSTAINABILITY**
- I** Integrity is our foundation
- N** Never ending customer centricity

In alignment to:

Strategy

Under the **Planet** pillar, the Sustainability Framework sets the strategic direction for addressing climate-related risks and opportunities through responsible financing and sustainable operations. The Net Zero Roadmap operationalises this ambition by providing a **structured, long-term pathway to reduce financed and operational emissions**, in line with the Group’s commitment to responsible banking with impact.

Specifically, the Net Zero Roadmap supports the Sustainability Framework by:

- Guiding the **transition of the Bank’s financing portfolio** towards lower-carbon and transition-aligned activities under **Sustainable Financing**.
- Shaping **sustainable operations**, including energy efficiency initiatives and renewable energy adoption across branches.

- Informing **risk management, business strategy, and capital allocation decisions**, ensuring climate considerations are embedded into core banking activities.

While the Net Zero Roadmap is principally anchored under the **Planet** pillar, its implementation also reinforces the **Progress** pillar through improved governance, transparency, and disclosure, and the **People** pillar by supporting a just and orderly transition that considers customers and communities.

Together, the Sustainability Framework provides the overarching structure and principles, while the Net Zero Roadmap translates climate ambition into **clear actions, milestones, and accountability**, ensuring alignment between strategy, execution, and long-term value creation.

AFFIN STRATEGIC POSITIONING ON NET ZERO

Our stances



Balance and Pragmatic Approach to Net Zero

AFFIN adopts a balanced and pragmatic approach to achieving Net Zero through a phase-based transition strategy that prioritises customer engagement and financial inclusion. Rather than pursuing immediate divestment, the Bank partners with clients to assess transition readiness, promote credible transition plans and offer tailored financial solutions. This approach is supported by tactical initiatives such as portfolio alignment, climate-informed credit underwriting, internal capacity building and strengthened data infrastructure.

Further details on AFFIN’s Net Zero Roadmap, priority sectors and transition targets are set out in the Strategic Response and Transition Pathway section above on pages 293

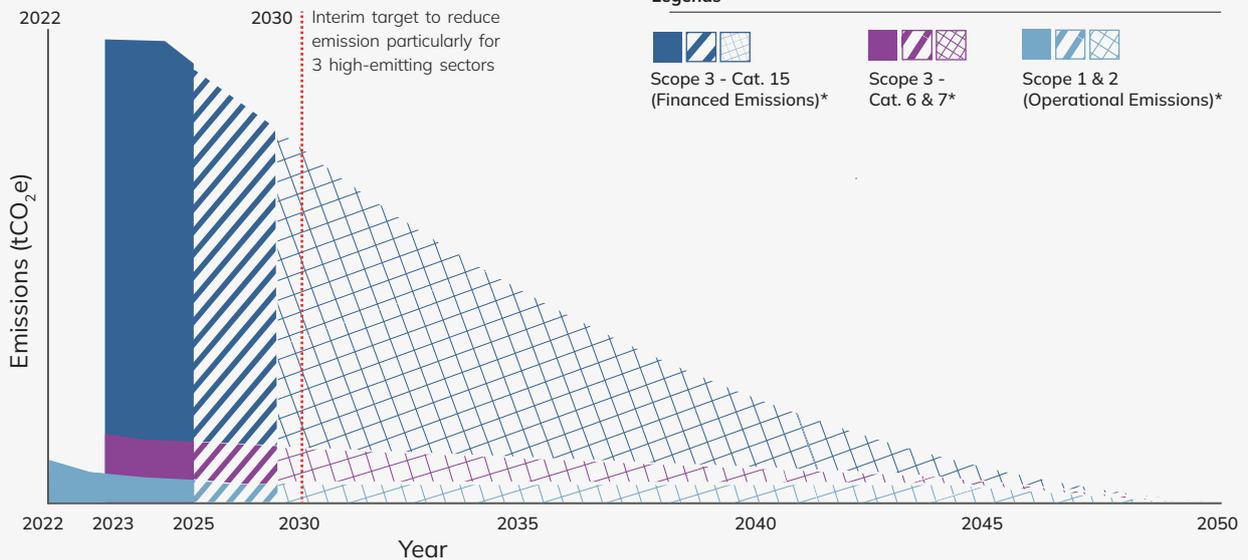
We have undertaken an assessment of our Scope 3 Financed Emissions based on FY2023 data, focusing on the most material sectors within the Group’s portfolio. The analysis found that 41% of total financed emissions, equivalent to 1.47 million tCO₂e, are attributable to three key asset classes: AC1 (Listed Equity and Corporate Bonds), AC2 (Business Loans and Unlisted Equity), and AC3 (Project Finance). Within these asset classes, 74% of emissions, equivalent to 1.01 million tCO₂e, are concentrated in the top 10 highest-emitting sectors.

Among these, Palm Oil, Energy Supply and Oil & Gas were identified as the largest contributors to financed emissions. While these sectors are inherently emissions-intensive, AFFIN’s financial exposure to them remains relatively limited. This suggests that they have a material influence on the Group’s financed emissions profile, without representing a significant share of its overall financing and investment portfolio.

On this basis, we have prioritised these sectors for further assessment and transition planning, taking into account their emissions contribution, economic relevance and the availability of credible decarbonisation pathways, as outlined below.

- 01 Significant contribution to Net Zero
- 02 Material sectors to Malaysia’s economy
- 03 Readiness of key decarbonisation levers
- 04 Availability of methodology and data

Net Zero Roadmap by 2050



* This represents the same emissions trajectory, where the thicker line reflects the emissions projections up to 2028, while the thinner line represent projection beyond 2028, given the higher level of uncertainty associated with the longer-term period.

<p>Baseline Year - 2022</p> <p>Scope 1 & 2 (Operational Emissions): 18,3203.70 tCO₂e</p>	<p>Baseline Year - 2023</p> <p>Scope 3 - Cat 6 & 7: 7,904.33 tCO₂e (0.22%)</p>	<p>Scope 3 - Cat. 15 (Financed Emissions): 3,608,453 tCO₂e (99.3%)</p>
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The strategy will be operationalised through five tactical initiatives:

Five tactical initiatives to operationalise sectoral decarbonisation plan

01

Portfolio Alignment

- Assess climate-related risks across portfolios
- Identify sectoral exposure and high-risk areas
- Setting up portfolio composition between brown and green financing

02

Customer Engagement

- Gauge transition maturity and emission exposure
- Prioritise high-emitting clients for engagement

03

Credit Underwriting & Customer Profiling

- Integrate climate risk consideration into credit processes
- Enable tailored transition support and financing

04

Internal Capacity Building

- Strengthening internal competencies through targeted upskilling initiatives, with a focus on climate risk management and the structuring of sustainable financing
- Foster collaboration and knowledge sharing and promote accountability

05

Data Infrastructure

- Strengthen availability of key climate data
- Enable informed decision-making and reporting
- Track progress and support emissions monitoring

Each of the five tactical initiatives will be operationalised through a structured roadmap outlining key actions and timelines. This includes detailed plans across 2025 onwards and beyond 2030 for data enhancement, climate-informed financing, partnership mobilisation, KPI setting, and capability building enabling AFFIN to translate strategy into measurable outcomes.

Risk Management

INTEGRATION OF CLIMATE RISK INTO RISK MANAGEMENT IFRS S2 25(c), 25(a)(iv)

Climate-related risks are systematically integrated into AFFIN's Group Risk Management Framework. Climate risk, categorised into physical and transition risk, are recognised as the sub-category of sustainability risk under the Risk Dictionary.

Climate-related risks intersect with traditional financial risk categories, including credit, operational, market, liquidity, reputational, and strategic risks.



Credit evaluation processes



Risk Appetite Statement

ASSESSING AND MEASURING CLIMATE-RELATED RISKS IFRS S2 25(a)(i), 25(a)(iii), 25(b)

AFFIN adopts a structured, multi-layered risk analysis approach to identify, assess and prioritise climate-related risks across portfolio, transaction and operational levels. Upon identification, climate-related risks are assessed for materiality based on likelihood of occurrence and severity of impact, using both qualitative and quantitative methods, depending on data availability and the nature of the risk.

Risk analysis is conducted through an interactive combination of bottom-up and top-down assessments, which together provide a comprehensive view of climate-related risks across the Group. Based on the combined assessment, risks are prioritised and appropriate responses are determined, including risk mitigation, risk monitoring or risk avoidance, taking into account the trade-off between risk and reward and alignment with the Group's risk appetite.

➤ Risk Identification and Assessment

Portfolio level

- Performs qualitative assessment on an annual basis to determine sectors with high ESG and Value-based Intermediation (VBI) risk.
- Introduces the climate-related risk taxonomy and incorporates the mapping of the transmission of climate-related risk drivers to the existing risk types in the annual Material Risk Assessment (MRA) exercise.
- Performs double materiality assessment to identify the risk and opportunities arising from climate-related risk.

Transaction level

- Assesses the exposures of customers to climate-related risks during the onboarding process.
- The economic activities engaged by customers are categorized based on the classification from Climate Change and Principle-based Taxonomy ("CCPT") Assessment.

Internal Operations

- Evaluates the potential impact of environmental threats towards the Bank's internal operations based on their severity and likelihood to determine their risk level.
- Performs assessment on third party key service provider's resiliency towards climate change events.

➤ Risk Measurement

Quantification of Scope 3 Greenhouse Gases (GHG) Emissions

- Measures the emissions associated with financing and investing activities to pinpoint the sectors and customers with high carbon footprints.

Climate Scenario Analysis/Climate Risk Stress Testing

- Assesses the potential losses arising from adverse climate scenarios via top-down and bottom-up approaches using quantitative modelling.

➤ Risk Control and Mitigation

Risk Appetite Statement (RAS)

- Establishes the risk appetite statement which acts as the guiding principle towards managing climate-related risk and aligns with the Board approved climate change strategy.
- Develops a climate risk metric to track the exposures to high transition risk sectors to support the implementation of RAS.

Crisis Response Plan

- Delineates the responsibilities and action steps to be taken in managing and serves as a comprehensive guide for Business Units who are exposed to severe climate related risk.

Greenhouse Gases (GHG) and Net Zero Roadmap

- Formulates sector-specific decarbonization strategies for the high-emitting sectors.

➤ Risk Monitoring and Reporting

Regular reporting of the climate risk related areas (e.g. CCPT, MRA) with oversight from board committees in compliance with the regulatory requirements.

Risk Management

CLIMATE RISK MODELLING AND SCENARIO ANALYSIS IFRS S2 25(a)(iii), 25(b)

AFFIN enhanced its climate risk assessment through advanced modelling, including:



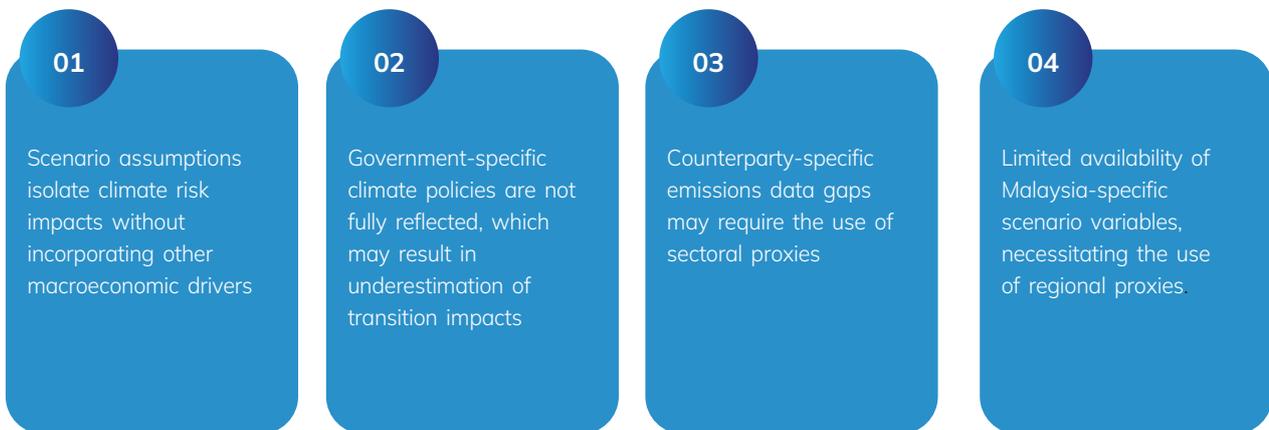
The Group leverages a range of tools and data sources, including:



These tools assess vulnerability factors and financial materiality, including projected Probability of Default (PD), Loss Given Default (LGD), and Expected Credit Loss (ECL).

Limitations of Climate Risk Modelling

AFFIN acknowledges certain limitations in current climate risk modelling, including:



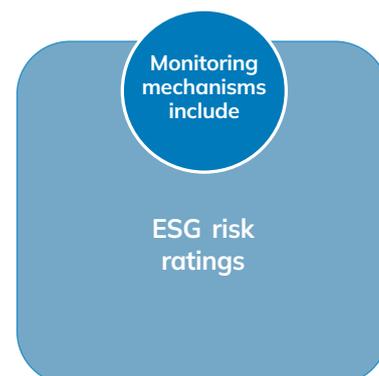
The Group continues to refine its modelling capabilities as data quality, regulatory guidance and analytical tools evolve.

Impact of Climate Risk on Existing Risk Types

Type of Climate Risk	Type of Existing Risk	Impact to AFFIN
Physical Risk	Credit Risk	<ul style="list-style-type: none"> Impact the Bank's customers ability to repay their loans which will result in a higher impairment rate. Deteriorate the value of collaterals due to damage from extreme weather event.
	Liquidity Risk	Increase in deposits withdrawal and drawdown of credit lines in the event of an extreme weather event.
	Operational Risk	Disruptions to the bank's daily operations due to damage to branches or assets caused by extreme weather event.
Transition Risk: 1. Changes in government policies, legislation and regulation 2. Changes in technology 3. Changes in market preference (shift in demand and supply)	Credit Risk	<ul style="list-style-type: none"> Shift in consumer demand and imposition of carbon taxes may result in a negative impact on the company's profitability contributing to higher probability of default. Stranded assets due to transition to low carbon economy, resulting in lower collateral values and lower recovery in the event of default.
	Market Risk	<ul style="list-style-type: none"> Incur losses from the repricing of investment assets or potential rating downgrade due to shift towards sustainable products.
	Strategic Risk	<ul style="list-style-type: none"> Lack of product competitiveness due to failure of introducing green financing products to meet increasing demand.
	Operational Risk	<ul style="list-style-type: none"> Failure to comply with new climate risk related legislation and regulations due to the inability to adapt and develop an appropriate risk management process in response to the changes. Technological disruptions significantly impact current systems, rendering existing technologies obsolete due to shift in energy demand.

Managing and Mitigating Climate-Related Risks IFRS S2 25(c), 25(d)

AFFIN manages climate-related risks through:



Risk Management

Current and Anticipated Financial Effects IFRS S2 27–29

Currently, climate-related adjustments to AFFIN's financial statements remain limited, reflecting the early phase of its climate strategy implementation. However, transition risk considerations have been monitored through climate-related metrics and targets.

Looking ahead, AFFIN anticipates increasing financing towards green, sustainable and transition-aligned projects/assets in line with its Net Zero Roadmap. Over time, financial performance is expected to reflect climate-adjusted risk pricing, portfolio rebalancing and the expansion of decarbonisation-linked lending. The Group acknowledges that future financial impacts may include the revaluation or write-down of carbon-intensive assets in sectors facing heightened transition risk.

More information on how we have implemented our sustainable financing efforts is available in the Sustainable Financing section of this report on pages 313-319.

Climate Risk and Opportunities (CRO)

AFFIN has identified failure to address significant physical and transition risks, including mitigation and adaptation efforts as a climate-related risk that could influence business resilience and long-term performance. The table below summarises AFFIN's time horizons, key strategic responses, and the potential implications on the Group from an outside-in perspective, as well as the associated financial effects.

Climate related - Risk:

Risks arising from climate change could impact businesses and households as well as the broader economy. The impact of climate risk can manifest in three dimensions of risk namely physical, transition and liability risks. Climate change can be observed in many ways such as a rise in surface temperature and sea level, volatility in local climate including drought and rainfall patterns, and higher frequency and severity of disaster occurrences.

Time Horizons:

- Medium-term (2030): 70% reduction in operational emissions (Scope 1 and 2) by 2030
- Long-term (2050): Net Zero by 2050.

Effect on Strategy & Decision Making

- Undertaking initiatives to achieve a 70% reduction in operational emissions (Scope 1 & 2) by 2030, compared to the 2022 baseline, paving the way to our goal of net zero by 2050.
- Ensuring effective stewardship of GHG emissions including the comprehensive management of climate-related risks and opportunities.

Effects on Business Model & Value Chain

Positive: Supporting a diverse range of customers in their transition to net zero by offering tailored guidance, financial solutions and resources; enhancing long-term financial stability by reducing exposure to high-risk sectors, protecting assets from physical climate risks and mitigating credit and regulatory risks; contribute to AFFIN's target of achieving a 70% reduction in operational emissions by 2030.

Negative: Possible increase in costs associated with transitioning to a low-carbon economy; risk of financial losses and reduced market competitiveness due to exposure to high-risk assets affected by climate-related events; insufficient adaptation efforts may result in operational disruptions to physical infrastructure (e.g. branches, data centres) due to climate-related events.

Financial Effects

Current Financial Effects:

No material negative financial impacts have been recorded at the current stage

Anticipated Financial Effects

Increases in costs associated with transition such as reduced competitiveness. In parallel, if executed well there is leverage for enhanced long-term financial stability

AFFIN's climate-related opportunity lies in supporting a diverse range of customers in their transition to net zero by offering tailored guidance, financial solutions and resources, while strengthening long-term financial stability through reduced exposure to high-risk sectors and improved management of physical climate, credit and regulatory risks.

Building on this opportunity, AFFIN has identified the need to enhance climate resilience by addressing significant physical and transition risks through mitigation and adaptation efforts, aligned with its medium- and long-term ambitions towards a 70% reduction in Scope 1 and 2 emissions by 2030 and Net Zero by 2050.

Metrics & Targets

Key inputs to the scenario analysis include physical and transition risk indicators, forward-looking macroeconomic variables, sector-specific sensitivities and geographic risk mapping, where relevant. The outputs support risk assessment, strategic planning and portfolio monitoring, and inform the ongoing refinement of AFFIN Group's Net Zero Roadmap, as well as the integration of climate considerations into the Group's risk management and decision-making processes.

To support this approach, AFFIN Group uses science-based metrics and measurable targets to assess exposure, track progress and guide climate-related action. These metrics strengthen transparency, accountability and alignment with regulatory expectations, while providing a basis for decarbonisation pathways and climate-informed decision-making. At AFFIN Group, climate-related emissions are monitored across two key categories:

- Financed Emissions – emissions arising from our lending and investment activities.
- Enterprise Emissions – emissions generated from our own operations.

By aligning our metrics with recognised global and national standards and guidelines, we enhance the robustness, comparability, and auditability of our climate-related disclosures. These metrics serve as the quantitative foundation for establishing AFFIN's decarbonisation pathways, evaluating transition and physical climate risks and assessing portfolio alignment against relevant sectoral benchmarks. They also support systematic monitoring of performance against both interim and long-term targets while ensuring continued compliance with evolving regulatory and supervisory requirements.

Our disclosures are intended to provide stakeholders with a clear and transparent view of how our measurement framework informs decision-making across the organisation. This includes demonstrating how sustainability considerations are embedded into core business processes, risk management practices, and financing activities to drive measurable progress toward our long-term climate commitments.

FINANCED EMISSIONS IFRS S2 33-36

Financed emissions, which originate from our lending and investment activities, constitute the largest portion of AFFIN Group's total greenhouse gas emissions. As these emissions are tied to the activities of the economic sectors we support, they represent a key area through which we can influence climate outcomes and assist our customers in transitioning to more energy efficient and low carbon business models.

In line with the commitments set out in the AFFIN Net Zero Roadmap, we established a comprehensive financed emissions baseline using FY2023 data. This reporting year marks our first progress update, covering all Commercial and Islamic Retail, Enterprise, and Corporate segments, as well as our investment banking activities. The baseline includes the Group's three main entities, namely Affin Bank Berhad (ABB), Affin Islamic Bank Berhad (AIBB), and Affin Hwang Investment Bank Berhad (AHIBB), and is calculated in accordance with the Partnership for Carbon Accounting Financials (PCAF) methodology.

Our Financed Emissions

Financed Emissions FY2024 (tCO ₂ e)	3,803,418
Total Financing & Investments (RM'mil)	90,774
Financed Emissions Intensity (tCO ₂ e/RM'mil)	41.91
PCAF Score	4.08

Note: Due to the variable timing of financial/emissions data publication by some of our clients and investees, our disclosed financed emissions inventory will be 12-months behind our current reporting period.

Financed emissions were calculated for 80% of AFFIN Group's total assets of RM113 billion as at 31 December 2024. The remaining 20% was excluded due to the following reasons:

- Retail exposures other than mortgages and motor vehicle financing are currently not covered under the PCAF methodology, such as personal financing and credit card facilities.
- Short-tenor and money market instruments were excluded, including products such as share margin financing.
- Non-financial assets and off-balance sheet exposures were not included as these fall outside the scope of PCAF's guidance.

Metrics & Targets

Measurement Standard

AFFIN Group measures and calculates its financed emissions under Scope 3 Category 15 (Investments) in accordance with the Partnership for Carbon Accounting Financials (PCAF) Standard – Part A: Financed Emissions, which provides structured and internationally recognised methodological guidance for the quantification and disclosure of emissions associated with lending and investment activities. Calculation approaches are applied based on the specific characteristics of each asset class and sector, following PCAF’s guidance on aggregating emissions intensities across portfolios.

Understanding our Financed Emissions

To ensure robust and decision-useful disclosures, our financed emissions inventory prioritise the use of clients’ self-reported greenhouse gas emissions wherever available. This reflects PCAF’s emphasis on data quality and ensures the highest level of accuracy in our calculations. Where self-reported emissions are not available, we apply proxy datasets in line with PCAF guidance, which may include:

- Physical activity metrics (e.g., energy use, production volumes)
- Financial proxies such as revenue or sector-specific intensity factors

If neither physical activity data nor financial proxies are accessible, we employ an appropriate estimation technique consistent with the PCAF Standard to derive a reasonable emissions estimate. This ensures full alignment with PCAF’s data hierarchy and supports a transparent, structured approach to calculating financed emissions.

Our Financed Emissions Inventory

Asset Class	FY2023				FY2024			
	In-Scope Exposure* (RM' mil)	Absolute Emissions** (tCO ₂ e)	Emissions Intensity (tCO ₂ e/RM' mil)	Weighted Data Quality Score	In-Scope Exposure* (RM' mil)	Absolute Emissions** (tCO ₂ e)	Emissions Intensity (tCO ₂ e/RM' mil)	Weighted Data Quality Score
Listed Equity & Corporate Bonds	12,058	276,262	22.91	4.62	13,879	391,425	28.20	4.76
Business Loans & Unlisted Equity	18,013	1,141,432	63.37	5.00	16,279	960,422	59.00	5.00
Project Finance	1,176	55,374	47.08	4.40	1,827	80,700	44.16	4.28
Commercial Real Estate	5,326	133,078	24.98	4.38	4,828	161,172	33.38	4.39
Mortgage	19,976	271,483	13.59	4.62	21,678	301,226	13.90	4.35
Motor Vehicle Loans	14,785	692,161	46.82	3.42	15,871	721,908	45.49	3.94
Sovereign Debt (Excluding LULUCF)	14,501	861,343	59.40	2.00	16,382	968,384	59.11	2.00
Sovereign Debt (Including LULUCF)		1,038,663	71.63			1,186,565	72.43	
Total (Excluding LULUCF)	85,836	3,431,133	39.97		90,744	3,585,237	39.51	
Total (Including LULUCF)		3,608,453	42.04			3,803,418	41.91	

LULUCF refers to Land Use, Land-Use Change and Forestry

* This refers to the total outstanding amount that is in-scope for financed emissions calculation and estimation. The scoping process excluded certain types of financing facilities and investments as guided by PCAF and/or for clarity purposes.

** Scope 3 emissions of our clients were excluded due to challenges related to data availability and quality, as well as to minimise double counting.

The figures provided have been reviewed by Group Internal Audit

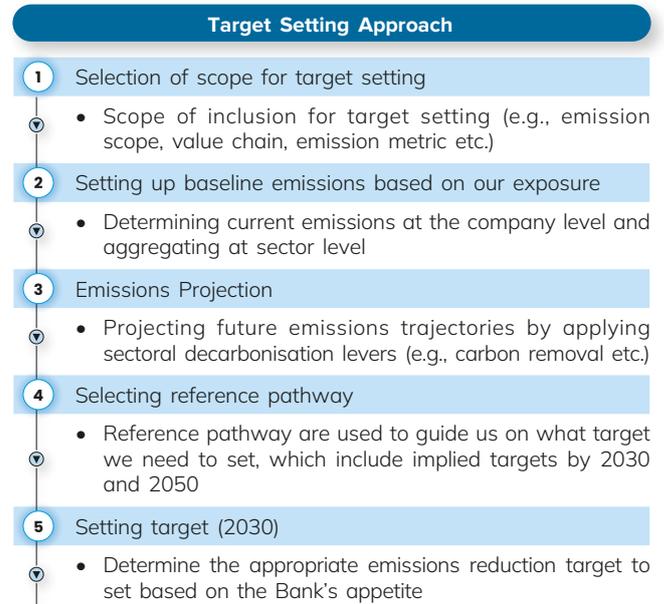
Priority sectors and target architecture IFRS S2 6(a)(v)

AFFIN’s Net Zero Roadmap is governed through the Group’s sustainability governance structure. Management oversight is led through the GMC-S, with escalation to the GBSC for endorsement and onward submission to the Board for approval, ensuring appropriate senior oversight over sector pathways, portfolio steering and target setting.

The Net Zero Roadmap establishes long-term Net Zero (2050) and near-term (2030) emissions intensity targets for priority sectors: Palm Oil, Energy Supply, and Oil & Gas. These sectors were selected based on the materiality of financed emissions, relevance to Malaysia’s economy, and the availability of credible reference pathways. These sectoral targets guide portfolio alignment, client engagement and financing decisions, and are designed to tighten over time as data quality, technology readiness and policy signals evolve.

As the majority of our customers operate within Malaysia, it is essential that the reference pathways we adopt are geographically relevant to the location of our financed emissions. Selecting nationally or regionally aligned pathways ensures that our decarbonisation targets remain realistic, credible, and reflective of the transition levers available within the Malaysian context.

Below is our target-setting approach:



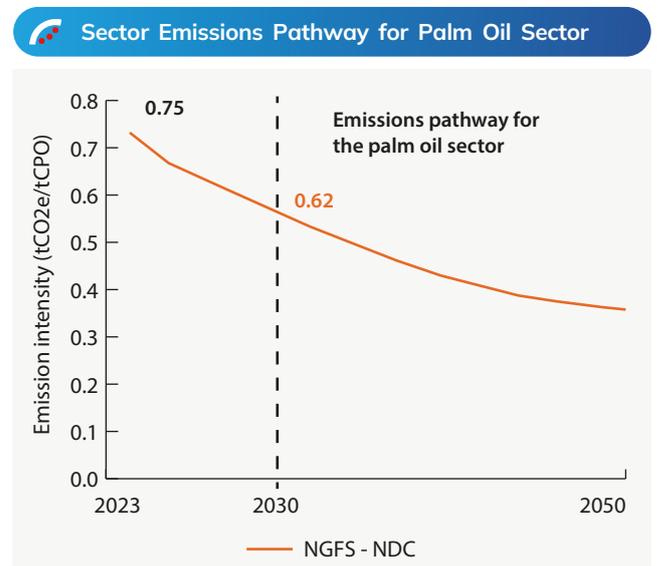
Using locally applicable scenarios, such as those that incorporate Malaysia’s sectoral policies, grid-emission factors, technological readiness, and regulatory commitments, support a just and feasible transition for our customers. It also allows us to anchor our targets to the decarbonisation options currently available or expected to emerge under national plans, ensuring alignment with the country’s broader climate ambitions and economic development priorities.

Targets, pathways are subject to periodic review and recalibration every 5 years to reflect evolving data quality, sector readiness and national policy direction. Proposed adjustments are developed by Management and escalated through GBSC and the Board to ensure disciplined change control and continued alignment with strategy and risk appetite.

Emission Pathway for the Palm Oil Sector

For the Palm Oil sector, the NGFS REMIND NDC scenario has been applied, as it provides regionally relevant projections of crop demand and emissions within the AFOLU (Agriculture, Forestry and Other Land Use) domain, reflecting conditions in Malaysia. This scenario offers sector-specific decarbonisation trajectories that incorporate regional production dynamics, land-use considerations, and technology adoption rates.

Under the NGFS REMIND NDC pathway, the sector is projected to achieve a 16.80% reduction in Scope 1 and 2 emissions intensity by 2030 relative to a business-as-usual case. This reduction trajectory is driven by expected gradual improvements across key operational areas, including enhanced methane capture systems, strengthened land-management practices, and expanded uptake of sustainability certification schemes. Collectively, these developments support a credible and region-aligned decarbonisation pathway for Malaysia’s palm oil industry.



Metrics & Targets

Emission Pathway for Energy Supply Sector

For the Power Generation sector, the JPPPET-NETR scenario has been applied as it aligns with Malaysia’s national electricity generation roadmap and the renewable energy aspirations outlined under the National Energy Transition Roadmap (NETR). This scenario provides a sector-specific emissions trajectory that reflects planned shifts in the national energy mix, including the scaling up of renewable energy capacity and the gradual phase-down of coal-fired generation.

Under the JPPPET-NETR pathway, the sector is projected to achieve an 11.80% reduction in emissions intensity by 2030 relative to a business-as-usual baseline. This decarbonisation outlook is driven primarily by increased deployment of renewable energy sources such as solar and hydropower, alongside the scheduled retirement or reduced operation of coal-based assets. These measures collectively contribute to a more efficient, lower-carbon electricity grid and support Malaysia’s broader national commitments towards a sustainable and resilient energy transition.

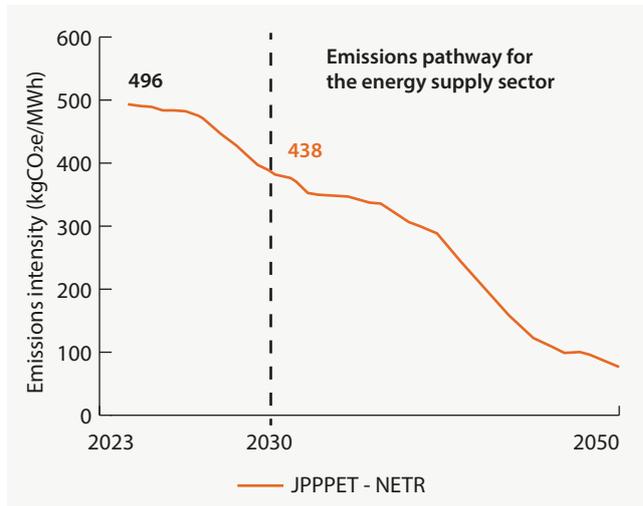
Emission Pathway for Oil & Gas Sector

For the Oil & Gas sector, the IEA Announced Pledges Scenario (APS) has been adopted as it provides a credible, forward-looking emissions trajectory across Scope 1, Scope 2, and Scope 3 categories. This scenario reflects a pathway in which existing national commitments and industry-level pledges are progressively implemented, allowing financial institutions to continue supporting the sector while encouraging a measured, orderly reduction in emissions over time.

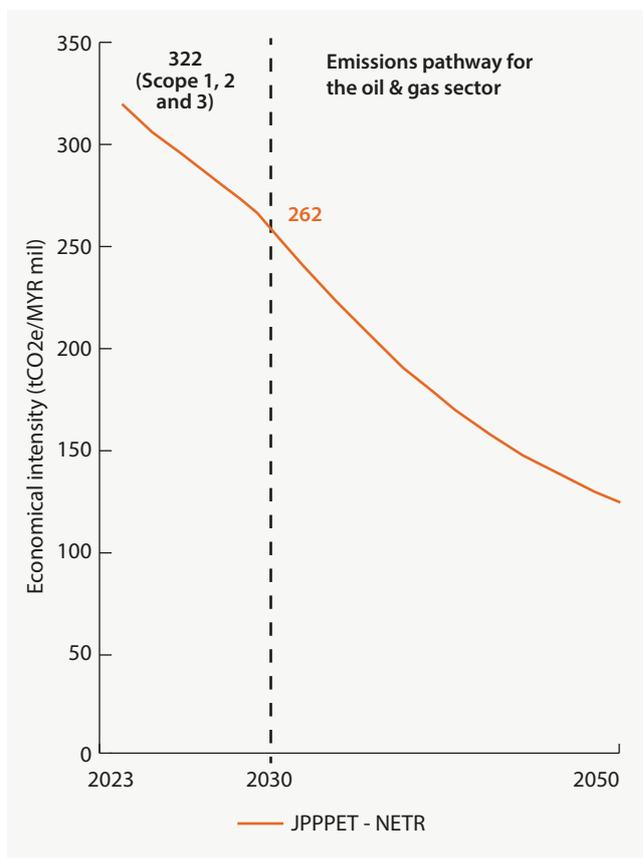
Under the APS, the sector is expected to experience gradual decarbonisation; however, achieving short-term absolute emission reductions remains challenging. This is due in part to current national energy plans and policies, which still rely on hydrocarbon production to ensure energy security and affordability. Furthermore, several major domestic industry players have yet to formalise Scope 3 Net Zero commitments, limiting the pace at which downstream and value-chain emissions can realistically decline in the near term.

Given these constraints, Financed Emissions Lending (FEL) intensity (tCO_{2e}/RM million) is recommended as a more suitable performance indicator. This approach recognises the practical limitations of reducing absolute emissions in the short term while still incentivising improved carbon efficiency, technological adoption, and decarbonisation investments. It also aligns with the need to support customer transition pathways across the region, ensuring continued access to finance as companies work towards longer-term emissions reduction goals.

Sector Emissions Pathway for Energy Supply Sector



Sector Emissions Pathway for Oil & Gas Sector



 Scope 3: Summary of sectoral reduction emission target

	 Palm Oil	 Energy Supply	 Oil & Gas
Emission Scope	Scope 1 & 2	Scope 1	Scope 1, 2 and 3
Sector Coverage	Palm Oil Production (growing and milling)	Power generation companies	Upstream Integrated
Metrics	tCO ₂ e/tCPO	kgCO ₂ e/MWh	tCO ₂ e/RM' mil (Emissions intensity)
Absolute emissions (tCO₂e)	328,665 (as of 2023)	196,805 (as of 2023)	168,619 (as of 2023)
Emissions intensity	0.75 tCO ₂ e/tCPO	496 kgCO ₂ e/MWh	322 tCO ₂ e/RM' mil
Reference scenario pathway	NGFS REMIND - NDC	JPPET - NETR	IEA APS
Target	16.80% reduction by 2030 from baseline of 0.75 to 0.62 tCO ₂ e/tCPO	11.80% reduction by 2030 from baseline of 496 to 438 kgCO ₂ e/MWh	18.70% reduction by 2030 from baseline of 322 to 262 tCO ₂ e/RM' mil

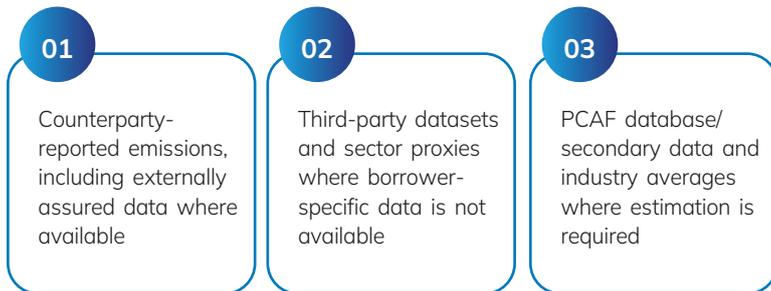
Metrics & Targets

FINANCED EMISSIONS METHODOLOGY

Our approach is guided by the Partnership for Carbon Accounting Financials (PCAF) Standard, which provides a consistent framework for measuring and disclosing financed emissions across asset classes. Where higher-quality, client-specific data is available, we apply more granular calculation approaches; where data is limited, we apply the most appropriate PCAF-recommended estimation approach to support consistency and transparency.

The reporting boundary covers on-balance sheet exposures included in the financed emissions calculation, based on a point-in-time portfolio snapshot at financial year-end. Client financial variables and emissions data are taken from the most recent information available at the time of data extraction, applied consistently across the portfolio. We attribute counterparties' absolute Scope 1 and Scope 2 emissions to our exposures across relevant sectors. For Scope 3, we prioritise inclusion where it is decision-useful and supported by sufficient data quality, and we expand coverage over time in line with data maturity.

To strengthen comparability and traceability, we apply a data hierarchy that prioritises:

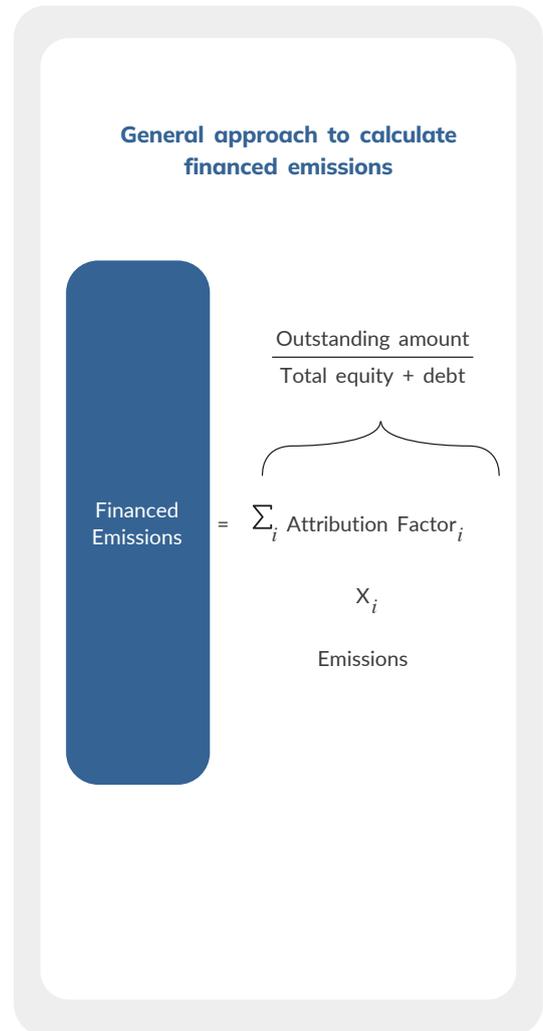


Financed emissions are calculated by multiplying a counterparty's emissions by an attribution factor that reflects AFFIN's share of financing provided relative to the counterparty's capital structure.

Where

- Attribution factor reflects the share of the counterparty's total emissions allocated to the Bank based on our exposure, calculated using the division of outstanding amount over the sum of total equity and total debt (aligned to the denominator used).
- Enterprise Value Including Cash (EVIC) is used as a proxy for the sum of total equity and debt (without deductions for cash), where appropriate.
- Outstanding amount (exposure data) is measured consistently with the denominator.
- Listed equity exposures are based on market value (the product of market price and number of shares).
- Corporate bond exposures are based on the book value of debt owed (including unamortised discounts/premiums).

For financed emissions reporting, the Bank maps internal financing products into relevant asset class groupings, aligned to PCAF. Our Internal Audit function has validated our financed emissions calculations in accordance with the PCAF methodology. This review confirms that the calculation approach, underlying assumptions, and data inputs are consistent with PCAF's prescribed standards and align with industry best practices.



LIMITATIONS OF DATA AND METHODOLOGY FOR SCOPE 3

Methodology and Data Availability

Our financed emissions are measured and estimated in line with the PCAF GHG Accounting and Reporting Standard for the Financial Industry. The quality and precision of estimates depend heavily on the availability of data for each sector. We continue to enhance our data collection processes and aim to increase the use of actual emissions data reported by clients and investees over time.

Data Quality and Timing

We strive to improve data-quality scores in every measurement cycle and expect these scores to strengthen as companies expand their disclosures in response to regulatory and stakeholder expectations. Nonetheless, annual variations may occur due to differences in sector-specific data availability and quality. Given the timing of emissions and financial data publication by clients and investees, our reported financed emissions inventory typically reflects data that is up to 12 months behind the current reporting period.

Use of Proxies

Many clients have yet to measure or disclose their GHG emissions, particularly Scope 3. When client-reported data is unavailable, we apply PCAF-aligned proxies using production metrics or revenue. Where necessary, industry averages are used. While we seek to

minimise reliance on non-company-specific data, these proxies remain essential until broader emissions disclosure becomes common practice.

Changes in Portfolio Exposure and Emission Factors

Financed emissions may fluctuate due to changes in drawn amounts, market conditions or updates to emission factors and PCAF guidance. We are committed to maintaining transparency regarding the key drivers behind any changes in reported financed emissions.

Sector Classification

Client sector classification is conducted with expert input and further refined by our internal team. As our data systems and methodological capabilities continue to improve, the accuracy of these classifications will strengthen over time. Changes in sector assignments may lead to some variation in our financed emissions results.

Data Controls and Integrity

We acknowledge existing gaps in our processes and data quality, and we remain committed to enhancing controls and strengthening data integrity. These improvements are essential to ensuring the long-term robustness and reliability of our financed emissions disclosures

Metrics & Targets

ENTERPRISE EMISSION

At AFFIN Group, we remain committed to systematically reducing our enterprise emissions across our operations and value chain as part of our broader climate ambition. Our efforts focus on managing and lowering direct emissions (Scope 1) and reducing indirect emissions from purchased electricity (Scope 2) through a combination of operational efficiencies and strategic decarbonisation initiatives.

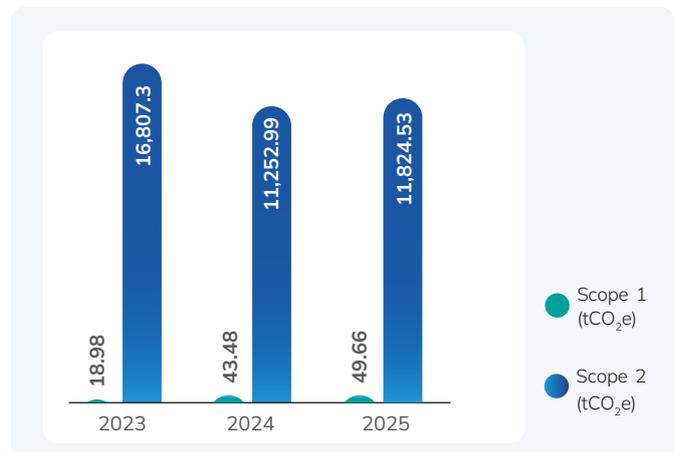
In FY2025, we strengthened our climate commitment by revising our operational emissions reduction target from 30% to 70% by 2030, aligned to an updated FY2022 baseline. This enhanced ambition reflects our intent to accelerate emissions reduction across our internal operations and ensure alignment with global sustainability expectations. Further details on our operational emissions performance, key initiatives, and reduction strategies are available in the Sustainable Operations section (refer to Sustainable Operations on pages 320 to 329).

We also continue to expand and improve our Scope 3 emissions accounting. Tracking is already in place for Category 6 (Business Travel) and Category 7 (Employee Commuting), enabling us to better understand and manage our indirect environmental impacts. This broader coverage underscores our commitment to enhanced transparency, improved data quality, and alignment with evolving sustainability reporting requirements.

Scope 1 & Scope 2 (Operational Emissions)

Scope 1 emissions represent the Group's direct GHG emissions from sources that are owned or controlled by AFFIN Group, including fuel used in company vehicles and on-site combustion. These emissions remain a relatively minor component of our overall operational footprint.

In contrast, Scope 2 emissions arising primarily from purchased electricity continue to constitute the largest share of AFFIN Group's enterprise carbon footprint. This reflects the energy demands of operating a nationwide branch network, office premises and the technology infrastructure that supports our business operations.



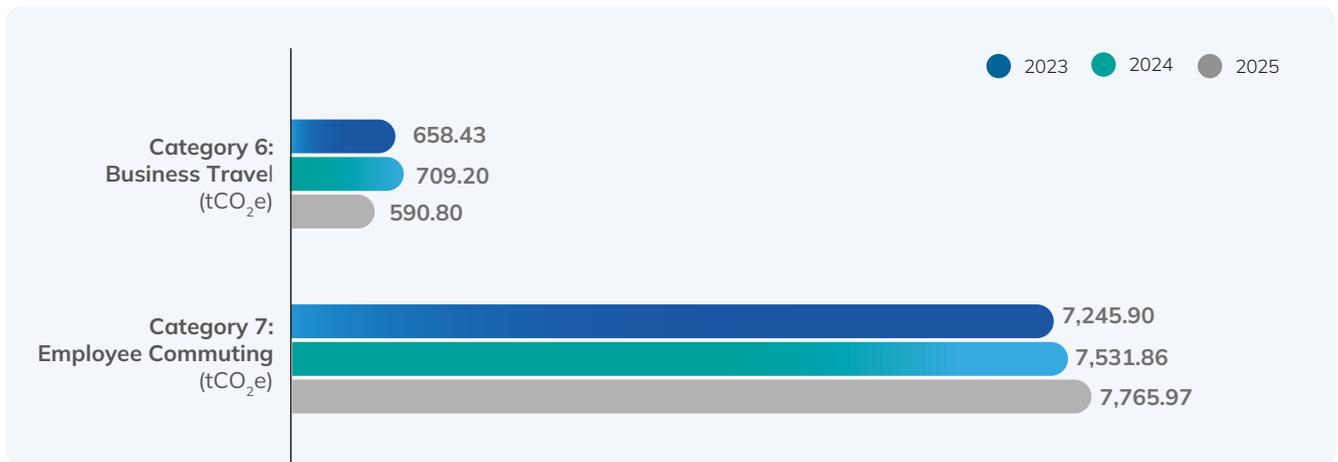
Scope 3 Emissions

Scope 3 emissions represent indirect emissions arising from activities outside AFFIN Group's direct operations, including business travel and employee commuting. Consistent with IFRS S2, we continue to enhance the completeness, accuracy and transparency of our value-chain emissions, recognising their importance in understanding our broader environmental impact.

In FY2025, we strengthened the measurement of Category 6 (Business Travel) and Category 7 (Employee Commuting) by improving data coverage and refining calculation methodologies. These enhancements provide more reliable insights into employee-related emissions and support targeted initiatives such as virtual collaboration, sustainable commuting options and flexible work arrangements.

Advancing our Scope 3 data forms an integral part of our long-term net-zero roadmap and strategy, where reducing value-chain emissions is a key priority. Expanding the Scope 3 boundary and improving data quality are essential steps in monitoring progress toward our Scope 3 reduction ambitions and ensuring alignment with global climate-reporting expectations.

As our methodologies, systems and value-chain data continue to mature, we intend to progressively incorporate additional Scope 3 categories in future reporting cycles. This will strengthen our ability to assess climate-related risks and opportunities, monitor performance against our transition plan and support more comprehensive decarbonisation across our operations and value chain.



ENTERPRISE EMISSION METHODOLOGY

AFFIN's enterprise emissions inventory encompasses Scope 1 and Scope 2 emissions, as well as Scope 3 Category 6 (Business Travel) and Category 7 (Employee Commuting), within the organisational boundary of ABB, AIBB and AHIBB. FY2022 is established as the baseline year for Scope 1 and Scope 2 emissions, while FY2023 serves as the baseline for Scope 3 Categories 6 and 7. All emissions are quantified in metric tonnes of carbon dioxide equivalent (tCO₂e), using 100-year global warming potentials (GWPs) from the latest IPCC assessment available at the time of reporting, and are measured in accordance with the GHG Protocol Corporate Accounting and Reporting Standard.

Scope 1 Methodology

What it includes:

Direct emissions from fuel used in AFFIN's company-owned or controlled facilities and vehicles.

Scope 1 emissions are calculated by obtaining the product of Fuel consumed (by fuel type) and the fuel-specific emission factors.

Key data sources and controls:

- Fuel invoices / fuel logs
- Monthly consolidation
- Emission factors are sourced from GHG Protocol-aligned sources where relevant, national or recognised international sources.

Scope 2 Methodology

What it includes:

Indirect emissions from purchased electricity used across AFFIN's branches and buildings.

- Location-based emissions are calculated by multiplying electricity consumption by the national grid emission factor, with data obtained primarily from TNB bills for Peninsular Malaysia and standardised branch reporting for non-Peninsular regions, covering headquarters, branches and data centres.
- Market-based emissions reflect electricity purposely chosen through AFFIN's subscription to TNB's Green Electricity Tariff (GET), in accordance with GHG Protocol Scope 2 Guidance

Inclusions, exclusions and normalisation:

- Included: facilities with measurable and reportable electricity usage.
- Excluded: locations with constant, non-variable consumption patterns such as ATMs to maintain relevance.
- Rental properties with bundled utilities: electricity is normalised based on average consumption.
- Data quality: anomalous consumption values are reviewed and adjusted using applicable electricity tariffs to support reliable reporting.

Metrics & Targets

Scope 3 Methodology

Overview

Scope 3 emissions comprise indirect emissions arising from employee-related activities that occur outside AFFIN Group’s operational boundary. For the reporting period, AFFIN has prioritised the following material Scope 3 categories:

Category 6 Business Travel

Category 7 Employee Commuting

These categories represent material value-chain emission sources and are relevant to AFFIN Group’s long-term net-zero transition strategy.

Category 6: Business Travel

- Emissions from business travel are calculated using a spend-based approach, based on travel-related expenses recorded in the General Ledger (GL).
- Emissions are estimated by multiplying expenditure data by vehicle-type-specific emission factors.
- Emission factors are primarily sourced from the U.S. Environmental Protection Agency (EPA).

Category 7: Employee Commuting

- Employee commuting emissions are estimated using a sampling-based approach, drawing on data from AFFIN Group’s annual employee commuting survey.
- The survey is designed with a 95% confidence level and a 2.5% margin of error. Emissions are calculated based on round-trip commuting distance (kilometres) multiplied by transport-specific emission factors.
- Survey results are extrapolated to represent total employee commuting patterns across the Group.
- Emission factors are sourced from the Department for Energy Security and Net-Zero (DESNZ) and UK Government conversion factors by the Department of Environment Food and Rural Affairs (DEFRA).

▶ AVOIDED EMISSIONS METHODOLOGY

Avoided Emissions Methodology

Overview

Avoided emissions represent the estimated greenhouse gas (GHG) emissions that did not occur as a result of renewable electricity generated by solar photovoltaic (PV) systems installed at selected AFFIN branches. These estimates reflect the emissions that would otherwise have been produced had an equivalent amount of electricity been sourced from the national electricity grid, rather than generated on-site.

Data Collection and Calculation

Solar electricity generation data (kilowatt-hours, kWh) is collected from PV monitoring systems installed across 12 AFFIN branches equipped with operational solar PV systems. Avoided emissions are calculated by applying regional grid emission factors that reflect the electricity generation mix in Peninsular Malaysia, Sabah, and Sarawak, as applicable.

Inclusions, exclusions and normalisation:

Included

- AFFIN branches with operational solar PV systems and measurable, verifiable solar generation data (kWh).

Excluded

- Branches without solar PV installations.
- Branches with incomplete or non-verifiable solar generation data.

Regional Normalisation

- Grid emission factors are applied based on the geographical location of each branch, ensuring appropriate representation of avoided grid emissions across different regions.

Data Quality and Validation

- Recorded solar generation data is reviewed for anomalies, including system downtime, metering discrepancies, or reporting gaps.
- Where necessary, data is validated and adjusted using historical performance trends or engineering estimates to support consistent and reliable reporting.

Sustainable Financing

OUR APPROACH IFRS S2 14(a), 14(b)

As a financial institution with a significant role in capital allocation, AFFIN recognises that sustainable finance is a key lever for supporting economic resilience, environmental transition and inclusive growth. The Group advances sustainability through responsible banking practices that integrate ESG considerations into business strategy, risk management and operational decision-making, consistent with its mission of responsible banking with impact.

AFFIN’s approach to sustainable finance is underpinned by the integration of systemic risk management practices, responsible financing principles and climate-related risk considerations

across its lending, financing and investment activities. By embedding these considerations into portfolio management and product development, the Group seeks to safeguard stakeholder interests, manage emerging risks and identify opportunities that support a resilient and sustainable financial system.

Under this focus area, AFFIN supports the transition towards a more sustainable economy by offering financing solutions that enable customers and clients to adopt more sustainable and transition-aligned business practices, while maintaining a balanced and inclusive approach to growth.

FY2025 KEY HIGHLIGHTS

AFFIN surpassed its sustainable finance target in FY2025, with sustainable financing accounting for 15.19% of total financing, exceeding the 15% target set for 2025. This achievement translates to an outstanding sustainable finance amount of RM12.06 billion, based on the Group’s total outstanding loan and financing portfolio in 2025, reflecting strong progress in embedding sustainability within its core financing activities.

SUSTAINABLE FINANCE

Incorporating ESG & climate risk factors in our financing activities.

Supporting transition to low carbon economy.



Our risk management system is supported by various platforms, for example, Quantum, Regulatory Risk Management (RRM), UpGuard, and SAS Governance Compliance Manager (GCM7.4). These systems collectively enable and strengthen risk management across the AFFIN Group.



Our Role in Responsible Investment: Guided by the Securities Commission Malaysia Sustainable & Responsible Investment (SRI) Sukuk framework and ASEAN Green Bond Standard.



Sustainable Financing

RESPONSIBLE FINANCIAL SERVICES

AFFIN continues to expand inclusive financial solutions by developing products tailored to underserved and emerging customer segments. These initiatives are designed to enhance access to financial services, promote financial literacy and support equitable economic participation.

In East Malaysia, AFFIN introduced region-specific debit and credit cards to address local customer needs and strengthen regional financial inclusion. In parallel, the Group launched AFFIN FINTURA, a youth-focused banking solution that offers savings and spending accounts with parental oversight, digital

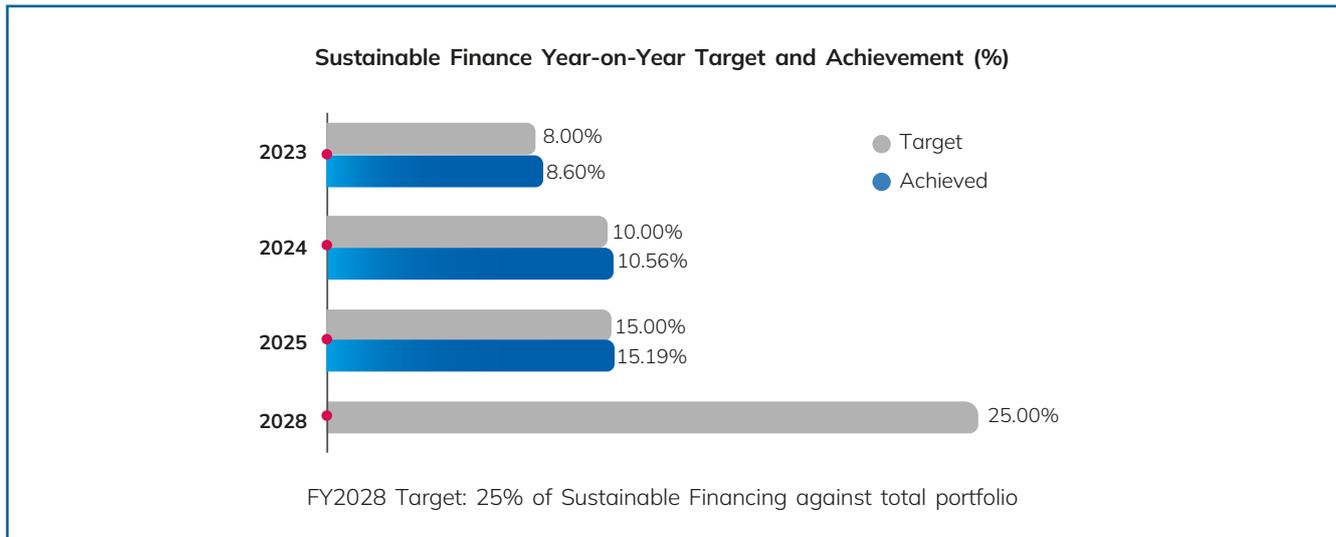
banking access and PIDM protection. The platform is designed to encourage responsible financial habits among children and adolescents, while enhancing transparency and security.

As at December 2025:

Over **35,057** Kenyalang debit cards, **3,807** Kinabalu debit cards and **2,314** Borneo credit cards had been issued; AFFIN FINTURA recorded more than **2,226** savings accounts and **158** spending accounts.

Sustainable Finance

By supporting both large and small clients in their sustainability journeys, AFFIN fulfils its role as a responsible financial institution while contributing to Malaysia’s transition towards a more sustainable economy. The Group continues to strengthen its sustainable finance offerings and explore innovative approaches to expand impact across its portfolio and value chain.



	2023	2024	2025
Sustainable Finance (Target) (%)	8.00%	10.00%	15.00%
Sustainable Finance (Actual) (%)	8.60%	10.56%	15.19%
Sustainable Finance Equivalent (RM)	5.70 billion	7.60 billion	12.06 billion

Sustainable Financing

CLIMATE CHANGE

AFFIN’s climate approach supports its broader climate objectives, including the Net Zero Roadmap and the management of emissions. Information relating to the Group’s emissions-related metrics and targets is disclosed under the “Our ISSB Report” section, specifically within Metrics & Targets.

SYSTEMIC RISK MANAGEMENT

AFFIN’s sustainable finance activities are aligned with its broader systemic risk management approach, including climate scenario analysis and stress testing, as described in Sections 6.0 Strategy and 7.0 Risk Management of this report. Insights from these climate risk assessments inform portfolio steering, sector prioritisation, and the development of financing solutions that support long-term financial resilience.

As such, AFFIN Group incorporates ESG as well as climate-related considerations into its credit analysis processes for non-individual customers. This is undertaken through CCPT-aligned transaction- and customer-level assessments embedded within the Group’s credit evaluation and review processes. The approach is operationalised through CCPT-aligned due diligence and the classification of economic activities, enabling the Group to identify, assess and manage climate-related and environmental risks within credit evaluation, structuring and ongoing monitoring. These assessments are conducted as part of initial credit evaluations, periodic reviews, and, where applicable, when customers request new or additional facilities. Through this, the Group is able to integrate climate and broader ESG considerations into financing decisions in line with its sustainable finance ambitions and overall risk management approach.

In addition, the Group embeds prohibitions and enhanced scrutiny for certain activities within internal credit policies and controls, to avoid financing activities that may pose significant environmental and social concerns and to manage reputational and sustainability related risks.

Purposes	<ul style="list-style-type: none"> • Enhances due diligence and understanding of customers’ environmental and climate related risk profiles, particularly for higher risk economic activities. • Supports responsible financing decisions aligned with sustainable finance objectives. • Strengthens portfolio resilience and supports the Group’s transition and sustainability ambitions.
Review Cycle	<ul style="list-style-type: none"> • ESG and climate related considerations are assessed during credit origination and periodic credit reviews.
Integration with Regulatory Requirements:	<ul style="list-style-type: none"> • Applies BNM’s CCPT to assess and classify economic activities based on climate impact • Considers CCPT classifications alongside broader risk factors to support informed credit decision making.
Escalation Protocol	<ul style="list-style-type: none"> • CCPT ratings alongside with risks associated with sustainability matters are independently assessed by Group Credit Management, before approval.

Sustainable Financing

CUSTOMER CENTRICITY

Promoting Social Inclusion and Accessibility

In line with AFFIN’s commitment to inclusive banking, social considerations are embedded into branch design and facilities to support accessibility for persons with disabilities and diverse customer needs. In 2025, wheelchair access ramps were incorporated into 12 out of 15 newly established branches, while eight new branches provide designated parking for persons with disabilities to enable safer and more convenient access to banking services. Additionally, automatic sliding doors have been introduced at seven branches within the SST area to improve ease of entry and enhance the overall customer experience.

Building Sustainable Customer Relationships

At AFFIN, customer centricity is a strategic priority that underpins long-term business sustainability, trust, and value creation. By strengthening service quality, digital capabilities, and improving complaint resolution processes, the Group aims to deliver seamless, inclusive, and reliable banking experiences across all customer segments.

In 2025, AFFIN continued to measure customer satisfaction and loyalty through Customer Satisfaction (CSAT) and Net Promoter Score (NPS) across its entities. Affin Bank Berhad (ABB) and Affin Islamic Bank Berhad (AIBB) recorded sustained improvements, with NPS rising from +48 in FY2024 to +53 in FY2025, and CSAT increasing from 81% to 82%. These results reflect the combined impact of service excellence initiatives, digital enhancements, and process improvements implemented across the Group.

Customer feedback highlights three key strengths in AFFIN’s value proposition:

- High-quality frontline service, characterised by professionalism and empathy.

- Competitive product offerings that respond to diverse customer needs.
- Enhanced digital platform functionality, improving speed and convenience.

At the same time, customer insights continue to inform key improvement priorities, particularly in the following areas:

- Reducing waiting times.
- Streamlining high-volume, high-frequency transactional processes.
- Strengthening personalised engagement for priority customer segments.

CX Performance in AHIBB and AMB

For Affin Hwang Investment Berhad (AHIBB) and Affin Moneybrokers Sdn Bhd (AMB), customer satisfaction remains closely linked to the responsiveness and expertise of remisers and brokers. However, evolving customer expectations for more advanced digital trading tools and seamless transaction experiences contributed to a moderation in CX scores in FY2025, highlighting the opportunity to accelerate digital innovation, strengthen value proposition, and deepen customer relationships.

Affin Bank Berhad (ABB)/ Affin Islamic Bank Berhad (AIBB)		Affin Hwang Investment Berhad (AHIBB)		Affin Moneybrokers Sdn Bhd (AMB)	
FY25 NPS Score	+53	FY25 NPS Score	+19	FY25 NPS Score	+10
FY25 CSAT Score	82%	FY25 CSAT Score	73%	FY25 CSAT Score	62%
<p>PEOPLE: Warmth and helpfulness of our branch staff stand out as a consistently strong positive driver of customer satisfaction.</p> <p>PRODUCT: Strong appreciation for our competitive fixed deposit and financing rates, including promotional offerings and favourable experiences in selected Auto-Finance and Mortgage products.</p> <p>DIGITAL: The new AffinAlwaysX shows meaningful improvement, with QR features receiving strong positive feedback from customers.</p>		<p>PEOPLE: Customer recommendations are driven by our Remisers professionalism, responsiveness, and helpfulness</p>		<p>PEOPLE: Dealers acknowledge the efficient, knowledgeable, proactive, and responsive service provided by our brokers.</p>	

Sustainable Financing

Embedding a Service Excellence Culture: AFFIN C.A.R.E.S.

AFFIN's C.A.R.E.S. anchors its approach to service excellence by reinforcing consistent service standards, deepening employee engagement, and driving continuous improvement across touchpoints. In 2025, the Group recorded 780 customer compliments, representing a 143% year-on-year increase from 321 compliments in 2024. This growth reflects the strengthening of service culture and the effectiveness of recognition mechanisms introduced to reinforce customer-centric behaviours.



I would like to take a moment to sincerely compliment one of your staff members, Hasroy Hasan, for his exceptional service during my recent visit in fact, it was today's visit to Affin Bank Gaya Street (branch in Kota Kinabalu). I was at the branch to resolve some internet banking issues, and although it was during the lunch break, Hasroy noticed I was waiting and selflessly sacrificed his lunch time to attend to me. Not only did he assist me patiently with my internet banking needs, but he also went above and beyond by providing clear, helpful information regarding related services. His professionalism, dedication, and genuine courtesy truly impressed me. It's rare to encounter such committed and customer-focused service, and I believe he deserves recognition for his outstanding attitude. Thank you, AFFIN BANK, for having such exemplary staff who truly care about your customers. I hope this message reaches the right department so Hasroy can be appreciated for his excellent work.

Jalan Gaya Branch



Strong commitment towards delivering top-notch, seamless, and highly efficient banking service for their customers. En Muhammad Adik Firdaus Shamsuddin always does his very best and promised to help me request the best fixed deposit rate from his headquarters one week prior to renewal, despite his very busy routine as an Assistant Branch Manager.

He demonstrates compassion and empathetic feelings towards his banking customers. It was a rainy day with heavy downpour, and there was significant pooling of water just in front of AFFIN BANK's main door. When we were about to leave the branch after the FD renewal, En. Firdaus noticed it and kindly asked the cleaner to wipe it for us. Despite his position, he put himself in the customer's shoes.

Desa Park City Branch



I'd like to sincerely thank one of the staff at AFFIN BANK for his exceptional assistance. I had an issue where my money was stuck in the ATM, and this staff member, Mohd Shahrul Qaizat Marzuki, handled the situation with impressive speed and professionalism. Not only did he act quickly, but he also kept me updated every step of the way which truly made a stressful situation feel more manageable. His sense of responsibility, integrity, and commitment to solving the problem stood out. It's rare to encounter such efficient and genuinely helpful service, and I'm incredibly grateful for the support. This kind of dedication deserves to be recognized and appreciated.

Kuching Branch



I had an absolutely wonderful experience during my visit to the bank today. From the moment I arrived, the staff, Siti Fareena Zahirah Mohd Zahid, greeted me warmly and made me feel genuinely welcomed. The way she patiently explained every detail and assisted me with my transaction was truly remarkable. Her professionalism, friendliness, and willingness to go the extra mile made the whole process so smooth and stress-free. It wasn't just about completing my banking needs, it was the kindness and personal touch that really stood out. This is definitely an unforgettable WOW moment for me, and I truly appreciate the excellent service provided.

Nusa Bestari Branch

Note: Compliments featured are actual customer verbatim.

Sustainable Financing

Enhancing Customer Experience Across Channels

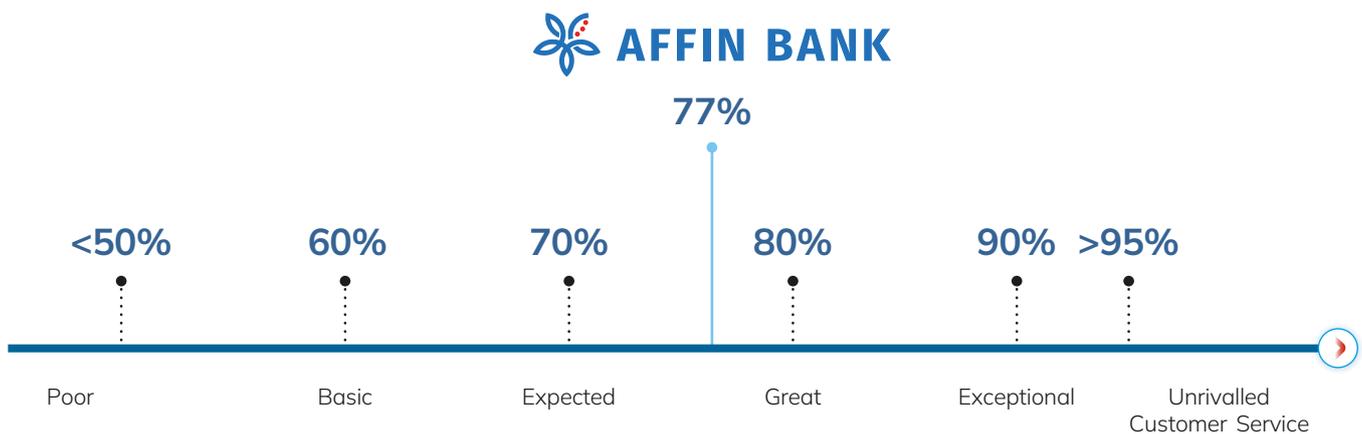
In 2025, AFFIN strengthened its customer experience through a combination of service capability building, digital journey redesign, process optimisation, and customer feedback mechanisms. Key initiatives included service training for new branches, mystery shopping assessments, customer journey redesign projects, and digital platform enhancements across retail and investment banking channels.

AFFIN also enhanced its complaints management framework to improve turnaround time, first contact resolution, and regulatory compliance. Improvements in complaint handling performance, coupled with proactive customer advocacy and

system enhancements, contributed to faster issue resolution and stronger customer trust.

The introduction of the Enterprise Voice of Customer (VOC) platform further strengthened AFFIN's ability to capture real-time feedback and close the loop on customer concerns. The platform drove a 94% increase in weekly feedback submissions, enabling more responsive and data-driven customer engagement.

In addition, AFFIN expanded its Contact Centre operations to a 24/7 model in 2025, responding to growing customer demand for round-the-clock support. This initiative enhanced accessibility, reduced dependency on physical branch visits, and strengthened operational resilience.



Looking ahead, AFFIN will continue to strengthen its customer-centric strategy by integrating customer insights into service design, accelerating digital transformation, and enhancing service capability across touchpoints. By embedding customer experience considerations into operational, digital, and governance frameworks, the Group aims to deepen customer trust, improve service outcomes, and deliver sustainable value across its stakeholder ecosystem.

Sustainable Financing

01	C.A.R.E.S. Service Excellence Framework	Strengthened service culture through recognition mechanisms and staff engagement initiatives.	Impact: 143% increase in customer compliments; improved service consistency across branches.
02	Service Quality Training for New Branches	Conducted service training for 13 newly opened branches and onboarding of Personal Financing-i Consultants.	Impact: Branch NPS improved; +82 CSAT was achieved in post-training surveys.
03	CX Mystery Shopping Programme (MSP)	Assessed service quality across branches using the Moment of Truth (MoT).	Impact: Programme expansion Northern, Perak and Southern regions. Mystery shopping score increased from 72% to 77%.
04	Customer Journey Design	Proactive and reactive journey designs enhanced process efficiency, reduced customer effort, and improved service responsiveness.	Impact: 16 customer journey design initiatives covering products and channels
05	Branch Motion Study	Branch motion study was carried out to identify root causes and bottlenecks affecting service delivery.	Impact: Total of 27 improvement areas were identified across people, process, policy, and environment, with priority given to quick-win actions.
06	Digital Platform Enhancements (AffinAlwaysX, AFFINMAX, e-Trade)	Upgraded digital banking and trading platforms with improved UI/UX and functionality.	Impact: Enhanced digital adoption, usability, and customer experience across channels.
07	Complaints Management Enhancement	Improved turnaround time, first contact resolution, and system capabilities.	Impact: Faster resolution times, reduced complaint volumes, and stronger regulatory compliance.
08	Voice of Customer (VOC) Programme	The enhanced VOC programme transformed customer listening by enabling always-on, real-time, closed-loop feedback, supporting faster service recovery.	Impact: Phase 1 implementation of branch QR, led to 94% increase in customer feedback.
09	24/7 Contact Centre	Extended Contact Centre operations to provide round-the-clock service.	Impact: Improved accessibility, reduced branch dependency, and enhanced service continuity.

Sustainable Operations

OUR APPROACH

While financed emissions represent the largest share of the Group’s overall carbon footprint as a financial institution, achieving Net Zero requires a holistic approach that also addresses emissions arising from our own operations. These operational emissions primarily stem from energy consumption in branches and offices, fuel usage from corporate vehicles, and other operational activities. Accordingly, AFFIN integrates environmental considerations into operational planning and decision-making, focusing on improving energy efficiency, reducing carbon intensity, and strengthening resource management practices. By addressing both financed and operational emissions, the Group seeks to enhance environmental performance, mitigate transition risks, and support a credible pathway towards its Net Zero ambition while ensuring the long-term resilience of its operations.

2025 Key Highlights



Reduced an equivalent of **35.46%** tCO₂e from FY2022 baseline

We have revised target to reduce our Scope 1 and Scope 2 emissions from **30% to 70%** by 2030, relative to our 2022 baseline



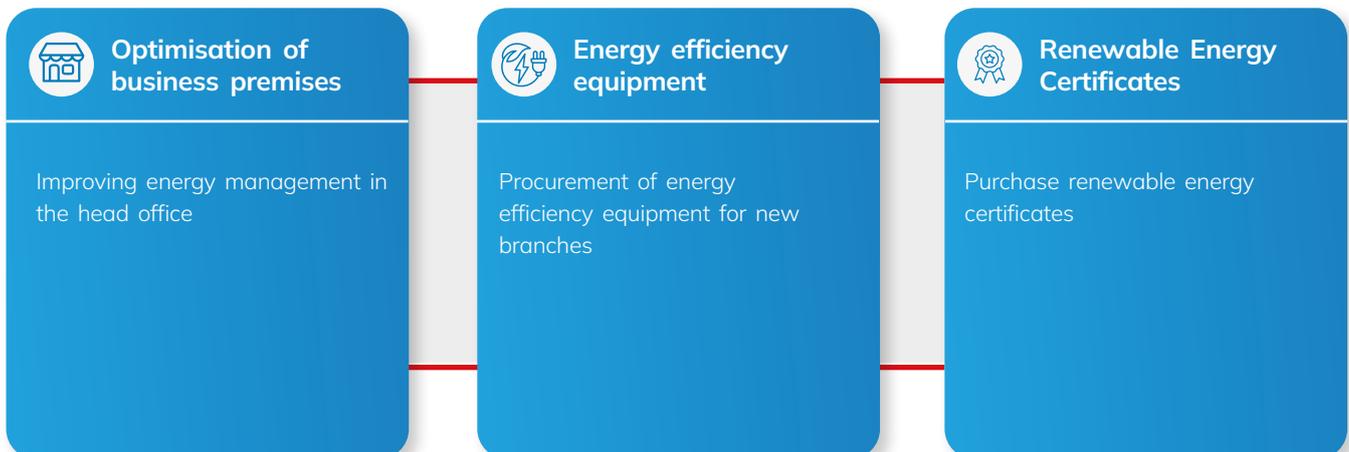
ENVIRONMENTAL MANAGEMENT

Operational Emissions Reduction Approach

To advance our Net Zero ambition, we have revised target to reduce our Scope 1 and Scope 2 emissions from 30% to 70% by 2030, relative to our 2022 baseline as we have successfully reduced up to 35.46% of our operational emissions in 2024. This target is supported by a structured operational decarbonisation strategy that involves reduce the usage of energy, shifting to renewable energy and offsetting unavoidable emissions across the Group.

As a result of these initiatives in 2025, we have seen a Group-wide reduction in operational emission emissions of **35.46%** compared to 2022.

	FY2023	FY2024	FY2025
Scope 1 (tCO ₂ e)	18.98	43.48	49.66
Scope 2 (tCO ₂ e)			
Location-based	17,592.92	11,252.99	16,953.99
Market-based	-	11,167.68	11,774.87



Sustainable Operations

Utilising Renewable Energy Certificates

By purchasing Renewable Energy Certificates (RECs) from Tenaga Nasional Berhad in 2025, we have taken a meaningful step to support the decarbonisation of its electricity consumption. The RECs, which represent verified renewable energy generation, contributed significantly to our overall emissions reduction, helping achieve a **35.46%** decrease in our Group's 2022 Scope 1 and 2 baseline emissions, equivalent to **6,496.17 tCO₂e**.



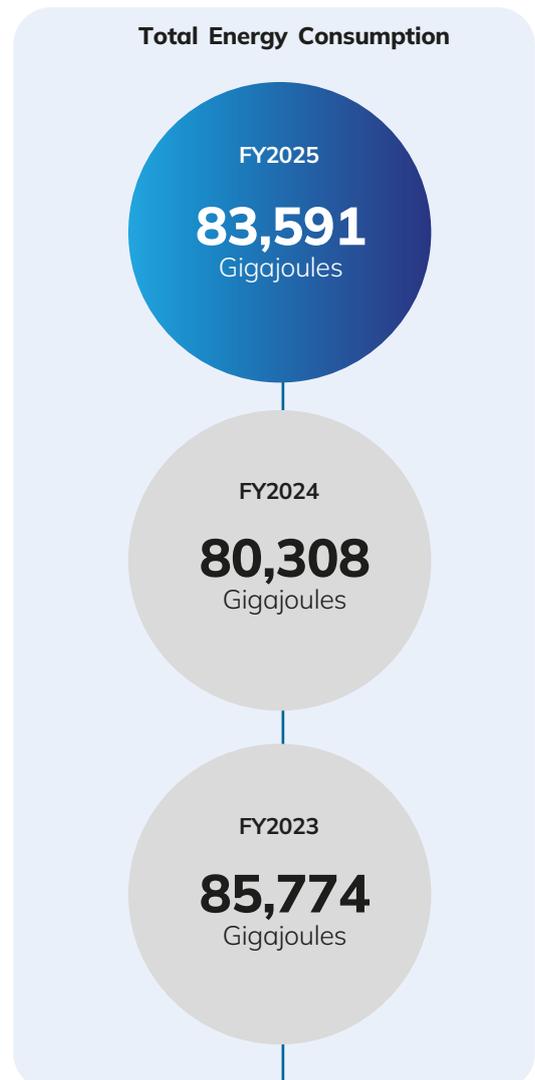
Managing Energy Consumption Amid Business Growth

AFFIN's total energy consumption increased in 2025, primarily driven by the expansion of the Group's branch network to support business growth and enhanced customer access nationwide. The addition of new branches and extended operational activities naturally led to higher electricity demand, underscoring the close relationship between physical network growth and operational energy consumption.

While this increase reflects AFFIN's strategic expansion, it also reinforces the importance of managing energy use responsibly and mitigating the associated environmental impact. Recognising this, AFFIN has taken proactive steps to decouple business growth from energy intensity by embedding energy efficiency measures and renewable energy solutions across its branch operations.

To address rising consumption, AFFIN is progressively implementing energy-efficient infrastructure, including the use of LED lighting and energy-efficient air-conditioning systems in new branches, alongside retrofitting initiatives where feasible. Motion-sensor lighting has been introduced in back-office areas to reduce unnecessary electricity usage in selected back-office, while paper-reduction initiatives across all branches further support lower indirect energy demand. In addition, selected branches have been equipped with solar panels, signaling the Group's commitment to increasing the share of renewable energy within its operational footprint.

These measures represent AFFIN's deliberate shift from managing absolute consumption to improving energy efficiency and long-term sustainability performance. As the Group continues to grow, AFFIN remains focused on strengthening energy management practices, expanding renewable energy adoption, and optimising branch operations to gradually moderate energy consumption and associated emissions over time.



Sustainable Operations

Advancing Renewable Energy Adoption Across AFFIN's Branch Network

To reduce reliance on non-renewable energy sources, AFFIN has progressively expanded the deployment of solar panels across selected branches as part of its broader energy transition strategy. This initiative has contributed to a steady increase in on-site renewable energy generation over the past three years, reflecting the Group's commitment to integrating clean energy solutions into its operations. Beyond reducing emissions, the adoption of solar energy enhances energy resilience and supports more efficient electricity management across the branch network.

During the reporting year, the implementation of additional solar installations was impacted by external policy developments. The existing Net Energy Metering (NEM) solar scheme concluded on 30 June 2025, and the Government subsequently announced a new rooftop solar framework, the Solar Accelerated Transition Action Programme (Solar ATAP), which will take effect from 1 January 2026. As a result of this transition, planned solar installations at 16 branches were temporarily deferred pending clearer regulatory guidance under the new framework. AFFIN views this policy transition as an important enabler of Malaysia's long-term renewable energy agenda and has taken a prudent approach to ensure future installations are aligned with the latest regulatory requirements and programme structures.

In preparation for the new Solar ATAP framework, the Group is actively reassessing its rollout strategy to ensure optimal implementation and long-term value. For 2026, AFFIN has recalibrated its target to install solar energy systems at **10 branches**, with site identification currently underway and tender documentation in active preparation. This measured approach reflects AFFIN's commitment to disciplined execution, regulatory compliance, and the sustainable scaling of renewable energy initiatives.

As AFFIN continues to expand its branch network, renewable energy adoption remains a key lever in managing rising energy demand and moderating the Group's environmental footprint. The Group remains focused on progressively increasing the share of clean energy within its operations, while strengthening energy efficiency and supporting Malaysia's broader transition towards a low-carbon economy.

Solar Yield



Advancing Paperless and Digital-First Operations

To address paper consumption which constitutes a significant proportion of operational waste, AFFIN has progressively advanced its digitalisation agenda to reduce reliance on physical documentation. The Group's journey toward paper reduction began with awareness and baseline assessments in FY2023, followed by strategic planning in FY2024. In 2025, AFFIN transitioned from planning to implementation through key initiatives such as ceasing the printing of hard-copy annual loan statements and half-yearly unit trust statements.

These initiatives have delivered measurable environmental and operational benefits, including substantial reductions in paper usage and cost avoidance, while enhancing process efficiency and supporting the Group's broader digital transformation strategy. The shift toward digital delivery also strengthens data security, reduces operational risks associated with physical documentation, and aligns with AFFIN's long-term objectives of sustainable cost management and responsible resource utilization.

Unit Trust Half-Yearly Statements turned Digital

During the financial year, AFFIN accelerated its digital-first strategy by ceasing the printing and mailing of Unit Trust Half-Yearly Statements, transitioning instead to digital delivery. From an efficiency and resource perspective, the shift delivered tangible benefits. AFFIN achieved an estimated 47% cost reduction in FY2024 compared to FY2023, reflecting effective optimisation, and FY2025 costs remained below FY2022–FY2023 levels despite adjustments in operational and statement volume requirements. Environmentally, digital delivery eliminated printed statements, reducing paper consumption by approximately 20,000 A4 sheets and 10,000 envelopes, supporting resource conservation and waste reduction in line with the Group's ESG objectives.

Beyond resource savings, the transition also strengthens stakeholder outcomes. Removing physical printing and postal delivery reduces the emissions associated with paper production, printing and mail transportation, and avoids water and energy use across the paper lifecycle. It also enhances data security by reducing the risk of misdelivery or lost mail and limits physical handling of customer information, thereby lowering the risk of unintended disclosure associated with hard-copy statements.

ESG Practices at the Branches

AFFIN has embedded environmental, social and governance (ESG) practices across its branch network to reinforce sustainability at every customer touchpoint and to ensure responsible day-to-day operations. As of 2025, AFFIN BANK operates 145 branches nationwide, with targeted initiatives implemented to minimise environmental impact, enhance accessibility, and promote inclusive service delivery.

Environmental Stewardship at Branch Level

AFFIN continues to integrate environmental considerations into branch operations by improving energy efficiency, encouraging responsible resource use and supporting the transition towards renewable energy. This includes the ongoing use of solar energy solutions at selected branches to harness renewable energy and reduce reliance on conventional electricity sources. Energy conservation measures have also been introduced, including motion-sensor lighting in one back-office location to optimise electricity usage and reduce unnecessary consumption. In parallel, Go Green initiatives are implemented across all 145 branches, promoting reduced paper usage and the use of recycled paper where feasible. AFFIN's newer branches are designed with sustainability considerations in mind, incorporating energy-efficient LED lighting in banking halls and energy-efficient air-conditioning systems to enhance operational efficiency while managing energy demand.

SUSTAINABLE PROCUREMENT PRACTICES

Encouraging Sustainable Practices among our Suppliers

AFFIN prioritises local sourcing as a core pillar of its procurement strategy, recognising the role of domestic suppliers in strengthening economic resilience and reducing environmental impacts associated with long-distance logistics. Over the past five years, the Group has consistently maintained a high proportion of spending on local suppliers with over 90% against total suppliers. This sustained trend reflects AFFIN's deliberate approach to anchoring procurement decisions within the local economy while balancing operational efficiency and risk considerations.

By engaging local suppliers wherever practicable, AFFIN contributes to broader socio-economic outcomes, including job creation, business development, and tax generation within Malaysia. Beyond economic impact, local sourcing also supports environmental objectives by minimising transport-related emissions and promoting more efficient supply chain structures.

A significant portion of procurement spend was directed to local suppliers, reinforcing our commitment to domestic capabilities and sustainable practices.

The increase in local supplier spend in FY2024 compared to FY2023 is attributed to the slightly higher number of projects undertaken in 2024.

The reduction in local supplier spend in FY2025 compared to FY2024 is due to fewer projects and no recurring payments carried forward, not a change in our sustainability focus.

Proportion of Spending on Local Suppliers



2025 Key Highlights



Local Economic Contribution

Sustained local sourcing (>90%) strengthened domestic economic resilience and supported job creation.

ESG Integration Across Supply Chain



Mandatory ESG screening and annual assessments enhance supplier accountability and alignment with sustainability goals.



Digital Efficiency Gains

e-Procurement reduces paper usage, improves operational efficiency, and supports UN SDG 12.

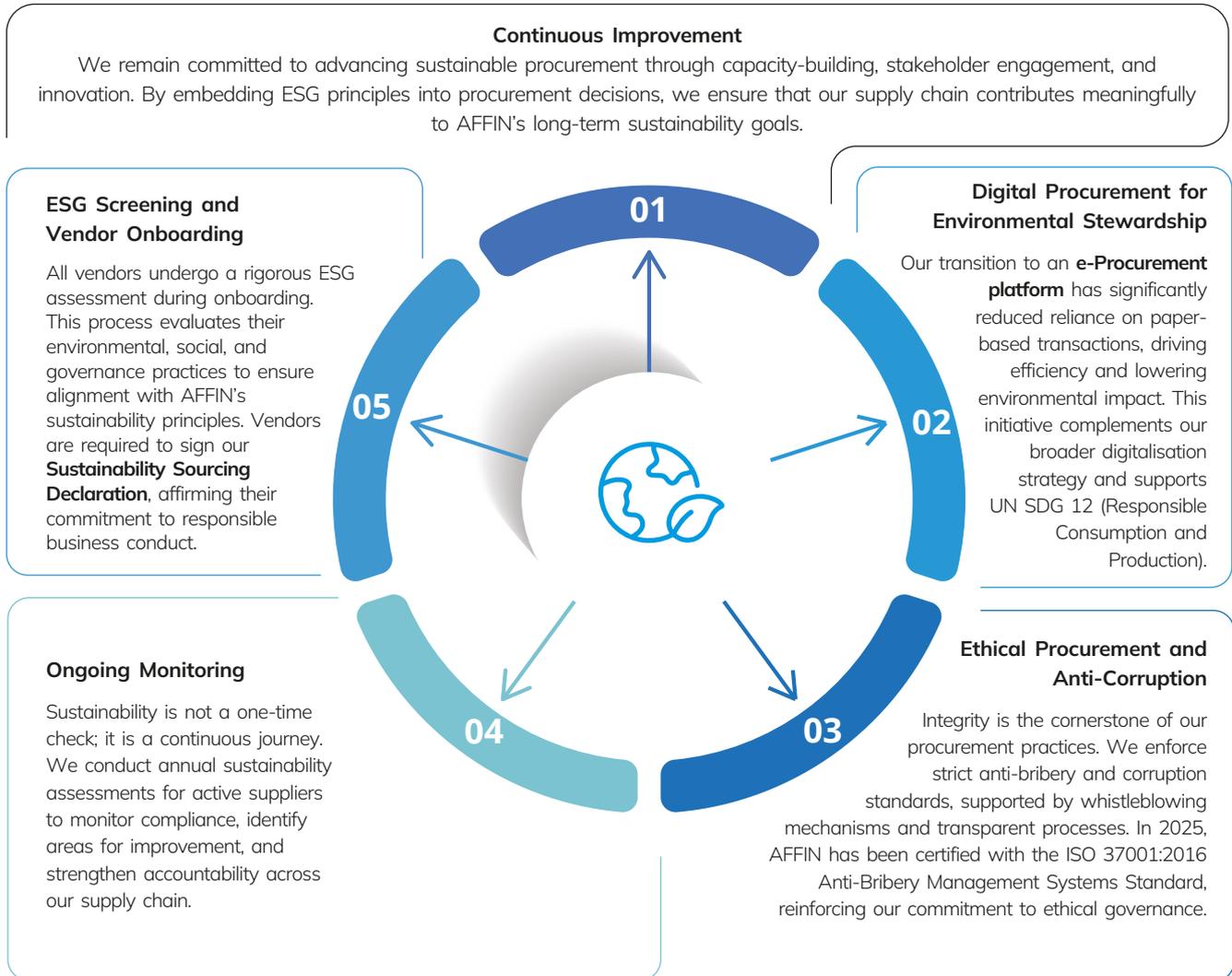
Ethical Governance Reinforcement



ISO 37001:2016 certification solidifies anti-bribery compliance and stakeholder trust.

Sustainable Operations

Key Practices:



DIGITAL INNOVATION

Digital innovation is a core enabler of AFFIN's business strategy and sustainability agenda. As a financial institution serving corporates, SMEs, microenterprises and retail customers, AFFIN leverages digital capabilities to enhance accessibility, operational efficiency and customer experience, while reducing resource intensity across its operations. Guided by the AX28 Strategic Roadmap and the Group's ambition under "Digital Leadership", AFFIN continues to accelerate its digital transformation journey by embedding advanced technologies across retail and corporate banking, strengthening cybersecurity capabilities and advancing paperless processes.

Data Governance and Quality Management

AFFIN continues to enhance its Group Data Strategy across a structured "collect, store, manage, share and use" cycle,

prioritising high-quality data from internal and external sources, securely housed in centralised repositories such as Data Lake and Enterprise Data Warehouse, with data integrity monitored through completeness, recency and accuracy. This capability has been enabled through the Enterprise Data Hub, which expanded from 2 sources and 21 users in 2023 to 10 sources and 186 users as of 2025, with 74% active users and 176 metadata users, while data quality performance improved with the error rate reducing to 0.30% and 99% of data quality cases resolved within one month. These improvements support operational efficiency and value creation, through outcomes such as automated dashboards, downstream data feeds and regulatory reporting enablement, alongside cost savings and cost avoidance across multiple use cases.

Enriching Customers Through Digital Innovation

In 2025, AFFIN strengthened its mobile and corporate digital ecosystems through the rollout of AffinAlwaysX and enhancements to AFFINMAX, reinforcing its position as a customer-centric and digitally enabled bank. These efforts reflect the Bank’s commitment to a next-generation banking model (Banking 4.0), characterised by digital-first services, data-driven decision-making and integrated digital ecosystems.

Key milestones include

01

Retail Internet Banking

Retail Internet Banking remains a core digital channel supporting AFFIN’s shift towards more accessible and resilient banking services. In 2025, total RIB subscribers increased to 682,606, representing a 13% year-on-year increase, indicating sustained migration towards digital banking. As at December 2025, 61% of RIB subscribers had activated AffinAlwaysX mobile banking. Digital usage continued to scale, with total online channel transaction volume reaching 44.71 million in 2025, including 12.14 million transactions via RIB and 32.58 million via mobile channels, while maintaining strong platform reliability and system availability for RIB across the year.

02

AffinAlwaysX Mobile Banking

Phase 1 deployment introduced real-time fund transfers, foreign currency account inquiries and enhanced security features such as AFFIN SECURE and transaction cooling-off mechanisms. Digital onboarding with eKYC and CASA account opening is scheduled for Q1 2026, supporting seamless customer acquisition.

AFFINMAX Corporate Platform

Enhancements included QR push notifications, UI/UX improvements and API integration with enterprise and government payroll systems. Upcoming features such as the FX Digital System and combined token registration are designed to enhance usability while strengthening fraud risk controls.

03

AFFINMAX Corporate Platform

Enhancements included QR push notifications, UI/UX improvements and API integration with enterprise and government payroll systems. Upcoming features such as the FX Digital System and combined token registration are designed to enhance usability while strengthening fraud risk controls.

These advancements contributed to strong digital adoption and engagement

- Mobile banking users increased significantly, with projections exceeding 540,000 by year-end.
- Online transaction volumes are expected to reach approximately 37.36 million in 2025, with mobile channels contributing the majority of growth.

04

Strengthening Security and Operational Sustainability

AFFIN’s digital transformation is underpinned by a strong focus on cybersecurity and operational sustainability. In 2025, the Group enhanced its digital security architecture through the implementation of Fraud Detection v8.1, file upload security and multi-factor authentication, strengthening protection of customer assets and data.

At the same time, AFFIN advanced paperless banking initiatives through digital statements and online services, reducing reliance on physical documentation and supporting the Group’s environmental objectives under its Planet, People and Progress pillars.

Sustainable Operations

05

Digitalisation as an Enabler of Sustainable Banking

AFFIN's aligned with our strategic pillar of "Digital Leadership", our digital innovation agenda extends beyond technological advancement to support sustainable business practices. Through automation, digital onboarding, paperless processes and data-driven decision-making, AFFIN reduces resource consumption, improves operational resilience and enhances financial inclusion.

Collectively, these efforts demonstrate how digital transformation serves as a strategic lever for AFFIN to deliver better customer outcomes, strengthen governance and accelerate its transition towards a more sustainable and resilient banking model.

06

GEN-AI M365 Credit Assessment Support

AFFIN's first Gen-AI initiative, GEN-AI M365 (Copilot), was implemented to strengthen the efficiency and consistency of corporate credit assessments by supporting Relationship Managers and Credit Officers in the early stages of Credit Application Memo (CAM) preparation. The solution consolidates public-domain research and data gathering into structured preliminary inputs, reducing manual effort and improving the quality and governance-alignment of credit documentation. As an outcome, Copilot reduces repetitive processing and active screen time, saving an estimated three hours per CAM, while also delivering indicative emissions savings of 150g CO_{2e} per CAM (approximately 0.75 kg CO_{2e} per month and 9.0 kg CO_{2e} per year per RM, based on five CAMs per month), alongside reduced risk of human error and faster early-stage turnaround.

Mobile-Centric Banking

Expanded mobile banking capabilities, including mobile payments, e-wallet integration, SME applications and real-time transaction features, supported by improved security and onboarding functionalities.

Key Initiatives
AffinAlwaysX and AFFINMAX enhancements

► **Impact**

Mobile banking users grew from 122,000 (2023) to 377,000 (2024) and are projected to reach 540,000–569,000 in 2025, representing a 342–366% increase from 2023. Mobile channels contributed 62–68% of overall online transaction growth.

Digital Payments and Merchant Solutions

Strengthened digital payment infrastructure for retail and merchant customers, providing cost-effective alternatives to traditional POS systems and enabling seamless e-commerce transactions.

Key Initiatives
DuitNow Pay, QR Collection, SoftPOS, eFPX replacement

► **Impact**

Online transaction volumes increased from 13.7 million (2021) to 24.8 million (2024) and are forecast to reach 30.7–37.3 million in 2025, driven largely by mobile and digital payment adoption.

Security and Digital Onboarding

Enhanced cybersecurity and digital onboarding capabilities to improve customer protection, regulatory compliance, and onboarding efficiency.

Key Initiatives
AFFIN SECURE, Fraud Detection v8.1, eKYC, file upload security

▶ **Impact**

Strengthened fraud prevention controls and streamlined customer onboarding processes, supporting safer digital banking adoption and improved user experience.

Digital Ecosystem Integration

Expanded integration between banking platforms and third-party systems, enabling seamless domestic and cross-border transactions for corporate and institutional clients.

Key Initiatives
API integration, foreign transfers, FX digital system, host-to-host connectivity

▶ **Impact**

Achieved 17 API integrations ready for deployment, with multiple host-to-host integrations completed or in progress, strengthening corporate banking connectivity and operational efficiency.

Customer Experience Enhancement

Upgraded digital interfaces and customer interaction channels to deliver a more intuitive and user-friendly banking experience.

Key Initiatives
UI/UX revamp, eChannels upgrades, live chat

▶ **Impact**

Improved digital engagement and service responsiveness, contributing to increased adoption of digital banking platforms and higher customer satisfaction.

Corporate Digitalisation and Automation

Integrated generative AI to support corporate credit assessments, automating data consolidation and preliminary analysis.

Key Initiatives
Corporate Digitalisation and Automation

▶ **Impact**

Reduced credit application turnaround time from 27 days to 18 days, improved RM productivity by approximately 42%, and generated estimated operational cost savings of around RM10.8 million per year.

Sustainable Operations

Customer Relationship Management

AFFIN leverages its Customer Relationship Management (CRM) platform as a strategic enabler of customer-centricity, operational efficiency, and sustainable business growth. By embedding automation, data analytics, and digital collaboration into customer engagement processes, the Group enhances service delivery while reducing manual interventions, resource consumption, and operational inefficiencies.

In 2025, AFFIN strengthened its CRM capabilities through automated lead management, real-time performance dashboards, digital collaboration tools, and enhanced referral and cross-selling functionalities. These enhancements enabled more targeted customer engagement, improved decision-making, and streamlined workflows across business units, contributing to improved productivity and reduced reliance on paper-based processes and physical interactions.

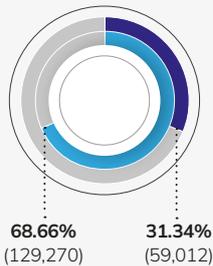
The implementation of CRM-driven processes generated measurable business and sustainability outcomes. Between FY2024 and FY2025, AFFIN recorded 188,285 total leads, including 25,159 referral leads, resulting in 18,920 opportunities created and 10,781 closed-won deals. In addition, over 2,797 call reports were managed digitally, supporting more efficient collaboration and reducing the need for physical meetings and manual documentation.

By integrating digital intelligence into customer engagement, AFFIN reinforces its ability to deliver personalised, efficient, and responsible banking services. The Group's CRM transformation demonstrates how technology can simultaneously strengthen business performance and sustainability outcomes, supporting AFFIN's broader ESG objectives through enhanced resource efficiency, data-driven decision-making, and a culture of digital collaboration.

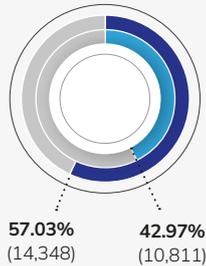
CRM Dashboard FY2024 - FY2025



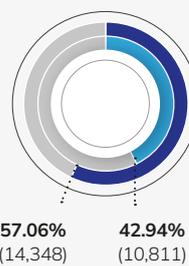
Total Lead Created by Year



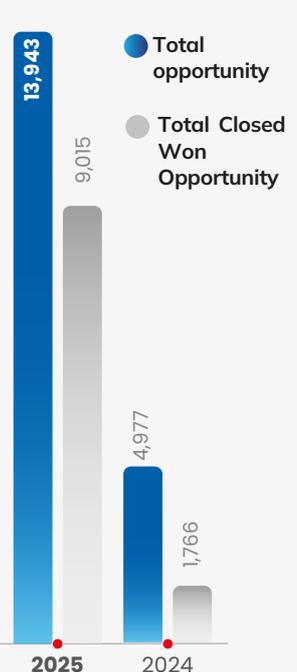
Total Referral Lead Created by Year



Total Call Report Created by Year



Total Opportunity Created by Year



Year	Total Lead	Total Referral Lead	Total opportunity	Total Closed Won Opportunity	Closed Won Opportunity Rate	Total Call Report
2024	129,270	10,811	4,977	1,766	35.48%	1,201
2025	59,015	14,348	13,943	9,015	64.66%	1,596
Total	188,285	25,159	18,920	10,781	56.98%	2,797

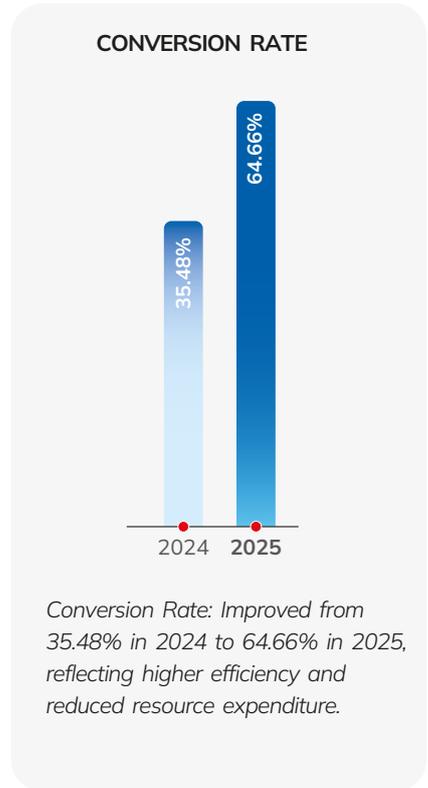
Robotic Process Automation and Process Digitalisation

Automation plays a critical role in reducing manual workloads, improving process consistency, and minimising reliance on paper-based and repetitive tasks across the Group’s operations. The Bank’s Robotic Process Automation (RPA) and digital tools enhance operational efficiency, strengthen governance, and support more sustainable business processes.

In 2025, the RPA Centre of Excellence (RPA COE) expanded its scope beyond traditional automation by developing and deploying an in-house Statement Engine. Built using internal automation and development capabilities, the solution provides AFFIN with greater control, flexibility, and efficiency in statement generation, while reducing dependency on external systems and manual interventions.

Alongside this development, AFFIN continued to scale automation initiatives through RPA, Power BI, Power Automate, Power Apps, and Salesforce-based solutions. These tools were applied across multiple business functions to streamline workflows, enhance data processing, and optimise operational processes. The Group also sustained its automation-first culture, encouraging departments to identify opportunities for digitalisation and process optimisation, thereby embedding continuous improvement into day-to-day operations.

The implementation of automation solutions has strengthened operational resilience and efficiency across the Group. The in-house Statement Engine has enabled improved control over statement generation processes, while the broader adoption of automation tools has reduced manual workloads and supported more consistent and reliable operational outcomes.



DATA PRIVACY & SECURITY

In an increasingly digital banking environment, data privacy and security are critical to maintaining stakeholder trust and ensuring the safety and resilience of financial systems. To address this, AFFIN continues to strengthen its end-to-end cybersecurity controls, from policy development, implementation of operational measures, continuous monitoring, as well as conduct of compliance reviews and internal audits to ensure identification of gaps and institution of effective remedial measures to address deficiencies if any. These measures are complemented by governance processes that ensure timely incident response, escalation and investigations, regulatory reporting, in line with applicable legal and regulatory requirements and internal risk management protocols.

In 2025, there were 8 substantiated complaints received concerning breaches of customer privacy.

Consistent with AFFIN’s compliance risk management practices including for preservation of customer confidentiality, all reported breaches are escalated and investigated in accordance with the Group Compliance Division’s (GCD) Guidelines on Escalation of Regulatory Non-Compliance. These investigations reinforce our commitment to timely escalation, effective remediation, transparent reporting and adherence to internal protocols and regulatory expectations.

Along with strengthening preventive and detective capabilities, the Bank continues to be guided by AFFIN Group’s Data Governance Framework, Management of Customer Information and Permitted Disclosures Policy and Data Operational Guidelines. These internal control frameworks provide structured oversight over how customer data is managed, safeguarded, and governed across the organisation, ensuring that controls remain robust, consistently applied, and aligned with evolving regulatory expectations.

DATA PRIVACY AND SECURITY			
Indicator	C8(a) Number of substantiated complaints concerning breaches of customer privacy or losses of customer data		
Category	FY2023	FY2024	FY2025
	4	13	8

People & Culture

OUR APPROACH

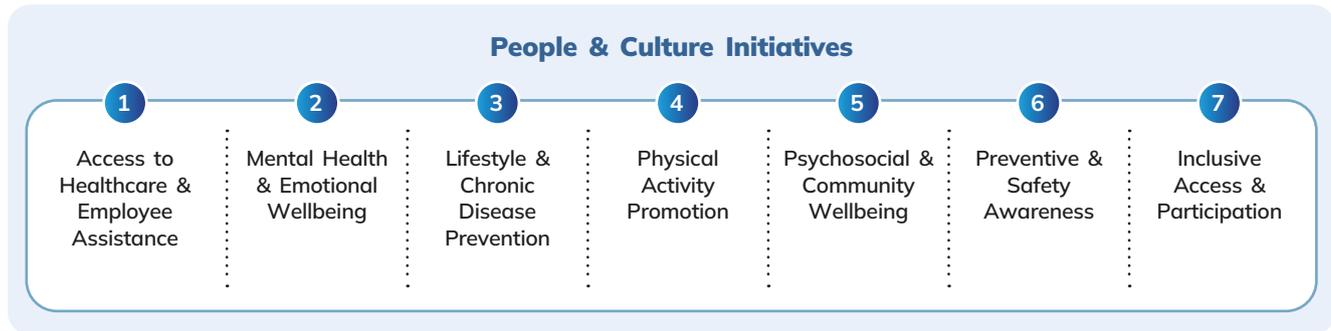
At AFFIN, our people are central to long-term business sustainability. Recognising employees as a critical driver of organisational resilience, innovation, and customer trust, "People and Culture" forms a core pillar of our sustainability strategy.

Under this focus area, we aim to cultivate a high-performance and inclusive workplace by strengthening employee capabilities, fostering sustainable work practices, and promoting a culture of respect, collaboration, and equal opportunity. Through targeted investments in wellbeing, talent development, and engagement, AFFIN seeks to create an environment where employees are empowered to grow, contribute meaningfully, and thrive.

In 2025, AFFIN advanced its people agenda through enhanced access to healthcare, comprehensive wellbeing programmes, and inclusive workplace initiatives that support physical, mental, and psychosocial wellbeing. Employees were provided with access to non-occupational healthcare services through panel clinics, 24/7 telemedicine, and the Employee Assistance Programme (EAP), further strengthened by the appointment of PMCare as the Group's medical Third-Party Administrator.

These services ensure accessible, confidential, and equitable support for employees, while selected wellbeing initiatives were extended to non-employee workers under the Group's operational control.

Complementing healthcare access, AFFIN implemented a broad portfolio of voluntary health promotion initiatives under AFFIN Wellness and Naluri, addressing mental health, lifestyle-related risks, physical activity, psychosocial wellbeing, and preventive awareness. Delivered through virtual and on-site platforms, these programmes enhanced employee resilience, encouraged healthy lifestyle behaviours, strengthened social connection, and improved workforce preparedness for non-work-related health risks. Accessibility was reinforced through free participation, virtual delivery formats, paid time for selected sessions, and continuous internal communication to drive awareness and engagement.



Access to Healthcare & Employee Assistance

Description

Provision of non-occupational healthcare through panel clinics, 24/7 telemedicine, and Employee Assistance Programme (EAP), strengthened by the appointment of PMCare as the Group's medical Third-Party Administrator.

Impact

Enhanced accessibility to healthcare and mental health support, strengthening employee wellbeing, confidentiality, and equitable access to services across the workforce.

Mental Health & Emotional Wellbeing

Description

Delivery of Naluri Community Webinars addressing stress management, emotional resilience, psychological flexibility, financial wellbeing, and mental recharge.

Impact

Improved employee resilience and emotional regulation, supporting sustainable performance and reducing risks associated with stress and burnout.

Lifestyle & Chronic Disease Prevention

Description

Health-focused learning sessions promoting healthy diet, physical activity, and sustainable behaviour change to address lifestyle-related health risks.

Impact

Encouraged healthier lifestyle choices, contributing to long-term reduction of non-communicable disease risks among employees.

Physical Activity Promotion

Description

Implementation of AFFIN Jom Workout (TABATA) sessions and AFFIN Steps Challenge 2025, supported by engagement campaigns and leaderboards.

Impact

Increased physical activity and reduced sedentary behaviour, strengthening cardiovascular health and employee engagement.

Psychosocial & Community Wellbeing

Description

Employee engagement initiatives including Fun Friday activities and GPO Open Week programmes integrating motivation, sustainability, and wellbeing themes.

Impact

Strengthened social connection, sense of belonging, and workplace culture, enhancing employee engagement and organisational cohesion.

Preventive & Safety Awareness

Description

Preventive communication campaigns (e.g. haze, weather, fire safety) and Neurodiversity Awareness Survey to enhance awareness of health, safety, and inclusion issues.

Impact

Improved workforce preparedness, safety awareness, and inclusivity, reinforcing a proactive and resilient workplace culture.

Inclusive Access & Participation

Description

Provision of free wellbeing programmes, virtual delivery formats, paid participation time, and continuous internal communication to ensure broad access and engagement.

Impact

Increased programme reach and participation across locations, ensuring equitable access to wellbeing initiatives and strengthening overall workforce inclusion.

People & Culture

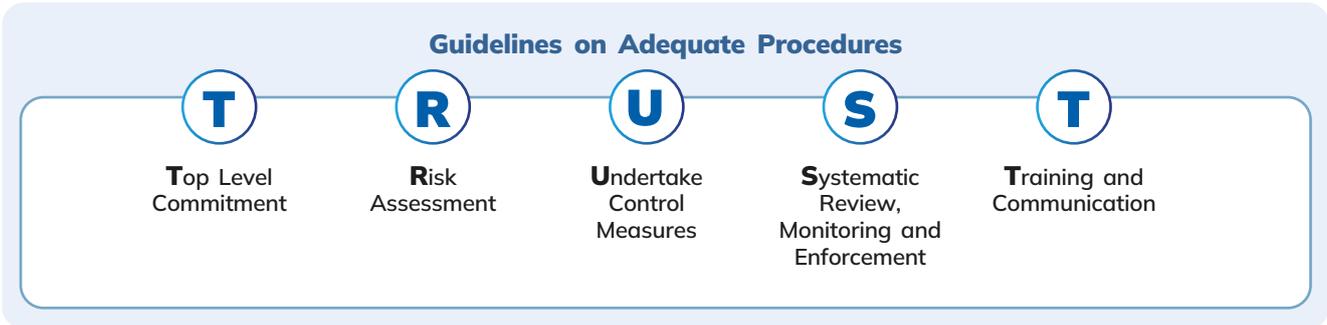
ETHICS & INTEGRITY

AFFIN is committed to upholding the highest standards of ethics and integrity as a responsible financial institution. We embed transparency, accountability, and fairness across our operations, ensuring that governance practices support prudent decision-making, stakeholder trust, and long-term value creation.

ISO 37001: 2016 Anti-Bribery Management Systems (ABMS) Certification

Affin Bank Berhad has been certified with the ISO 37001:2016 Anti-Bribery Management Systems (ABMS) standard, in June 2025. The certification reinforces AFFIN's commitment to ethical conduct and regulatory compliance, enhances stakeholder confidence in the Bank's governance practices, and provides additional assurance of Adequate Procedures under Section 17A of the Malaysian Anti-Corruption Commission (MACC) Act 2009. It also aligns AFFIN's governance approach with national priorities under the National Anti-Corruption Strategy (NACS), supporting a culture of integrity across the organisation.

The Certificate Handover Ceremony was held on 12 August 2025, in conjunction with Compliance Awareness Week 2025, handed over by the Certification Body, United Certification Services Sdn Bhd. The certificate was received by Affin Bank Berhad Chairman, Dato' Agil Natt, and witnessed by the President & Group Chief Executive Officer, Datuk Wan Razly Abdullah Wan Ali.



How do we implement in AFFIN?

The following are (not limited to) key controls measures of AFFIN Group:

- Anti-Bribery & Corruption Policy;
- Whistleblowing Policy;
- Guidelines on Gifts, Meals & Entertainment, Corporate Gift and Study Tour/Training;
- Procurement Policy;
- Sponsorship & Donation Policy; and
- Due-diligence on 3rd parties (e.g., on boarding new staff, vendors, customers etc)

AFFIN Group embeds strong governance, preventive controls and continuous oversight into every aspect of our operations. These principles steer how we uphold integrity, manage risks and strengthen a culture of ethical behaviour, through which we hold our directors, employees and all external associates accountable. Diligent compliance practices, clear policies and a shared commitment to responsible conduct ensure the protection of our stakeholders, the preservation of trust and that our business remains free from corruption.

Code of Ethics

As employees of AFFIN Group we are committed to serving our clients with integrity and professionalism, upholding the highest ethical standards in the financial services industry.

PRINCIPLE 1

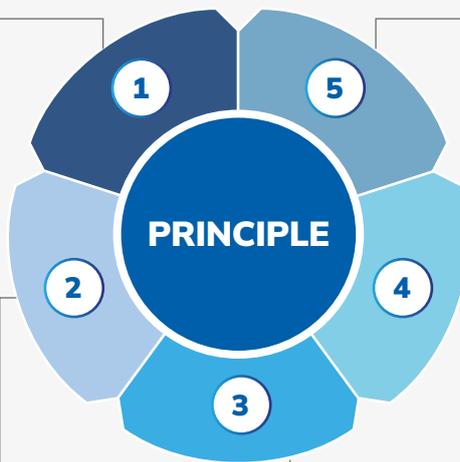
COMPETENCE

I will develop and maintain the relevant knowledge, skills and behaviour to ensure that the activities are conducted professionally and proficiently. This includes acting with diligence, as well as obtaining, and regularly updating, the appropriate qualifications, training, expertise and practical experience.

PRINCIPLE 2

INTEGRITY

I will be honest and open in all the dealings. This includes behaving in an accountable and trustworthy manner, and avoiding any acts that might damage the reputation of, or bring discredit to the Bank at any time.



PRINCIPLE 5

OBJECTIVITY

I will not allow any conflict of interest, bias or undue influence of others to override the business and professional judgment. I will declare, to those concerned, all matters that could impair the objectivity.

PRINCIPLE 4

CONFIDENTIALITY

I will protect the confidentiality and sensitivity of information provided to me. This includes using it for its intended purposes only and not divulging information to any unauthorised persons, including third parties, without the necessary consent from those involved unless disclosure is required by law or regulation.

PRINCIPLE 3

FAIRNESS

I will act responsibly and embrace a culture of fairness and transparency. This includes treating those with whom I have professional relationships with respect and ensuring that I consider the impact of the decisions and actions towards all stakeholders.

Embedding Good Practices

In 2025, we carried forth this commitment by providing our workforce with modules on the Personal Data Protection Act (PDPA), Anti-Money Laundering Act (AMLA), and on anti-bribery practices. By ensuring that our employees are well-versed in these crucial areas, we can simultaneously support our continued regulatory compliance and take a leadership role in building a more transparent and accountable financial ecosystem across Malaysia.



Note: Further details on the Whistleblowing Policy are set out in the SORMIC section

People & Culture

Training in Regulatory Compliance

In 2025, AFFIN strengthened its organisational capability to safeguard customer data through increased participation in mandatory data privacy and banking secrecy training across employee categories.

ANTI-CORRUPTION									
Indicator	C1(a) Percentage of employees who have received training on anti-corruption by employee category								
Employee Category	FY2023			FY2024			FY2025		
	Attendance	Headcount	%	Attendance	Headcount	%	Attendance	Headcount	%
Top Management	19	21	90.48	13	19	68.42	15	15	100.00
Senior Management	151	160	94.38	172	187	91.98	177	191	92.67
Middle Management	848	913	92.88	892	944	94.49	937	972	96.40
Junior Management	2,459	2,594	94.80	2,536	2,660	95.34	2,731	2,833	96.40
Sales Personnel	525	662	79.31	703	791	88.87	763	811	94.08
Non-Management	1,013	1,106	91.59	811	1,091	74.34	799	1,023	78.10
Overall Total Number of Employees	5,015	5,456	91.92	5,127	5,692	90.07	5,442	5,845	92.76

Notes:

- Only active staff training attendance selected.
- Selected course is only Anti-Corruption and Bribery (ABC).

The increase in participation among Sales Personnel aligns with headcount growth of 19% in FY2024 and 23% in FY2025, consistent with the mandatory nature of Anti-Corruption and Bribery (ABC) training for customer-facing roles. Meanwhile, attendance within the Non-Management segment corresponds with a gradual reduction in headcount (2% in FY2024 and 8% in FY2025), with participation trends also influenced by ongoing engagement with employee representatives regarding the training approach. Overall, training outcomes remain aligned with workforce dynamics, and the Group continues to uphold strong governance and compliance standards across the organisation.

ANTI-CORRUPTION						
Indicator	C1(b) Percentage of operations assessed for corruption-related risks					
Indicator Category	FY2023		FY2024		FY2025	
	Number of operations	%	Number of operations	%	Number of operations	%
Operations assessed	8	100	3	100	13	100

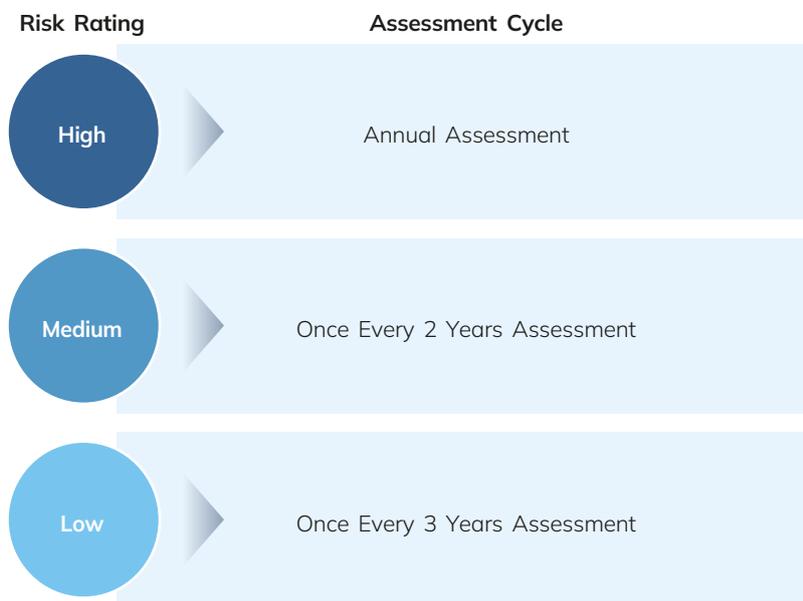
Notes:

- The figures for FY2023 & FY2024 excludes AHIBB
- No incident at AHIBB in FY2024.
- The disclosed number of operations reflects functional areas in accordance with Affin's Corruption Policy and Procedure. In line with Bursa Malaysia's Sustainability Reporting Guide, refinement is underway to adopt a location-based definition of operations.

The year-on-year movement in the number of operations assessed for corruption-related risks reflects the structured, risk-based assessment approach adopted following the establishment of the Risk Assessment on Corruption (RAC) for ABB, AIBB and AHIBB. The variation is not due to gaps in coverage or reduced emphasis on anti-corruption controls, but rather the result of deliberate assessment cycles determined by risk ratings.

In 2023, ABB and AIBB completed the first full cycle of assessments under the newly established RAC. The RAC came with Integrity and Governance Unit (IGU's) review methodology, which stipulates yearly reviews for high-risk areas, every 2 years for medium-risk, and every 3 years for low-risk. As this was the inaugural year of the structured RAC, all eight identified risk areas, comprising three high, four medium, and one low-risk categories, were reviewed in the same year to establish baseline corruption risk profiles. This resulted in a relatively higher number of operations assessed in 2023.

In 2024, the assessment activities aligned fully with the RAC's defined assessment cycles, where the frequency of review is determined by the risk rating of each area as table below:



Based on this cycle, only the three high-risk areas were due for assessment in 2024 for ABB/AIBB, while medium and low-risk areas fell outside their assessment cycle for that year. This explains the drop in the number of operations assessed in 2024. The lower figure does not reflect reduced vigilance; instead, it demonstrates adherence to a risk-proportionate assessment methodology.

In 2025, the number of operations assessed increased significantly due to two main drivers:

1 Completion of ABB/AIBB assessments due under the cycle

ABB/AIBB completed seven assessments in line with their scheduled RAC cycles, achieving 100% coverage of operations due for review.

2 Inclusion of Affin Hwang Investment Bank Berhad (AHIBB)

AHIBB implemented its first RAC, approved in 4Q 2023. In 2025, AHIBB underwent a full review of all six identified risk areas as part of its initial assessment cycle. This expanded scope contributed substantially to the overall increase in the number of operations assessed.

Combined, these factors resulted in 13 operations assessed in 2025, marking the highest volume across the three-year period.

People & Culture

TALENT MANAGEMENT

Recognising the crucial role of training and development in long-term employee retention, we invest consistently in our employees' growth through targeted programmes. Our goal is to cultivate a pipeline of talented individuals who can drive our future success and contribute to a more sustainable future.

Development Programmes (Target Audience)

Senior Management

IMD Orchestrating Winning Performance (OWP)

Partner: IMD

This immersive experience brought together global executives to explore cutting-edge leadership, strategy, and innovation practices. Each participant selected a learning stream aligned with their individual development focus, ranging from digital transformation and inclusive leadership to strategic agility and personal effectiveness. This tailored approach ensured that every leader gained insights most relevant to their growth journey and AFFIN's evolving business needs. The programme marks a significant step in our commitment to cultivating world-class leadership and driving high performance across the organisation.

Top & Senior Management

Asian Banking School Executive Education

Partner: Asian Banking School

We partnered with the Asian Banking School to provide global learning opportunities for our senior leadership team. This initiative was designed to broaden their strategic thinking, expose them to international best practices, and reinforce our commitment to continuous leadership development at the highest levels. In the past, we have sent numerous talents overseas for these trainings many of whom have gone on to achieve remarkable success and grow within the AFFIN Group.

ABS partners with several schools, including:

1. Judge Business School, University of Cambridge
2. ESSEC Business School, Paris
3. School of Continuing Education, Tsinghua University, Beijing
4. Said Business School, University of Oxford
5. Bayes Business School, London

Middle Management

AFFIN-ASB Leadership Acceleration Programme

Partner: Asia School of Business

To strengthen our middle management pipeline, we launched the Affin Leadership Acceleration Programme (LAP). The programme was structured around two key modules: "Leading with Adaptability Intelligence," which focused on navigating change with agility, and "Negotiation for Success," aimed at enhancing strategic communication and influence.

Junior Management

The programme is designed to build a strong foundation of leadership capabilities through 3 core modules: Design Thinking and Innovation, Adaptive Leadership, and The Art of Communication. These modules aim to develop creative problem-solving, agile thinking, and confident communication, preparing our emerging leaders to navigate and lead effectively in a rapidly changing environment.

Breakfast with Leaders

Breakfast with Leaders is an engagement platform that brings junior management into direct connection with GMCs and Board of Directors in an approachable, informal setting. Designed to encourage open dialogue, the session helps bridge leadership layers, deepen organisational understanding, and support the growth of future leaders.

High-Potential Talents

Talent Summit

The Talent Summit is a platform event that brings together high-potential talents from across the Bank. The summit is designed to accelerate leadership development and foster a strong internal network featuring inspiring sessions by notable speakers.

Graduate Programme (Target Audience)

Graduates

AFFIN Management Programme (AMP)

AFFIN Management Programme is an 18-month graduate programme designed to provide Management Trainees with the foundation of banking knowledge and skills through experiential learning and a 360-development programme as well as by instilling the right culture and attitude within them. Additionally, the programme aims to provide trainees with a platform and opportunity to learn and grow in a structured manner, towards becoming dynamic future leaders.

Graduates

AFFIN Treasury Excellence Programme (TEP)

The Treasury Executive Programme (TEP) is designed to build a strong, sustainable talent pipeline for the Group Treasury Division. The programme develops future treasury leaders through structured learning, technical training, and hands-on exposure across key treasury functions. TEP equips participants with the practical skills and experience needed to support the division's long-term capability and leadership growth.

Students

AFFIN-UNIMAS Apprenticeship

This 3-year full-time programme leads to a Bachelor in Financial Services Management (Hons). It features a blended structure, with one year of academic study at UNIMAS followed by a two-year practical apprenticeship at AFFIN BANK. Through this model, students gain real-world exposure across key banking functions while building strong academic fundamentals.

As part of our commitment to responsible banking and sustainable talent development, we continued to invest in professional certifications administered by the Asian Institute of Chartered Bankers (AICB) and related industry bodies to strengthen core banking, risk, and business capability.

To further strengthen governance, market conduct, and emerging risk capabilities, employees were also supported through specialised certifications. Collectively, these initiatives enhanced internal bench strength, reinforced ethical and professional standards, and supported the Group's ability to manage risk, comply with regulatory requirements, and create long-term sustainable value.

Certifications

AICB-CB: Level 1:

Certificate in Financial Services (CFS) **Pass 13**

Certificate in Credit (CCR) **Pass 91**

Certificate in Regulatory Compliance (CRCOP) **Pass 1**

Certificate in Anti-Money Laundering & Counter Financing of Terrorism (CAM) — formerly CAMEX **Pass 11**

People & Culture

Certifications:

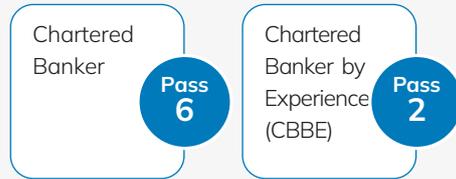
AICB-CB: Level 2



AICB-CB: Level 3



Chartered Banker:



FMAM



AICB-ICA



Others



Human capital development is a key part of the Group’s sustainability approach, with a focus on continuous upskilling to support business resilience and sound governance.

During the year, we supported 69 employees in upgrading their Islamic finance capabilities through professional certifications offered by the Islamic Banking and Finance Institute Malaysia (IBFIM). This included 51 employees under the Associate Qualification in Islamic Finance (AQIF), 8 employees under the Intermediate Qualification in Islamic Finance – Banking (IQIF-B), 8 employees pursuing the Islamic Professional Credit Certification (iPCC) – Business, and 2 employees under the Certified Professional Shariah Auditor (CPSA) programme.

These certifications strengthened employee competency in Islamic banking, credit, and Shariah compliance while supporting career development and reinforcing the Group’s internal capability to meet regulatory and business needs in a sustainable manner.

IBFIM:

Islamic Professional
Credit Certification
(iPCC) - Business

Pass
8

Intermediate
Qualification In
Islamic Finance
-Banking (IQIF-B)

Pass
8

Certified
Professional
Shariah Auditor
(CPSA)

Pass
2

Associate
Qualification In
Islamic Finance
(AQIF)

Pass
51

Category	Programme	PASS
AICB-CB: Level 1	Certificate in Financial Services (CFS)	13
	Certificate in Credit (CCR)	91
	Certificate in Anti-Money Laundering & Counter Financing of Terrorism (CAM) - formerly CAMEX	11
	Certificate in Regulatory Compliance (CRCOP)	1
AICB-CB: Level 2	Specialist Certificate in Bank Audit (SCBKR)	8
	Specialist Certificate in Bank Risk (BR)	2
	Specialist Certificate in Bank Business Credit (SCBBC)	5
	Specialist Certificate in Bank Retail Credit (SCBRC)	2
	Certified Anti-Money Laundering & Counter Financing of Terrorism Compliance Officer (SCAM) - formerly CAMCO	30
	Professionalism and Ethics (PET)	10
Chartered Banker	Chartered Banker	6
AICB-CB: Level 3	Bank Risk Management (BRM)	1
By experience	Chartered Banker by Experience (CBBE)	2
FMAM	Investor Protection Professional Certification (IPPC)	24
	Pasaran Kewangan Malaysia Certificate (PKMC)	52
AICB-ICA	Certification in Anti-Money Laundering and Counter Financing in Terrorism (CAML)	27
	Certification in Regulatory Compliance (CRC)	8
	Advanced Certification in Regulatory Compliance (ACRC)	3
Others	Certificate in Climate Risk (CICR)	6
TOTAL		302

Certificate	Completed
Islamic Professional Credit Certification (iPCC) - Business	8
Intermediate Qualification In Islamic Finance - Banking (IQIF-B)	8
Certified Professional Shariah Auditor (CPA)	2
Associate Qualification In Islamic Finance (AQIF)	51
Total	69

People & Culture

LABOUR PRACTICES AND STANDARD

Indicator C6(a) Total Hours of Training by Employee Category

	FY2023	FY2024	FY2025
	Hours	Hours	Hours
Top Management	681	619	773
Senior Management	7,679	8,147	10,527
Middle Management	53,895	55,455	63,795
Junior Management	149,366	158,052	180,240
Sales Personnel	56,624	44,201	47,589
Non-Management	37,742	48,681	41,743
Overall Total Number of Employees	305,987	315,155	344,667

Only training attendance of active staff as at 31st December 2025 is included

LABOUR PRACTICES AND STANDARD

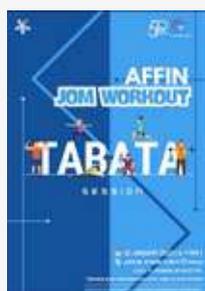
Indicator C6(b) Percentage of employees that are contractors or temporary staff

Employee Category	FY2023		FY2024		FY2025	
	Number	%	Number	%	Number	%
Top Management	19	0.35	18	0.32	15	0.26
Senior Management	7	0.13	7	0.12	9	0.15
Middle Management	11	0.20	8	0.14	3	0.05
Junior Management	31	0.57	77	1.35	142	2.43
Sales Personnel	16	0.29	4	0.07	0	0.00
Non-Management	4	0.07	59	1.04	3	0.05
Total	88	1.61	173	3.04	172	2.94
Overall Total Number of Employees	5,456		5,692		5,845	

In 2025, contract and temporary employees represented 2.94% of the workforce, a slight decrease from 3.04% in 2024. While the overall proportion remained stable, Junior Management saw a notable increase in contract/temporary appointments, rising from 1.35% (77 employees) in 2024 to 2.43% (142 employees) in 2025. This shift reflects targeted hiring to strengthen operational capacity in 2025, particularly in roles such as Customer Risk Review, Virtual Banking, and Operations Associates, supporting business expansion and day-to-day service delivery needs.

FAIR EMPLOYMENT PRACTICES

AFFIN promotes worker health by providing access to comprehensive non occupational medical and healthcare services through group insurance and panel healthcare providers. The Bank also offers voluntary health promotion programmes, including preventive health screenings, mental health support, wellness initiatives, and lifestyle education, to address major non-work-related health risks. These services are made accessible through internal communication channels, on-site and virtual platforms.



**AFFIN Jom Work Out
TABATA Session**



AFFIN Steps Challenge

Safeguarding Our Employees

Safeguarding employee health and safety is fundamental to sustainable business performance. Beyond regulatory compliance, the Group views occupational safety and health as a critical enabler of workforce resilience, productivity, and long-term organisational growth.

Guided by its Occupational Safety and Health (OSH) Policy, AFFIN adopts a structured approach to risk management, hazard identification, and continuous improvement. Regular workplace assessments and targeted safety interventions are conducted to minimise potential risks and ensure alignment with evolving regulatory requirements and industry best practices. Supported by these measures, AFFIN maintained its record of zero work-related fatalities in 2025, underscoring the effectiveness of its safety governance and preventive controls.

To strengthen organisational safety capability, AFFIN continues to invest in OSH training across the Group. In 2025, 258 unique employees participated in health and safety-related training programmes, including Basic Occupational First Aid, CPR & AED training, Emergency Response Team (ERT) training in collaboration with BOMBA, evacuation drills at Menara AFFIN TRX, and specialised OSH coordination and committee training. While participation levels may vary year-on-year due to the cyclical nature of certain mandatory certifications, AFFIN's sustained training efforts reflect its commitment to equipping employees with the knowledge and skills required to proactively identify, prevent, and respond to workplace hazards.

These initiatives are complemented by continuous monitoring of workplace incidents. In 2025, AFFIN recorded three accidents with lost workdays and no accidents without lost workdays, with total accidents declining compared to FY2024. This trend reflects the Group's ongoing efforts to strengthen preventive

measures, enhance safety awareness, and reinforce a culture of shared responsibility for workplace safety.

The number of employees trained in health and safety standards increased significantly from 140 in FY2023 to 539 in FY2024, demonstrating a clear organisation-wide commitment to strengthening safety awareness and building a strong foundation of health and safety competency across the workforce. In FY2024, the Bank delivered multiple safety awareness programmes throughout the year, including four major training sessions, designed to maximise reach and ensure broad participation among active employees. This comprehensive rollout equipped a large segment of staff with essential knowledge aligned to occupational health and safety standards and practices, resulting in the highest training coverage recorded during the period.

In FY2025, the Bank shifted from a broad-scale rollout to a more targeted and sustainability-focused training approach. As many employees had already completed the required programmes the year before, training efforts were directed towards newly hired staff, employees who had not previously undergone the training, and specific functional groups identified based on operational needs and risk exposure. Additionally, specialised health and safety programmes were introduced for selected groups to address particular workplace requirements.

Overall, the variations in training numbers across the three years reflect a structured capability-building strategy. The Bank began by establishing baseline competency through comprehensive organisation-wide training before transitioning to targeted programmes that reinforce standards, address emerging risks, and ensure continuous compliance. Throughout the period, training remained focused on active employees and aligned with recognised occupational health and safety standards, underscoring the Bank's ongoing commitment to fostering a safe, responsible, and resilient working environment.

OSH Policy and Risk Management Framework

Description

Implementation of a comprehensive Occupational Safety and Health (OSH) Policy, supported by regular workplace assessments, hazard identification, and continuous improvement processes.

Impact

Strengthened safety governance and preventive controls, contributing to zero work-related fatalities and improved workplace safety outcomes.

Health and Safety Training Programmes

Description

Delivery of structured OSH training, including Basic Occupational First Aid, CPR & AED, OSH Committee Training, OSH Coordinator Training, and specialised safety programmes.

Impact

Enhanced employee capability to identify and respond to workplace risks; 258 unique employees trained in FY2025.

People & Culture

Emergency Response Preparedness

Description

Conduct of Emergency Response Team (ERT) training and evacuation exercises in collaboration with BOMBA at Menara AFFIN TRX.

Impact

Improved organisational readiness for emergencies and strengthened incident response capability across key operational sites.

Workplace Safety Awareness Initiatives

Description

Implementation of safety briefings, drills, and awareness programmes to reinforce safe practices and employee accountability.

Impact

Fostered a proactive safety culture and strengthened shared responsibility for workplace health and safety.

Incident Monitoring and Reporting

Description

Systematic tracking of workplace incidents, including accidents with and without lost workdays, and continuous review of safety performance.

Impact

Supported data-driven safety management; total workplace accidents reduced in FY2025 compared to FY2024.

Continuous Capability Building

Description

Ongoing review of training needs, recognising that certain certifications are conducted on a cyclical basis (e.g. First Aid, CPR & AED every three years).

Impact

Ensured sustained OSH competency across the workforce while maintaining alignment with regulatory and industry requirements.

HEALTH AND SAFETY

Indicator C5(c) Number of employees trained on health and safety standards

FY2025	FY2024	FY2023
255	539	140

Notes:

- Only active staff training attendance selected
- Selected course is only Health and Safety

FAIR AND RESPONSIBLE REMUNERATION

At AFFIN, we uphold the principle of Equal Pay for Equal Work as a fundamental aspect of our remuneration philosophy. This commitment is embedded in our remuneration policy, which is periodically reviewed to ensure alignment with our strategic objectives and market standards.

We ensure that:

Fair and Responsible Remuneration Practices	Market Competitiveness	Transparency
<p>Measures to ensure internal equity are applied. The Bank is committed to ensuring all staff are fairly remunerated according to their roles within the organisation.</p>	<p>The salary bands are reviewed and adjusted periodically to maintain market competitiveness.</p>	<p>Remuneration management shall be transparent, conducted in good faith and in accordance with appropriate levels of confidentiality.</p>

These principles reflect our commitment to fair employment practices, aligned with regulatory expectations and the Bank's strategic objectives.

FAIR EMPLOYMENT PRACTICES

AFFIN BANK is committed to being a responsible corporate citizen aligned with our strategic objective, Responsible Banking with Impact. We believe that supporting the right to collective bargaining is an integral part of our social responsibility. By empowering our employees to have a voice in shaping their working conditions, we are contributing to a more just and equitable society.

To this end, Affin Bank Berhad has entered into a Memorandum of Agreement with the Affin Bank Berhad Officer Association (ABBOA) on October 13, 2023. Additionally, as a member of the Malayan Commercial Banks' Association, we actively support the Association's agreement with the National Union of Bank Employees, State of Malaya, signed on April 12, 2023.

As a responsible financial institution, AFFIN Group is dedicated to providing fair and equitable employment. We strictly comply with Malaysia's Labor Law, ensuring that all employees receive the minimum wage and work standard hours. This commitment reflects our dedication to the well-being of our workforce.

Grievance Mechanism

The grievance mechanism provides multiple channels for transparent communication between employees and employers to ensure a productive and safe work environment for all employees. This mechanism allows employees to raise concerns, seek advice, and report any grievances they may have. The process is designed to be fair, confidential, and accessible to all employees, ensuring that their voices are heard and their issues are addressed promptly and effectively.

People & Culture

DIVERSITY, EQUITY AND INCLUSION

Diversity Framework

Diversity, equity and inclusion (DEI) are critical enablers of organisational resilience, talent sustainability, and long-term value creation. In 2024, the Group formalised its DEI Framework, establishing a structured foundation to cultivate an inclusive and equitable workplace where diverse perspectives are valued and employees are empowered to perform at their best.

2025 marked the transition from framework design to implementation. Building on the groundwork laid in the previous year, AFFIN focused on embedding DEI principles into core people processes, organisational culture, and day-to-day practices. This included integrating DEI considerations into talent management, leadership development, and workplace engagement initiatives, signalling a shift from policy intent to operational execution. Looking ahead, future priorities will focus on strengthening data-driven measurement, deepening organisational impact, and aligning DEI outcomes with the Group’s evolving business strategy and sustainability ambitions.

AFFIN DIVERSITY, EQUITY & INCLUSION (DEI) FRAMEWORK

Objective

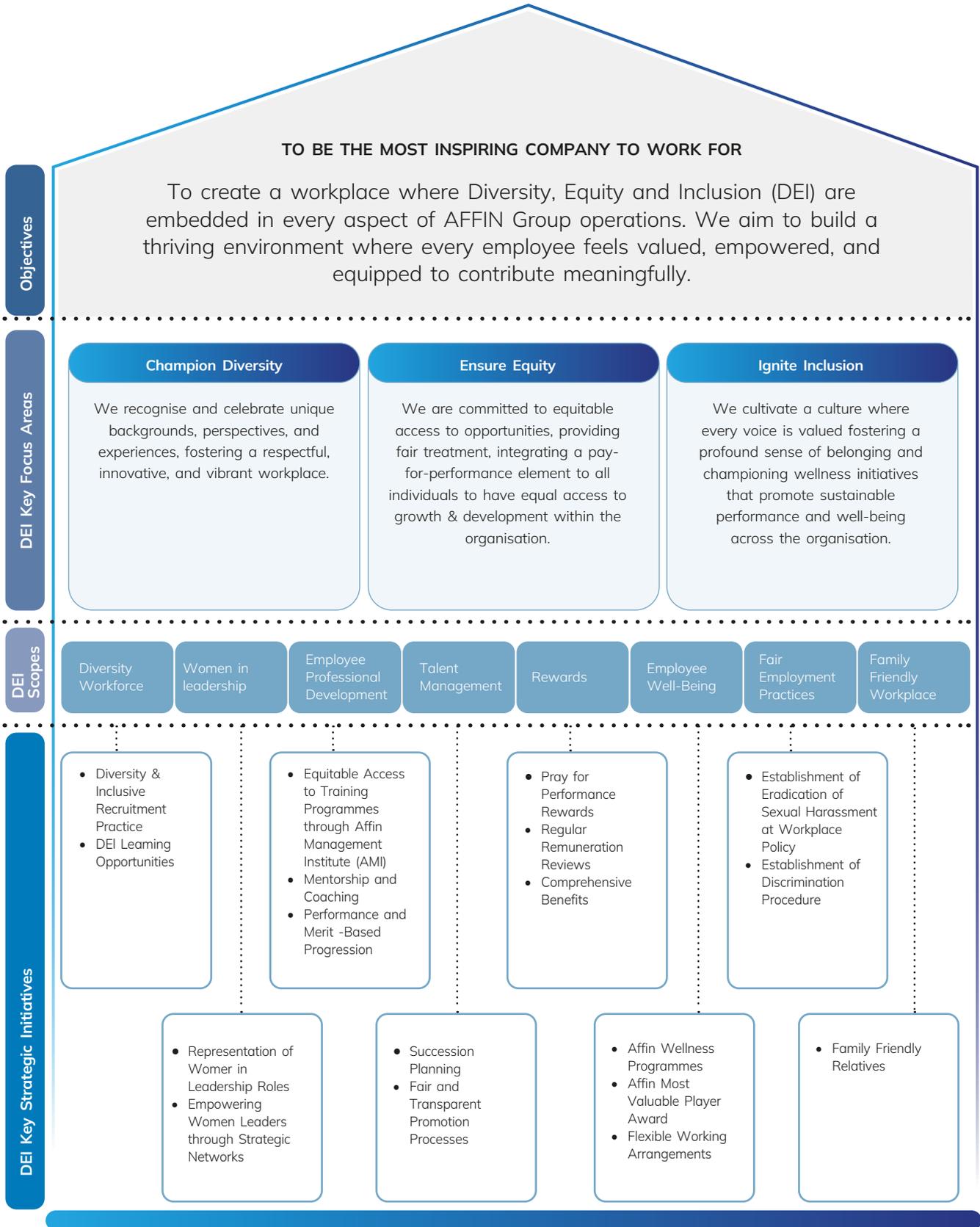
- The Affin DEI framework aims to cultivate an inclusive and equitable workplace where diversity is celebrated, and every individual is empowered to thrive.

- We integrate DEI principles into every aspect of our operations through the Vibe@Affin initiatives, fostering an environment that promotes sustainable performance and organisational resilience.
- Our commitment to DEI is designed to drive a culture where employees feel valued, empowered, and equipped to contribute meaningfully, ensuring long-term success for both individuals and the organisation.
- We recognise and celebrate unique backgrounds, perspectives, and experiences, fostering a respectful, innovative, and vibrant workplace.
- To celebrate diverse talents across gender, race, generation and abilities including persons with disabilities (PWD).
- We are committed to equitable access to opportunities, providing fair treatment, and integrating a pay-for-performance element to all individuals to have equal access to growth & development within the organization.
- We cultivate a culture where every voice is valued, fostering a profound sense of belonging and championing wellness initiatives that promote sustainable performance and well-being across the organisation.

AFFIN focused on embedding DEI principles into core people processes, organisational culture, and day-to-day practices.



Overall Summary of AFFIN DEI Framework



Empower the Community

OUR APPROACH

As a financial institution with a nationwide footprint, the Bank's role extends beyond financial intermediation to shaping inclusive and resilient communities. Communities form the foundation of sustainable economic growth, yet many segments continue to face persistent challenges such as unequal access to education, healthcare, financial services, and opportunities for socioeconomic mobility. Addressing these gaps is essential not only to social progress but also to building long-term trust, stability, and shared prosperity.

Guided by our strategic pillar, "Responsible Banking with Impact," AFFIN adopts a dual approach to community development. First, we create positive community outcomes through structured social impact initiatives that uplift vulnerable groups, strengthen social cohesion, and enhance environmental stewardship. Second, we advance financial inclusion by expanding access to financial knowledge, products, and services for underserved individuals, micro-entrepreneurs, and marginalised groups, enabling them to participate meaningfully in the formal economy.

Through this integrated approach, AFFIN seeks to deliver impact that goes beyond philanthropy aligning social investments with business capabilities, partnerships, and national priorities. Our initiatives are designed to respond to community needs while generating measurable social, economic, and environmental outcomes, reinforcing AFFIN's commitment to building a more inclusive, resilient, and sustainable Malaysia.

Key Highlights

In FY2025, our community empowerment initiatives benefited

170,279
beneficiaries

Exceeding our FY2025 target of 100,000 beneficiaries through community empowerment initiatives.

RM8.39 million
invested

Supporting inclusive and meaningful outcomes across diverse communities and demographics.

Established AFFIN
Impact Assessment
Template (AFIAT)

to systematically assess outcomes of CSR and sponsorship initiatives

Launching of Yayasan AFFIN

To deliver meaningful, long-term outcomes, a structured platform with clear governance, robust coordination across the Group, and a sharper ability to measure impact is crucial. In this regard, AFFIN launched Yayasan AFFIN as the Group's central community-empowerment platform in November 2025. Established during AFFIN's 50th anniversary, the foundation anchors CSR implementation under AFFIN's sustainability framework and strategic pillar of Responsible Banking with Impact. Yayasan AFFIN is designed to drive programmes across five pillars—Community Support, Health, Education, Disaster Relief, and Environment while upholding robust governance through controls aligned with the Group's overarching governance framework.

With the foundation in place, AFFIN strengthened the organisational backbone required to scale community programmes more consistently and transparently. FY2025 marks the first milestone of formalising AFFIN's long-term community approach through a dedicated entity. Looking ahead, Yayasan AFFIN will focus on strengthening governance for fundraising and donation disbursement, securing regulatory approvals for fundraising, and embedding structured impact assessments and reporting to enhance credibility and accountability.

COMMUNITY EMPOWERMENT

Environmental Stewardships

The Interceptor 002

The Interceptor 002 initiative reflects AFFIN's commitment to environmental stewardship and community resilience through innovative solutions to address river pollution. Implemented in collaboration with Landasan Lumayan Sdn. Bhd., The Ocean Cleanup and MUFG, the project deploys a solar-powered autonomous system to intercept waste in the Klang River, one of the most polluted rivers globally.

Since its deployment, the Interceptor has removed more than 2,600 metric tonnes of waste, including over 500 metric tonnes in 2024 alone. These efforts have contributed to measurable improvements in river health, with water quality improving from Class 4 to Class 3. Beyond environmental outcomes, the initiative has enhanced in FY2025 the living environment for communities along the Klang River by reducing pollution-related hazards and strengthening flood resilience. Under the broader Klang River rejuvenation efforts, cumulative waste removed from the Klang River has reached 98,397 metric tonnes since 2016, with 57% of the 208 monitored days recording water quality at Class 3 and above. In addition, Interceptor 002 has contributed a cumulative of 2,936 metric tonnes of waste collected since 2019. The project also serves as a platform for awareness and advocacy on sustainable waste management and river conservation.

Interceptor 002 will continue to deliver impact through continuous waste removal, community engagement programmes and collaborative partnerships aimed at scaling positive environmental outcomes. The initiative supports AFFIN's broader sustainability strategy and contributes to national and global objectives for cleaner waterways and climate resilience.

AFFIN Group Community Banking CSR Day 2025

Environmental degradation, waste pollution, and climate-related challenges require collective action at both organisational and community levels. Recognising this, AFFIN integrated environmental action into its community initiatives through the AFFIN Group Community Banking CSR Day 2025, which mobilised employees and partners across multiple regions to undertake environmental activities such as tree planting, coastal clean-ups, recycling, and community space enhancements.

Key Highlights

The programme delivered measurable environmental outcomes, including:

528 trees

planted across Selangor, Johor, and Pahang.

604 kg of coastal

waste removed across multiple states.

1,100.00 kg of waste cleared,

alongside 500 kg of recyclables collected through community initiatives.

These outcomes demonstrate AFFIN's ability to translate environmental commitments into tangible community-level impact, reinforcing environmental awareness and collective responsibility across stakeholders. CSR Day mobilised 1,486 participants across 11 regions and 27 sites, delivering tangible environmental and social outcomes, including tree planting, waste collection, recycling, and community space enhancements. Together, these initiatives reinforced AFFIN's role in enabling inclusive growth, strengthening social infrastructure, and fostering community resilience.

Empower the Community

Ramadan Community Outreach Programmes

In conjunction with the holy month of Ramadan, AFFIN delivered targeted community programmes aimed at supporting vulnerable groups. As a flagship CSR programme marking AFFIN's 50th Anniversary, AFFIN 50 Kasih Ramadan supported 50 mosques across Malaysia through community iftar engagements and direct contributions, including cash donations of RM5,000 each to 48 mosques. The programme also delivered community-based assistance such as food distribution for underprivileged households, iftar meal preparation and Tazkirah Ramadan sessions. Overall, the initiative reached an estimated 52,100.00 individuals nationwide.

To create an inclusive and supportive Ramadan experience for vulnerable communities, AFFIN also hosted the Majlis Iftar & Solat Tarawih 2025 for 550 attendees, including 165 orphaned children and caregivers from four orphanages, together with AFFIN's Board, senior management and employees. Beyond shared prayers and iftar, AFFIN provided essential care packs worth RM 20,000 and contributed RM 5,000 per orphanage to support daily needs and improve living conditions. The programme included Tazkirah sessions to strengthen moral and community resilience.

Mobilising Collective Action for Humanitarian Support

Natural disasters and humanitarian crises require rapid, coordinated responses supported by sustainable funding mechanisms and community participation. As a financial institution, AFFIN plays a catalytic role in mobilising corporate and public support for credible humanitarian partners.

AFFIN HWANG partnered with MERCY Malaysia and Exchange 106 to implement a two-part fundraising campaign:

- Wish Tree Campaign, encouraging public donations through symbolic participation; and
- Fundraising Bazaar, where 25% of participating merchants' sales were channelled to humanitarian aid.

2025 Key Highlights

The campaign raised RM48,711.33, comprising:

RM11,313.99 from the Wish Tree initiative

RM37,397.34 from the fundraising bazaar.

Funds were utilised to support humanitarian assistance for flood victims and emergency needs in Kedah, Kelantan, and Perak, benefiting 1,669 individuals. Beyond financial contributions, the initiative strengthened corporate-community engagement by activating employees, tenants, and the public in collective humanitarian action.

Promoting Community Well-being

AFFIN ISLAMIC Inclusivity Week 2025 (AIIW25)

Access to health-related support and inclusive engagement remains uneven, particularly for persons with disabilities (PWD), neurodivergent individuals, and vulnerable communities. Social sustainability requires proactive efforts to improve inclusion, awareness, and access to resources that enhance well-being.

Through AFFIN ISLAMIC Inclusivity Week 2025 (AIIW25), AFFIN expanded its engagement with PWD and neurodivergent communities. The initiative comprised three key programmes:

1. Adventure Without Limits,
2. OK-YOUth Project Series (communication and leadership forum);
3. NeuroStars Discovery Day.

These programmes were implemented in collaboration with NGOs, university research centres, and education authorities, reflecting a multi-stakeholder approach to inclusive development. With a total contribution of RM192,000, the initiative supported eight beneficiary partner organisations, strengthening ecosystem-level collaboration for PWD and neurodivergent communities. Beyond direct beneficiaries, AIIW25 enhanced awareness, participation, and visibility of inclusive practices within AFFIN and its partner networks, reinforcing the Group's commitment to equitable access and social well-being.

Nurturing Communities Through Innovation and Education

Borneo International Innovation and Creativity Competition (BIICC) 2025

Youth innovation and sustainability literacy are critical to building future-ready communities, yet opportunities for students to translate environmental awareness into practical solutions remain limited. Recognising education as a critical aspect in advancing sustainable communities, AFFIN sponsored two students from SMK Tun Habab, Johor, to represent Malaysia at the Borneo International Innovation and Creativity Competition (BIICC) 2025, showcasing the Waste Cooking Oil (WCO) Reverse Vending Machine — an innovation recognised by Yayasan Inovasi Malaysia as the first of its kind nationally. The innovation integrates IoT features and smart monitoring systems to support efficient waste oil collection while enhancing user and operator convenience.

Between December 2024 and May 2025, the WCO machine facilitated the collection of 45 kg of waste cooking oil, demonstrating early potential for circular waste recovery. Beyond environmental outcomes, the initiative strengthened youth innovation capabilities and highlighted the role of technology in sustainability education, while creating future opportunities for community-based income generation and environmental awareness.

Strengthening Social Inclusion and Economic Participation

Vulnerable communities, micro-entrepreneurs, and underserved groups often face structural barriers in accessing economic opportunities, social support, and institutional resources. Sustainable community development requires targeted interventions that strengthen economic participation, social inclusion, and institutional capacity.

Jualan Agro Fair & Financial Literacy Programme

AFFIN implemented a range of initiatives to empower communities economically and socially. Key programmes included the Jualan Agro Fair & Financial Literacy Programme, delivered in collaboration with the Halal Development Corporation (HDC), which provided halal MSMEs with a marketplace platform and practical knowledge on digital payments, accounting tools, and green business practices. The Jualan Agro programme benefited 95 participants, including 21 halal entrepreneurs, generating over RM50,000 in cumulative sales, with 100.00% of vendors reporting positive outcomes in sales, visibility, or networking.

Van Jenazah sponsorship

AFFIN also supported community welfare infrastructure through the Van Jenazah sponsorship for Jabatan Bomba dan Penyelamat Malaysia (JBPM), strengthening welfare support for frontline responders nationwide.

The Van Jenazah sponsorship, with an investment of RM439,000, supports approximately 15,000 firefighters nationwide, strengthening welfare readiness and dignified support systems.

Strengthening Digital and Institutional Capacity in Religious Institutions

Sistem Pengurusan Bersepadu Majlis Agama Islam Negeri Pulau Pinang (SPB MAINPP)

Many mosques and religious institutions continue to rely on manual or fragmented systems to manage community data, administrative processes, and stakeholder engagement. This limits transparency, operational efficiency, and the ability of mosques to serve communities effectively. Digital empowerment of religious institutions is essential to strengthening governance, improving service delivery, and enhancing the socio-economic impact of faith-based organisations.

AFFIN ISLAMIC supported the digitalisation of mosques in Penang through the implementation of the Sistem Pengurusan Bersepadu Majlis Agama Islam Negeri Pulau Pinang (SPB MAINPP), a comprehensive mosque management system and mobile application developed by Myrich Dynasty Network Sdn Bhd (MDNSB) in collaboration with Majlis Agama Islam Negeri Pulau Pinang (MAINPP).

The SPB MAINPP initiative enhances mosque governance, transparency, and operational efficiency by enabling structured data management and streamlined administrative processes. By equipping mosques with digital tools and training, the programme strengthens institutional capacity and supports more accountable, responsive, and value-based community services. The initiative also aligns with Bank Negara Malaysia's Value-Based Intermediation (VBI) agenda, reinforcing AFFIN's commitment to leveraging Islamic social finance to drive inclusive digital empowerment and sustainable community development.

Empower the Community

Through zakat contributions amounting to RM455,500, AFFIN ISLAMIC funded:

- RM355,500 for preparation and deployment of the SPB MAINPP system;
- RM100,000 for training programmes to ensure effective adoption and utilisation of the system.

The system is being adopted by 217 mosques across six districts in Penang, strengthening digital capabilities across the state's religious institutions.

TOTAL AMOUNT INVESTED			
Indicator	C2 (a) Total amount invested in the community where the target beneficiaries are external to the listed issuer		
Total amount invested	FY2023	FY2024	FY2025
	RM' mil	RM' mil	RM' mil
	4.81	7.63	8.39

Notes:

- The figures for 2023 exclude AHIBB.

TOTAL AMOUNT INVESTED			
Indicator	C2 (b) Total number of beneficiaries of the investment in communities		
Total number of beneficiaries	FY2023	FY2024	FY2025
	Number	Number	Number
	83,283	116,833	170,279

Notes:

- The figures for 2023 exclude AHIBB.

Several of the CSR initiatives disclosed were selected based on their level of impact, with priority given to programmes that demonstrate meaningful outcomes for beneficiaries and align strongly with the organisation's community investment objectives.

In 2025, AFFIN's higher community investment and expanded beneficiary reach reflect a deliberate shift towards higher-impact programmes with broader coverage, prioritising initiatives that deliver meaningful outcomes and align strongly with community investment objectives.

Growth was primarily driven by the scaling of nationwide, high-reach programmes and public engagements that naturally generate larger beneficiary numbers, stronger collaboration with established partners and more structured funding and delivery mechanisms, particularly for zakat contributions, enabling assistance to be distributed more consistently and to wider communities.

Affin Bank Berhad (ABB)

In 2025, ABB invested RM6.94 million in community programmes and expanded its beneficiary reach to 156,569 individuals. This increase was largely driven by the scale-up of high-impact, nationwide initiatives, particularly the 50 Kasih Ramadhan programme involving 50 mosques, which accounted for the largest share of beneficiaries. Additional reach was supported through Yayasan IAT CSR 2025 activities and the Bank's participation in Bank Negara Malaysia's Karnival Celik Kewangan, both of which engaged sizeable community groups. Collectively, these programmes strengthened ABB's outreach and amplified the overall social impact achieved during the year.

Affin Hwang Investment Bank Berhad (AHIBB)

Between 2023 and 2025, AHIBB progressed from a non-reporting position to a more sustainability-oriented entity with clearer, trackable community contributions. In 2025, AHIBB contributed RM61,288.60 towards community programmes, primarily through MERCY Malaysia fundraising, ESG Conference 2025, and the Adopt-a-School Sensory/Therapy Room enhancement. These initiatives collectively benefited 1,927 individuals, including flood-affected communities, special needs students, and participants in ESG-related capacity-building engagements. Overall, the FY2025 outcomes reflect AHIBB's transition from establishing a baseline in FY2024 to delivering more targeted, socially responsive programmes in FY2025.

Affin Islamic Bank Berhad (AIBB)

In 2025, AIBB structured its zakat contributions through a series of dedicated main scheme groups, each designed to deliver meaningful and sustainable long-term impact to the community.

The education scheme formed the backbone of AIBB's zakat contribution strategy, with a total contribution of RM632,090. Most zakat funds under this scheme were channelled to schools and universities to ensure students from underprivileged backgrounds had access to education. A strong focus was placed on Back-to-School initiatives, helping students begin the academic year with confidence and adequate resources. Contributions also supported digitalisation in education, including the provision of laptops and smart TVs to enhance learning environments. For higher education, financial assistance was extended to selected universities, including UPNM, UM, UKM, UPSI, and UNIMAS. This contribution primarily focused on education fees, easing the financial burden faced by asnaf students. In addition, this scheme also supported research grants to encourage knowledge creation and academic advancement.

AIBB's commitment to community development continued through the NGOs scheme, which focused on development programmes for underprivileged communities. A total of RM421,850 was contributed through strategic collaboration with established partners, including YADIM, PERKIM, PWIP, IPaQ, Yayasan UNITI and Yayasan JCorp. Through these partnerships, AIBB ensured that assistance was delivered effectively and sustainably to a wider segment of those in need, thereby strengthening community development efforts.

Under the ATM-related scheme, zakat contributions amounting to RM465,200 were channelled towards supporting the welfare of the nation's armed forces community. Religious programmes at army camps were supported through Tabung Zakat ATM, fostering spiritual wellbeing among personnel. Financial assistance was also extended to army veterans through Yayasan Veteran ATM, helping ease post-service challenges. In addition, the iTekad Perwira-i Programme was introduced to focus on upskilling veterans in business and entrepreneurship, equipping them with the skills and resources needed to build sustainable livelihoods.

The mosque and surau scheme focused on strengthening community institutions, with a total contribution of RM222,500. Funds were utilised to support religious programmes that nurture spiritual growth, unity and community engagement. Contributions were also allocated to enhance administrative management systems for mosques and surau, improving governance, operational efficiency, and service delivery at the community level.

In 2025, AIBB paid RM2.47 million to the respective Majlis Agama Islam Negeri (MAIN) for the Financial Year End 2024, allowing each state authority to manage and distribute zakat according to local priorities and eligible asnaf. This approach not only ensured transparency and proper governance but also strengthened collaboration with state religious institutions, reinforcing AIBB's commitment to fulfilling its zakat responsibilities.

Empower the Community

FINANCIAL INCLUSION

Financial inclusion is fundamental to building resilient communities and enabling equitable economic participation. Despite Malaysia's relatively mature financial system, underserved segments, including B40 households, micro-entrepreneurs, asnaf communities and vulnerable groups, continue to face structural barriers in accessing capital, financial knowledge and sustainable income opportunities.

Guided by its strategic pillar of Responsible Banking with Impact, AFFIN adopts a dual approach to financial inclusion:

1. Mainstreaming social finance to expand access to capital and entrepreneurial opportunities for underserved communities; and
2. Strengthening financial literacy to equip individuals with the knowledge, confidence and tools to make informed financial decisions.

Through an integrated combination of Islamic social finance instruments, microfinance solutions, capacity-building programmes and outreach initiatives, AFFIN seeks to move beyond short-term assistance towards long-term financial resilience and socio-economic mobility.

Mainstreaming Social Finance

Programme iTekad Perwira-i 2025/2026

Micro-entrepreneurs within asnaf and B40 segments often lack access to formal financing, business assets and structured training, limiting their ability to scale businesses and achieve sustainable income. Traditional financing models alone are insufficient to address these gaps, necessitating blended approaches that integrate social finance with capacity building.

AFFIN ISLAMIC participates in Programme iTekad Perwira-i 2025/2026, an initiative under Bank Negara Malaysia's iTEKAD framework aimed at strengthening the financial resilience and business capabilities of low-income micro-entrepreneurs.

AFFIN ISLAMIC collaborates with the Malaysian Research & Education Foundation (MyREF), Jabatan Hal Ehwal Veteran (JHEV) and PERHEBAT, with participants comprising armed forces veterans categorised under asnaf fakir miskin. In FY2025, AFFIN contributed RM131,976, supporting 16 armed forces veterans through business asset provision and structured training under the Advanced Digital Entrepreneurship Programme (ADEP) and Business Management Programme (BMP).

The iTekad Perwira-i programme strengthened participants' financial literacy, entrepreneurial capabilities and readiness to manage microenterprises sustainably. Beneficiaries demonstrated improved business skills and enhanced income stability, contributing to long-term socio-economic upliftment. By integrating Islamic social finance with microfinance and training, AFFIN advances an inclusive financing ecosystem that empowers vulnerable communities to transition from dependency to sustainable economic participation.

Strengthening Financial Literacy

Limited financial knowledge and digital literacy remain key barriers to financial empowerment, particularly among youth, underserved communities and persons with disabilities. Without early exposure to financial skills and practical economic opportunities, these groups face heightened risks of financial exclusion and long-term economic vulnerability. AFFIN addresses these gaps through targeted financial literacy and empowerment initiatives across diverse community segments.

Collectively, these initiatives enhanced financial awareness, digital readiness and entrepreneurial confidence among diverse community segments. By combining education, experiential learning and service accessibility, AFFIN contributes to a more inclusive financial ecosystem where individuals are equipped not only with access to financial services, but also with the capability to use them effectively.

The programme combines:



Social finance instruments such as zakat, donations and social impact investments;



Microfinance facilities to support business growth; and



Structured financial and entrepreneurship training delivered over approximately seven months.

Empowering Youth and Special Needs Communities

Empower Self-Sustainable Through Entrepreneurship” programme

Through AFFIN HWANG’s “Empower Self-Sustainable Through Entrepreneurship” programme, AFFIN supported students from B40 households with autism and learning disabilities at PPKI Sekolah Menengah Kebangsaan Selayang Bahru.

The programme integrated:



The initiative benefited 146 students and stakeholders, with students generating RM8,900 in sales through participation in the AHIB Fundraising Bazaar, reinforcing practical financial and entrepreneurial skills.

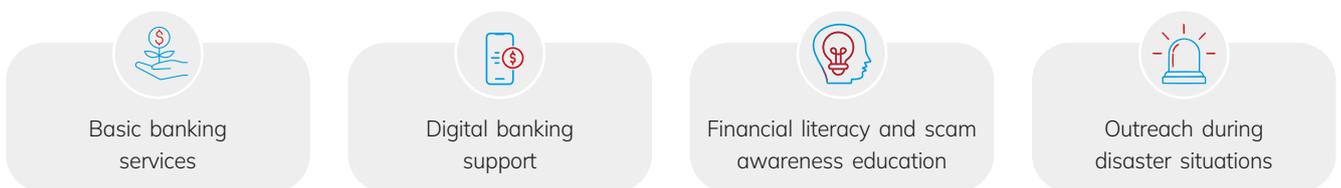
Expanding Public Financial Awareness

Bank Negara Malaysia’s Karnival Celik Kewangan (KCK) Penang 2025

AFFIN’s participation in Bank Negara Malaysia’s Karnival Celik Kewangan (KCK) Penang 2025 strengthened public awareness of financial management and access to financial services. with an investment of RM15,000, AFFIN engaged approximately 15,000 visitors across the three-day event, reaching youths, families, SMEs and underserved groups.

Bridging Access through Mobile Financial Services

To extend financial access to underserved communities, AFFIN deployed the Mobile Financial Centre (MFC), a purpose-built mobile banking unit offering:



Deployed under the Bank Bergerak Initiative (BBI), the MFC enhances access to essential financial services across rural and underserved locations, complementing AFFIN’s broader financial inclusion strategy.

Community-Based Financial Literacy Outreach

AFFIN further strengthened financial awareness through community engagement programmes, including:

- Jelajah Wira roadshows at armed forces camps;
- Financial literacy sessions with students and community groups.

Performance Data

As a listed company on Bursa Malaysia, we are committed to transparently report our sustainability efforts. Our disclosure includes key indicators relevant to sustainability matters, demonstrating our management of the critical aspects of our business how we manage these critical aspects of our business.

Our sustainability reporting covers the last three financial years, unless otherwise specified, and provides insights into our performance in managing sustainability issues. Below, we outline the essential components of our disclosure:

1. **Indicators:** We present a set of prescribed common indicators that are deemed to be material for our company. These indicators align with Bursa Malaysia's enhanced Sustainability Reporting Guide.
2. **Data:** Except if specified otherwise, we provide a minimum of three years' historical data for each reported indicator. This data allows stakeholders to track our progress over time. The data provided represents the best available information provided at this period of time.
3. **Internal Assurance:** All 22 indicators have undergone internal review by the Group Internal Audit. The Group will continue to strengthen its ESG data capturing and repository capabilities to support future assurance efforts.

When undertaking the 22 common indicators by Bursa Malaysia, we embraced several opportunities to enhance our processes. We relied on the expertise of data owners to furnish and extract non-financial data points of the organization. In cases where data was not available, we applied thoughtful proxies and assumptions, both internally and externally, to ensure comprehensive reporting.

We endeavour to take pragmatic steps such as working closely with the relevant stakeholders to overcome data challenges through automation, strengthening process and internal validation process in the future.

ESG Performance Data									
	Governance			Social			Environmental		
ANTI-CORRUPTION									
C1 (a) Percentage of employees who have received training on anti-corruption by employee category									
Employee Category	FY2023			FY2024			FY2025		
	Attendance	Headcount	%	Attendance	Headcount	%	Attendance	Headcount	%
Top Management	19	21	90.48	13	19	68.42	15	15	100.00
Senior Management	151	160	94.38	172	187	91.98	177	191	92.67
Middle Management	848	913	92.88	892	944	94.49	937	972	96.40
Junior Management	2,459	2,594	94.80	2,536	2,660	95.34	2,731	2,833	96.40
Sales Personnel	525	662	79.31	703	791	88.87	763	811	94.08
Non-Management	1,013	1,106	91.59	811	1,091	74.34	799	1,023	78.10
Overall Total Number of Employees	5,015	5,456	91.92	5,127	5,692	90.07	5,442	5,845	92.76

Notes:

- Only active staff training attendance selected.
- Selected course is only Anti-Corruption and Bribery (ABC).

ANTI-CORRUPTION						
C1(b) Percentage of operation assessed for corruption-related risks						
Category	FY2023		FY2024		FY2025	
	Number of operations	%	Number of operations	%	Number of operations	%
Operations assessed	8	100.00	3	100.00	13	100.00

Notes:

- The figures for FY2023 & FY2024 excludes AHIBB
- The disclosed number of operations reflects functional areas in accordance with Affin's Corruption Policy and Procedure. In line with Bursa Malaysia's Sustainability Reporting Guide, refinement is underway to adopt a location-based definition of operations.

ANTI-CORRUPTION			
C1 (c) Confirmed incidents of corruption and action taken			
Category	FY2023	FY2024	FY2025
	Number	Number	Number
Confirmed incidents	0	0	0

Notes:

- The figures refer to the confirmed cases reported to the MACC.

COMMUNITY INVESTMENT			
C2 (a) Total amount invested in the community where the target beneficiaries are external to the listed issuer			
	FY2023	FY2024	FY2025
	RM' mil	RM' mil	RM' mil
Total amount invested	4.81	7.63	8.39

Notes:

- The figures for 2023 exclude AHIBB.

COMMUNITY INVESTMENT			
C2 (b) Total number of beneficiaries of the investment in communities			
	FY2023	FY2024	FY2025
	Number	Number	Number
Total number of beneficiaries	83,283	116,833	170,279

Notes:

- The figures for 2023 exclude AHIBB.

Performance Data

DIVERSITY							
C3(a) Percentage of employees by gender by employee category							
Employee category	Gender	FY2023		FY2024		FY2025	
		Number	%	Number	%	Number	%
Top Management	Male	16	76.19	14	73.68	10	66.67
	Female	5	23.81	5	26.32	5	33.33
	Total	21	100.00	19	100.00	15	100.00
Senior Management	Male	103	64.38	123	65.78	126	65.97
	Female	57	35.63	64	34.22	65	34.03
	Total	160	100.00	187	100.00	191	100.00
Middle Management	Male	442	48.41	455	48.20	445	45.78
	Female	471	51.59	489	51.80	527	54.22
	Total	913	100.00	944	100.00	972	100.00
Junior Management	Male	1,013	39.05	1,044	39.25	1,090	38.48
	Female	1,581	60.95	1,616	60.75	1,743	61.52
	Total	2,594	100.00	2,660	100.00	2,833	100.00
Sales Personnel	Male	263	39.73	332	41.97	338	41.68
	Female	399	60.27	459	58.03	473	58.32
	Total	662	100.00	791	100.00	811	100.00
Non-Management	Male	414	37.43	402	36.85	369	36.07
	Female	692	62.57	689	63.15	654	63.93
	Total	1,106	100.00	1,091	100.00	1,023	100.00
Overall Total Number of Employees		5,456		5,692		5,845	

DIVERSITY							
C3(a) Percentage of employees by age group by employee category							
Employee Category	Age group	FY2023		FY2024		FY2025	
		Number	%	Number	%	Number	%
Top Management	<30 years	0	0.00	0	0.00	0	0.00
	30-39 years	0	0.00	0	0.00	0	0.00
	40-49 years	6	28.57	4	21.05	3	20.00
	50-59 years	13	61.90	13	68.42	11	73.33
	>=60 years	2	9.52	2	10.53	1	6.67
	Total	21	100.00	19	100.00	15	100.00
Senior Management	<30 years	0	0.00	0	0.00	0	0.00
	30-39 years	11	6.88	20	10.70	15	7.85
	40-49 years	56	35.00	74	39.57	88	46.07
	50-59 years	88	55.00	87	46.52	83	43.46
	>=60 years	5	3.13	6	3.21	5	2.62
	Total	160	100.00	187	100.00	191	100.00

DIVERSITY							
C3(a) Percentage of employees by age group by employee category							
Employee Category	Age group	FY2023		FY2024		FY2025	
		Number	%	Number	%	Number	%
Middle Management	<30 years	3	0.33	7	0.74	4	0.41
	30-39 years	240	26.29	234	24.79	246	25.31
	40-49 years	368	40.31	391	41.42	441	45.37
	50-59 years	297	32.53	309	32.73	280	28.81
	>=60 years	5	0.55	3	0.32	1	0.10
	Total	913	100.00	944	100.00	972	100.00
Junior Management	<30 years	555	21.40	543	20.41	664	23.44
	30-39 years	838	32.31	880	33.08	999	35.26
	40-49 years	718	27.68	708	26.62	697	24.60
	50-59 years	480	18.50	516	19.40	465	16.41
	>=60 years	3	0.12	13	0.49	8	0.28
	Total	2,594	100.00	2,660	100.00	2,833	100.00
Sales Personnel	<30 years	206	31.12	220	27.81	178	21.95
	30-39 years	390	58.91	483	61.06	517	63.75
	40-49 years	62	9.37	81	10.24	106	13.07
	50-59 years	4	0.60	7	0.88	10	1.23
	>=60 years	0	0.00	0	0.00	0	0.00
	Total	662	100.00	791	100.00	811	100.00
Non-Management	<30 years	112	10.13	127	11.64	139	13.59
	30-39 years	250	22.60	261	23.92	274	26.78
	40-49 years	459	41.50	409	37.49	320	31.28
	50-59 years	276	24.95	288	26.40	286	27.96
	>=60 years	9	0.81	6	0.55	4	0.39
	Total	1,106	100.00	1,091	100.00	1,023	100.00
Overall Total Number of Employees		5,456		5,692		5,845	

DIVERSITY						
C3 (b) Percentage of directors by gender group						
Employee Category	FY2023		FY2024		FY2025	
	Number	%	Number	%	Number	%
Male	16	64.00	14	60.87	16	64.00
Female	9	36.00	9	39.13	9	36.00
Total	25		23		25	

Performance Data

AGE GROUP						
C3 (b) Percentage of directors by gender and age group						
Employee Category	FY2023		FY2024		FY2025	
	Number	%	Number	%	Number	%
70-75 years	4	16.00	4	17.39	7	28.00
60-69 years	14	56.00	14	60.87	12	48.00
50-59 years	5	20.00	4	17.39	4	16.00
40-49 years	2	8.00	1	4.35	2	8.00
30-39 years	0	0	0	0	0	0
Overall Total Number of Directors	25		23		25	

ENERGY MANAGEMENT			
C4 (a) i. Total energy consumption			
	FY2023	FY2024	FY2025
	MWh	MWh	MWh
	23,749	22,131	22,747
	L	L	L
	8,008	18,346	20,745
C4 (a) ii. Total energy consumption			
	gigajoules	gigajoules	gigajoules
	85,774	80,308	83,591

Notes:

- The figures include renewable and non-renewable energy.
 - (Total nRE fuel consumed + electricity purchased + self-generated electricity).
- Energy consumption data covers headquarters, branches and data centres, including rental and tenant usage at Menara AFFIN TRX.

HEALTH AND SAFETY			
C5 (a) Number of work-related fatalities			
Category	FY2023	FY2024	FY2025
	Number	Number	Number
		0	0

HEALTH AND SAFETY									
C5 (b) Lost Time Incident Rate (LTIR)									
Category	FY2023			FY2024			FY2025		
	Number of hours worked	Number of incidents	Rate	Number of hours worked	Number of incidents	Rate	Number of hours worked	Number of incidents	Rate
		10,770,864	3	0.06	11,501,824	4	0.07	11,409,440	3

HEALTH AND SAFETY			
C5 (c) Number of employees trained on health and safety standards			
Category	FY2023	FY2024	FY2025
	Number	Number	Number
	140	539	255

Notes:

- Only active staff training attendance selected.
- Selected course is only Health and Safety.

LABOUR PRACTISES AND STANDARD			
C6(a) Total hours of training by employee category			
Employee Category	FY2023	FY2024	FY2025
	Hours	Hours	Hours
Top Management	681	619	773
Senior Management	7,679	8,147	10,527
Middle Management	53,895	55,455	63,795
Junior Management	149,366	158,052	180,240
Sales Personnel	56,624	44,201	47,589
Non-Management	37,742	48,681	41,743
Overall Total Hours of Training	305,987	315,155	344,667

LABOUR PRACTISES AND STANDARD						
C6(b) Percentage of employees that are contractors or temporary staff						
Employee Category	FY2023		FY2024		FY2025	
	Number	%	Number	%	Number	%
Top Management	19	0.35	18	0.32	15	0.26
Senior Management	7	0.13	7	0.12	9	0.15
Middle Management	11	0.20	8	0.14	3	0.05
Junior Management	31	0.57	77	1.35	142	2.43
Sales Personnel	16	0.29	4	0.07	0	0
Non-Management	4	0.07	59	1.04	3	0.05
Total	88	1.61	173	3.04	172	2.94
Overall total number of employees	5,456		5,692		5,845	

Performance Data

LABOUR PRACTISES AND STANDARD						
C6(c) Total number of employee turnover by employee category						
Employee Category	FY2023		FY2024		FY2025	
	Number	%	Number	%	Number	%
Top Management	3	0.40	3	0.46	1	0.12
Senior Management	19	2.53	25	3.82	32	3.73
Middle Management	163	21.68	134	20.46	157	18.32
Junior Management	274	36.44	272	41.53	375	43.76
Sales Personnel	251	33.38	184	28.09	193	22.52
Non-Management	42	5.59	37	5.65	99	11.55
Total number of employees turnover	752		655		857	

LABOUR PRACTISES AND STANDARD			
C6(d) Number of substantiated complaints concerning human rights violations			
Category	FY2023	FY2024	FY2025
	Number	Number	Number
	0	0	0

SUPPLY CHAIN MANAGEMENT			
C7(a) Proportion of spending on local suppliers			
Category	FY2023	FY2024	FY2025
	%	%	%
	95	97	92

Notes:

- The figures represent the actual payments made during the year.

DATA PRIVACY AND SECURITY			
C8(a) Number of substantiated complaints concerning breaches of customer privacy or losses of customer data			
Category	FY2023	FY2024	FY2025
	Number	Number	Number
	4	13	8

WATER MANAGEMENT			
C9 (a) Total volume of water used			
Category	FY2023	FY2024	FY2025
	Megalitres	Megalitres	Megalitres
	193	173	114

Notes:

- Water consumption data covers headquarters, branches and data centres, includes rental and tenant usage at Menara AFFIN TRX, and excludes non-potable water

WASTE MANAGEMENT			
C10 (a) Total waste generated, and a breakdown of the following:			
Category	FY2023	FY2024	FY2025
	tCO ₂ e	tCO ₂ e	tCO ₂ e
Total waste diverted from disposal	Not available	5.68	4.49
Total waste directed to disposal	Not available	82.04	64.53

Notes:

- Not available as we first initiate the measurement of our waste in 2024 onwards.
- The figures reflect operation and tenants and Menara AFFIN TRX, excluding IT-related waste and scheduled waste.
- Waste Management data is currently based on the best available information. Continuous efforts remain ongoing to refine future reporting through the strengthening of waste-related requirements in vendor and contractor agreements.

EMISSION MANAGEMENT			
C11 (a) Scope 1 emissions in tonnes of CO ₂ e			
Category	FY2023	FY2024	FY2025
	tCO ₂ e	tCO ₂ e	tCO ₂ e
Facilities' Generators	2.51	1.31	5.80
Own Vehicles	16.47	42.17	43.86
Overall Total of Scope 1 Emissions	18.98	43.48	49.66

Notes:

- The figures include emissions from generators and company-owned vehicles within our facilities and exclude fugitive emissions.
- Default emission factors for petrol were obtained from US EPA 2021AR5, which stands at 2.3228 kgCO₂e per liter, MGTC.
- Default emission factors for diesel were obtained from US EPA 2021AR5, which stands at 2.7325 kgCO₂e per liter, MGTC.

EMISSION MANAGEMENT			
C11 (b) Scope 2 emissions in tonnes of CO ₂ e			
Category	FY2023	FY2024	FY2025
	tCO ₂ e	tCO ₂ e	tCO ₂ e
Location-based	17,592.92	11,252.99	16,953.99
Market-based	-	11,167.68	11,774.87

Notes:

- Default emission factors for grid electricity were obtained from the Malaysia Energy Information Hub in 2022 as follows:
 - Peninsular: 0.774 Gg CO₂e/GWh
 - Sabah: 0.525 Gg CO₂e/GWh
 - Sarawak: 0.199 Gg CO₂e/GWh
- The data accounts for headquarters, branches, and data centres.

EMISSION MANAGEMENT			
C11 (c) Scope 3 emissions in tonnes of CO ₂ e			
Category	FY2023	FY2024	FY2025
	tCO ₂ e	tCO ₂ e	tCO ₂ e
Category 6: Business Travel	658.43	709.20	590.80
Category 7: Employee Commuting	7,245.90	7,531.86	7,765.97
Overall Total of Scope 3 Emissions	7,904.33	8,241.06	9,108.21

Notes:

- Methodology by GHG Protocol - Technical Guidance for Calculating Scope 3 Emissions.
- Source of emission factor:
 - Spend-based: US EPA - Supply Chain Greenhouse Gas Emission Factors v1.2 by NAICS-6.
 - Distance-based: UK Government Conversion Factors by the Department of Environment Food & Rural Affairs (DEFRA) and the Department for Energy Security & Net Zero (DESNZ) - Passenger Vehicles.

GRI Content Index

GRI Services Statement	For the Content Index – Essentials Service, GRI Services reviewed that the GRI content index has been presented in a way consistent with the requirements for reporting in accordance with the GRI Standards, and that the information in the index is clearly presented and accessible to the stakeholders.
Statement of use	Affin Bank Berhad has reported in accordance with the GRI Standards for the period 1 January 2025 to 31 December 2025.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	Not Applicable

GRI	Disclosure	Section Headings In SR2025	Location of Disclosures In SR2025 (Page Number)	Omission		
				Requirement(s) Omitted	Reason	Explanation
General disclosures						
GRI 2: General Disclosures 2021	2-1	Organizational details	About Us; Group Corporate Structure; Corporate Information	6-7; 16-17; 40-41	A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.	
	2-2	Entities included in the organization's sustainability reporting	Our ISSB Report – Reporting Boundary	282		
	2-3	Reporting period, frequency and contact point	About Our Integrated Report; Our ISSB Report – Basis of Preparation; Corporate Information	3; 282; 40-41		
	2-4	Restatements of information		N/A		
	2-5	External assurance	Our ISSB Report – Statement of Assurance; Statement on Internal Limited Assurance of Bursa Malaysia Common Indicators	283; 386-387		
	2-6	Activities, value chain and other business relationships	About Us; AFFIN Group: Our Core Businesses; Reporting Boundary; AFFIN's Climate-relevant Business Model and Value Chain	6-7; 12-13; 282; 283-284		
	2-7	Employees	Diversity; Labour Practises and Standard	356-360		
	2-8	Workers who are not employees	As at 31 December 2025, AFFIN had 584 workers who were not employees within its workforce, comprising 16 interns and 568 remisiers. These categories represent the principal types of non-employee workers engaged by the Group during the reporting period. The Group reports this information in headcount, based on the actual number of individuals as at the end of the reporting period, rather than as an average across the year. For interns, the data was extracted from the Group's HR Information System, Workday. Overall, the number of workers who are not employees remained broadly stable throughout FY2025, with only minor fluctuations of approximately 4% due to natural attrition, and these changes did not materially affect operations.	362		
	2-9	Governance structure and composition	Governance Structure and Framework; Board Composition; Sustainability Governance and Oversight	202-203; 216-219; 285-286		
	2-10	Nomination and selection of the highest governance body	Board and Senior Management Appointments, Removals and Re-election of Directors; Board Credentials and Composition	219-220; 289		
	2-11	Chair of the highest governance body	Profile of Board of Directors Affin Bank Berhad; Roles and Responsibilities of The Board	42-56; 204-206		
	2-12	Role of the highest governance body in overseeing the management of impacts	Roles and Responsibilities of The Board; Board and Board Committees' Deliberations; Sustainability Governance and Oversight	204-208; 285-287		

GRI	Disclosure		Section Headings In SR2025	Location of Disclosures In SR2025 (Page Number)	Omission		
					Requirement(s) Omitted	Reason	Explanation
GRI 2: General Disclosures 2021 (cont'd.)	2-13	Delegation of responsibility for managing impacts	Sustainability Governance and Oversight; Governance Processes & Decision-Making	287-288			
	2-14	Role of the highest governance body in sustainability reporting	Sustainability Governance and Oversight; Governance Processes & Decision-Making	285-288			
	2-15	Conflicts of interest	Conflict of Interest; Code of Ethics	234; 333			
	2-16	Communication of critical concerns	Data Privacy & Security; Code of Ethics; Grievance Mechanism	329; 333; 343			
	2-17	Collective knowledge of the highest governance body	Continuing Education and Development; Leadership Competencies	224-225; 290			
	2-18	Evaluation of the performance of the highest governance body	Corporate Governance Overview Statement – Board Effectiveness Evaluation	221-223			
	2-19	Remuneration policies	Board Remuneration; Board Remuneration	225-226			
	2-20	Process to determine remuneration	Board Remuneration; Board Remuneration	225-226			
	2-21	Annual total compensation ratio		N/A		Confidentiality constraints	After careful consideration, AFFIN has opted not to disclose the annual total compensation ratio at this time. We remain committed to transparency in our disclosures and will continue to evaluate all elements of our reporting practices to align with stakeholder expectations and industry standards as our policies evolve.
	2-22	Statement on sustainable development strategy	Chairman’s Statement; Sustainability @ AFFIN – Responsible Banking with Impact	22-27; 258-260			
	2-23	Policy commitments	Sustainability @ AFFIN – Responsible Banking with Impact; Ethics & Integrity; Code of Ethics	258-260; 332-333			
	2-24	Embedding policy commitments	Sustainability @ AFFIN – Responsible Banking with Impact; Governance Processes & Decision-making; Ethics & Integrity	258-260; 287-288; 332-335			
	2-25	Processes to remediate negative impacts	Building Sustainable Customer Relationships; Enhancing Customer Experience Across Channels; Data Privacy & Security; Grievance Mechanism	316-318; 329; 343			
2-26	Mechanisms for seeking advice and raising concerns	Stakeholder Engagements; Enhancing Customer Experience Across Channels; Grievance Mechanism; Code of Ethics	261-264; 318; 343; 333				
2-27	Compliance with laws and regulations	Governance Structure and Framework; Ethics & Integrity; Code of Ethics	202-203; 332-335				

GRI Content Index

GRI	Disclosure		Section Headings In SR2025	Location of Disclosures In SR2025 (Page Number)	Omission		
					Requirement(s) Omitted	Reason	Explanation
GRI 2: General Disclosures 2021 (cont'd.)	2-28	Membership associations	Memberships & Signatories	255			
	2-29	Approach to stakeholder engagement	Stakeholder Engagements	261-264			
	2-30	Collective bargaining agreements	Fair Employment Practices; Grievance Mechanism	343			
Material topics							
GRI 3: Material Topics 2021	3-1	Process to determine material topics	Stakeholder Engagements; Material Matters; Materiality Assessment Matrix	261-266			A gray cell indicates that reasons for omission are not permitted for the disclosure or that a GRI Sector Standard reference number is not available.
	3-2	List of material topics	List of all material topics: - Responsible Financial Services - Climate Change - Systemic Risk Management - Customer Centricity - Sustainable Procurement Practices - Digital Innovation - Data Privacy & Security - Environmental Management - Ethics and Integrity - Talent Management - Fair Employment Practices - Diversity, Equity and Inclusion - Community Empowerment - Financial Inclusion	265-266			
Responsible Financial Services							
GRI 3: Material Topics 2021	3-3	Management of material topics	Sustainable Financing; Responsible Financial Services	268; 313-314			
Climate Change							
GRI 3: Material Topics 2021	3-3	Management of material topics	Climate Change; Identification and Impact of Climate-related Risks; AFFIN's Net Zero Roadmap by 2050; Current and Anticipated Financial Effects	269; 291; 294-297; 302-303			
GRI 201: Economic Performance 2016	203-1	Financial implications and other risks and opportunities due to climate change	Identification and Impact of Climate-related Risks; AFFIN's Net Zero Roadmap by 2050; Current and Anticipated Financial Effects	291; 294-297; 302-303			
GRI 201: Economic Performance 2016	203-1	Financial implications and other risks and opportunities due to climate change	Identification and Impact of Climate-related Risks; AFFIN's Net Zero Roadmap by 2050; Current and Anticipated Financial Effects	291; 294-297; 302-303			
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Operational Emissions Reduction Approach; Emission Management C11(a) Scope 1 Emissions in Tonnes of CO ₂ e	320-321; 361			
	305-2	Energy indirect (Scope 2) GHG emissions	Operational Emissions Reduction Approach; Emission Management C11(b) Scope 2 Emissions in Tonnes of CO ₂ e	320-321; 361			
	305-3	Other indirect (Scope 3) GHG emissions	Our Financed Emissions Inventory; Financed Emissions Methodology; Scope 3 Methodology; Emission Management C11(c) Scope 3 Emissions in Tonnes of CO ₂ e	304; 308-312; 361			
	305-4	GHG emissions intensity	Emission Pathway for the Palm Oil Sector; Emission Pathway for Energy Supply Sector; Emission Pathway for Oil & Gas Sector; Scope 3: Summary of Sectoral Reduction Emission Target	305-307			
	305-5	Reduction of GHG emissions	AFFIN's Net Zero Roadmap by 2050; Operational Emissions Reduction Approach; Utilising Renewable Energy Certificates	294-297; 320-321			

GRI	Disclosure	Section Headings In SR2025	Location of Disclosures In SR2025 (Page Number)	Omission		
				Requirement(s) Omitted	Reason	Explanation
Systemic Risk Management						
GRI 3: Material Topics 2021	3-3	Management of material topics	Systemic Risk Management; Systemic Risk Management; Integration of Climate Risk Into Risk Management	270; 315; 298-301		
Customer Centricity						
GRI 3: Material Topics 2021	3-3	Management of material topics	Customer Centricity; Enhancing Customer Experience Across Channels; Customer Relationship Management	316-329		
Sustainable Procurement Practices						
GRI 3: Material Topics 2021	3-3	Management of material topics	ESG Screening and Vendor Onboarding; Digital Procurement for Environmental Stewardship; Supply Chain Management	324; 360		
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	ESG Screening and Vendor Onboarding; Supply Chain Management C7(a) Proportion of Spending on Local Suppliers	324; 360		
Digital Innovation						
GRI 3: Material Topics 2021	3-3	Management of material topics	Digital Innovation; Enriching Customers Through Digital Innovation; Digitalisation as an Enabler of Sustainable Banking; Customer Relationship Management	324-329		
Data Privacy & Security						
GRI 3: Material Topics 2021	3-3	Management of material topics	Data Privacy & Security; Strengthening Security and Operational Sustainability	329; 325		
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Data Privacy & Security; Data Privacy and Security C8(a) Number of Substantiated Complaints Concerning Breaches of Customer Privacy or Losses of Customer Data	329; 360		
Environmental Management						
GRI 3: Material Topics 2021	3-3	Management of material topics	Environmental Management; Operational Emissions Reduction Approach	320-321		
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	Managing Energy Consumption Amid Business Growth; Energy Management C4(a) Total Energy Consumption	321; 358		
GRI 303: Water and Effluents 2018	303-5	Water Consumption	Water Management C9(a) Total Volume of Water Used	360		
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Operational Emissions Reduction Approach; Emission Management C11(a) Scope 1 Emissions in Tonnes of CO ₂ e	320-321; 361		
	305-2	Energy indirect (Scope 2) GHG emissions	Operational Emissions Reduction Approach; Emission Management C11(b) Scope 2 Emissions in Tonnes of CO ₂ e	320-321; 361		
GRI 306: Waste 2020	306-3	Waste generated	Waste Management C10(a) Total Waste Generated	361		
	306-4	Waste diverted from disposal	Waste Management C10(a) Total Waste Generated	361		

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GRI	Disclosure	Section Headings In SR2025	Location of Disclosures In SR2025 (Page Number)	Omission		
				Requirement(s) Omitted	Reason	Explanation
Ethics and Integrity						
GRI 3: Material Topics 2021	3-3	Management of material topics	Ethics & Integrity; Code of Ethics; Embedding Good Practices	332-333		
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	Annual Assessment; Anti-corruption C1(b) Percentage of Operation Assessed for Corruption-related Risks	335; 355		
	205-2	Communication and training about anti-corruption policies and procedures	Embedding Good Practices; Training in Regulatory Compliance; Anti-corruption C1(a) Percentage of Employees Who Have Received Training on Anti-corruption by Employee Category	333-334; 354		
	205-3	Confirmed incidents of corruption and actions taken	Anti-corruption C1(c) Confirmed Incidents of Corruption and Action Taken	355		
Talent Management						
GRI 3: Material Topics 2021	3-3	Management of material topics	Talent Management	336-340		
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	Talent Management; Labour Practises and Standard C6(a) Total Hours of Training by Employee Category	336-340; 359		
	404-2	Programmes for upgrading employee skills and transition assistance programmes	Talent Management	336-339		
Fair Employment Practices						
GRI 3: Material Topics 2021	3-3	Management of material topics	Ethics & Integrity; Code of Ethics; Embedding Good Practices	330-343		
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	Labour Practises and Standard C6(c) Total Number of Employee Turnover by Employee Category	360		
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Access to Healthcare & Employee Assistance; Fair and Responsible Remuneration	330-331; 343		
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	Safeguarding Our Employees; Health and Safety	341-342; 358-359		
	403-2	Hazard identification, risk assessment, and incident investigation	Safeguarding Our Employees; Incident Monitoring and Reporting	341-342		
	403-3	Occupational health services	Access to Healthcare & Employee Assistance	330-331		
	403-4	Worker participation, consultation, and communication on occupational health and safety	Grievance Mechanism; Workplace Safety Awareness Initiatives	343; 342		
	403-5	Worker training on occupational health and safety	Safeguarding Our Employees; Health and Safety C5(c) Number of Employees Trained on Health and Safety Standards	341-342; 359		
	403-6	Promotion of worker health	Access to Healthcare & Employee Assistance; Mental Health & Emotional Wellbeing; Physical Activity Promotion; Lifestyle & Chronic Disease Prevention	330-331		

GRI	Disclosure		Section Headings In SR2025	Location of Disclosures In SR2025 (Page Number)	Omission		
					Requirement(s) Omitted	Reason	Explanation
GRI 403: Occupational Health and Safety 2018	403-8	Workers covered by an occupational health and safety management system	Safeguarding Our Employees	341-342			
	403-9	Work-related injuries	Health and Safety C5(a) Number of Work-related Fatalities; Health and Safety C5(b) Lost Time Incident Rate (LTIR); Incident Monitoring and Reporting	358; 342			
	403-10	Work-related ill health	Access to Healthcare & Employee Assistance; Health and Safety C5(a) Number of Work-related Fatalities; Health and Safety C5(b) Lost Time Incident Rate (LTIR)	330-331; 358-359			
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Fair Employment Practices	343			
Diversity, Equity and Inclusion							
GRI 3: Material Topics 2021	3-3	Management of material topics	Diversity, Equity and Inclusion; Diversity	344 - 349			
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	Diversity, Equity and Inclusion; Diversity C3(a) Percentage of Employees by Gender by Employee Category; Diversity C3(b) Percentage of Directors by Gender Group	340			
Community Empowerment							
GRI 3: Material Topics 2021	3-3	Management of material topics	Our Approach; Community Investment	346-350; 355			
GRI 203: Indirect Economic Impacts 2016	203-1 I	Infrastructure investments and services supported	Our Approach; Community Investment C2(a) Total Amount Invested in the Community Where the Target Beneficiaries Are External to the Listed Issuer	346-350; 355			
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programmes	Our Approach; Community Investment C2(a) Total Amount Invested in the Community Where the Target Beneficiaries Are External to the Listed Issuer; Community Investment C2(b) Total Number of Beneficiaries of the Investment in Communities	346-350; 355			
Financial Inclusion							
GRI 3: Material Topics 2021	3-3	Management of material topics	Financial Inclusion	352-353			
GRI 203: Indirect Economic Impacts 2016	203-2	Significant indirect economic impacts	Financial Inclusion; Responsible Financial Services	352-353; 314			

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BASIC RECOMMENDATION

Governance		
Item	Recommendation	Descriptions
G1	Board Oversight of Sustainability and Climate-related Matters	Disclose nature of Board oversight and accountability with respect to sustainability and climate related matters, risks and opportunities.
G2	Sustainability Governance Structure Including Climate-Related Matters at the Management Level	Disclose management-level sustainability governance structure as well as processes for sustainability and climate-related matters, including accountability, responsibility, and decision-making.
G3	Sustainability and Climate-related Board Credentials	Disclose sustainability and climate-related credentials, experience, and individual biographies for Board Members.
G4	Sustainability and Climate-Related Training	Disclose the initiatives undertaken and training programmes conducted annually to build capacity of Board members and management on sustainability issues including climate-related matters.
G5	Sustainability and Climate-related Discussions in Board Meetings	Disclose the frequency of Board meetings per year in which sustainability and climate-related issues have been a substantive agenda item, and a summary of key climate-related issues and initiatives deliberated.
G6	Sustainability Climate-linked Remuneration	Link Board of Director (excluding independent directors) and top management remuneration to performance against specified sustainability and climate-related targets.

Strategy		
Item	Recommendation	Descriptions
S1	Identification of Climate-related Risks and Opportunities	Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.
		Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.
		Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.
		Review the financial institution's strategy to identify and disclose climate-related risks and opportunities over the short-, medium-, and long-term.
S2	Impact of Climate-related Risks and Opportunities	Assess and disclose how climate-associated risks and opportunities could affect the financial institution's existing businesses, strategy, and financial planning.
S3	Strategy and Risk Appetite on Climate Change Related Risks and Sustainability Measures	Disclose strategy and appetite about climate-related risks and opportunities, and the measures towards sustainability in the financial institution's business activities.

Note:

- Please refer to the IFRS S2 table, where these disclosures have been addressed for reporting alignment.

Risk Management		
Item	Recommendation	Descriptions
R1	Process for Identifying and Assessing Climate-related Risks	Disclose how the financial institution looks at existing and emerging regulatory requirements related to climate change and other relevant factors.
		Disclose the risk classification framework(s) used.
		Disclose the risk terminology definitions used or existing risk classification framework(s) used.
R2	Process for Managing Climate related Risks	Disclose the financial institution's risk management processes and controls.
		Disclose the identities of individual(s)/function(s) responsible for oversight of climate-related risks and its relationship with the business operations.
R3	Process for Integrating (i) Process for Identifying and Assessing Climate-related Risks and (ii) Process for Managing Climate-related Risks; into Overall Risk Management	Disclose the integration of processes for identifying, assessing, and managing climate-related risks into overall risk management.

Note:

- Please refer to the IFRS S2 table, where these disclosures have been addressed for reporting alignment.

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Risk Management		
Item	Recommendation	Descriptions
M1	Key Climate-related Metrics	Recommendation M1a - GHG Emissions Historical and current GHG Emissions (Example unit of measure – MT of CO ₂ e). 1. Absolute Scope 1 GHG Emissions. 2. Absolute Scope 2 GHG Emissions. 3. Absolute Scope 3 GHG Emissions (at minimum on business travel and employee commuting).
		Recommendation M1b - Transition Risks Amount and extent of assets or business activities vulnerable to transition risks (Example unit of measure – Amount or percentage). 1. Proportion of portfolio with exposure to assets or business activities vulnerable to transition risks: a. Concentration of credit exposure to/investments in companies with carbon-related assets or business activities by sector ¹³ e.g. energy, agriculture, construction, transportation, mining and quarrying, waste, food and forest products. <i>Note: While this may require assessment on the exposure's planned strategies to respond to transition risk and opportunities (e.g. carbon tax), the financial institutions may leverage on existing datapoints (e.g. information/assessment to derive CCPT classification) to ascertain the carbon intensive exposure. The information/assessment will evolve over time based on the maturity of the FI's capacity in managing climate-related risk.</i>
M1	Key Climate-related Metrics	Recommendation M1c - Physical Risks Amount and extent of assets or business activities vulnerable to physical risks (Example unit of measure – Amount or percentage). 1. Proportion of portfolio with exposure to assets or business activities vulnerable to physical risks: a. Proportion of bank's/insurer's/takaful operator's/asset manager's own property and operation vulnerable to physical risk such as flooding, heat stress or water stress.
		Recommendation M1d - Climate-Related Opportunities Proportion of revenue, assets or other business activities (financing & investment) aligned with climate-related opportunities (Example unit of measure – Amount or percentage).
		Recommendation M1e - Client Engagement Client engagements on climate-related risks and opportunities (Example unit of measure – percentage).
		Recommendation M1f - Capital Deployment Amount of capital expenditure, financing, or investment deployed toward climate-related risks and opportunities (Example unit of measure – Reporting currency).
		Recommendation M1g - Remuneration Proportion of director and/or senior management remuneration linked to sustainability considerations (Example unit of measure – Percentage, weighting, description, or amount in reporting currency).
M2	Key Climate-related Targets	Set and disclose clear climate-related targets based on recognised metrics (including cross-industry, sector-specific metrics and/or institution-specific metrics).

Note:

- Please refer to the IFRS S2 table, where these disclosures have been addressed for reporting alignment.

STRETCH RECOMMENDATION

Item	Recommendation	Descriptions
Governance		
G7	Separate Committee On Sustainability and Climate-related Matters	Set up a separate committee to oversee sustainability-related matters, reporting to the Board of Directors for all sustainability and climate-related matters.
Strategy		
S4	Scenario Analysis As An Opportunity To Improve Strategic Resilience and Explore Climate Vulnerabilities	Perform climate-related scenario analysis to assess potential business implications of climate-related risks and opportunities over time and under different conditions, as well as related strategies to manage these.
Risk Management		
R4	Process For Identifying and Assessing Climate-Related Risks	<ul style="list-style-type: none"> • Disclose the financial institution's risk management processes used to identify and assess climate-related risks. • Disclose the financial institution's climate-related risks and their significance within existing risk categories such as credit, market, operational, liquidity risk. • Disclose the financial institution's processes for assessing the potential size and scope of identified climate-related risks. • Disclose key sectors in the financial institution's portfolio that are identified as being highly exposed to climate risk. • Set out the financial institution's risk management controls or actions in managing impacts from direct climate-related risks (i.e. through own operations).
R5	Process For Managing Climate-Related Risks	<ul style="list-style-type: none"> • Disclose the financial institution's processes for managing climate-related risks including decisions to mitigate, transfer, accept, or control those risks. • Disclose improvements planned/completed by the financial institution to enhance capabilities and incorporate climate-related risks into existing risk management framework. • Conduct training and employee readiness planning as well as programmes. • Disclose how the financial institution's customers are engaged and helped in mitigating climate-related risks. • Use metrics and targets to monitor progress in managing climate-related risks (i.e. exposure to, and quantification of, risk types by business segment and jurisdiction). • Set out the financial institution's risk management controls or actions in managing impacts from indirect climate-related risks (i.e., through activities of its clients). • Disclose the financial institution's exposure to, and quantification of, sustainable financing.

Note:

- Please refer to the IFRS S2 table, where these disclosures have been addressed for reporting alignment.

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Item	Recommendation	Descriptions
Risk Management		
R6	Process For Integrating (I) Process For Identifying and Assessing Climate-Related Risks and (ii) Process For Managing Climate-Related Risks; Into Overall Risk Management	<ul style="list-style-type: none"> • Disclose how the financial institution has integrated climate-related risks into existing risk categories such as credit, market, operational, insurance, and liquidity risks. • Disclose how the financial institution has integrated climate-related risks into existing risk framework(s) and/or directly into credit and investment decision-making (e.g., lending policies, underwriting standards, risk ratings, pricing models). • Disclose the financial institution's exposure to physical and transition risks within its operations and business model, including concentrations of risk at portfolio and transaction levels, and by geographical footprint. • Disclose the financial institution's efforts in supporting clients through mitigating climate-related risks via sustainable finance solutions. • Implement policies that restrict/divest from high-risk exposures and in line with international commitments/frameworks. • Enhance the financial institution's climate risk management framework to be more predictive.

Note:

- Please refer to the IFRS S2 table, where these disclosures have been addressed for reporting alignment.

IFRS S1: General Requirements for Disclosure of Sustainability-related Financial Information Content Index

16.0 IFRS S1: General Requirements for Disclosure of Sustainability-related Financial Information Content Index

IFRS S1 Indicator	Remarks
Governance	
27(a) (i-v)	<p>Information about the governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of sustainability-related risks and opportunities.</p>
	<p>Sustainability Governance AFFIN Group's sustainability governance framework is anchored by the Board of Directors, which holds the highest authority in overseeing sustainability-related risks and opportunities. The Board ensures that sustainability and climate considerations are integrated into strategic decision-making and provides independent oversight to safeguard long-term value creation.</p> <p>Board Oversight</p> <ul style="list-style-type: none"> • The Board is regularly updated on sustainability matters through reports prepared by relevant risk owners and control functions. • Responsibilities for sustainability oversight are defined in the Board Charter and the Group Sustainability Framework. • Oversight is supported by specialised Board Committees: <ul style="list-style-type: none"> – Group Board Risk Management Committee (GBRMC) – Oversees sustainability-related risk management. – Group Board Audit Committee (GBAC) – Ensures integrity of sustainability disclosures and compliance. – Group Board Nomination and Remuneration Committee (GBNRC) – Reviews Board composition and ESG competencies. <p>Management-Level Governance</p> <ul style="list-style-type: none"> • The Group Management Committee – Sustainability (GMC-S drives implementation of sustainability initiatives and monitors progress against strategic objectives. • Entity-level Boards and Risk Committees provide governance for their respective operations, ensuring alignment across the Group. <p>Competency and Capacity Building</p> <ul style="list-style-type: none"> • Sustainability capabilities are embedded in the Board's skills matrix and refreshed annually. • Directors participate in ongoing sustainability training and governance programmes, including climate risk, anti-bribery and corruption, cybersecurity, and AML awareness. <p>Accountability and Performance</p> <ul style="list-style-type: none"> • Sustainability-related KPIs are integrated into executive scorecards, with weightage based on role and influence. • The Chief Sustainability Officer (CSO) carries a significant KPI weightage, reflecting the strategic importance of sustainability leadership. • KPIs cover climate-related targets, skills development, culture and employee engagement, sustainability capacity building, and IT security governance.

Note:

- For IFRS S1, we will progressively enhance our disclosures to meet the above requirements and align with NSRF requirements by 2027

IFRS S1: General Requirements for Disclosure of Sustainability-related Financial Information Content Index

IFRS S1 Indicator	Remarks
27(b)	<p>Management’s role in the governance processes, controls, and procedures used to monitor, manage, and oversee sustainability-related risks and opportunities.</p>
	<p>Management’s Role in Sustainability Governance Supporting the Board of Directors, AFFIN has established structured governance processes and management bodies to monitor, manage, and oversee sustainability-related risks and opportunities. These mechanisms ensure that sustainability and climate considerations are embedded into strategic and operational decision-making.</p> <p>Key Management Committees</p> <ul style="list-style-type: none"> • Group Management Committee – Sustainability (GMC-S) Accountable for all sustainability-related matters, including identifying and evaluating new business opportunities, frameworks, policies, guidelines, and proposals. • Group Management Committee - Governance, Risk & Compliance (GMC-GRC) Focuses on sustainability risk management, deliberates on climate risk exposure, scenario analysis outputs, and risk appetite thresholds, and reviews related frameworks and policies. • Group Management Committee (GMC) Develops and implements sustainability strategies and initiatives, including capacity-building programmes for the Board, senior management, and employees. Reviews and recommend actions on sustainability risks, opportunities, and proposals to GMC-S and GMRC. <p>All three bodies are chaired by the PGCEO, ensuring that climate and ESG considerations are integrated into day-to-day decision-making and operationalised across risk, business, and sustainability teams.</p> <p>Chief Sustainability Officer (CSO) The CSO plays a central role in shaping and driving AFFIN's sustainability and climate strategy, overseeing Group-wide coordination of sustainability efforts and ensuring alignment with regulatory and strategic objectives.</p> <p>Governance Processes and Controls AFFIN applies a three-lines-of-defence model to manage ESG-related risks:</p> <ul style="list-style-type: none"> • First Line: Business units integrate sustainability into operations and risk controls. • Second Line: Risk and compliance functions monitor sustainability-related risks and enforce policies. • Third Line: Internal audit provides independent assurance on sustainability governance and controls. <p>Through these structured processes and committees, AFFIN ensures regulatory compliance, effective risk management, and strategic advancement of sustainability objectives.</p>

Note:

- For IFRS S1, we will progressively enhance our disclosures to meet the above requirements and align with NSRF requirements by 2027.

IFRS S1 Indicator	Remarks
Strategy	
Sustainability-Related Risks and Opportunities	
30 (a) to (c)	<p>An entity shall disclose information that enables users of general-purpose financial reports to understand the sustainability-related risks and opportunities that could reasonably be expected to affect the entity's prospects.</p>
	<p>AFFIN Group recognises that sustainability-related risks and opportunities are integral to our long-term business prospects and value creation. Our approach is grounded in a robust double materiality assessment, which considers both the financial impact of sustainability issues on AFFIN and the broader impact of our activities on the environment and society.</p> <p>Strategic Sustainability Opportunities</p> <p>AFFIN has identified several strategic sustainability opportunities that are expected to enhance business growth and resilience in the short- to medium-term. These include:</p> <ul style="list-style-type: none"> • Expanding Green and Transition Financing: Scaling up financing solutions for renewable energy, energy efficiency, and transition projects to accelerate loan growth and support Malaysia's net zero ambitions. • Digital Innovation: Investing in digital banking and cybersecurity to strengthen customer trust, improve operational efficiency, and enhance customer retention. • Financial Inclusion: Deepening outreach to underserved and new market segments, including SMEs, women entrepreneurs, and rural communities, to drive inclusive development and open new revenue streams. • Sustainable Operations: Reducing operational emissions, increasing renewable energy use, and optimising resource efficiency to lower costs and mitigate environmental risks. <p>These opportunities are embedded in our AX28 Transformation Plan and align capital flows with emerging needs, delivering sustainable value to customers, communities, and shareholders.</p> <p>Materiality Assessment and Key Risks</p> <p>In FY2024, AFFIN conducted a comprehensive double materiality assessment involving over 2,000 stakeholders. This assessment identified and prioritised 14 material matters, including climate change, systemic risk management, financial inclusion, diversity, equity & inclusion, responsible financial services, digital innovation, data privacy & security, and environmental management.</p> <p>1. Sustainable Procurement Practices</p> <ul style="list-style-type: none"> • Risks: Supplier breaches of environmental, labour, or ethical standards; reputational damage; supply chain disruptions. • Opportunities: Engage suppliers on ESG, improve operational efficiency, support local businesses, and foster responsible sourcing. <p>2. Systemic Risk Management</p> <ul style="list-style-type: none"> • Risks: Exposure to financial crises, liquidity shortfalls, regulatory non-compliance, operational disruptions. • Opportunities: Enhance resilience, adopt advanced risk analytics, maintain investor trust, and ensure business continuity. <p>3. Responsible Financial Services</p> <ul style="list-style-type: none"> • Risks: Potential conflicts between ESG and profitability, greenwashing, reputational damage, regulatory penalties. • Opportunities: Access new markets, deepen customer relationships, support sustainable economic growth, and meet rising demand for ESG products.

Note:

- For IFRS S1, we will progressively enhance our disclosures to meet the above requirements and align with NSRF requirements by 2027

IFRS S1: General Requirements for Disclosure of Sustainability-related Financial Information Content Index

IFRS S1 Indicator	Remarks
Strategy	
Sustainability-Related Risks and Opportunities	
30 (a) to (c)	An entity shall disclose information that enables users of general-purpose financial reports to understand the sustainability-related risks and opportunities that could reasonably be expected to affect the entity's prospects.
	<p>4. Climate Change</p> <ul style="list-style-type: none"> • Risks: Physical risks (extreme weather, asset damage), transition risks (policy changes, stranded assets), reputational and compliance risks. • Opportunities: Finance green technologies, support clients' decarbonisation, develop innovative sustainable products, and contribute to national net zero goals. <p>5. Digital Innovation</p> <ul style="list-style-type: none"> • Risks: Falling behind competitors, increased operational costs, regulatory scrutiny, cybersecurity threats. • Opportunities: Enhance customer experience, streamline operations, expand financial inclusion, and develop new digital products. <p>6. Fair Employment Practices</p> <ul style="list-style-type: none"> • Risks: Non-compliance with labour laws, workplace disputes, discrimination, reputational harm. • Opportunities: Improve productivity, attract and retain talent, foster a positive work environment, and enhance brand reputation. <p>7. Financial Inclusion</p> <ul style="list-style-type: none"> • Risks: Exacerbating inequality if underserved communities are neglected, and credit risk from financially illiterate customers. • Opportunities: Grow customer base, support economic development, and strengthen brand loyalty through targeted products and financial literacy initiatives. <p>8. Ethics & Integrity</p> <ul style="list-style-type: none"> • Risks: Corruption, fraud, regulatory penalties, loss of stakeholder trust. • Opportunities: Build a culture of compliance, enhance reputation, attract responsible investors, and support good governance. <p>9. Environmental Management</p> <ul style="list-style-type: none"> • Risks: Non-compliance with environmental regulations, inefficient resource use, increased costs, and reputational damage. • Opportunities: Reduce operational costs, improve efficiency, demonstrate leadership in sustainability, and support regulatory compliance. <p>10. Customer Centricity</p> <ul style="list-style-type: none"> • Risks: Negative customer experiences, loss of market share, reputational harm. • Opportunities: Increase customer loyalty, drive growth, and differentiate through superior service. <p>11. Talent Management</p> <ul style="list-style-type: none"> • Risks: Skills gaps, high turnover, inability to attract/retain talent, reduced innovation. • Opportunities: Develop future-ready workforce, foster innovation, and improve business outcomes through upskilling and leadership development.

Note:

- For IFRS S1, we will progressively enhance our disclosures to meet the above requirements and align with NSRF requirements by 2027.

IFRS S1 Indicator	Remarks
Strategy	
Sustainability-Related Risks and Opportunities	
30 (a) to (c)	<p>An entity shall disclose information that enables users of general-purpose financial reports to understand the sustainability-related risks and opportunities that could reasonably be expected to affect the entity's prospects.</p>
	<p>12. Data Privacy & Security</p> <ul style="list-style-type: none"> • Risks: Data breaches, cyberattacks, regulatory fines, loss of customer trust. • Opportunities: Strengthen cybersecurity, build customer confidence, and leverage data for innovation. <p>13. Community Empowerment</p> <ul style="list-style-type: none"> • Risks: Failure to address community needs, loss of social license to operate, negative publicity. • Opportunities: Enhance brand reputation, support local development, and build strong stakeholder relationships through impactful CSR. <p>14. Diversity, Equity & Inclusion (DEI)</p> <ul style="list-style-type: none"> • Risks: Limited perspectives, reduced innovation, potential for discrimination claims. • Opportunities: Foster creativity, attract diverse talent, improve decision-making, and better serve a diverse customer base. <p>Risk Management and Governance</p> <p>AFFIN's Board and management have established structured governance processes to monitor, manage, and oversee these risks. Sustainability-related risks are integrated into the Group Risk Management Framework, with climate risk scenario analysis, stress testing, and sectoral risk limits now embedded in our risk appetite and credit policies. The Group Board Sustainability Committee and Group Management Committee – Sustainability provide oversight and strategic direction.</p> <p>Forward-Looking Disclosures</p> <p>For each material matter, AFFIN discloses the anticipated outlook, emerging opportunities, and potential risks in the Sustainability Statement. This forward-looking approach enables proactive management of challenges and positions AFFIN to seize growth opportunities and unlock long-term value across our key focus areas.</p> <p>By linking these developments to AFFIN's strategic sustainability goals, we ensure that users of our financial reports have a clear understanding of how sustainability-related risks and opportunities could reasonably be expected to affect our future prospects.</p>

Note:

- For IFRS S1, we will progressively enhance our disclosures to meet the above requirements and align with NSRF requirements by 2027

IFRS S1: General Requirements for Disclosure of Sustainability-related Financial Information Content Index

IFRS S1 Indicator	Remarks
Business Model and Value Chain	
32	An entity shall disclose information that enables users of general-purpose financial reports to understand the current and anticipated effects of sustainability related risks and opportunities on the entity's business model and value chain.
Strategy and Decision Making	
33	An entity shall disclose information that enables users of general-purpose financial reports to understand the effects of sustainability-related risks and opportunities on its strategy and decision-making.
Financial position, Financial Performance and Cash Flows Resilience	
Risk Management	
44	To achieve this objective, an entity shall disclose information about:
46	An entity shall disclose, for each sustainability-related risk and opportunity that could reasonably be expected to affect the entity's prospects:
50	If a metric has been developed by an entity, the entity shall disclose information about:
51	An entity shall disclose information about the targets it has set to monitor progress towards achieving its strategic goals, and any targets it is required to meet by law or regulation.

Note:

- For IFRS S1, we will progressively enhance our disclosures to meet the above requirements and align with NSRF requirements by 2027.

IFRS S2: Climate-related Disclosures Content Index

IFRS code	IFRS Disclosure	Location	Page Number	
S2 Climate-related Disclosures				
Governance				
6(a)	The governance body(s) (which can include a board, committee or equivalent body charged with governance) or individual(s) responsible for oversight of climate-related risks and opportunities. Specifically, the entity shall identify that body(s) or individual(s) and disclose information about:	(i) how responsibilities for climate-related risks and opportunities are reflected in the terms of reference, mandates, role descriptions and other related policies applicable to that body(s) or individual(s);	Sustainability Governance and Oversight; Board and Committee Roles; Governance Processes & Decision-making	285-287
		(ii) how the body(s) or individual(s) determines whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to climate-related risks and opportunities;	Board Credentials and Composition; Leadership Competencies	289-290
		(iii) how and how often the body(s) or individual(s) is informed about climate-related risks and opportunities;	Governance Processes & Decision-making; Key Matters Discussed in FY2025	287-289
		(iv) how the body(s) or individual(s) takes into account climate-related risks and opportunities when overseeing the entity's strategy, its decisions on major transactions and its risk management processes and related policies, including whether the body(s) or individual(s) has considered trade-offs associated with those risks and opportunities; and	Governance Processes & Decision-making; Key Matters Discussed in FY2025	287-289
		(v) how the body(s) or individual(s) oversees the setting of targets related to climate-related risks and opportunities, and monitors progress towards those targets (see paragraphs 33-36), including whether and how related performance metrics are included in remuneration policies (see paragraph 29(g))	Sustainability Linked Remuneration; Priority Sectors and Target Architecture	290; 305
6(b)	Management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities, including information about:	(i) whether the role is delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee; and	Governance Processes & Decision-making; Leadership Competencies	287-290
		(ii) whether management uses controls and procedures to support the oversight of climate-related risks and opportunities and, if so, how these controls and procedures are integrated with other internal functions	Governance Processes & Decision-making	287-288
Strategy				
9(a)	The climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects (see paragraphs 10-12);	How Climate-related Financially Material Risks and Opportunities Were Determined; Identification and Impact of Climate-related Risks	284; 291	
9(b)	The current and anticipated effects of those climate-related risks and opportunities on the entity's business model and value chain (see paragraph 13);	AFFIN's Climate-relevant Business Model and Value Chain; Identification and Impact of Climate-related Risks	283-284; 291	
9(c)	The effects of those climate-related risks and opportunities on the entity's strategy and decision-making, including information about its climate-related transition plan (see paragraph 14);	Strategic Response and Transition Pathway; AFFIN's Net Zero Roadmap by 2050; Our Approach	293-297; 313-315	
9(d)	The effects of those climate-related risks and opportunities on the entity's financial position, financial performance and cash flows for the reporting period, and their anticipated effects on the entity's financial position, financial performance and cash flows over the short, medium and long term, taking into consideration how those climate-related risks and opportunities have been factored into the entity's financial planning (see paragraphs 15-21); and	Current and Anticipated Financial Effects	302-303	
9(e)	The climate resilience of the entity's strategy and its business model to climate-related changes, developments and uncertainties, taking into consideration the entity's identified climate-related risks and opportunities (see paragraph 22).	Scenario Analysis; Climate Risk Modelling Approach; Current and Anticipated Financial Effects	291-292; 302-303	

IFRS S2: Climate-related Disclosures Content Index

IFRS code	IFRS Disclosure	Location	Page Number	
Climate-related risks and opportunities				
10(a)	Describe climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects;	Identification and Impact of Climate-related Risks	291	
10(b)	Explain, for each climate-related risk the entity has identified, whether the entity considers the risk to be a climate-related physical risk or climate-related transition risk;	Identification and Impact of Climate-related Risks	291	
10(c)	Specify, for each climate-related risk and opportunity the entity has identified, over which time horizons—short, medium or long term— the effects of each climate-related risk and opportunity could reasonably be expected to occur; and	Identification and Impact of Climate-related Risks	291	
10(d)	Explain how the entity defines 'short term', 'medium term' and 'long term' and how these definitions are linked to the planning horizons used by the entity for strategic decision-making.	Scenario Analysis	291	
Business model and value chain				
13(a)	A description of the current and anticipated effects of climate-related risks and opportunities on the entity's business model and value chain; and	AFFIN's Climate-relevant Business Model and Value Chain; Identification and Impact of Climate-related Risks	283-284; 291	
13(b)	A description of where in the entity's business model and value chain climate-related risks and opportunities are concentrated (for example, geographical areas, facilities and types of assets)	AFFIN's Climate-relevant Business Model and Value Chain; Identification and Impact of Climate-related Risks	283-284; 291	
Strategy and decision-making				
14(a)	Information about how the entity has responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including how the entity plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation. Specifically, the entity shall disclose information about:	(i) current and anticipated changes to the entity's business model, including its resource allocation, to address climate-related risks and opportunities (for example, these changes could include plans to manage or decommission carbon-, energy- or water-intensive operations; resource allocations resulting from demand or supply-chain changes; resource allocations arising from business development through capital expenditure or additional expenditure on research and development; and acquisitions or divestments);	Strategic Response and Transition Pathway; AFFIN's Net Zero Roadmap by 2050; Our Approach	293-297; 313-315
		(ii) current and anticipated direct mitigation and adaptation efforts (for example, through changes in production processes or equipment, relocation of facilities, workforce adjustments, and changes in product specifications);	Strategic Response and Transition Pathway; AFFIN's Net Zero Roadmap by 2050	293-297
		(iii) current and anticipated indirect mitigation and adaptation efforts (for example, through working with customers and supply chains);	Strategic Response and Transition Pathway; Our Approach	293-297; 313-315
		(iv) any climate-related transition plan the entity has, including information about key assumptions used in developing its transition plan, and dependencies on which the entity's transition plan relies; and	Strategic Response and Transition Pathway; AFFIN's Net Zero Roadmap by 2050	293-297
		(v) how the entity plans to achieve any climate-related targets, including any greenhouse gas emissions targets, described in accordance with paragraphs 33-36	Strategic Response and Transition Pathway; AFFIN's Net Zero Roadmap by 2050	293-297
14(b)	Information about how the entity is resourcing, and plans to resource, the activities disclosed in accordance with paragraph 14(a).	Our Approach; Responsible Financial Services; Sustainable Financing	313-314	
14(c)	Quantitative and qualitative information about the progress of plans disclosed in previous reporting periods in accordance with paragraph 14(a).	AFFIN's Net Zero Roadmap by 2050; Operational Emissions Reduction Approach	294-297; 320-321	

IFRS code	IFRS Disclosure	Location	Page Number
Financial position, financial performance and cash flows			
15	Provide information that helps readers understand the effects of climate-related risks and opportunities on the company's strategy and decision-making. Please elaborate on the following:		
15(a)	The effects of climate-related risks and opportunities on the entity's financial position, financial performance and cash flows for the reporting period (current financial effects); and	Current and Anticipated Financial Effects; Identification and Impact of Climate-related Risks	302-303; 291-292
15(b)	The anticipated effects of climate-related risks and opportunities on the entity's financial position, financial performance and cash flows over the short, medium and long term, taking into consideration how climate-related risks and opportunities are included in the entity's financial planning (anticipated financial effects).	Current and Anticipated Financial Effects; Identification and Impact of Climate-related Risks	302-303; 291-292
16	Provide quantitative and qualitative information about:		
16(a)	How climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period;	Current and Anticipated Financial Effects	302-303
16(b)	The climate-related risks and opportunities identified in paragraph 16(a) for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements;	Current and Anticipated Financial Effects	302-303
16(c)	How the entity expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities, taking into consideration:	(i) its investment and disposal plans (for example, plans for capital expenditure, major acquisitions and divestments, joint ventures, business transformation, innovation, new business areas, and asset retirements), including plans the entity is not contractually committed to; and	Strategic Response and Transition Pathway; Current and Anticipated Financial Effects; Our Approach
		(ii) its planned sources of funding to implement its strategy; and	Current and Anticipated Financial Effects; Our Approach
16(d)	How the entity expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities (for example, increased revenue from products and services aligned with a lower-carbon economy; costs arising from physical damage to assets from climate events; and expenses associated with climate adaptation or mitigation).	Strategic Response and Transition Pathway; Current and Anticipated Financial Effects	293-297; 302-303
Climate resilience			
22	Provide information that enables readers to understand the climate resilience of the company's strategy and business model, taking into account climate-related changes, developments, uncertainties, and the company's identified climate-related risks and opportunities.		
22(a)	The company must provide the assessment of its climate resilience as at the reporting date, which will help readers understand:		

IFRS S2: Climate-related Disclosures Content Index

IFRS code	IFRS Disclosure	Location	Page Number	
22(a)	(i) The implications, if any, of the entity's assessment for its strategy and business model, including how the entity would need to respond to the effects identified in the climate-related scenario analysis;	Scenario Analysis; Climate Risk Modelling Approach; Current and Anticipated Financial Effects	291-292; 302-303	
	(ii) The significant areas of uncertainty considered in the entity's assessment of its climate resilience;	Scenario Analysis; Climate Risk Modelling Approach; Current and Anticipated Financial Effects	291-292; 302-303	
	(iii) The entity's capacity to adjust or adapt its strategy and business model to climate change over the short, medium and long term, including:	(1) the availability of, and flexibility in, the entity's existing financial resources to respond to the effects identified in the climate-related scenario analysis, including to address climate-related risks and to take advantage of climate-related opportunities;	Scenario Analysis; Climate Risk Modelling Approach; Current and Anticipated Financial Effects	291-292; 302-303
		(2) the entity's ability to redeploy, repurpose, upgrade or decommission existing assets; and	Scenario Analysis; Strategic Response and Transition Pathway	291-297
(3) the effect of the entity's current and planned investments in climate-related mitigation, adaptation and opportunities for climate resilience; and		Strategic Response and Transition Pathway; Current and Anticipated Financial Effects	293-297; 302-303	
22(b)	The company must provide how and when the climate-related scenario analysis was carried out, including:			
22(b)	(i) Information about the inputs the entity used, including:	(1) which climate-related scenarios the entity used for the analysis and the sources of those scenarios;	Scenario Analysis; Climate Risk Modelling Approach; Climate Risk Modelling and Scenario Analysis	291-292; 300
		(2) whether the analysis included a diverse range of climate-related scenarios;	Scenario Analysis; Climate Risk Modelling Approach	291-292
		(3) whether the climate-related scenarios used for the analysis are associated with climate-related transition risks or climate-related physical risks;	Scenario Analysis; Climate Risk Modelling Approach	291-292
		(4) whether the entity used, among its scenarios, a climate-related scenario aligned with the latest international agreement on climate change;	Scenario Analysis; Climate Risk Modelling Approach	291-292
		(5) why the entity decided that its chosen climate-related scenarios are relevant to assessing its resilience to climate-related changes, developments or uncertainties;	Scenario Analysis; Climate Risk Modelling Approach	291-292
		(6) the time horizons the entity used in the analysis; and	Scenario Analysis	291
		(7) what scope of operations the entity used in the analysis (for example, the operating locations and business units used in the analysis);	Scenario Analysis	291
22(b)	(ii) The key assumptions the entity made in the analysis, including assumptions about:	(1) climate-related policies in the jurisdictions in which the entity operates;	Scenario Analysis; Climate Risk Modelling Approach	291-292
		(2) macroeconomic trends;	Scenario Analysis; Climate Risk Modelling Approach	291-292
		(3) national- or regional-level variables (for example, local weather patterns, demographics, land use, infrastructure and availability of natural resources);	Scenario Analysis; Climate Risk Modelling Approach	291-292
		(4) energy usage and mix; and	Scenario Analysis; Climate Risk Modelling Approach	291-292
		(5) developments in technology; and	Scenario Analysis; Climate Risk Modelling Approach	291-292
	(iii) The reporting period in which the climate-related scenario analysis was carried out (see paragraph B18).	Scenario Analysis; Climate Risk Modelling Approach	291-292	

IFRS code	IFRS Disclosure	Location	Page Number	
Risk management				
25(a)	The processes and related policies the entity uses to identify, assess, prioritise and monitor climate-related risks, including information about:	(i) the inputs and parameters the entity uses (for example, information about data sources and the scope of operations covered in the processes);	Integration of Climate Risk Into Risk Management; Assessing and Measuring Climate-related Risks; Climate Risk Modelling and Scenario Analysis	298-300
		(ii) whether and how the entity uses climate-related scenario analysis to inform its identification of climate-related risks;	Integration of Climate Risk Into Risk Management; Climate Risk Modelling and Scenario Analysis	298-300
		(iii) how the entity assesses the nature, likelihood and magnitude of the effects of those risks (for example, whether the entity considers qualitative factors, quantitative thresholds or other criteria);	Assessing and Measuring Climate-related Risks; Climate Risk Modelling and Scenario Analysis	298-300
		(iv) whether and how the entity prioritises climate-related risks relative to other types of risk;	Integration of Climate Risk Into Risk Management	298-299
		(v) how the entity monitors climate-related risks; and	Integration of Climate Risk Into Risk Management	298-299
		(vi) whether and how the entity has changed the processes it uses compared with the previous reporting period;	Integration of Climate Risk Into Risk Management	298-299
25(b)	The processes the entity uses to identify, assess, prioritise and monitor climate-related opportunities, including information about whether and how the entity uses climate-related scenario analysis to inform its identification of climate-related opportunities; and	How Climate-related Financially Material Risks and Opportunities Were Determined; Climate Risk Modelling and Scenario Analysis; Managing and Mitigating Climate-related Risks	284; 300-301	
25(c)	The extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the entity's overall risk management process.	Integration of Climate Risk Into Risk Management; Managing and Mitigating Climate-related Risks	298-301	
Metrics and targets				
Climate-related metrics				
29(a)	Greenhouse gases—the entity shall:	(i) disclose its absolute gross greenhouse gas emissions generated during the reporting period, expressed as metric tonnes of CO2 equivalent (see paragraphs B19–B22), classified as: (1) Scope 1 greenhouse gas emissions; (2) Scope 2 greenhouse gas emissions; and (3) Scope 3 greenhouse gas emissions;	Emission Management; Our Financed Emissions Inventory; Financed Emissions Methodology; Scope 1 Methodology; Scope 2 Methodology; Scope 3 Methodology	304; 308-312; 361
		(ii) measure its greenhouse gas emissions in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) unless required by a jurisdictional authority or an exchange on which the entity is listed to use a different method for measuring its greenhouse gas emissions (see paragraphs B23–B25);	Measurement Standard; Financed Emissions Methodology; Enterprise Emission Methodology	304; 308-311
		(iii) disclose the approach it uses to measure its greenhouse gas emissions (see paragraphs B26–B29) including: (1) the measurement approach, inputs and assumptions the entity uses to measure its greenhouse gas emissions; (2) the reason why the entity has chosen the measurement approach, inputs and assumptions it uses to measure its greenhouse gas emissions; and (3) any changes the entity made to the measurement approach, inputs and assumptions during the reporting period and the reasons for those changes;	Measurement Standard; Financed Emissions Methodology; Enterprise Emission Methodology; Scope 1 Methodology; Scope 2 Methodology; Scope 3 Methodology	304; 308-312

IFRS S2: Climate-related Disclosures Content Index

IFRS code	IFRS Disclosure	Location	Page Number	
29(a)	Greenhouse gases—the entity shall:	(iv) for Scope 1 and Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 29(a)(i)(1)–(2), disaggregate emissions between: (1) the consolidated accounting group (for example, for an entity applying IFRS Accounting Standards, this group would comprise the parent and its consolidated subsidiaries); and (2) other investees excluded from paragraph 29(a)(iv)(1) (for example, for an entity applying IFRS Accounting Standards, these investees would include associates, joint ventures and unconsolidated subsidiaries);	Financed Emissions Methodology Enterprise Emission Methodology	308 - 311
		(v) for Scope 2 greenhouse gas emissions disclosed in accordance with paragraph 29(a)(i)(2), disclose its location-based Scope 2 greenhouse gas emissions, and provide information about any contractual instruments that is necessary to inform users' understanding of the entity's Scope 2 greenhouse gas emissions (see paragraphs B30–B31); and	Scope 1 & Scope 2 (Operational Emissions) Scope 1 & Scope 2 (Operational Emissions)	310 - 311
		(vi) for Scope 3 greenhouse gas emissions disclosed in accordance with paragraph 29(a)(i)(3), and with reference to paragraphs B32–B57, disclose: (1) the categories included within the entity's measure of Scope 3 greenhouse gas emissions, in accordance with the Scope 3 categories described in the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard (2011); and (2) additional information about the entity's Category 15 greenhouse gas emissions or those associated with its investments (financed emissions), if the entity's activities include asset management, commercial banking or insurance (see paragraphs B58–B63);	Financed Emissions Methodology Limitations of Data and Methodology for Scope 3 Financed Emissions Scope 3 Emissions	308 - 311
29(b)	Climate-related transition risks—the amount and percentage of assets or business activities vulnerable to climate-related transition risks;	Identification and Impact of Climate-related Risk; AFFIN Strategic Positioning on Net Zero	291; 296-297	
29(c)	Climate-related physical risks—the amount and percentage of assets or business activities vulnerable to climate-related physical risks;	Identification and Impact of Climate-related Risks; Current and Anticipated Financial Effects	291; 302-303	
29(d)	Climate-related opportunities—the amount and percentage of assets or business activities aligned with climate-related opportunities;	Our Approach; Responsible Financial Services; 2025 Performance Snapshot	8-9; 313-314	
29(e)	Capital deployment—the amount of capital expenditure, financing or investment deployed towards climate-related risks and opportunities;	Our Approach; Responsible Financial Services; 2025 Performance Snapshot	8-9; 313-314	
29(f)	Internal carbon prices—the entity shall disclose:	(i) an explanation of whether and how the entity is applying a carbon price in decision-making (for example, investment decisions, transfer pricing and scenario analysis); and	AFFIN recognises carbon pricing as an emerging transition-related consideration and is currently monitoring relevant regulatory and market developments. While a formal assessment of carbon pricing implications has not yet commenced, the Group intends to further evaluate its potential impact on the business, including possible operational and financial implications, as part of its ongoing enhancement of climate-related risk management.	N/A
		(ii) the price for each metric tonne of greenhouse gas emissions the entity uses to assess the costs of its greenhouse gas emissions;		N/A

IFRS code	IFRS Disclosure	Location	Page Number	
29(g)	Remuneration—the entity shall disclose:	(i) a description of whether and how climate-related considerations are factored into executive remuneration (see also paragraph 6(a)(v)); and	Sustainability Linked Remuneration	290
		(ii) the percentage of executive management remuneration recognised in the current period that is linked to climate-related considerations.	Sustainability Linked Remuneration	290
Climate-related targets				
33(a)	The metric used to set the target (see paragraphs B66–B67);	AFFIN's Net Zero Roadmap by 2050; Scope 3: Summary of Sectoral Reduction Emission Target; Operational Emissions Reduction Approach	294-297; 307; 320-321	
33(b)	The objective of the target (for example, mitigation, adaptation or conformance with science-based initiatives);	AFFIN's Net Zero Roadmap by 2050; Scope 3: Summary of Sectoral Reduction Emission Target; Operational Emissions Reduction Approach	294-297; 307; 320-321	
33(c)	The part of the entity to which the target applies (for example, whether the target applies to the entity in its entirety or only a part of the entity, such as a specific business unit or specific geographical region);	AFFIN's Net Zero Roadmap by 2050; Scope 3: Summary of Sectoral Reduction Emission Target; Operational Emissions Reduction Approach	294-297; 307; 320-321	
33(d)	The period over which the target applies;	AFFIN's Net Zero Roadmap by 2050; Scope 3: Summary of Sectoral Reduction Emission Target; Operational Emissions Reduction Approach	294-297; 307; 320-321	
33(e)	The base period from which progress is measured;	AFFIN's Net Zero Roadmap by 2050; Scope 3: Summary of Sectoral Reduction Emission Target; Operational Emissions Reduction Approach	294-297; 307; 320-321	
33(f)	Any milestones and interim targets;	AFFIN's Net Zero Roadmap by 2050; Scope 3: Summary of Sectoral Reduction Emission Target; Operational Emissions Reduction Approach	294-297; 307; 320-321	
33(g)	If the target is quantitative, whether it is an absolute target or an intensity target; and	AFFIN's Net Zero Roadmap by 2050; Scope 3: Summary of Sectoral Reduction Emission Target; Operational Emissions Reduction Approach	294-297; 307; 320-321	

IFRS S2: Climate-related Disclosures Content Index

IFRS code	IFRS Disclosure	Location	Page Number
33(h)	How the latest international agreement on climate change, including jurisdictional commitments that arise from that agreement, has informed the target.	Emission Pathway for the Palm Oil Sector; Emission Pathway for Energy Supply Sector; Emission Pathway for Oil & Gas Sector; Scope 3: Summary of Sectoral Reduction Emission Target	305-307
34	An entity shall disclose information about its approach to setting and reviewing each target, and how it monitors progress against each target, including:	AFFIN's Net Zero Roadmap by 2050; Priority Sectors and Target Architecture; Scope 3: Summary of Sectoral Reduction Emission Target; Operational Emissions Reduction Approach	294-307; 320-321
34(a)	Whether the target and the methodology for setting the target has been validated by a third party;	Statement of Assurance and Statement on Internal Limited Assurance of Bursa Malaysia Common Indicators	283; 386-387
34(b)	The entity's processes for reviewing the target;	Priority Sectors and Target Architecture; Governance Processes & Decision-making	287; 305-307
34(c)	The metrics used to monitor progress towards reaching the target; and	Scope 3: Summary of Sectoral Reduction Emission Target; Operational Emissions Reduction Approach; Emission Management	307; 320-321; 361
34(d)	Any revisions to the target and an explanation for those revisions.	Operational Emissions Reduction Approach	320
35	An entity shall disclose information about its performance against each climate-related target and an analysis of trends or changes in the entity's performance.	Operational Emissions Reduction Approach; Utilising Renewable Energy Certificates; Scope 3: Summary of Sectoral Reduction Emission Target	307; 320-321

IFRS code	IFRS Disclosure	Location	Page Number	
36	For each greenhouse gas emissions target, please provide:			
36(a)	Which greenhouse gases are covered by the target.	AFFIN's Net Zero Roadmap by 2050; Operational Emissions Reduction Approach; Scope 3: Summary of Sectoral Reduction Emission Target	294-297; 307; 320-321	
36(b)	Whether Scope 1, Scope 2 or Scope 3 greenhouse gas emissions are covered by the target.	AFFIN's Net Zero Roadmap by 2050; Operational Emissions Reduction Approach; Scope 3: Summary of Sectoral Reduction Emission Target	294-297; 307; 320-321	
36(c)	Whether the target is a gross greenhouse gas emissions target or net greenhouse gas emissions target. If the entity discloses a net greenhouse gas emissions target, the entity is also required to separately disclose its associated gross greenhouse gas emissions target (see paragraphs B68-B69).	AFFIN's Net Zero Roadmap by 2050; Operational Emissions Reduction Approach	294-297; 320-321	
36(d)	Whether the target was derived using a sectoral decarbonisation approach.	Scope 3: Summary of Sectoral Reduction Emission Target	307	
36(e)	The entity's planned use of carbon credits to offset greenhouse gas emissions to achieve any net greenhouse gas emissions target. In explaining its planned use of carbon credits the entity shall disclose information including, and with reference to paragraphs B70-B71:	(i) the extent to which, and how, achieving any net greenhouse gas emissions target relies on the use of carbon credits;	Operational Emissions Reduction Approach	320
		(ii) which third-party scheme(s) will verify or certify the carbon credits;	Operational Emissions Reduction Approach	320
		(iii) the type of carbon credit, including whether the underlying offset will be nature-based or based on technological carbon removals, and whether the underlying offset is achieved through carbon reduction or removal; and	Operational Emissions Reduction Approach	320
		(iv) any other factors necessary for users of general purpose financial reports to understand the credibility and integrity of the carbon credits the entity plans to use (for example, assumptions regarding the permanence of the carbon offset).	Operational Emissions Reduction Approach	320

Statement on Internal Limited Assurance of Bursa Malaysia Common Indicators

In strengthening the credibility of our reporting, selected parts of this Sustainability Statement have been subjected to an internal review by the Group's Internal Auditors and has been approved by the Group Board Audit Committee.

Subject Matter

- | | |
|--|---|
| 1. Percentage of employees who have received training on anti-corruption by employee category | 14. Total number of employee turnover by employee category |
| 2. Percentage of operations assessed for corruption-related risks | 15. Number of substantiated complaints concerning human rights violations |
| 3. Confirmed incidents of corruption and action taken | 16. Proportion of spending on local suppliers |
| 4. Total amount invested in the community where the target beneficiaries are external to the listed issuer | 17. Number of substantiated complaints concerning breaches of customer privacy or losses of customer data |
| 5. Total number of beneficiaries of the investment in communities | 18. Total volume of water used |
| 6. Percentage of employees by gender and age group by employee category | 19. Total waste generated |
| 7. Percentage of Directors by gender and age group | 20. Scope 1 emissions in tonnes of tCO ₂ e |
| 8. Total energy consumption | 21. Scope 2 emissions in tonnes of tCO ₂ e |
| 9. Number of work-related fatalities | 22. Scope 3 emissions in tonnes of tCO ₂ e |
| 10. Lost Time Incident Rate (LTIR) | 1. Category 6: Business Travel |
| 11. Number of employees trained on health and safety standards | 2. Category 7: Employee Commuting |
| 12. Total hours of training by employee category | 3. Category 15: Investment |
| 13. Percentage of employees that are contractors or temporary staff | |

Scope

The boundary of the internal review includes the company's operation in the following location:

- a) Malaysia

Bursa Malaysia ESG Performance Data: Sustainability Performance Data

Affin Bank Berhad
IFRS S2

Date & Time: 2026-03-18_00:36:06
FYE 31/12/2025

Sustainability Matter	Metric	Measurement Unit	2025	Target	Assurance	Remarks
Climate	Scope 1 emissions in tonnes of CO ₂ e	tCO ₂ e	49.66	Covered under AFFIN's combined Scope 1 and Scope 2 target: 70% reduction by 2030 against FY2022 baseline.	Internal	No standalone Scope 1 target is disclosed. FY2025 Scope 1 emissions are 49.66 tCO ₂ e, covering facilities' generators and own vehicles.
Climate	Scope 2 emissions in tonnes of CO ₂ e (Location-based)	tCO ₂ e	16,953.99	Covered under AFFIN's combined Scope 1 and Scope 2 target: 70% reduction by 2030 against FY2022 baseline.	Internal	No standalone Scope 2 target is disclosed. AFFIN reports both location-based Scope 2 emissions of 16,391 tCO ₂ e and market-based Scope 2 emissions of 11,774.87 tCO ₂ e for FY2025.
Climate	Scope 2 emissions in tonnes of CO ₂ e (Market-based)	tCO ₂ e	11,774.87	Covered under AFFIN's combined Scope 1 and Scope 2 target: 70% reduction by 2030 against FY2022 baseline.	Internal	No standalone Scope 2 target is disclosed. AFFIN reports both location-based Scope 2 emissions of 16,391 tCO ₂ e and market-based Scope 2 emissions of 11,774.87 tCO ₂ e for FY2025.
Climate	Scope 3 emissions in tonnes of CO ₂ e - Category 6: Business Travel	tCO ₂ e	590.80	No standalone quantitative 2025 target disclosed; tracked under AFFIN's broader Net Zero by 2050 commitment.	Internal	For the Scope 3 disclosure, AFFIN currently reports Category 6: Business Travel and Category 7: Employee Commuting under Indicator C11(c).
Climate	Scope 3 emissions in tonnes of CO ₂ e - Category 7: Employee Commuting	tCO ₂ e	7,765.97	No standalone quantitative 2025 target disclosed; tracked under AFFIN's broader Net Zero by 2050 commitment.	Internal	For the Scope 3 disclosure, AFFIN currently reports Category 6: Business Travel and Category 7: Employee Commuting under Indicator C11(c).

Glossary

Terms		Definitions
Asset Class	Listed Equity and Corporate Bonds (AC1)	Common and preferred stock traded on a market, held by the Group. Includes all types of corporate bonds, including available-for-sale and held-to-maturity, traded on a market and held by the Group.
	Business Loans and Unlisted Equity (AC2)	Loans/financing extended to non-individual clients of Group Corporate Banking and Group Enterprise Banking for general corporate purposes, i.e. with unknown use of proceeds. Also includes equity investments in organisations that are not traded on a market.
	Project Finance (AC3)	Loans/financing extended to projects designated for specific purposes, i.e. with known use of proceeds.
	Commercial Real Estate (AC4)	Loans/financing extended to individuals and small and medium-sized enterprises (SMEs) for specific corporate purposes, namely the purchase and refinancing of commercial real estate.
	Mortgages (AC5)	Loans/financing extended to individual customers for specific consumer purposes, namely the purchase and refinancing of residential property.
	Motor Vehicle Loans (AC6)	Loans/financing extended to individual and non-individual customers for specific corporate or consumer purposes, namely the financing of motor vehicles.
	Sovereign Debt (AC7)	Sovereign bonds issued in domestic or foreign currencies.
CCPT		Climate Change and Principle-based Taxonomy.
CRMSA		Climate Risk Management and Scenario Analysis.
ECL		Expected Credit Loss.
Financed Emissions		Greenhouse gas emissions attributed to loans, investments, and other financing provided by the Group, measured using the PCAF approach across in-scope asset classes.
GBSC		Group Board Sustainability Committee. The Board committee that oversees sustainability strategy, climate-related risks and opportunities, and progress against key sustainability targets.
GMC-S		Group Management Committee – Sustainability. The management committee that oversees sustainability and climate-related matters on an ongoing basis.
GHG		Greenhouse gas. Gases released through human activities such as burning fossil fuels, deforestation, and industrial processes that contribute to climate change.
GRI		Global Reporting Initiative.
Group-wide		In this report, the term "Group" covers Affin Bank Berhad (ABB), Affin Islamic Bank Berhad (AIBB), and Affin Hwang Investment Bank Berhad (AHIBB).
IFRS S2		IFRS S2 Climate-related Disclosures, issued by the IFRS Foundation's International Sustainability Standards Board (ISSB).
ISSB		International Sustainability Standards Board.
LCTF		Low Carbon Transition Facility.
LGD		Loss Given Default.
LULUCF		Land Use, Land-Use Change, and Forestry.
Materiality		Refers to the importance of specific issues within an organisation, focusing on aspects that could influence stakeholder and investor decision-making.
Double Materiality		Considers how sustainability-related matters may affect performance and enterprise value over time (outside-in) and how activities, products, services and relationships may impact the economy, environment and people (inside-out).
Materiality Assessment		A process that evaluates financial and non-financial topics to determine which matters are material to the organisation and its stakeholders.
Double Materiality Assessment Matrix		The final output of the materiality assessment. It provides a two-dimensional view of material topics, with the x-axis showing Financial Impact to AFFIN and the y-axis showing Impact of AFFIN'S business to the Economy, People and Environment.

Terms	Definitions
MGTC	Malaysia Green Technology Corporation.
Net Zero Carbon	A state in which total emissions produced are balanced by an equal amount of emissions removed, such as through carbon capture or natural processes.
NGFS	Network for Greening the Financial System.
NPS	Net Promoter Score, a customer loyalty and satisfaction metric that gauges how likely customers are to recommend a product or service.
Offset	To compensate for something else, such as balancing emissions through removal or reduction activities.
Operational Emissions	The Group's Scope 1 and Scope 2 emissions from its own operations.
PCAF	Partnership for Carbon Accounting Financials. The standard used by the Group to measure and disclose financed emissions.
PD	Probability of Default.
Physical Risk	Climate-related risk arising from acute or chronic physical effects of climate change, such as floods, extreme weather, or longer-term changes in climate patterns.
REC	Renewable Energy Certificate. A market-based instrument representing verified renewable electricity generation used to support decarbonisation of purchased electricity.
Responsible Financial Services	AFFIN's sustainability focus area for providing inclusive, transparent, and ESG-informed financial products and services, including sustainable financing and financial inclusion initiatives.
Scope 1	Direct emissions owned or controlled by the company, such as fuel burned by company-owned vehicles and on-site combustion processes.
Scope 2	Indirect emissions from purchased energy, such as electricity, steam, heating, and cooling consumed by the company.
Scope 3	Broader indirect emissions across the value chain, including supply-chain emissions, product-use emissions, end-of-life emissions, business travel, employee commuting, and financed emissions.
Sector	For financed emissions measurement, the exercise covers sectors in the financing and investment portfolio using the PCAF EXIOBASE classification.
Sustainable Finance	Financing and investment activities that support environmental transition, economic resilience, and inclusive growth, including the Group's sustainable financing portfolio.
TCFD	Task Force on Climate-related Financial Disclosures.
TOR	Terms of Reference.
Transition Risk	Climate-related risk arising from policy, legal, technology, market, or reputational changes associated with the transition to a low-carbon economy.
VBIAF	Value-based Intermediation Financing and Impact Assessment Framework.

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DIRECTORS' REPORT

for the financial year ended 31 December 2025

The Directors hereby submit their report together with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2025.

PRINCIPAL ACTIVITIES

The principal activities of the Bank during the financial year are banking and related financial services. The principal activities of the subsidiaries are Islamic banking business, investment banking and stock-broking, money-broking, property management services, nominee, trustee services and information technology services. The principal activities of the joint venture is property development while the associates are principally engaged in the underwriting of general and life insurance business and investment holding.

Islamic banking business refers generally to the acceptance of deposits and granting of financing under the Shariah principles.

The details of the subsidiary companies are disclosed in Note 16 of the financial statements.

There were no other significant changes in the nature of these activities during the financial year.

FINANCIAL RESULTS

	The Group	The Bank
	RM'000	RM'000
Profit before zakat and taxation	760,695	289,615
Zakat	(4,950)	–
Profit before taxation	755,745	289,615
Taxation	(215,552)	(73,533)
Net profit for the financial year	540,193	216,082

DIVIDENDS

There were no dividends on ordinary shares paid or declared by the Bank since 31 December 2024.

During the financial year, the Bank issued 133,348,843 new ordinary shares from the Bonus Issue on the basis of one (1) bonus share for every eighteen (18) existing ordinary shares held in the Bank at no consideration and without capitalisation of the Bank's reserves, in respect of the financial year ended 31 December 2024.

On 29 January 2026, the Board of Directors proposed a single-tier final dividend of 8.53 sen per share amounting to RM216,136,158 in respect of the financial year ended 31 December 2025, based on the Bank's issued share capital of 2,533,835,382 ordinary shares at 31 December 2025.

On the same day, the Board of Directors resolved that the Dividend Reinvestment Plan be applied to the entire proposed final dividend, which can be elected and reinvested in new ordinary shares of the Bank.

RESERVES AND PROVISIONS

All material transfers to or from reserves or provisions during the financial year are shown in the financial statements and notes to the financial statements.

DIRECTORS' REPORT

for the financial year ended 31 December 2025

SIGNIFICANT EVENTS DURING THE CURRENT AND PRECEDING FINANCIAL YEAR

Significant events during the financial year are disclosed in Note 57 to the financial statements.

SIGNIFICANT EVENTS SUBSEQUENT TO THE FINANCIAL YEAR

Events subsequent to the balance sheet date are disclosed in Note 58 to the financial statements.

DIRECTORS

The Directors of the Bank in office since the date of the last report and at the date of the report are:

Dato' Agil Natt

Chairman/Independent Non-Executive Director

Dato' Abdul Aziz bin Abu Bakar

Independent Non-Executive Director

Chan Tze Ching, Ignatius

Non-Independent Non-Executive Director

Dato' Rozalila binti Abdul Rahman

Independent Non-Executive Director

Gregory Jerome Gerald Fernandes

Independent Non-Executive Director

Chan Wai Yu

Independent Non-Executive Director

Mohammad Ashraf bin Md Radzi

Non-Independent Non-Executive Director

Emeliana Dallan Rice-Oxley

Independent Non-Executive Director

Dato Sharkawi bin Alis

Non-Independent Non-Executive Director (appointed w.e.f. 9 May 2025)

Datu Hajah Elean binti Masa'at

Non-Independent Non-Executive Director (appointed w.e.f. 15 August 2025)

Tan Sri Datuk Amar Abang Iskandar bin Abang Hashim

Independent Non-Executive Director (appointed w.e.f. 7 February 2026)

Datuk Hamirullah bin Boorhan

Independent Non-Executive Director (appointed w.e.f. 12 March 2026)

Dato' Mohd Hata bin Robani

Independent Non-Executive Director (retired on 6 February 2026)

Marzida binti Mohd Noor

Independent Non-Executive Director (retired on 28 February 2026)

DIRECTORS' REPORT

for the financial year ended 31 December 2025

DIRECTORS (continued)

The Directors of the Bank's subsidiaries who have held office during the financial year and during the period from the end of the financial year to the date of this report (not including those Directors listed above) are:

Affin Islamic Bank Berhad

Musa bin Abdul Malek
Suffian bin Baharuddin
Datuk Mohd Farid bin Mohd Adnan
Tan Ler Chin, Cindy
Dali Kumar @ Dali bin Sardar
Dr. Sharbanom binti Abu Bakar
Haizad Rizal bin A Aziz (*appointed w.e.f. 15 February 2025*)

PAB Properties Sdn Bhd

Mohammad Fairuz bin Mohd Radi
Nimma Safira binti Khalid

Affin Business Services Sdn Bhd

Joanne May Rodrigues
Risham Akashah bin Kamaruzaman
Irwin bin Mohd Eusoff

ABB Nominee (Asing) Sdn Bhd and ABB Nominee (Tempatan) Sdn Bhd

Nimma Safira binti Khalid
Joanne May Rodrigues

Affin Hwang Investment Bank Berhad

Hasli bin Hashim
Eugene Hon Kah Weng
Dato' Abdul Wahab bin Abu Bakar
Kong Yuen Ling
Ong Guat Kee, Tracy
Datuk Jamaludin bin Nasir (*appointed w.e.f. 15 April 2025*)
Tunku Afwida binti Tunku A.Malek (*completion of the approved three (3) year tenure of directorship w.e.f. 9 May 2025*)

Affin Hwang Nominees (Asing) Sdn Bhd and Affin Hwang Nominees (Tempatan) Sdn Bhd

Premtilaka a/l N.Amarasingham
Chung Pei Ching
Liao Pieng Sin
Yeong Sook Kwan
Ang Swee Lean

AHC Global Sdn Bhd and AHC Associates Sdn Bhd

Ong Teng Chong, Andy
Lim Syn Jean (*appointed w.e.f. 25 February 2026*)
Ahmad Gazzara Czillich (*resigned w.e.f. 26 February 2026*)

Affin Hwang Trustee Berhad

Feizal Zawry bin Mohamed
Ong Teng Chong, Andy

DIRECTORS' REPORT

for the financial year ended 31 December 2025

DIRECTORS (continued)

The Directors of the Bank's subsidiaries who have held office during the financial year and during the period from the end of the financial year to the date of this report (not including those Directors listed above) are (continued):

Affin Moneybrokers Sdn Bhd

Admiral Tan Sri Dato' Seri Panglima Dr. Ahmad Kamarulzaman Hj Ahmad Badaruddin (R)
Norhazlizawati binti Mohd Razali
Adzamimah binti Adzmi

Yayasan AFFIN (Incorporated w.e.f. 24 July 2025)

Dato' Agil Natt (*appointed w.e.f. 24 July 2025*)
Adzamimah binti Adzmi (*appointed w.e.f. 24 July 2025*)

In accordance with Article 118 of the Bank's Constitution, the following Directors retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-election:

1. Chan Tze Ching, Ignatius
2. Dato' Rozalila binti Abdul Rahman

Dato' Agil Natt who also retires by rotation pursuant to Article 118 of the Company's Constitution, has expressed his intention to retire from office and not to seek re-election, following more than six (6) years of steadfast leadership in shaping the Group's long term transformation journey. He will retire from office upon the conclusion of the 50th AGM of the Company.

In accordance with Article 124 of the Bank's Constitution, the following Directors retire due to casual vacancy at the forthcoming Annual General Meeting and being eligible, offer themselves for re-election.

1. Dato Sharkawi bin Alis
2. Datu Hajah Elean binti Masa'at
3. Tan Sri Datuk Amar Abang Iskandar bin Abang Hashim
4. Datuk Hamirullah bin Boorhan

The Directors' names of the subsidiaries and their remuneration details are set out in the subsidiaries' statutory accounts and the said names and details are deemed incorporated herein by such reference and made a part hereof.

RESPONSIBILITY STATEMENT BY BOARD OF DIRECTORS

In the course of preparing the annual financial statements of the Group and of the Bank, the Directors are collectively responsible in ensuring that these financial statements are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

It is the responsibility of the Directors to ensure that the financial reporting of the Group and of the Bank present a true and fair view of the state of affairs of the Group and of the Bank as at 31 December 2025 and of the financial results and cash flows of the Group and of the Bank for the financial year then ended.

The financial statements are prepared on the going concern basis and the Directors have ensured that proper accounting records are kept, applied the appropriate accounting policies on a consistent basis and made accounting estimates that are reasonable and fair so as to enable the preparation of the financial statements of the Group and of the Bank with reasonable accuracy.

The Directors have also taken the necessary steps to ensure that appropriate systems are in place for the assets of the Group and of the Bank to be properly safeguarded for the prevention and detection of fraud and other irregularities. The systems, by their nature, can only provide reasonable and not absolute assurance against material misstatements, whether due to fraud or error.

The Statement by Directors pursuant to Section 251(2) of the Companies Act 2016 is set out on page 577 of the financial statements.

DIRECTORS' REPORT

for the financial year ended 31 December 2025

DIRECTORS' INTERESTS

The Directors in office at the end of the financial year did not hold any interest in shares in the Bank or its related companies during the financial year.

LONG TERM INCENTIVE PLAN ('LTIP')

The Group's Long Term Incentive Plan ('LTIP'), introduced on 1 August 2023 through the Share Grant Scheme ('SGS') approved by shareholders at the Annual General Meeting on 25 May 2023, remains in effect during the financial year ended 31 December 2025. The SGS is governed by the SGS By-Laws and administered by the Group Board Nomination & Remuneration Committee.

The SGS is a performance share unit scheme under which vesting is subject to performance conditions. The SGS Committee may grant awards to eligible employees at any time during the scheme's duration, in accordance with the SGS By-Laws. The awards may be settled through the issuance and transfer of new shares or other permitted methods as provided by the SGS By-Laws.

The scheme is designed to reward eligible employees and align their interests with the Group's long-term objectives. Eligibility is determined by the Board of Directors, based on recommendations from the SGS Committee, and excludes dormant subsidiaries. Any grant to directors, the chief executive, or connected persons requires prior shareholder approval at a general meeting. The SGS does not apply to non-executive directors of any entity within the Group.

The total shares available under the SGS shall not exceed 5% of the Bank's total number of issued shares (excluding treasury shares, if any) at any time during the scheme's duration. Details of SGS are set out in Note 59 to the financial statements.

President & Group CEO who has been awarded with SGS during the financial year is listed below:

	No of SGS Awarded (Units '000)
Datuk Wan Razly Abdullah bin Wan Ali	779
Other directors	–

DIRECTORS' BENEFITS

During and at the end of the financial year, no other arrangements subsisted to which the Bank or any of its subsidiaries is a party with the object or objects of enabling Directors of the Bank or any of its subsidiaries to acquire benefits by means of the acquisition of shares in, or debenture of, the Bank or any other body corporate.

Since the end of the previous financial year, no Director of the Bank has received or become entitled to receive a benefit (other than the fees and other emoluments shown in the Note 42 to the financial statements) by reason of a contract made by the Bank or by a related corporation with the Director or with a firm of which he is a member or with a company in which he has a substantial financial interest.

DIRECTORS' REPORT

for the financial year ended 31 December 2025

OTHER STATUTORY INFORMATION

Statutory information regarding the Group and the Bank

(a) As at the end of the financial year

Before the financial statements of the Group and the Bank were prepared, the Directors took reasonable steps:

- to ascertain that proper action had been taken in relation to the writing off of bad debts and financing and the making of allowance for doubtful debts and financing and satisfied themselves that all known bad debts and financing had been written-off and that adequate allowance had been made for doubtful debts; and
- to ensure that any current assets, which were unlikely to be realised in the ordinary course of business including the values of current assets as shown in the accounting records of the Group and of the Bank had been written down to an amount which the current assets might be expected so to realise.

(b) From the end of the financial year to the date of this report

The Directors are not aware of any circumstances:

- which would render the amounts written-off for bad debts and financing or the amount of the allowance for doubtful debts and financing inadequate to any substantial extent;
- which would render the values attributed to current assets in the financial statements of the Group and of the Bank misleading; and
- which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Bank misleading or inappropriate.

(c) As at the date of this report

- there are no charges on the assets of the Group and of the Bank which have arisen since the end of the financial year which secures the liabilities of any other person; and
- there are no contingent liabilities in the Group and in the Bank which have arisen since the end of the financial year other than in the ordinary course of banking business or activities of the Group.

(d) No contingent or other liability of any company in the Group has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may affect the ability of the Bank and its subsidiaries to meet their obligations when they fall due.

(e) At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Bank which would render any amount stated in the respective financial statements misleading.

(f) In the opinion of the Directors:

- the results of the operations of the Group and of the Bank during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature except the item disclosed on Note 57; and
- there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Bank for the financial year in which this report is made.

DIRECTORS' REPORT

for the financial year ended 31 December 2025

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 loan and financing demand across business and household segments, modest net interest margin improvement and resilient non-interest income contributions. AFFIN Group fundamentals remain strong, with capital and liquidity buffers at healthy levels, supported by resilient asset quality as Gross Impaired Loans ('GIL') stand at 1.64% and Loan Loss Coverage ('LLC') at 75.70%, positioning the financial institution to navigate both domestic challenges and external headwinds.

BUSINESS STRATEGY MOVING FORWARD

AFFIN Group is confident in sustaining its growth momentum, underpinned by healthy business pipelines and emerging revenue streams from the recent acquisition of an asset management business and new product launches within its wealth franchise. The Group and 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 Group's ability to pursue sustainable long-term growth while continuing to deliver value to shareholders.

RATING BY EXTERNAL RATING AGENCY

The Bank has been rated by the following external rating agency:

- 1 RAM Rating Services Berhad ('RAM')
 - Date of rating: 10 July 2025
 - Rating classifications:
 - Long term: AA₃
 - Short term: P1

RAM has reaffirmed the Bank's long-term and short-term financial institution ratings, at AA₃ and P1, respectively, with stable outlook.

'AA' rating is defined by RAM as an entity which has a strong capacity to meet its financial obligations and is resilient against adverse changes in circumstances, economic condition and/or operating environment. The subscript 3 in this category indicates the lower end of its generic rating in the AA category.

A 'P1' rating is defined by RAM as obligations which are supported by superior ability with regards to timely payment of obligations.

- 2 Moody's Ratings ('Moody's')
 - Date of rating: 7 May 2025
 - Rating classifications:
 - Long term: A3

The Bank has received its first international credit rating, a long-term issuer rating of A3 from Moody's Ratings, with stable outlook. The rating reflects the Group's solid financial foundation, prudent asset quality, resilient capital position and strong institutional ties with the Sarawak State Government.

DIRECTORS' REPORT

for the financial year ended 31 December 2025

ZAKAT OBLIGATION

The Bank's subsidiary, Affin Islamic Bank Berhad ('AFFIN ISLAMIC') is obliged to pay zakat to comply with the principles of Shariah. AFFIN ISLAMIC does not pay zakat on behalf of its depositors.

SUBSIDIARIES

Details of subsidiaries are set out in Note 16 to the financial statements.

DIRECTORS' REMUNERATION

The remuneration in aggregate for Directors of the Group and the Bank for the financial year are as follows:

	The Group	The Bank
	RM'000	RM'000
Directors of the Group and the Bank		
Director fees	3,579	3,579
Directors' other emoluments	189	189
Directors of the Bank's Subsidiaries		
Director fees	3,743	–
Directors' other emoluments	1,106	–

There was no amount paid to or receivable by any third party for services provided by Directors of the Bank and its subsidiaries.

During the financial year, Directors and Officers of the Group and the Bank are covered under the Directors' & Officers' Liability Insurance/Takaful in respect of liabilities arising from acts committed in their capacity as, inter alia, Directors and Officers of the Group and the Bank subject to the terms of the policy. The total amount of Directors' & Officers' Liability Insurance/Takaful effected for the Directors & Officers of the holding company was RM40.0 million. The total amount of premium paid by the Group and the Bank was RM1,362,681 (2024: RM1,373,697) and RM205,210 (2024: RM214,336) respectively.

There were no professional fees paid to Directors or any firms, of which the Directors are members, for services rendered and no amount was paid to or receivable by any third party for services provided by Directors.

The Bank maintained on a group basis, a Directors and Officers Liability Insurance against any Legal Liability incurred by the Directors in the discharge of their duties while holding office for the Bank. The Directors shall not be indemnified by such insurance for any deliberate negligence, fraud, intentional breach of law or breach of trust proven against them.

Details of Directors' remuneration and total amount of indemnity given are set out in Note 42 to the financial statements.

ISSUANCE OF SHARES

During the financial year ended 31 December 2025, the Bank had increased its issued ordinary shares from 2,400.5 million to 2,533.8 million via issuance of 133.3 million new ordinary shares from the Bonus Issue, in respect of the financial year ended 31 December 2024, as disclosed in Note 33 to the financial statements.

DIRECTORS' REPORT

for the financial year ended 31 December 2025

AUDITORS' REMUNERATION

Auditors' remuneration of the Group and the Bank are RM3,598,000 (2024: RM4,528,000) and RM2,168,000 (2024: RM3,203,000) respectively. Details of auditors' remuneration are set out in Note 41 to the financial statements.

AUDITORS

The auditors, PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146), have expressed their willingness to continue in office.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

DATO' AGIL NATT

Independent Non-Executive Director (Chairman)

GREGORY JEROME GERALD FERNANDES

Independent Non-Executive Director

Kuala Lumpur
16 March 2026

STATEMENTS OF FINANCIAL POSITION

as at 31 December 2025

	Note	The Group		The Bank	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
ASSETS					
Cash and short-term funds	2	6,155,814	2,852,881	3,432,100	1,960,558
Reverse repurchase agreements with financial institutions		65,812	–	65,812	8,033
Deposits and placements with banks and other financial institutions	3	250,245	302,241	450,460	604,294
Investment accounts due from designated financial institutions	4	–	–	2,549,141	3,248,280
Financial assets at fair value through profit or loss ('FVTPL')	5	2,330,282	1,562,337	3,010,216	1,852,836
Derivative financial instruments	6	304,202	450,370	289,927	412,598
Financial investments at fair value through other comprehensive income ('FVOCI')	7	15,310,337	13,901,457	8,628,822	6,046,007
Financial investments at amortised cost ('AC')	8	15,170,196	15,689,413	9,910,363	10,038,120
Loans, advances and financing	9	78,545,738	70,892,085	37,923,608	35,640,014
Amount due from client and brokers	10	803,128	513,907	–	–
Other assets	11	730,733	663,742	433,930	384,312
Amount due from subsidiaries	12	–	–	361,963	756,357
Amount due from joint ventures	13	–	4,639	–	–
Tax recoverable		248,050	217,929	215,317	188,728
Deferred tax assets	14	54,147	114,938	–	43,840
Statutory deposits with Bank Negara Malaysia	15	804,510	1,524,530	449,000	867,000
Investment in subsidiaries	16	–	–	3,306,142	3,304,950
Investment in joint ventures	17	–	–	–	–
Investment in associates	18	853,315	830,917	676,279	676,279
Property and equipment	19	1,492,853	1,361,772	1,429,995	1,298,483
Investment property	20	122,388	124,988	168,284	171,859
Right-of-use assets	21	66,626	71,865	60,726	60,733
Intangible assets	22	765,365	762,096	318,065	314,681
TOTAL ASSETS		124,073,741	111,842,107	73,680,150	67,877,962
LIABILITIES AND EQUITY					
Deposits from customers	23	78,999,985	73,743,519	42,559,047	41,104,818
Investment accounts of customers	24	1,164,406	757,600	–	–
Deposits and placements of banks and other financial institutions	25	8,568,864	8,618,411	4,862,252	5,183,589
Obligation on securities sold under repurchase agreements	26	5,569,845	5,567,418	5,569,822	5,188,779
Derivative financial instruments	6	628,290	365,936	593,680	316,611
Bills and acceptances payable		57,265	32,341	57,265	32,341
Recourse obligation on loans/financing sold to Cagamas Berhad	27	7,705,084	5,127,995	4,779,222	3,002,564
Amount due to client and brokers	28	657,156	370,282	–	–
Lease liabilities	29	64,491	65,404	60,521	57,251
Other liabilities	30	2,312,794	1,827,022	980,157	1,135,745
Amount due to subsidiaries	31	–	–	157,546	175,656
Provision for taxation		12	7	–	–
Deferred tax liabilities	14	–	–	4,919	–
Borrowings and Sukuk	32	6,126,638	3,764,880	3,624,004	1,506,229
TOTAL LIABILITIES		111,854,830	100,240,815	63,248,435	57,703,583
Share capital	33	5,488,544	5,488,544	5,488,544	5,488,544
Reserves	34	6,730,367	6,112,748	4,943,171	4,685,835
TOTAL EQUITY		12,218,911	11,601,292	10,431,715	10,174,379
TOTAL LIABILITIES AND EQUITY		124,073,741	111,842,107	73,680,150	67,877,962
COMMITMENTS AND CONTINGENCIES	49	91,762,886	85,186,497	72,697,482	66,865,818

The accounting policies and notes form an integral part of these financial statements.

INCOME STATEMENTS

for the financial year ended 31 December 2025

	Note	The Group		The Bank	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Interest income	35	2,945,652	3,001,707	2,648,793	2,699,242
Interest expense	36	(2,070,882)	(2,175,302)	(1,864,983)	(1,971,666)
Net interest income		874,770	826,405	783,810	727,576
Income from Islamic banking business	37	866,814	691,149	–	–
		1,741,584	1,517,554	783,810	727,576
Fee and commission income	38(a)	328,709	345,162	157,800	165,748
Fee and commission expense	38(b)	(45,613)	(47,254)	(22,620)	(17,216)
Net fee and commission income	38	283,096	297,908	135,180	148,532
Net gains on financial instruments	39	290,955	212,091	214,083	135,414
Other income	40	125,872	142,194	304,643	311,455
Other operating income		699,923	652,193	653,906	595,401
Net income		2,441,507	2,169,747	1,437,716	1,322,977
Other operating expenses	41	(1,701,992)	(1,668,108)	(1,097,383)	(1,108,392)
Operating profit before allowances		739,515	501,639	340,333	214,585
Write-back of/(allowances for) credit impairment losses	43	(24,167)	170,181	(50,718)	114,151
Allowances for impairment losses on other assets	44	(7,033)	(18,813)	–	(9,290)
Operating profit		708,315	653,007	289,615	319,446
Share of results of associates	18	52,380	54,729	–	–
Profit before zakat and taxation		760,695	707,736	289,615	319,446
Zakat		(4,950)	(6,707)	–	–
Profit before taxation		755,745	701,029	289,615	319,446
Taxation	46	(215,552)	(191,326)	(73,533)	(66,520)
Net profit after zakat and taxation		540,193	509,703	216,082	252,926
Attributable to:					
Equity holders of the Bank		540,193	509,703	216,082	252,926
Earnings per share attributable to equity holders of the Bank (sen) ^{Note 1:}					
- Basic	47	21.3	20.3	8.5	10.1
- Diluted	47	21.0	20.1	8.4	10.0

Note 1

For comparison purposes, the earnings per share for the Group and the Bank for the financial year ended 31 December 2024 have been restated to reflect the bonus issue of one (1) bonus share for every eighteen (18) existing ordinary shares which was completed on 5 May 2025.

The accounting policies and notes form an integral part of these financial statements.

STATEMENTS OF COMPREHENSIVE INCOME

for the financial year ended 31 December 2025

	Note	The Group		The Bank	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Net profit after zakat and taxation		540,193	509,703	216,082	252,926
Other comprehensive income/(loss):					
<u>Items that may be reclassified subsequently to profit or loss:</u>					
Net fair value change in financial investments at FVOCI (debt instruments)		249,506	9,678	109,129	(9,756)
Net credit impairment profit/(loss) change in financial investments at FVOCI (debt instruments)		1,361	(20,415)	642	613
Net gain on financial investments measured at FVOCI reclassified to profit or loss on disposal (debt instruments)		(217,623)	(21,084)	(119,739)	(14,725)
Deferred tax on financial investments at FVOCI	14	(8,786)	3,359	2,238	6,140
Share of other comprehensive loss of associates	18	2,718	(5,813)	–	–
<u>Items that may not be reclassified subsequently to profit or loss:</u>					
Net fair value change in financial investments designated at FVOCI (equity instruments)		30,721	21,611	29,455	20,182
Other comprehensive income/(loss) for the financial year, net of tax		57,897	(12,664)	21,725	2,454
Total comprehensive income for the financial year		598,090	497,039	237,807	255,380
Total comprehensive income for the financial year attributable to:					
Equity holders of the Bank		598,090	497,039	237,807	255,380

The accounting policies and notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

for the financial year ended 31 December 2025

The Group	Note	← Attributable to Equity Holders 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		5,488,544	170,624	473,143	3,493	5,465,488	11,601,292
Net profit for the financial year							
Other comprehensive income (net of tax)							
- Financial investments at FVOCI		-	55,179	-	-	-	55,179
- Share of other comprehensive income/(loss) of associates		-	3,139	-	(421)	-	2,718
Total comprehensive income/(loss) for the financial year			58,318		(421)	540,193	598,090
Share grant scheme granted		-	-	-	19,529	-	19,529
Transfer to regulatory reserves		-	-	121,275	-	(121,275)	-
Dividends	48	-	-	-	-	-	-
At 31 December 2025		5,488,544	228,942	594,418	22,601	5,884,406	12,218,911
At 1 January 2024		5,371,044	169,540	337,761	4,146	5,226,324	11,108,815
Net profit for the financial year							
Other comprehensive income (net of tax)							
- Financial investments at FVOCI		-	(6,851)	-	-	-	(6,851)
- Share of other comprehensive income/(loss) of associates		-	7,935	-	(13,748)	-	(5,813)
Total comprehensive income/(loss) for the financial year			1,084		(13,748)	509,703	497,039
Issuance of new shares	33	117,500	-	-	-	-	117,500
Share grant scheme granted		-	-	-	13,095	-	13,095
Transfer to regulatory reserves		-	-	135,382	-	(135,382)	-
Dividends	48	-	-	-	-	(135,157)	(135,157)
At 31 December 2024		5,488,544	170,624	473,143	3,493	5,465,488	11,601,292

The accounting policies and notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

for the financial year ended 31 December 2025

	Share capital RM'000	Non-distributable				Distributable		Total equity 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	5,488,544	207,027	335,563	17,241	4,126,004	10,174,379		
Net profit for the financial year	-	-	-	-	216,082	216,082		
Other comprehensive income (net of tax)	-	-	-	-	-	-		
- Financial investments at FVOCI	-	21,725	-	-	-	21,725		
Total comprehensive income for the financial year	-	21,725	-	-	216,082	237,807		
Share grant scheme granted	-	-	-	19,529	-	19,529		
Transfer to regulatory reserves	-	-	(9,000)	-	9,000	-		
Dividends	-	-	-	-	-	-		
At 31 December 2025	5,488,544	228,752	326,563	36,770	4,351,086	10,431,715		
At 1 January 2024	5,371,044	204,573	270,563	4,146	4,073,235	9,923,561		
Net profit for the financial year	-	-	-	-	252,926	252,926		
Other comprehensive income (net of tax)	-	-	-	-	-	-		
- Financial investments at FVOCI	-	2,454	-	-	-	2,454		
Total comprehensive income for the financial year	-	2,454	-	-	252,926	255,380		
Issuance of new shares	117,500	-	-	-	-	117,500		
Share grant scheme granted	-	-	-	13,095	-	13,095		
Transfer to regulatory reserves	-	-	65,000	-	(65,000)	-		
Dividends	-	-	-	-	(135,157)	(135,157)		
At 31 December 2024	5,488,544	207,027	335,563	17,241	4,126,004	10,174,379		

The accounting policies and notes form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

for the financial year ended 31 December 2025

	Note	The Group		The Bank	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before taxation		755,745	701,029	289,615	319,446
Adjustments for items not involving the movement of cash and cash equivalents:					
Interest income:					
- financial investments at FVOCI	35	(572,449)	(390,979)	(300,723)	(249,580)
- financial investments at AC	35	(472,573)	(369,904)	(319,464)	(379,244)
Dividend income:					
- financial assets at FVTPL	39	(3,479)	(4,388)	(2,191)	(2,038)
- financial investments at FVOCI	39	(882)	(1,340)	(732)	(1,190)
- subsidiaries	40	-	-	(83,959)	(76,369)
- associates	40	-	-	(32,700)	(64,800)
Gain on sale/redemption:					
- financial assets at FVTPL	39	(78,406)	(55,078)	(36,617)	(7,491)
- financial investments at FVOCI	39	(217,623)	(14,457)	(119,739)	(14,725)
- financial investments at AC	39	(7,390)	(6,796)	-	(5,040)
- derivatives	39	(22,599)	6,948	(4,509)	(1,317)
Unrealised (gain)/loss on revaluation:					
- financial assets at FVTPL	39	7,629	(13,120)	(17,340)	(3,963)
- derivatives	39	57,511	(28,298)	36,392	(31,893)
- fair value hedges	39	-	(988)	-	(988)
- foreign exchange	40	388,214	70,915	336,484	(49,661)
Depreciation of property and equipment	19	74,736	70,306	71,228	67,494
Depreciation of investment property	20	2,600	-	3,575	-
Depreciation of right-of-use assets	21	38,071	35,851	32,814	30,179
Property and equipment written-off	19	206	183	203	73
Intangible assets written-off	22	-	139	-	-
Gain on sale of property and equipment	40	(1,949)	(2,667)	(1,881)	(2,637)
Amortisation of intangible assets	41	21,752	20,016	20,832	19,122
Gain on disposal of right-of-use-assets	40	(511)	-	(511)	-
Share of results of associates		(52,380)	(54,729)	-	-
Expected credit losses made/(written-back) on:					
- loans, advances and financing	43	15,631	(58,514)	57,215	(54,771)
- amount due from client and brokers	43	47	4	-	-
- securities and placements	43	(15,759)	(97,442)	(12,812)	(74,710)
- loans/financing commitments and financial guarantee	43	4,584	(32,318)	1,607	(3,358)
Bad debt and financing written-off	43	76,867	68,594	42,696	53,394
Allowances for impairment losses on other assets		7,033	18,813	-	9,290
Interest/profit expense on borrowings and sukuk		225,721	169,846	118,123	60,964
Interest/profit expense on the lease liability	29	2,475	2,258	2,255	1,922
Profit expense - Recourse obligation on loans/financing sold to Cagamas Berhad	27	242,075	162,784	139,914	105,237
Share grant scheme granted		19,529	13,095	18,336	9,502
Zakat		4,950	6,707	-	-
Operating profit/(loss) before changes in working capital		499,376	216,470	238,111	(347,152)

The accounting policies and notes form an integral part of these financial statements.

STATEMENT OF CASH FLOWS

for the financial year ended 31 December 2025

	The Group		The Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
(continued)				
Decrease/(Increase) in operating assets:				
Cash and short-term funds and deposits and placements with banks and other financial institutions with original maturity of more than three months	(92,922)	1,996,898	461,860	438,308
Investment accounts due from designated financial institutions	–	–	699,139	417,170
Financial assets at FVTPL	(697,168)	(887,405)	(1,103,423)	(538,865)
Loans, advances and financing	(7,746,151)	(5,677,168)	(2,383,505)	(1,128,187)
Other assets	(71,256)	184,272	(50,114)	261,636
Amount due from client and brokers	(289,268)	(115,035)	–	–
Derivative financial instruments	303,437	18,335	240,033	(32,952)
Statutory deposits with Bank Negara Malaysia	720,020	(128,930)	418,000	(87,000)
Reverse repurchase agreements with financial institutions	(65,812)	–	(57,779)	(8,033)
Amount due from/to subsidiaries	–	–	376,284	(848,705)
Amount due to joint ventures	(2,504)	(23,420)	–	–
Increase/(Decrease) in operating liabilities:				
Deposits from customers	5,256,466	2,909,408	1,454,229	(677,293)
Investment accounts of customers	406,806	757,241	–	–
Deposits and placements of banks and other financial institutions	(49,547)	(432,271)	(321,337)	(511,428)
Obligation on securities sold under repurchase agreements	2,427	649,508	381,043	1,084,825
Bills and acceptances payable	24,924	(8,345)	24,924	(8,345)
Amount due to client and brokers	286,874	156,120	–	–
Other liabilities	481,459	488,858	(157,194)	468,009
Cash generated from operations	(1,032,839)	104,536	220,271	(1,518,012)
Zakat paid	(5,219)	(6,127)	–	–
Tax refund	31,798	1,125	31,161	1,125
Tax paid	(225,461)	(188,179)	(80,286)	(43,958)
Net cash (used in)/generated from operating activities	(1,231,721)	(88,645)	171,146	(1,560,845)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received:				
- financial investments at FVOCI	563,614	396,718	285,724	225,724
- financial investments at AC	482,000	459,081	377,569	447,607
Dividend income:				
- financial assets at FVTPL	3,479	4,388	2,191	2,038
- financial investments at FVOCI	882	1,340	732	1,190
- subsidiaries	–	–	83,959	76,369
- associates	32,700	64,800	32,700	64,800
Purchase of:				
- financial investments at FVOCI	(14,476,052)	(11,411,418)	(9,419,029)	(8,501,028)
- financial investments at AC	(529,275)	(1,736,029)	(500,000)	(1,542,808)
Redemption/Disposal of:				
- financial investments at FVOCI	13,087,722	7,392,518	6,813,412	6,368,527
- financial investments at AC	1,028,930	2,653,263	549,452	2,708,348

The accounting policies and notes form an integral part of these financial statements.

STATEMENT OF CASH FLOWS

for the financial year ended 31 December 2025

	Note	The Group		The Bank	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES					
(continued)					
Proceeds from disposal of:					
- property and equipment		2,464	4,000	2,370	3,762
- right-of-use assets		1,966	-	1,966	-
- foreclosed properties		-	10,592	-	-
Purchase of property and equipment	19	(230,454)	(289,726)	(226,817)	(284,950)
Purchase of intangible assets	22	(1,105)	(7,290)	(831)	(5,520)
Investment in subsidiary	16	-	-	-	(100,040)
Investment in associate	18	-	(9,000)	-	(9,000)
Net cash used in investing activities		(33,129)	(2,466,763)	(1,996,602)	(544,981)
CASH FLOWS FROM FINANCING ACTIVITIES					
Repayment in borrowings	32	(592,644)	-	(324,063)	-
Drawdown in borrowings	32	2,969,865	500,000	2,458,760	504,956
Interest/profit payment on borrowings	32	(218,264)	(207,440)	(112,125)	(63,794)
Payment of dividend to the equity holders of the Bank		-	(17,657)	-	(17,657)
Addition of recourse obligation on loans/financing sold to Cagamas Berhad	27	4,867,491	2,495,000	2,767,488	1,495,000
Redemption of recourse obligation on loans/financing sold to Cagamas Berhad	27	(2,300,257)	(1,350,008)	(1,000,255)	(1,350,008)
Interest/profit payment from recourse obligation on loans/financing sold to Cagamas Berhad	27	(229,706)	(148,866)	(129,014)	(103,943)
Lease payments	29	(37,677)	(33,087)	(33,248)	(28,847)
Net cash generated from financing activities		4,458,808	1,237,942	3,627,543	435,707
Net increase/(decrease) in cash and cash equivalents		3,193,958	(1,317,466)	1,802,087	(1,670,119)
Effects of foreign exchange		(35,943)	(13,468)	(22,519)	(15,849)
Cash and cash equivalents at beginning of the financial year		3,104,796	4,435,730	1,859,717	3,545,685
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR		6,262,811	3,104,796	3,639,285	1,859,717
Cash and cash equivalents comprise the following:					
Cash and short-term funds	2	6,155,814	2,852,881	3,432,100	1,960,558
Deposits and placements of banks and other financial institutions	3	250,245	302,241	450,460	604,294
		6,406,059	3,155,122	3,882,560	2,564,852
Less:					
Cash and short-term funds and deposits and placements with banks and other financial institutions with original maturity of more than three months		(143,248)	(50,326)	(243,275)	(705,135)
		6,262,811	3,104,796	3,639,285	1,859,717

The accounting policies and notes form an integral part of these financial statements.

SUMMARY OF MATERIAL ACCOUNTING POLICIES

for the financial year ended 31 December 2025

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the financial statements. These policies have been consistently applied to all the financial years presented, unless otherwise stated.

(A) BASIS OF PREPARATION

The financial statements of the Group and the Bank have been prepared in accordance with Malaysian Financial Reporting Standards ('MFRS'), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The financial statements incorporate those activities relating to Islamic banking business which have been undertaken by AFFIN ISLAMIC, a wholly owned subsidiary of the Bank. Islamic banking business refers generally to the acceptance of deposits and granting of financing under the Shariah principles.

The financial statements of the Group and the Bank have been prepared under the historical cost convention, unless otherwise indicated in the summary of material accounting policies.

The preparation of financial statements in conformity with MFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported financial year. It also requires Directors to exercise their judgement in the process of applying the Group's and Bank's accounting policies. Although these estimates and judgement are based on the Directors' best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are material to the financial statements are disclosed in Note AF.

(a) Standards, amendments to published standards and interpretations to existing standards that are applicable to the Group and the Bank and are effective

Below are the annual improvements and amendments to MFRS effective for the financial year beginning on 1 January 2025:

- Amendments to MFRS 121 'Lack of Exchangeability'

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

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

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. The entity is also required to make additional disclosures when exchangeability is lacking.

The adoption of amendments above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

SUMMARY OF MATERIAL ACCOUNTING POLICIES

for the financial year ended 31 December 2025

(A) BASIS OF PREPARATION (continued)

(b) International Financial Reporting Interpretations Committee ('IFRIC') agenda decisions that are concluded and published

At its April 2025 meeting, the IFRS Interpretations Committee (the 'Committee') discussed and clarified the applicable accounting standards for guarantees issued on obligations of other entities. Specifically, the Committee clarified that MFRS 137 'Provisions, Contingent Liabilities and Contingent Assets' ('MFRS 137') applies when a guarantee does not fall within the scope of other MFRS Accounting Standards, specifically MFRS 9 'Financial Instruments' ('MFRS 9') and MFRS 17 'Insurance Contracts' ('MFRS 17').

The Group and the Bank have assessed that the IFRIC agenda decision on guarantees issued on obligations of other entities did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods as the Group and the Bank apply MFRS 9 and MFRS 17 on all guarantees issued.

(c) Standards, amendments to published standards and interpretations to existing standards that are applicable to the Group and the Bank but not yet effective

A number of new standards and amendments to standards and interpretations are effective for the financial year beginning after 1 January 2026.

- MFRS 18 'Presentation and Disclosure in Financial Statements' (effective 1 January 2027) replaces MFRS 101 'Presentation of Financial Statements'.

The new MFRS introduces a new structure of profit or loss statement.

- Income and expenses are classified into 3 new main categories:
 - Operating category which typically includes results from the main business activities;
 - Investing category that presents the results of investments in associates and joint ventures and other assets that generate a return largely independently of other resources; and
 - Financing category that presents income and expenses from financing liabilities.
- Entities are required to present two new specified subtotals: 'Operating profit or loss' and 'Profit or loss before financing and income taxes'.

Management-defined performance measures are disclosed in a single note and reconciled to the most similar specified subtotal in MFRS Accounting Standards.

Changes to the guidance on aggregation and disaggregation which focus on grouping items based on their shared characteristics.

- Amendments to MFRS 9 and MFRS 7 'Amendments to the Classification and Measurement of Financial Instruments' (effective 1 January 2026).
 - require financial assets to be derecognised on the date the contractual rights to the cash flows expire and financial liabilities to be derecognised when obligation under the contract is discharged (i.e. the settlement date). In addition, there is an optional exception to derecognise financial liabilities before the settlement date for settlement using electronic payment systems (if specified criteria are met);
 - clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest ('SPPI') criterion;
 - add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
 - update the disclosures for equity instruments designated at fair value through other comprehensive income ('FVOCI').

SUMMARY OF MATERIAL ACCOUNTING POLICIES

for the financial year ended 31 December 2025

(A) BASIS OF PREPARATION (continued)

(c) Standards, amendments to published standards and interpretations to existing standards that are applicable to the Group and the Bank but not yet effective (continued)

A number of new standards and amendments to standards and interpretations are effective for the financial year beginning after 1 January 2026 (continued)

- Amendments to MFRS 9 and MFRS 7 'Contract Referencing Nature-dependent Electricity' (effective 1 January 2026).
 - added the buyer's application guidance on the MFRS 9 'own-use exemption' for contracts to buy and take delivery of electricity that expose an entity to variability in the underlying amount of electricity because the source of its generation depends on uncontrollable natural conditions e.g. the weather ('contracts referencing nature-dependent electricity'). Under the amendments, the buyer can apply the MFRS 9 'own-use exemption' to account for these contracts as executory contracts if the buyer has been, and expects to be, a 'net purchaser' of electricity for the contract period, based on the criteria set in the standard;
 - permit hedge accounting in MFRS 9 if these contracts referencing nature-dependent electricity are used as hedging instruments; and
 - add new MFRS 7 disclosure requirements to enable users to understand the effects of these contracts on an entity's financial performance and cash flows.
- MFRS 19 'Subsidiaries without Public Accountability: Disclosures' (effective 1 January 2027)

The new MFRS introduces an optional reduced disclosure framework for subsidiaries that do not have public accountability and whose parent prepares consolidated financial statements in accordance with MFRS. The standard allows eligible subsidiaries to apply the recognition, measurement and presentation requirements of MFRS while providing simplified disclosures.

- Annual Improvements to MFRS Accounting Standards for enhanced consistency (effective 1 January 2026)

The annual improvements comprise the following amendments:

- Amendments to MFRS 1 on hedge accounting by a first-time adopter – improve consistency with the requirements in MFRS 9 and cross-references are added to improve the understandability of MFRS 1.
- Amendments to MFRS 7 on gain or loss on derecognition – obsolete cross-referencing is removed and an inconsistency between paragraphs in MFRS 7 is amended for clarity.
- Amendments to MFRS 9 on lessee derecognition of lease liabilities and transaction price – resolve a potential confusion for a lessee applying the requirements to a lease liability that has been extinguished and remove the reference to 'transaction price' (as defined in 'MFRS 15 Revenue from Contracts with Customers').
- Amendments to MFRS 10 on determination of a 'de facto agent' – resolve an inconsistency between paragraphs of MFRS 10 and clarify that judgement is required to determine whether a party is acting as a de facto agent.
- Amendments to MFRS 107 on cost method – replace the term 'cost method' with 'at cost'.

The adoption of the accounting standards, amendments to published standards and interpretations to existing standards above are not expected to give rise to any material impact to the Group and the Bank, except for the adoption of MFRS 18 'Presentation and Disclosure in Financial Statements' and amendments to MFRS 9 and MFRS 7 'Amendments to the Classification and Measurement of Financial Instruments', of which the Group and the Bank are in the midst of assessing the financial and disclosures impact.

SUMMARY OF MATERIAL ACCOUNTING POLICIES

for the financial year ended 31 December 2025

(B) CONSOLIDATION

The consolidated financial statements include the financial statements of the Bank, subsidiaries, joint ventures and associates, made up to the end of the financial year.

(i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. To be considered a business, an acquisition would have to include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs. The acquisition would be classified as acquisition of assets if definition of business is not met.

The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement and fair value of any pre-existing equity interest in the subsidiary. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on the acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recognised as goodwill. If the total of the consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the income statement.

Acquisition related costs are expensed as incurred.

If the business combination is achieved in stages, the carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date, any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with MFRS 9 in profit or loss. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

The Group applies predecessor accounting to account for business combinations under common control. Under the predecessor accounting, assets and liabilities acquired are not restated to their respective fair values but at the carrying amounts from the consolidated financial statements of the substantial shareholder of the Group and adjusted to ensure uniform accounting policies of the Group. The difference between any consideration given and the aggregate carrying amounts of the assets and liabilities (as of the date of the transaction) of the acquired entity is recognised as an adjustment to equity. No additional goodwill is recognised.

SUMMARY OF MATERIAL ACCOUNTING POLICIES

for the financial year ended 31 December 2025

(B) CONSOLIDATION (continued)

The consolidated financial statements include the financial statements of the Bank, subsidiaries, joint ventures and associates, made up to the end of the financial year (continued).

(i) Subsidiaries (continued)

Inter-company transactions, balances, unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the income statements, statements of comprehensive income, statement of changes in equity and statements of financial position respectively.

(ii) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in equity attributable to owners of the Group.

(iii) Obligation to purchase the subsidiary's shares from non-controlling interest

When there is an obligation to purchase the subsidiary's shares held by non-controlling interest, at initial recognition, a liability is to be recognised with a corresponding reduction to equity (other reserves) in the consolidated financial statements. The financial liability is recognised at the present value of the redemption amount and accreted through finance charges in the income statement over the contract period, up to the final redemption amount. Any adjustments to the redemption amount are recognised as finance charges in the income statements.

In the separate financial statements, subsidiary's shares are other entity's shares and not considered own equity instrument. The contractual obligation to buy the subsidiary's shares from the non-controlling interest meets the definition of financial liability and is accounted as disclosed in Note I.

(iv) Disposal of subsidiaries

When the Group ceases to consolidate because of a loss of control, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

Gains or losses on the disposal of subsidiaries include the carrying amount of goodwill relating to the subsidiaries sold.

SUMMARY OF MATERIAL ACCOUNTING POLICIES

for the financial year ended 31 December 2025

(B) CONSOLIDATION (continued)

The consolidated financial statements include the financial statements of the Bank, subsidiaries, joint ventures and associates, made up to the end of the financial year (continued).

(v) Joint arrangements

A joint arrangement is an arrangement of which there is contractually agreed sharing of control by the Group with one or more parties, where decisions about the relevant activities relating to the joint arrangement require unanimous consent of the parties sharing control. The classification of a joint arrangement as a joint operation or a joint venture depends upon the rights and obligations of the parties to the arrangement. A joint venture is a joint arrangement whereby the joint venturers have rights to the net assets of the arrangement. A joint operation is a joint arrangement whereby the joint operators have rights to the assets and obligations for the liabilities, relating to the arrangement.

Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated statement of financial position. Under the equity method, the investment in a joint venture is initially recognised at cost, and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the joint venture in profit or loss, and the Group's share of movements in other comprehensive income of the joint venture in other comprehensive income. Dividends received or receivable from a joint venture are recognised as a reduction in the carrying amount of the investment. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint venture, including any long-term interests that, in substance, form part of the Group's net investment in the joint venture, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the joint venture.

The Group determines at each reporting date whether there is any objective evidence that the investment in the joint venture is impaired. An impairment loss is recognised for the amount by which the carrying amount of the joint venture exceeds its recoverable amount.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interests in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

If an investment in a joint venture becomes an investment in an associate, the Group continues to apply the equity method and does not remeasure the retained interest. If the Group's ownership interest in a joint venture is reduced, but the investment continues to be classified either as an associate or a joint venture respectively, the Group shall reclassify to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

SUMMARY OF MATERIAL ACCOUNTING POLICIES

for the financial year ended 31 December 2025

(B) CONSOLIDATION (continued)

The consolidated financial statements include the financial statements of the Bank, subsidiaries, joint ventures and associates, made up to the end of the financial year (continued).

(vi) Associates

Associates are all entities over which the Group has significant influence but not control or joint control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment in an associate is initially recognised at cost, and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the associate in profit or loss, and the Group's share of movements in other comprehensive income of the associate in other comprehensive income. Dividends received or receivable from an associate are recognised as a reduction in the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interests in the associate, including any long-term interests that, in substance, form part of the Group's net investment in the associate, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate. The Group's investment in associates includes goodwill identified on acquisition.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. An impairment loss is recognised for the amount by which the carrying amount of the associate exceeds its recoverable amount.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

When the Group ceases to equity account its associate because of a loss of significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as a financial asset. In addition, any amount previously recognised in other comprehensive income in respect of the entity is accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

Dilution gains or losses arising in investments in associates are recognised in the profit or loss.

(C) INVESTMENTS IN SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES IN SEPARATE FINANCIAL STATEMENTS

In the Bank's separate financial statements, investments in subsidiaries, joint ventures and associates are carried at cost less accumulated impairment losses. On disposal of investments in subsidiaries and joint ventures, the difference between disposal proceeds and carrying amounts of the investments are recognised in profit or loss.

Investment in debt instruments issued by subsidiary companies at amortised cost are measured in accordance with Note H.

SUMMARY OF MATERIAL ACCOUNTING POLICIES

for the financial year ended 31 December 2025

(D) INTANGIBLE ASSETS

Goodwill

Goodwill arises from a business combination and represents the excess of the aggregate of fair value of consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of any previous equity interest in the acquiree over the fair value of the net identifiable assets acquired and liabilities assumed on the acquisition date. If the fair value of consideration transferred, the amount of non-controlling interest and the fair value of previously held interest in the acquiree are less than the fair value of the net identifiable assets of the acquiree, the resulting gain is recognised in the profit or loss.

Goodwill is not amortised but it is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired, and carried at cost less accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Cash Generating Units ('CGUs'), or groups of CGUs, that are expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

Identifiable intangible assets arising from business combination

Identifiable intangible assets arising from business combination are recognised at cost. The cost of an intangible asset acquired in a business combination is its fair value at the date of acquisition. The fair value of intangible assets are generally determined using income approach methodologies such as the discounted cash flow method. Intangible assets with a definite useful life are amortised using the straight-line method over their estimated useful economic life. Intangible assets within an indefinite useful life are not amortised. Generally, the identified intangible assets are reviewed for indications of impairment or changes in estimated future economic benefits. If such indications exist, the intangible assets are analysed to assess whether their carrying amount is fully recoverable. An impairment loss is recognised if the carrying amount exceeds the recoverable amount. Intangible assets with indefinite useful life are annually tested for impairment and whether there is an indication that the asset may be impaired.

The identifiable intangible assets arising from business combination consist of brand and customer relationship. Brand and customer relationship are amortised over their useful lives in a manner that reflects the pattern to which they contribute to future cash flows as follows:

Brand	- 3 years
Customer relationship	- 7 years

Computer software

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group and the Bank are recognised as intangible assets when the following criteria are met:

- (i) it is technically feasible to complete the software product so that it will be available for use;
- (ii) management intends to complete the software product and use or sell it;
- (iii) there is an ability to use or sell the software product;
- (iv) it can be demonstrated how the software product will generate probable future economic benefits;
- (v) adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- (vi) the expenditure attributable to the software product during its development can be reliably measured.

SUMMARY OF MATERIAL ACCOUNTING POLICIES

for the financial year ended 31 December 2025

(D) INTANGIBLE ASSETS (continued)

Computer software (continued)

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Computer software development costs recognised as assets are amortised from the point at which the asset is ready for use over their estimated useful lives of five years.

(E) IMPAIRMENT OF NON-FINANCIAL ASSETS

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

The impairment loss is charged to the income statement unless it reverses a previous revaluation in which case it is charged to the revaluation surplus. Impairment losses on goodwill are not reversed. In respect of other assets, any subsequent increase in recoverable amount is recognised in the income statement unless it reverses an impairment loss on a revalued asset in which case it is taken to revaluation surplus reserve.

(F) RECOGNITION OF INTEREST AND FINANCING INCOME AND EXPENSE

Interest and financing income and expense for all interest/profit-bearing financial instruments are recognised within 'interest income', 'interest expense' and 'income from Islamic banking business' respectively in the income statement using the effective interest/profit method. Interest/Profit income from financial assets at FVTPL is recognised as part of net gains and losses on financial instrument.

Interest/Profit income is calculated by applying effective interest/profit rate to the gross carrying amount of a financial assets except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest/profit rate is applied to the net carrying amount of the financial assets (after deduction of the loss allowance).

SUMMARY OF MATERIAL ACCOUNTING POLICIES

for the financial year ended 31 December 2025

(G) RECOGNITION OF FEES AND OTHER INCOME

The Group and the Bank earns fee and commission income from a diverse range of products and services provided to its customers. Fee and commission income are recognised when the Group and the Bank has satisfied its performance obligation in providing the promised products and services to the customer, and are recognised based on contractual rates or amount agreed with customers, and net of expenses directly related to it. The Group and the Bank generally satisfies its performance obligation and recognises the fee and commission income on the following basis:

- Transaction-based fee and commission income is recognised on the completion of the transaction. Such fees include fees related to the completion of corporate finance transactions, brokerage income, arrangement fees and initial service charges. These fees constitute a single performance obligation.
- For a service that is provided over a period of time, fee and commission income is recognised on equal proportion basis over the period during which the related service is provided or credit risk is undertaken. This basis of recognition most appropriately reflects the nature and pattern of provision of these services to the customers over time. Fees for these services will be billed periodically over time. Such fees include portfolio management fees, financial guarantees fee, agency fees and initial service charges on close ended funds.

The Group and the Bank do not provide any significant credit terms to customers for the above products and services.

Directly related expenses typically include brokerage fees paid, card-related expenses and sales commissions, but do not include expenses for services delivered over a period (such as service contracts) and other expenses that are not specifically related to fee and commission income transactions.

Other income recognition are as follows:

- Dividends are recognised when the right to receive payment is established. This applies even if they are paid out of pre-acquisition profits. However, the investment may need to be tested for impairment as a consequence.
Dividends that clearly represent a recovery of part of the cost of investment is recognised in other comprehensive income if it relates to an investment in equity instruments measured at FVOCI.
- Net gain or loss from disposal of FVTPL and debt instruments at FVOCI are recognised in profit or loss upon disposal of the securities, as the difference between net disposal proceeds and the carrying amount of the securities.
- Income from bancassurance/bancatakaful agreements are recognised over time by measuring the progress towards the satisfaction of performance obligation throughout the exclusive service agreement period.
- Other income are recognised on an accrual basis.

(H) FINANCIAL ASSETS

(a) Classification

The Group and the Bank classify their financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income ('OCI') or through profit or loss); and
- those to be measured at amortised cost.

(b) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on settlement-date, the date on which the Group and the Bank settle the commitment to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group and the Bank have transferred substantially all the risks and rewards of ownership.

SUMMARY OF MATERIAL ACCOUNTING POLICIES

for the financial year ended 31 December 2025

(H) FINANCIAL ASSETS (continued)

(c) Measurement

At initial recognition, the Group and the Bank measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payments for principal and interest/profit ('SPPI').

Debt instruments

Subsequent measurement of debt instruments depends on the Group's and the Bank's business model for managing the asset and the cash flows characteristics of the asset. The Group reclassifies debt investments when and only when its business model for managing those assets changes.

There are three measurement categories into which the Group and the Bank classify its debt instruments:

(i) Amortised cost ('AC')

Assets that are held for collection of contractual cash flows where those cash flows represent SPPI are measured at amortised cost. Interest/Profit income from these financial assets is included in 'interest income' and 'income from Islamic banking business' using the effective interest/profit rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in 'net gains and losses on financial instruments' together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the income statements.

(ii) Fair value through other comprehensive income ('FVOCI')

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent SPPI, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in 'net gains and losses on financial instruments'. Interest/profit income from these financial assets is included in 'interest income' and 'income from Islamic banking business' using the effective Interest/Profit rate method. Foreign exchange gains and losses are presented in 'net gains and losses on financial instruments' and impairment expenses are presented as separate line item in the income statement.

(iii) Fair value through profit or loss ('FVTPL')

Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. The Group and the Bank may also irrevocably designate financial assets at FVTPL if doing so significantly reduces or eliminates a mismatch created by assets and liabilities being measured on different bases. Fair value changes is recognised in profit or loss and presented net within 'net gains and losses on financial instruments' in the period which it arises.

SUMMARY OF MATERIAL ACCOUNTING POLICIES

for the financial year ended 31 December 2025

(H) FINANCIAL ASSETS (continued)

(c) Measurement (continued)

Business model

The business model reflects how the Group and the Bank manage the assets in order to generate cash flows. That is, whether the Group's and the Bank's objectives are solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (i.e. financial assets at FVTPL purposes), then the financial assets are classified as part of 'other' business model and measured at FVTPL. Factors considered by the Group and the Bank in determining the business model for a group of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated. For example, the Group's and the Bank's business model for the mortgage loan book is to hold to collect contractual cash flows with no resulting derecognition by the Group and the Bank. Another example is the liquidity portfolio of assets, which is held by the Group and the Bank as part of liquidity management and is generally classified within the hold to collect and sell business model. For financial assets which are held by the Group and the Bank for the purposes of capital preservation and to generate returns on a longer term basis, they are generally classified within the hold to collect business model, and are measured at Amortised Cost. Securities are held principally for the purpose of selling in the near term or are part of a portfolio of financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. These securities are classified in the 'other' business model and measured at FVTPL.

SPPI

Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Group and the Bank assess whether the financial instruments' cash flows represent solely payments of principal and interest/profit (the 'SPPI test'). In making this assessment, the Group and the Bank consider whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

Equity instruments

The Group and the Bank subsequently measure all equity investments at fair value. Where the Group's and the Bank's management have elected to present fair value gains and losses on equity investments in FVOCI, cumulative gain or loss previously recognised in other comprehensive income is not subsequently reclassified to profit or loss, but may be transferred within equity following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's and the Bank's right to receive payments is established.

Changes in the fair value of equity instruments at FVTPL are recognised in 'net gains and losses on financial instruments' in the income statement.

SUMMARY OF MATERIAL ACCOUNTING POLICIES

for the financial year ended 31 December 2025

(H) FINANCIAL ASSETS (continued)

(d) Subsequent measurement – Impairment

Impairment for debt instruments and financial guarantee contracts

The Group and the Bank assess on a forward looking basis the expected credit losses ('ECL') associated with its debt instruments carried at amortised cost and at FVOCI and financial guarantee contracts issued. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

ECL represents a probability-weighted estimate of the difference between present value of cash flows according to contract and present value of cash flows the Group and the Bank expect to receive, over the remaining life of the financial instrument. For financial guarantee contracts, the ECL is the difference between the expected payments to reimburse the holder of the guaranteed debt instrument less any amounts that the Group and the Bank expect to receive from the holder, the debtor or any other party.

The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

(i) General 3-stage approach

At each reporting date, the Group measures ECL through loss allowance at an amount equal to 12 – Month ECL if credit risk on a financial instrument or a group of financial instruments has not increased significantly since initial recognition. For all other financial instruments, a loss allowance at an amount equal to lifetime ECL is required. Note 50 sets out the measurement details of ECL. The Group applies 3-stage approach on debt instruments measured at amortised cost and FVOCI, except for those that are under simplified approach, as explained below.

(ii) Simplified approach

The Group and the Bank apply MFRS 9 simplified approach to measure ECL which uses a lifetime ECL for amount due from client and brokers and other assets.

Significant increase in credit risk

The Group and the Bank consider the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group and the Bank compare the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportable forward-looking information.

The following indicators are incorporated:

- internal credit rating;
- external credit rating (as far as available);
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower/issuer's ability to meet its obligations;
- actual or expected significant changes in the operating results of the borrower;
- significant increases in credit risk on other financial instruments of the same debtor;
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements; and
- significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtor in the Group and changes in the operating results of the debtor.

Regardless of the analysis above, a significant increase in credit risk is presumed if a borrower/issuer is more than 30 days or 1 month past due in making a contractual payment.

SUMMARY OF MATERIAL ACCOUNTING POLICIES

for the financial year ended 31 December 2025

(H) FINANCIAL ASSETS (continued)

(d) Subsequent measurement – Impairment (continued)

Definition of default and credit-impaired financial assets

The Group and the Bank define a financial instrument as default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the mandatory and/or judgemental symptoms, which include amongst others, the following criteria:

(i) Mandatory symptoms:

- Failure to make contractual payment within 90 days or 3 months or when they fall due;
- Rescheduled and/or Restructured ('R&R') due to Impairment Symptoms or Corporate Debt Restructuring Committee ('CDRC');
- Internal rating deteriorated to Credit Grade 15 or worse;
- Rating downgrade to default grade 'D';
- Distressed restructuring or rescheduling of coupon and/or principal redemption resulting in an extended grace period to service coupon or even capitalise coupon;
- Primary repayment source is terminated indefinitely, or business model is deemed no longer viable, and no other alternative source of repayment is available;
- Cessation of business operations and business operation is unlikely able to resume;
- Borrower/Customer is adjudicated bankrupt;
- Winding-up order issued against the company;
- Receiver and manager appointed;
- Corporate Rescue Mechanism, implementation of Corporate Voluntary Arrangement ('CVA') or Order for Judicial Management ('JM') granted by Court;
- Classification by Bursa Malaysia as distressed company due to credit deterioration e.g. PN17, GN3 and failing to comply with the timeline for remedial action, and/or evidence of business failure; and
- Account classified as Fraud.

(ii) Judgemental symptoms:

- Other debts including Treasury Instruments default and/or transferred to Stage 3 (Cross Default).

The Group and the Bank first assess whether objective evidence of impairment exists for financial assets which are individually significant. If the Group and the Bank determine that objective evidence of impairment exists, i.e. credit impaired, for an individually assessed financial asset, a lifetime ECL will be recognised.

Financial assets which are individually significant but non-impaired and not individually significant are grouped on the basis of similar credit risk characteristics (such as credit quality, instrument type, credit risk ratings, credit utilisation, customer types and other relevant factors) for collective assessment.

Write-off policy

The Group and the Bank writes-off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery.

Indicators that there is no reasonable expectation of recovery include:

- ceasing enforcement activity; and
- where the Group's and the Bank's recoveries method are foreclosing on collateral and the value of the collateral is such that there is no reasonable expectation of recovering in full.

SUMMARY OF MATERIAL ACCOUNTING POLICIES

for the financial year ended 31 December 2025

(H) FINANCIAL ASSETS (continued)

(d) Subsequent measurement – Impairment (continued)

Modification of loans/financing

The Group and the Bank sometimes renegotiates or otherwise modifies the contractual cash flows of loans to customers. When this happens, the Group and the Bank assess whether or not the new terms are substantially different to the original terms. The Group and the Bank do this by considering, among others, the following factors:

- If the borrower is in financial difficulty, whether the modification merely reduces the contractual cash flows to amounts the borrower is expected to be able to pay.
- Whether any substantial new terms are introduced, such as a profit share/equity-based return that substantially affects the risk profile of the loan.
- Significant extension of the loan term when the borrower is not in financial difficulty.
- Significant change in the interest/profit rate.
- Change in the currency the loan/financing is denominated in.
- Insertion of collateral, other security or credit enhancements that significantly affect the credit risk associated with the loan/financing.

If the terms are substantially different, the Group and the Bank derecognise the original financial asset and recognise a 'new' asset at fair value and recalculate a new effective interest/profit rate for the asset. The date of renegotiation is consequently considered to be the date of initial recognition for impairment calculation purposes, including for the purpose of determining whether a significant increase in credit risk has occurred. However, the Group and the Bank also assess whether the new financial asset recognised is deemed to be credit-impaired at initial recognition, especially in circumstances where the renegotiation was driven by the debtor being unable to make the originally agreed payments. Differences in the carrying amount are also recognised in profit or loss as a gain or loss on derecognition.

If the terms are not substantially different, the renegotiation or modification does not result in derecognition, and the Group and the Bank recalculate the gross carrying amount based on the revised cash flows of the financial asset and recognise a modification gain or loss in profit or loss. The new gross carrying amount is recalculated by discounting the modified cash flows at the original effective interest/profit rate (or credit-adjusted effective interest/profit rate for purchased or originated credit-impaired financial assets).

Derecognition other than on a modification

Financial assets, or a portion thereof, are derecognised when the contractual rights to receive the cash flows from the assets have expired, or when they have been transferred and either

- (i) the Group and the Bank transfer substantially all the risks and rewards of ownership; or
- (ii) the Group and the Bank neither transfer nor retain substantially all the risks and rewards of ownership and the Group and the Bank have not retained control.

The Group and the Bank enter into transactions where it retains the contractual rights to receive cash flows from assets but assumes a contractual obligation to pay those cash flows to other entities and transfers substantially all of the risks and rewards. These transactions are accounted for as 'pass through' transfers that result in derecognition if the Group and the Bank:

- (i) Have no obligation to make payments unless it collects equivalent amounts from the assets;
- (ii) Are prohibited from selling or pledging the assets; and
- (iii) Have obligation to remit any cash it collects from the assets without material delay.

Collateral (shares and sukuk) furnished by the Group and the Bank under standard repurchase agreements and securities lending and borrowing transactions are not derecognised because the Group and the Bank retain substantially all the risks and rewards on the basis of the predetermined repurchase price, and the criteria for derecognition are therefore not met. This also applies to certain securitisation transactions in which the Group and the Bank retain a subordinated residual interest/profit.

SUMMARY OF MATERIAL ACCOUNTING POLICIES

for the financial year ended 31 December 2025

(H) FINANCIAL ASSETS (continued)

(e) Regulatory reserve requirements

Pursuant to BNM Financial Reporting policy dated 29 April 2022, the Group and the Bank must maintain, in aggregate, loss allowance for non-credit-impaired exposures and regulatory reserves of no less than 1% of all credit exposures, net of loss allowance for credit-impaired exposures.

(f) Adoption of MFRS 17 'Insurance Contracts' for an associate

The Group's insurance associates have adopted MFRS 17 'Insurance Contracts,' issued by MASB, effective 1 January 2024, replacing MFRS 4. The implementation of MFRS 17 is retrospectively, leading to changes in the accounting policies for recognising, classifying, and measuring insurance assets and liabilities, without adjusting previously recognised amounts in the financial statements.

(g) Financing assistance scheme

Financing under a government scheme is recognised and measured in accordance with MFRS 9 'Financial Instruments', with the benefit at a below market and concession rate measured as the difference between the initial carrying amount or fair value of the financing and the amount received.

The benefit of government schemes that addresses identified costs or expenses incurred by the Group and the Bank are recognised in the profit or loss in the same financial year when the costs or expenses are recognised, when the required conditions are fulfilled in accordance with MFRS 120 'Accounting for Government Grants and Disclosure of Government Assistance'.

(h) IBOR modification

When the basis to determine the future contractual cash flows of the financial assets measured using as amortised cost or FVOCI are modified entirely as a result of IBOR reform, the Group applies the reliefs provided by the Phase 2 amendments related to IBOR reform to adjust the effective interest rate with no modification gain or loss is recognised.

In situations where some or all of a change in the basis for determining the contractual cash flows of financial assets classified as amortised cost or FVOCI does not meet the criteria of the Phase 2 amendments, the Group first applies the practical expedient to the changes required by IBOR reform, including updating the effective interest/profit rate. Any additional changes are accounted for as modification of financial assets in accordance with the requirement in MFRS 9 (that is, assessed for modification or derecognition, with the resulting modification gain/loss recognised immediately in profit or loss where the financial assets are not derecognised).

(I) FINANCIAL LIABILITIES

Financial liabilities are classified and subsequently measured at amortised cost, except for:

- Financial liabilities at fair value through profit or loss: this classification is applied to derivatives and other financial liabilities designated as such at initial recognition. Gains or losses on financial liabilities designated at fair value through profit or loss are presented partially in other comprehensive income (the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability, which is determined as the amount that is not attributable to changes in market conditions that give rise to market risk) and partially profit or loss (the remaining amount of change in the fair value of the liability). This is unless such a presentation would create, or enlarge, an accounting mismatch, in which case the gains and losses attributable to changes in the credit risk of the liability are also presented in profit or loss; and
- Financial guarantee contracts and loan commitments (see Note J).

Derecognition

Financial liabilities are derecognised when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires).

SUMMARY OF MATERIAL ACCOUNTING POLICIES

for the financial year ended 31 December 2025

(J) FINANCIAL GUARANTEE CONTRACTS AND LOAN/FINANCING COMMITMENTS

Financial guarantee contracts are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument. Such financial guarantees are given to banks, financial institutions and others on behalf of customers to secure loans, overdrafts and other banking facilities.

Loan/financing commitments provided by the Group and the Bank are measured as the amount of the loss allowance. The Group and the Bank have not provided any commitment to provide loans/financing at a below-market interest/profit rate, or that can be settled net in cash or by delivering or issuing another financial instrument.

For loan/financing commitments and financial guarantee contracts, the loss allowance is recognised as provision. However, for contracts that include both a loan/financing and undrawn commitment and the Group and the Bank cannot separately identify the expected credit losses on the undrawn commitment component from those on the loan/financing component, the expected credit losses on the undrawn commitment are recognised together with the loss allowance for the loan/financing. To the extent that the combined expected credit losses exceed the gross carrying amount of the loan/financing, the expected credit losses are recognised as a provision.

Financial guarantee contracts are subsequently measured at the higher of the amount determined in accordance with the expected credit losses model under MFRS 9 'Financial Instruments' and the amount initially recognised less cumulative amount of income recognised in accordance with the principles of MFRS 15 'Revenue from Contracts with Customers', where appropriate.

(K) OFFSETTING FINANCIAL INSTRUMENTS

Financial assets and liabilities are offset and the net amount is presented in the statements of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the assets and settle the liability simultaneously.

The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy.

(L) PROPERTY AND EQUIPMENT AND DEPRECIATION

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. The cost of an item of property and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Cost also include borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are recognised as expenses in profit or loss during the financial year in which they are incurred.

Buildings	50 years
Leasehold buildings	50 years or over the remaining lease period, whichever is shorter
Renovation and leasehold premises	5 to 10 years or the period of the lease, whichever is greater
Office equipment and furniture	3 to 10 years
Computer equipment and software	5 years
Motor vehicles	5 years

Depreciation on capital work in progress commences when the assets are ready for their intended use.

SUMMARY OF MATERIAL ACCOUNTING POLICIES

for the financial year ended 31 December 2025

(L) PROPERTY AND EQUIPMENT AND DEPRECIATION (continued)

Residual value and useful lives of assets are reviewed, and adjusted if appropriate, at the end of each reporting period.

At the end of the reporting period, the Group and the Bank assess whether there is any indication of impairment or whenever events or changes in circumstances indicate the carrying amount may not be recoverable. A write down is made if the carrying amount exceeds the recoverable amount.

Gains and losses on disposal are determined by comparing proceeds with carrying amount and are recognised within other operating income in the income statement.

(M) INVESTMENT PROPERTIES

Investment properties are properties which are held to earn rental income or for capital appreciation or both. Properties that are occupied by companies in the Group for conduct of business operations are accounted for as owner-occupied rather than as investment properties upon consolidation.

The Group and the Bank have adopted the cost method in measuring investment properties. Investment properties is measured initially at its cost. After initial recognition, investment properties are stated at cost less any accumulated depreciation and impairment losses.

Investment properties is depreciated on the straight-line basis to allocate the cost to their residual values over their estimated useful lives of 50 years.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and to the Bank, and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Transfers are made to or from investment property only when there is a change in use. If an item of owner-occupied property becomes an investment property because its use has changed, the carrying amount of the property does not change.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property is recognised in profit or loss.

(N) LEASES

Leases are recognised as right-of-use assets and a corresponding liability at the date on which the leased asset is available for use by the Group and the Bank (i.e. the commencement date).

Contracts may contain both lease and non-lease components. The Group and the Bank allocate the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of properties for which the Group and the Bank are lessees, it has elected the practical expedient provided in MFRS 16 not to separate lease and non-lease components. Both components are accounted for as a single lease component and payments for both components are included in the measurement of lease liability.

SUMMARY OF MATERIAL ACCOUNTING POLICIES

for the financial year ended 31 December 2025

(N) LEASES (continued)

Lease term

In determining the lease term, the Group and the Bank consider all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not to be terminated).

The Group and the Bank reassess the lease term upon the occurrence of a significant event or change in circumstances that is within the control of the Group and the Bank and affects whether the Group and the Bank is reasonably certain to exercise an option not previously included in the determination of lease term, or not to exercise an option previously included in the determination of lease term. A revision in lease term results in remeasurement of the lease liabilities. See accounting policy below on reassessment of lease liabilities.

Right-of-use ('ROU') assets

ROU assets are initially measured at cost comprising the following:

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentives received;
- Any initial direct costs; and
- Decommissioning or restoration costs.

The ROU assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

If the Group and the Bank is reasonably certain to exercise a purchase option, the ROU assets are depreciated over the underlying asset's useful life. In addition, the ROU assets are adjusted for certain remeasurement of the lease liabilities.

Lease liabilities

Lease liabilities are initially measured at the present value of the lease payments that are not paid at that date. The lease payments include the following:

- Fixed payments (including in-substance fixed payments), less any lease incentive receivable;
- Variable lease payments depend on index or rate;
- The exercise price of a purchase options if the group is reasonably certain to exercise that option;
- Payments of penalties for terminating the lease, if the lease term reflects the Group and the Bank exercising that option; and
- The amount expected to be payable by the Group and the Bank under residual value guarantees.

Lease payments are discounted using the interest/profit rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group and the Bank, the lessee's incremental borrowing/financing is used. This is the rate that the individual lessee would have to pay to borrow/raise the funds necessary to obtain an asset of similar value to the ROU assets in a similar economic environment with similar term, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest/profit on the remaining balance of the liability for each period.

The Group and the Bank present the lease liabilities as a separate line item in the statements of financial position. Interest/Profit expense on the lease liability is presented within the interest/profit expense in the income statements.

The Group is also exposed to potential future increases in variable lease payments that depend on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is remeasured and adjusted against the ROU assets.

SUMMARY OF MATERIAL ACCOUNTING POLICIES

for the financial year ended 31 December 2025

(N) LEASES (continued)

Reassessment of lease liabilities

The Group and the Bank are also exposed to potential future increase in variable lease payments that depend on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is remeasured and adjusted against the ROU assets.

Short-term leases and leases of low-value assets

Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office equipment. Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an operating expense in profit or loss.

(O) FOREIGN CURRENCY TRANSLATIONS

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Ringgit Malaysia ('RM'), which is the Bank's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. However, exchange differences are deferred in other comprehensive income when they arose from qualifying cash flows or net investment hedge or are attributable to items that form part of the net investment in a foreign operation.

Changes in the fair value of monetary securities denominated in foreign currency classified as financial investment at FVOCI are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in the amortised cost are recognised in income statement, and other changes in the carrying amount are recognised in other comprehensive income.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit and loss, are reported as part of the fair value gain or loss. Translation differences on non-monetary financial assets such as equities classified as financial investment at FVOCI are included in other comprehensive income.

(P) DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING

Derivatives are initially recognised at fair values on the date on which derivative contracts are entered into and are subsequently remeasured at their fair values at the end of each reporting period. Fair values are obtained from quoted market prices in active markets, including recent market transactions, and valuation techniques, including discounted cash flows models and option pricing models, as appropriate. All derivatives are carried as assets when fair values are positive and as liabilities when fair values are negative. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in the income statement.

The best evidence of fair value of a derivative at initial recognition is the transaction price (i.e. the fair value of the consideration given or received) unless fair value of the instrument is evidenced by comparison with other observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on a valuation technique whose variables include only data from observable markets. When such evidence exists, the Group and the Bank recognised the fair value of derivatives in income statements immediately.

SUMMARY OF MATERIAL ACCOUNTING POLICIES

for the financial year ended 31 December 2025

(P) DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING (continued)

The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group and the Bank designated its derivatives as hedge of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge).

The Group and the Bank documents at the inception of the hedge relationship, the economic relationship between hedging instruments and hedged items including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The Group and the Bank also documented its risk management objective and strategy for undertaking its hedge transactions.

(a) Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in profit or loss, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to profit or loss over the period to maturity using a recalculated effective interest rate.

(b) Derivatives that do not qualify for hedge accounting

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in the income statement.

(Q) CURRENT AND DEFERRED INCOME TAXES

Current tax

Tax expense for the financial year comprises current and deferred income tax. The income tax expense or credit for the financial year is the tax payable on the current financial period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Tax is recognised in income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Group's subsidiaries and branch operate and generate taxable income.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. This liability is measured using the single best estimate of the most likely outcome.

Deferred tax

Deferred tax is provided in full, using the liability method, on temporary differences arising between the amounts attributed to assets and liabilities for tax purposes and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses or unused tax credits can be utilised.

SUMMARY OF MATERIAL ACCOUNTING POLICIES

for the financial year ended 31 December 2025

(Q) CURRENT AND DEFERRED INCOME TAXES (continued)

Deferred tax (continued)

Deferred tax is determined using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax assets is realised or the deferred tax liability is settled.

Deferred tax liability is recognised for all temporary differences associated with investment in subsidiaries, associates and joint venture except where the timing of the reversal of the temporary differences can be controlled by the Group and it is probable that the temporary differences will not reverse in the foreseeable future. Generally, the investor or joint venture is unable to control the reversal of the temporary differences for joint ventures. Only where there is an agreement in place that gives the investor or joint venture the ability to control the reversal of the temporary differences, a deferred tax liability is not recognised.

Deferred income tax assets are recognised on deductible temporary differences arising from investment in subsidiaries, associates and joint venture only to the extent that it is probable the temporary differences will reverse in the future and there is sufficient taxable profit available against which the deductible temporary differences can be utilised.

Deferred and income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on net basis.

(R) ZAKAT

This represents business zakat payable by the Group in compliance with Shariah principles and as approved by the Group's Shariah Committee.

(S) CASH AND CASH EQUIVALENTS

Cash and short-term funds consists of cash in hand, bank balances and deposits and placements maturing within one month which are held for the purpose of meeting short-term commitments and are readily convertible to known amount of cash without significant risk of changes in value.

For the purpose of the statements of cash flows, cash and cash equivalents comprise cash and short-term funds and deposits and placements with financial institutions, with original maturity 3 months or less.

(T) FORECLOSED PROPERTIES

Foreclosed properties are stated at the lower of their carrying amount and fair value less cost to sell.

(U) CONTINGENT ASSETS AND CONTINGENT LIABILITIES

The Group and the Bank do not recognise contingent assets and liabilities other than those arising from business combination, but disclose its existence in the financial statements. A contingent liability is possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group and the Bank or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in the extremely rare case where there is a liability that cannot be recognised because it cannot be measured reliably. However, contingent liabilities do not include financial guarantee contracts.

A contingent asset is a possible asset that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group and the Bank. The Group and the Bank do not recognise contingent assets but discloses its existence where inflows of economic benefits are probable, but not virtually certain.

SUMMARY OF MATERIAL ACCOUNTING POLICIES

for the financial year ended 31 December 2025

(V) BILLS AND ACCEPTANCES PAYABLE

Bills and acceptances payable, which are financial liabilities, represent the Bank's own bills and acceptances rediscounted and outstanding in the market (Note I).

(W) PROVISIONS

Provisions are recognised by the Group and the Bank when all of the following conditions have been met:

- the Group and the Bank have a present legal or constructive obligation as a result of past events;
- it is probable that an outflow of resources to settle the obligation will be required; and
- a reliable estimate of the amount of obligation can be made.

Where the Group and the Bank expect a provision to be reimbursed (for example, under an insurance contract), the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as finance cost expense.

(X) EMPLOYEE BENEFITS

Short-term employee benefits

Wages, salaries, paid annual leave and sick leave, bonuses and non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

Defined contribution plan

The defined contribution plan is a pension plan under which the Group pays fixed contributions to the National Pension Scheme, the Employees Provident Fund ("EPF") and will have no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

The Group's contribution to defined contribution plans are charged to the income statement in the financial year to which they relate. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Termination benefits

Termination benefits are payable whenever an employee's employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either terminate the employment of current employees according to a detailed formal plan without any possibility of withdrawal or to provide termination benefits as a result of an offer made to encourage voluntary redundancy.

SUMMARY OF MATERIAL ACCOUNTING POLICIES

for the financial year ended 31 December 2025

(X) EMPLOYEE BENEFITS (continued)

Share-based payments

The settlement method of the Bank's stock option incentive scheme for key employees is dependent on an uncertain future event which is outside the control of the Bank or its employees. At each reporting date, the Bank assesses the probability of the outcome of the uncertain future event in giving rise to a liability in determining whether the stock option incentive scheme is treated as cash-settled or equity-settled. If obligation to settle in cash exists, the Bank accounts for the transaction as a cash-settled share-based payment transaction. If there is no obligation to settle in cash or other assets, the transaction should be treated as an equity-settled share-based payment transaction.

An equity-settled share-based payment plan is where the Bank receives services from employees as consideration for equity instruments (stock options) of the Bank. The fair value of the stock options granted in exchange for services of the employees are recognised as an expense in the profit or loss over the vesting periods of the grant with a corresponding increase in equity. The total amount to be expensed over the vesting period is determined by reference to the fair value of the stock options granted, excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. At each reporting date, the Bank revises its estimates of the number of stock options that are expected to vest based on the non-market conditions and service conditions. It recognises the impact of the revision of original estimates, if any, in the profit or loss, with a corresponding adjustment to stock option reserves in equity.

If the terms of an equity-settled share-based payment plan is modified, at a minimum an expense is recognised as if the terms had not been modified. An additional expense is recognised for any modification that increase the total fair value of the share-based payment arrangement, or its otherwise beneficial to the employee, as measured at the date of modification.

A cash-settled share-based payment plan is initially recognised at the fair value of the liability at reporting date and is recognised as an expense in the profit or loss over the vesting periods of the grant with a corresponding increase in liability. The total amount to be expensed over the vesting period is determined by reference to the fair value of the stock options granted, excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The Bank re-measures the fair value of the liability at each reporting date and at the date of settlement, with any changes in fair value recognised in profit or loss. The Bank revises its estimate of the number of stock options that are expected to vest. It recognises the impact of the revision of original estimates, if any, in the profit or loss, with a corresponding adjustment to liability.

Long Term Incentive Plan ('LTIP')

The Bank operates Long Term Incentive Plan ('LTIP') in the form of Share Grant Scheme ('SGS'), which is an equity-settled share-based payment arrangements with the Group's and the Bank's employees as compensation for services provided by the employees. Equity-settled share-based payment arrangements entitle the employees to receive equity instruments of the Bank.

In the consolidated financial statements of the Group, the cost of share-based payment arrangements with the employees is measured by reference to the fair value of equity instruments on the date they are granted and recognised as an expense over the vesting period, with a corresponding credit to the equity.

In the separate financial statements of the Bank, the SGS granted to the subsidiaries without recharge is accounted for as capital contribution to the subsidiary with a corresponding credit to equity, while the SGS granted to the subsidiaries with recharge is accounted for as amount due from subsidiaries with a corresponding credit to equity. The vesting period is the period during which all the specified vesting conditions of a share-based payment arrangement are to be satisfied.

Fair value is determined by using market prices or appropriate valuation models, taking into account the terms and conditions upon which the equity instruments were granted. Vesting conditions include service conditions and performance conditions; any other features of a share-based payment arrangement are non-vesting conditions. Market performance conditions and non-vesting conditions are taken into account when estimating the fair value of equity instruments at the date of grant, so that an award is treated as vesting irrespective of whether the market performance condition or non-vesting condition is satisfied, provided all other vesting conditions are satisfied.

SUMMARY OF MATERIAL ACCOUNTING POLICIES

for the financial year ended 31 December 2025

(X) EMPLOYEE BENEFITS (continued)

Long Term Incentive Plan ('LTIP') (continued)

Vesting conditions, other than market performance conditions, are not taken into account in the initial estimate of the fair value at the grant date. They are taken into account by adjusting the number of equity instruments included in the measurement of the transaction, so that the amount recognised for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest. On a cumulative basis, no expense is recognised for equity instruments that do not vest because of a failure to satisfy non-market performance or service conditions.

Where an award has been modified, as a minimum, the expense of the original award continues to be recognised as if it had not been modified. Where the effect of a modification is to increase the fair value of an award or increase the number of equity instruments, the incremental fair value of the award or incremental fair value of the extra equity instruments is recognised in addition to the expense of the original grant, measured at the date of modification, over the modified vesting period.

A cancellation that occurs during the vesting period is treated as an acceleration of vesting, and recognised immediately for the amount that would otherwise have been recognised for services over the remaining vesting period.

(Y) SALE AND REPURCHASE AGREEMENTS

Securities purchased under resale agreements are securities which the Group and the Bank have purchased with a commitment to resell at future dates. The commitment to resell the securities is reflected as an asset on the statements of financial position.

Conversely, obligations on securities sold under repurchase agreements are securities which the Group and the Bank have sold from its portfolio, with a commitment to repurchase at future dates. Such financing and the obligation to repurchase the securities is reflected as a liability on the statement of financial position.

The difference between sale and repurchase price as well as purchase and resale price are amortised as interest income and interest expense respectively on an effective yield method.

(Z) RESTRICTED INVESTMENT ACCOUNTS ('RIA')

These deposits are used to fund specific financing. The RIA is a contract based on the Shariah concept of Mudharabah between two parties, i.e. investor and entrepreneur to finance a business venture where the investor provides capital and the business venture is managed solely by the entrepreneur. The profit of the business venture will be shared-based on pre-agreed ratios between the capital provider and the Mudarib (manager or manager of funds), and losses shall be borne solely by capital provider.

SUMMARY OF MATERIAL ACCOUNTING POLICIES

for the financial year ended 31 December 2025

(AA) SHARE CAPITAL

Classification

Ordinary shares are classified as equity. Other shares are classified as equity and/or liability according to the substance of the contractual agreement of the particular instrument.

Share issue costs

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction net of tax, from the proceeds.

Dividend distribution

Liability is recognised for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Group, on or before the end of the reporting period but not distributed at the end of the reporting period.

Distributions to holders of an equity instrument are recognised directly in equity.

In declaring dividend, Dividend Reinvestment Plan ('DRP') is offered to the Shareholders. Where the Electable Portion is not reinvested by the Shareholders, the remaining portion of the dividend will be paid in cash.

Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Bank, excluding any costs of servicing equity other than ordinary shares; and
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year and excluding treasury shares.

Diluted earnings per share

Diluted earnings per share adjusts the figures in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares; and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(AB) BORROWINGS/FINANCING

Borrowings/Financing are recognised initially at fair value, net of transaction costs incurred.

Borrowings/Financing are subsequently carried at amortised cost; any difference between initial recognised amount and the redemption value is recognised in profit or loss over the period of the borrowings/financing using the effective interest/profit method.

General and specific borrowing/financing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing/financing costs eligible for capitalisation.

All borrowing/financing costs are recognised in profit or loss in the financial year in which they are incurred.

SUMMARY OF MATERIAL ACCOUNTING POLICIES

for the financial year ended 31 December 2025

(AC) SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker, who is the person or group that allocates resources to and assess the performance of the operating segments of an entity. The Group has determined the Chief Executive Officer ('CEO') of the respective operating segments as its chief operating decision-maker.

(AD) TRUST ACTIVITIES

The Group act as trustees in other fiduciary capabilities that result in holding or placing of assets on behalf of individuals, trust and other institutions. These assets and income arising thereon are excluded from the financial statements, as they are not assets of the Group.

(AE) AMOUNT DUE FROM CLIENT AND BROKERS

In accordance with the Rules of Bursa Securities, clients' accounts are classified as impaired accounts under the following circumstances:

Types	Criteria for classification of accounts as impaired
Contra losses	When an account remains outstanding for 16 calendar days or more from the date of contra transaction.
Overdue purchase contract	When an account remains outstanding from T+5 market days onwards (non-margin purchase) and T+9 market days onwards discretionary financing.

Bad debts are written-off when identified. Impairment allowances are made based on simplified approach (see Note H) for balances due from clients which are considered doubtful or which have been classified as impaired, after taking into consideration collateral held by the Group and deposits of and amounts due to dealer representative in accordance with the Rules of Bursa Malaysia Berhad.

(AF) SECURITIES BORROWING AND LENDING ('SBL')

The Group acts as an intermediary in securities borrowing and lending ('SBL') transactions, facilitating the temporary transfer of securities between securities lenders and borrowers. The Group does not bear any significant risks or rewards associated with the ownership of the securities. As a result, the securities involved in SBL transactions are not recognised on the Group's statement of financial position.

To secure SBL transactions, cash collateral is exchanged between parties. Cash collateral received from the borrower is recognised by the Group under "Other Liabilities," while cash collateral paid to the lender is recognised under "Other Assets".

The fees earned for the securities lending transactions is recognised over time as "fee and commission income", while the fee expense incurred for the securities borrowing transactions are recognised as "fee and commission expenses". Interest income or expense charged on the cash collateral pledged or received is recognised under "interest income" and "interest expense" respectively.

SUMMARY OF MATERIAL ACCOUNTING POLICIES

for the financial year ended 31 December 2025

(AG) CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's and the Bank's accounting policies.

This note provides an overview of the areas that involve a higher degree of judgement or complexity, and major sources of estimation uncertainty that have a significant risk of resulting in a material adjustment within the next financial year. Detailed information about each of these estimates and judgements is included in the related notes together with information about the basis of calculation for each affected line item in the financial statements.

Measurement of the expected credit losses ('ECL') allowance

The measurement of the expected credit losses allowance for financial assets measured at amortised cost and FVOCI is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (i.e. the likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation techniques used in measuring ECL is further detailed in Note 50, which also sets out key sensitivities of the ECL to changes in these elements.

A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- Determining criteria for significant increase in credit risk;
- Choosing appropriate models and assumptions for the measurement of ECL;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL; and
- Establishing groups of similar financial assets for the purposes of measuring ECL.

ECL allowance overlays were taken to reflect the latest macro-economic outlook not captured in the modelled outcome and the potential impact on delinquencies and defaults in line with the Bank's annual credit plan. The overlays involved a significant level of judgement and reflect the management's views of possible severities of credit losses for ECL estimation purposes. The overlays were made at the account level.

Estimated impairment of goodwill

The Group performs an impairment review on an annual basis to ensure that the carrying value of the goodwill does not exceed its recoverable amounts from cash generating units to which the goodwill is allocated. The recoverable amount represents the present value of the estimated future cash flows expected to arise from continuing operations. Therefore, in arriving at the recoverable amount, management exercise judgement in estimating the future cash flows, growth rate and discount rate.

The recoverable amounts of the cash generating units to which goodwill is allocated were determined based on discounted cash flows valuation model. The calculations require the use of estimates as set out in Note 22 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

1 GENERAL INFORMATION

The Bank is principally engaged in all aspects of banking and related financial services. The principal activities of the Bank and its subsidiaries are commercial banking and hire purchase business, Islamic banking business, investment banking and stock-broking, money-broking, property management services, nominee, trustee services, information technology services and charitable organisation. The principal activity of the joint venture is property development while the associates are principally engaged in general and life insurance business and investment holding.

The Bank is a public limited liability company, incorporated and domiciled in Malaysia, and listed on the Main Market of Bursa Malaysia as at 31 December 2025.

There have been no other significant changes in the principal activities of the Group and the Bank during the financial year.

2 CASH AND SHORT-TERM FUNDS

	The Group		The Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Cash and bank balances with banks and other financial institutions	911,005	1,242,970	677,623	674,225
Money at call and deposit placements maturing within one month	5,245,078	1,609,942	2,754,746	1,286,364
Less: Expected credit losses	(269)	(31)	(269)	(31)
	6,155,814	2,852,881	3,432,100	1,960,558

Inclusive in cash and short-term funds of the Group and the Bank are accounts maintained for dealer's representatives amounting to RM60,788,671 (2024: RM62,890,455).

3 DEPOSITS AND PLACEMENTS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS

	The Group		The Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Licensed banks	250,256	302,241	450,471	604,294
Less: Expected credit losses	(11)	–	(11)	–
	250,245	302,241	450,460	604,294

4 INVESTMENT ACCOUNTS DUE FROM DESIGNATED FINANCIAL INSTITUTIONS

	The Bank	
	2025 RM'000	2024 RM'000
Licensed banks	2,549,141	3,248,280

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

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

	The Group		The Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
At fair value				
Money market instruments:				
Malaysian Government treasury bills	341,307	450,055	321,035	450,055
Malaysian Government investment issues	792,049	392,859	308,316	–
Bank Negara Malaysia Bills	–	88,589	–	88,589
Negotiable Instruments of Deposit and Islamic Debt Certificates	652,980	244,576	2,193,875	1,149,708
	1,786,336	1,176,079	2,823,226	1,688,352
Quoted securities:				
Shares, warrants and REITs in Malaysia	80,319	146,375	–	–
Unit Trusts in Malaysia	1,347	1,299	–	–
	81,666	147,674	–	–
Unquoted securities:				
Shares in Malaysia	143,094	136,991	143,094	136,991
Commercial paper	44,758	–	14,919	–
Corporate bonds/Sukuk in Malaysia	44,418	70,534	20,109	25,234
Corporate bonds/Sukuk outside Malaysia	230,010	31,059	8,868	2,259
	462,280	238,584	186,990	164,484
	2,330,282	1,562,337	3,010,216	1,852,836

IBOR Reform

The Group and the Bank hold the following financial assets at FVTPL which are referenced to the current benchmark interest rates and have yet to transition to an alternative benchmark interest rate.

	The Group		The Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Money market instruments:				
Negotiable Instruments of Deposit – Kuala Lumpur Interbank Offered Rate ('KLIBOR')	249,873	244,576	249,873	244,576

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

6 DERIVATIVE FINANCIAL INSTRUMENTS

	2025			2024		
	Contract/ Notional amount RM'000	Assets RM'000	Liabilities RM'000	Contract/ Notional amount RM'000	Assets RM'000	Liabilities RM'000
The Group						
At fair value						
<u>Trading Derivatives</u>						
Foreign exchange derivatives:						
- Currency forwards	11,449,838	21,738	329,341	8,554,907	98,791	120,730
- Cross currency interest rate swaps	275,535	7,742	6,080	101,734	1,067	986
- Currency swaps	23,464,414	198,302	181,216	30,540,461	159,920	77,879
- Currency options	35,523	4,595	4,509	14,300	59	35
Interest/profit rate derivatives:						
- Interest/profit rate swaps	25,347,802	46,533	71,650	16,950,675	134,234	104,868
- Interest/profit rate options	529,422	177	177	529,422	1,125	1,125
Equity derivatives	116,128	-	15,261	94,098	-	17,197
<u>Hedging Derivatives</u>						
Interest/profit rate derivatives:						
- Interest/profit rate swaps (a)	4,600,265	25,115	20,056	4,085,848	55,174	43,116
	65,818,927	304,202	628,290	60,871,445	450,370	365,936
The Bank						
At fair value						
<u>Trading Derivatives</u>						
Foreign exchange derivatives:						
- Currency forwards	10,429,498	20,239	301,727	7,444,470	82,110	112,910
- Cross currency interest rate swaps	199,960	7,150	5,531	-	-	-
- Currency swaps	24,797,314	198,583	219,218	30,950,583	169,049	79,490
- Currency options	35,524	4,595	4,509	14,300	59	35
Interest rate derivatives:						
- Interest rate swaps	20,794,221	35,513	50,432	12,109,239	113,933	89,268
- Interest rate options	529,422	177	177	529,422	1,125	1,125
<u>Hedging Derivatives</u>						
Interest rate derivatives:						
- Interest rate swaps (a)	3,556,252	23,670	12,086	3,218,562	46,322	33,783
	60,342,191	289,927	593,680	54,266,576	412,598	316,611

(a) Fair value hedges

The Group and the Bank's fair value hedges principally consist of interest/profit rate swaps that are used to protect against changes in the fair value of financial assets and financial liabilities due to movement in interest/profit rates. The Group and the Bank have undertaken fair value hedges on interest/profit rate risk of RM4,600.3 million (2024: RM4,085.8 million) at the Group and RM3,556.3 million (2024: RM3,218.6 million) at the Bank respectively on financial investments measured at AC/FVOCI, borrowings and recourse obligation on loans/financing using interest/profit rate swaps. The total fair value net gain of the said profit/interest rate swaps related to these hedges amounted to RM4,728,000 (2024: net gain RM1,420,000) at the Group and RM245,000 (2024: net gain RM988,000) at the Bank.

The Group and the Bank's hedge accounting policy only allows for effective hedge relationships to be established. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessment to ensure that an economic relationship exists between the hedged item and hedging instrument. The hedge effectiveness is assessed by comparing changes in the fair value of the hedged items attributable to changes in the benchmark rate of interest with changes in the fair value of the interest rate swaps.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

6 DERIVATIVE FINANCIAL INSTRUMENTS (continued)

(a) Fair value hedges (continued)

The Group and the Bank establishes the hedge ratio by matching the notional of the derivatives with the principal of the underlying being hedged. Ineffectiveness is recognised on hedge where the change in the designated component value of the hedging instrument exceeds on an absolute basis the change in value of the hedged item attributable to the hedged risk. In hedges of the above interest rate risk, this may arise if differences arise between the credit risk inherent within the hedged item and the hedging instrument. The Group uses collateral/credit enhancement to mitigate the risk. However, the remaining risk can result in hedge ineffectiveness.

The main source of ineffectiveness that are expected to affect the hedging relationship during the financial year are:

- The effect of the counterparty and the Group's own credit risk on the fair value of the interest rate swap, which is not reflected in the fair value of the hedged item attributable to the change in interest rate; and
- Differences in maturities and reset dates of the interest rate swaps and the fixed rate bonds or liabilities.

The following table sets out the notional amount of the hedging instrument, categorised by the maturity profile and average price used in fair value hedges:

	Average fixed interest rate %	Maturity		
		Up to 12 months RM'000	> 1 - 5 years RM'000	Over 5 years RM'000
The Group				
2025				
Interest/profit rate swaps:				
- USD interest/profit rates	3.93	–	1,425,411	56,854
- MYR interest/profit rates	3.64	1,210,000	1,908,000	–
2024				
Interest/profit rate swaps:				
- USD interest/profit rates	4.05	–	313,595	202,254
- MYR interest/profit rates	4.06	–	3,570,000	–
The Bank				
2025				
Interest rate swaps:				
- USD interest rates	3.79	–	1,291,398	56,854
- MYR interest rates	3.65	710,000	1,498,000	–
2024				
Interest rate swaps:				
- USD interest rates	4.05	–	259,333	99,229
- MYR interest rates	4.17	–	2,860,000	–

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

6 DERIVATIVE FINANCIAL INSTRUMENTS (continued)

(a) Fair value hedges (continued)

The amounts relating to items designated as hedging instruments are as follows:

	Risk	Hedge Type	Notional amount RM'000	Fair value assets RM'000	Fair value liabilities RM'000	Changes in fair value for hedge ineffectiveness RM'000
The Group 2025						
Interest/profit rate 2024	Interest/profit rate swaps	Fair value hedge	4,600,265	25,115	20,056	(2,152)
Interest/profit rate	Interest/profit rate swaps	Fair value hedge	4,085,848	55,174	43,116	(6,329)
The Bank 2025						
Interest rate 2024	Interest rate swaps	Fair value hedge	3,556,252	23,670	12,086	4,447
Interest rate	Interest rate swaps	Fair value hedge	3,218,562	46,322	33,783	(6,328)

The amounts relating to items designated as hedged items are as follows:

	Risk	Hedge Type	Carrying amount RM'000	Fair value hedge adjustment [^] RM'000	Change in fair value for hedge ineffectiveness RM'000
The Group 2025					
Assets					
Financial investments at FVOCI	Interest/profit rate	Fair value hedge	709,951	8,590	4,283
Financial investments at AC	Interest/profit rate	Fair value hedge	964,268	(6,266)	901
Liabilities					
Recourse obligation on loans/financing sold to Cagamas Berhad	Interest/profit rate	Fair value hedge	(1,220,231)	1,237	2,514
Borrowings and Sukuk	Interest/profit rate	Fair value hedge	(1,725,252)	11,877	1,874
2024					
Assets					
Financial investments at FVOCI	Interest/profit rate	Fair value hedge	1,702,572	4,306	(2,591)
Financial investments at AC	Interest/profit rate	Fair value hedge	208,822	(5,672)	(3,090)
Liabilities					
Recourse obligation on loans/financing sold to Cagamas Berhad	Interest/profit rate	Fair value hedge	(1,222,783)	(1,277)	5,406
Borrowings and Sukuk	Interest/profit rate	Fair value hedge	(1,540,310)	13,352	8,024

[^] Accumulated amount of fair value hedge adjustments on the hedged item included in the carrying amount of the hedged item.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

6 DERIVATIVE FINANCIAL INSTRUMENTS (continued)

(a) Fair value hedges (continued)

The amounts relating to items designated as hedged items are as follows (continued):

	Risk	Hedge Type	Carrying amount RM'000	Fair value hedge adjustment [^] RM'000	Change in fair value for hedge ineffectiveness RM'000
The Bank					
2025					
Assets					
Financial investments at FVOCI	Interest rate	Fair value hedge	546,280	4,990	1,284
Financial investments at AC	Interest rate	Fair value hedge	615,043	(6,398)	456
Liabilities					
Recourse obligation on loans sold to Cagamas Berhad	Interest rate	Fair value hedge	(715,834)	1,205	1,475
Borrowings and Sukuk	Interest rate	Fair value hedge	(1,725,252)	11,877	1,874
2024					
Assets					
Financial investments at FVOCI	Interest rate	Fair value hedge	1,306,445	3,706	(1,103)
Financial investments at AC	Interest rate	Fair value hedge	201,132	(5,359)	(2,777)
Liabilities					
Recourse obligation on loans sold to Cagamas Berhad	Interest rate	Fair value hedge	(716,104)	(271)	3,172
Borrowings and Sukuk	Interest rate	Fair value hedge	(1,553,662)	13,352	8,024

[^] Accumulated amount of fair value hedge adjustments on the hedged item included in the carrying amount of the hedged item.

IBOR Reform

The Group and the Bank hold the following derivative financial instruments which are referenced to the current benchmark interest rates and have yet to transition to an alternative benchmark interest rate.

	The Group Contract/Notional Amount		The Bank Contract/Notional Amount	
	Assets RM'000	Liabilities RM'000	Assets RM'000	Liabilities RM'000
2025				
Interest rate derivatives:				
Interest rate swaps				
- KLIBOR	55,865	66,709	50,827	58,598
2024				
Interest rate derivatives:				
Interest rate swaps				
- KLIBOR	70,093	31,487	64,193	29,828

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

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

	The Group		The Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
At fair value				
Money market instruments:				
Malaysian Government treasury bills	–	99,538	–	99,538
Malaysian Government securities	3,309,409	2,604,068	1,930,761	1,263,194
Malaysian Government investment issues	1,802,318	2,793,101	353,089	537,273
Cagamas Bonds/Sukuk	369,964	429,355	236,289	237,632
	5,481,691	5,926,062	2,520,139	2,137,637
Unquoted securities:				
Shares in Malaysia*	297,972	267,251	270,512	241,057
Commercial Paper	–	29,839	–	9,918
Corporate bonds/Sukuk in Malaysia#	3,870,081	4,509,024	2,199,698	1,813,467
Corporate bonds/Sukuk outside Malaysia	5,660,593	3,169,281	3,638,473	1,843,928
	9,828,646	7,975,395	6,108,683	3,908,370
	15,310,337	13,901,457	8,628,822	6,046,007

* Equity securities designated at FVOCI.

Certain unquoted perpetual bonds are designated at FVOCI.

Included in the financial investments at FVOCI are Corporate bonds/Sukuk outside Malaysia, Malaysian Government Securities and Malaysian Government investment issues which are pledged as collateral for obligations on securities sold under repurchase agreements for the Group amounting to RM Nil (2024: RM250,000,000).

Debt instruments at FVOCI

Movements in expected credit losses 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
The Group				
2025				
At beginning of the financial year	1,255	19	–	1,274
Total transfer between stages due to change in credit risk-	(53)	53	–	–
– Transfer to Lifetime ECL not credit impaired (Stage 2)	(53)	53	–	–
Financial assets derecognised (other than write-off)	(1,332)	(109)	–	(1,441)
New Financial assets purchased	3,579	–	–	3,579
Changes due to change in credit risk	(969)	361	–	(608)
Other adjustments	–	–	–	–
– Foreign exchange and other movements	(169)	–	–	(169)
At end of the financial year	2,311	324	–	2,635

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

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

Debt instruments at FVOCI (continued)

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

	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
The Group				
2024				
At beginning of the financial year	533	21,156	–	21,689
Total transfer between stages due to change in credit risk:-	(206)	206	–	–
– Transfer to Lifetime ECL not credit impaired (Stage 2)	(206)	206	–	–
Financial assets derecognised (other than write-off)	(535)	(29,707)	–	(30,242)
New financial assets purchased	1,545	–	–	1,545
Changes due to change in credit risk	(36)	8,364	–	8,328
Other adjustments				
– Foreign exchange and other movements	(46)	–	–	(46)
At end of the financial year	1,255	19	–	1,274

	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
The Bank				
2025				
At beginning of the financial year	774	246	–	1,020
Financial assets derecognised (other than write-off)	(895)	(109)	–	(1,004)
New financial assets purchased	2,446	–	–	2,446
Changes due to change in credit risk	(746)	41	–	(705)
Other adjustments				
– Foreign exchange and other movements	(95)	–	–	(95)
At end of the financial year	1,484	178	–	1,662

2024				
At beginning of the financial year	172	235	–	407
Total transfer between stages due to change in credit risk:-	(206)	206	–	–
– Transfer to Lifetime ECL not credit impaired (Stage 2)	(206)	206	–	–
Financial assets derecognised (other than write-off)	(325)	–	–	(325)
Changes due to change in credit risk	907	–	–	907
Other adjustments	263	(195)	–	68
– Foreign exchange and other movements	(37)	–	–	(37)
At end of the financial year	774	246	–	1,020

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

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

Movements in the gross carrying amount of financial investments at FVOCI that contributed to changes in the ECL:

The Group	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
2025				
At beginning of the financial year	13,510,750	123,456	–	13,634,206
Total transfer between stages due to change in credit risk :-	(10,349)	10,349	–	–
– Transfer to 12-month ECL (Stage 1)	(10,349)	10,349	–	–
Financial assets derecognised (other than write-off)	(12,829,825)	(40,274)	–	(12,870,099)
New financial assets purchased	14,476,052	–	–	14,476,052
Changes in interest/profit accrual and accretion/amortisation	7,831	1,003	–	8,834
Other adjustments				
– Foreign exchange and other movements	(271,491)	(1,304)	–	(272,795)
– Changes in fair value	35,178	989	–	36,167
At end of the financial year	14,918,146	94,219	–	15,012,365
2024				
At beginning of the financial year	9,582,738	199,389	–	9,782,127
Financial assets derecognised (other than write-off)	(7,273,020)	(105,041)	–	(7,378,061)
New financial assets purchased	11,381,241	30,177	–	11,411,418
Changes in interest/profit accrual and accretion/amortisation	(4,106)	(1,633)	–	(5,739)
Other adjustments				
– Foreign exchange and other movements	(161,543)	–	–	(161,543)
– Changes in fair value	(14,560)	564	–	(13,996)
At end of the financial year	13,510,750	123,456	–	13,634,206
The Bank				
2025				
At beginning of the financial year	5,722,350	82,600	–	5,804,950
Financial assets derecognised (other than write-off)	(6,658,529)	(35,144)	–	(6,693,673)
New financial assets purchased	9,419,030	–	–	9,419,030
Changes in interest accrual and accretion/amortisation	15,224	(225)	–	14,999
Other adjustments				
– Foreign exchange and other movements	(177,669)	–	–	(177,669)
– Changes in fair value	(9,633)	306	–	(9,327)
At end of the financial year	8,310,773	47,537	–	8,358,310
2024				
At beginning of the financial year	3,706,500	51,844	–	3,758,344
Financial assets derecognised (other than write-off)	(6,353,802)	–	–	(6,353,802)
New financial assets purchased	8,470,851	30,177	–	8,501,028
Changes in interest accrual and accretion/amortisation	23,703	153	–	23,856
Other adjustments				
– Foreign exchange and other movements	(98,892)	–	–	(98,892)
– Changes in fair value	(26,010)	426	–	(25,584)
At end of the financial year	5,722,350	82,600	–	5,804,950

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

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

Movements in the gross carrying amount of financial investments at FVOCI that contributed to changes in the ECL (continued):

Equity instruments designated at FVOCI

The Group and the Bank designated certain equity instruments at FVOCI, which include equity instruments made for strategic and socio-economic purpose rather than with a view to perform subsequent sale.

	The Group		The Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<u>Unquoted securities:</u>				
Shares in Malaysia:				
Credit Guarantee Corporation	41,822	41,321	41,822	41,321
Cagamas Berhad	26,066	24,813	–	–
PayNet	132,320	105,779	132,320	105,779
TPPT Sdn Bhd	95,531	93,209	95,531	93,209
Malaysian Rating Corporation Berhad	1,388	1,375	–	–
Others*	845	754	839	748
	297,972	267,251	270,512	241,057

* Other socio-economic shares

The dividend income for equity investments designated at FVOCI held and disposed during the financial year are as follows:

	Carrying amount		Dividend income of equity investments held as at the end of the financial year		Dividend income of equity investments disposed during the financial year	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
The Group						
Unquoted securities	297,972	267,251	882	1,340	–	–
The Bank						
Unquoted securities	270,512	241,057	732	1,190	–	–

There have been no new acquisition or disposal of equity investments designated at FVOCI during the current and previous financial years.

IBOR Reform

The Group and the Bank hold the following financial instruments at FVOCI which are referenced to the current benchmark interest rates and have yet to transition to an alternative benchmark interest rate.

	The Group		The Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Unquoted securities:				
Corporate bonds/Sukuk outside Malaysia				
- Bank Bill Swap Rate ('BBSW')	248,902	144,316	248,902	144,316

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

8 FINANCIAL INVESTMENTS AT AMORTISED COST ('AC')

	The Group		The Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
At amortised cost				
Money market instruments:				
Malaysian Government securities	3,794,793	3,847,842	3,604,204	3,657,415
Malaysian Government investment issues	5,362,383	5,450,848	2,857,748	2,930,495
Cagamas Bonds/Sukuk	5,119	35,409	5,119	25,335
	9,162,295	9,334,099	6,467,071	6,613,245
Unquoted securities:				
Shares in Malaysia	14,915	14,915	14,915	14,915
Corporate bonds/Sukuk in Malaysia	5,561,008	5,850,134	3,028,419	2,949,064
Corporate bonds/Sukuk outside Malaysia	439,955	514,416	407,223	480,827
	6,015,878	6,379,465	3,450,557	3,444,806
Fair value changes arising from fair value hedges	(6,267)	(5,672)	(6,398)	(5,359)
	15,171,906	15,707,892	9,911,230	10,052,692
Less: Expected credit losses	(1,710)	(18,479)	(867)	(14,572)
	15,170,196	15,689,413	9,910,363	10,038,120

Included in the financial investments at AC are Corporate bonds/Sukuk outside Malaysia, Malaysian Government Securities and Malaysian Government investment issues which are pledged as collateral for obligations on securities sold under repurchase agreements for the Group.

Movements in expected credit losses 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
The Group				
2025				
At beginning of the financial year	4,145	14,334	–	18,479
Financial assets derecognised (other than write-off)	(3,319)	(1,231)	–	(4,550)
New financial assets purchased	680	–	–	680
Changes due to change in credit risk	217	(13,093)	–	(12,876)
Other adjustments				
- Foreign exchange and other movements	(23)	–	–	(23)
At end of the financial year	1,700	10	–	1,710
2024				
At beginning of the financial year	6,707	89,773	8,101	104,581
Financial assets derecognised (other than write-off)	(433)	(98,588)	–	(99,021)
New financial assets purchased	539	–	–	539
Changes due to change in credit risk	(2,658)	23,149	–	20,491
Write-off	–	–	(7,936)	(7,936)
Other adjustments				
- Foreign exchange and other movements	(10)	–	(165)	(175)
At end of the financial year	4,145	14,334	–	18,479

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

8 FINANCIAL INVESTMENTS AT AMORTISED COST ('AC') (continued)

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

	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
The Bank				
2025				
At beginning of the financial year	239	14,333	–	14,572
Financial assets derecognised (other than write-off)	(3)	(1,230)	–	(1,233)
New financial assets purchased	609	–	–	609
Changes due to change in credit risk	40	(13,098)	–	(13,058)
Other adjustments				
– Foreign exchange and other movements	(23)	–	–	(23)
At end of the financial year	862	5	–	867
2024				
At beginning of the financial year	143	89,768	–	89,911
Financial assets derecognised (other than write-off)	(17)	(98,588)	–	(98,605)
New financial assets purchased	28	–	–	28
Changes due to change in credit risk	94	23,153	–	23,247
Other adjustments				
– Foreign exchange and other movements	(9)	–	–	(9)
At end of the financial year	239	14,333	–	14,572

Movements in the gross carrying amount of financial investments at AC that contributed to changes in the ECL:

	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
The Group				
2025				
At beginning of the financial year	15,484,094	229,470	–	15,713,564
Financial assets derecognised (other than write-off)	(791,498)	(230,042)	–	(1,021,540)
New financial assets purchased	529,275	–	–	529,275
Changes in interest/profit accrual and accretion/amortisation	(4,951)	(4,475)	–	(9,426)
Other adjustments				
– Foreign exchange and other movements	(33,700)	–	–	(33,700)
At end of the financial year	15,183,220	(5,047)	–	15,178,173
2024				
At beginning of the financial year	16,067,305	636,659	8,101	16,712,065
Financial assets derecognised (other than write-off)	(2,246,467)	(400,000)	–	(2,646,467)
New financial assets purchased	1,736,029	–	–	1,736,029
Changes in interest/profit accrual and accretion/amortisation	(81,988)	(7,189)	–	(89,177)
Write-off	–	–	(7,936)	(7,936)
Other adjustments				
– Foreign exchange and other movements	9,215	–	(165)	9,050
At end of the financial year	15,484,094	229,470	–	15,713,564

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

8 FINANCIAL INVESTMENTS AT AMORTISED COST ('AC') (continued)

Movements in the gross carrying amount of financial investments at AC that contributed to changes in the ECL (continued):

The Bank	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
2025				
At beginning of the financial year	9,828,456	229,595	–	10,058,051
Financial assets derecognised (other than write-off)	(334,431)	(215,021)	–	(549,452)
New financial assets purchased	500,000	–	–	500,000
Changes in interest accrual and accretion/amortisation	(53,727)	(4,378)	–	(58,105)
Other adjustments				
- Foreign exchange and other movements	(32,866)	–	–	(32,866)
At end of the financial year	9,907,432	10,196	–	9,917,628
2024				
At beginning of the financial year	10,636,134	636,778	–	11,272,912
Financial assets derecognised (other than write-off)	(2,303,308)	(400,000)	–	(2,703,308)
New financial assets purchased	1,542,808	–	–	1,542,808
Changes in interest accrual and accretion/amortisation	(61,180)	(7,183)	–	(68,363)
Other adjustments				
- Foreign exchange and other movements	14,002	–	–	14,002
At end of the financial year	9,828,456	229,595	–	10,058,051

IBOR Reform

The Group and the Bank hold the following financial instruments at AC which are referenced to the current benchmark interest rates and have yet to transition to an alternative benchmark interest rate.

	The Group		The Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Unquoted securities:				
Corporate bonds/Sukuk inside Malaysia				
- KLIBOR	331,200	337,082	–	–
Corporate bonds/Sukuk outside Malaysia				
- BBSW	84,628	100,855	84,628	100,855
	415,828	437,937	84,628	100,855

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

9 LOANS, ADVANCES AND FINANCING

	The Group		The Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
(i) By type				
Overdrafts	3,041,716	2,227,336	1,947,827	1,371,016
Term loans/financing				
– Housing loans/financing	23,453,685	21,871,406	12,983,579	11,528,863
– Hire purchase receivables	16,570,539	15,877,544	7,187,380	7,995,058
– Syndicated financing	4,028,147	2,912,929	1,978,753	1,722,406
– Business term loans/financing	21,657,565	18,992,992	9,258,435	8,587,247
– Other term loans/financing	52,029	95,026	–	–
Bills receivables	874,136	773,858	447,950	637,725
Trust receipts	171,873	219,437	146,023	197,083
Claims on customers under acceptances credits	3,683,278	3,253,242	2,115,224	2,014,187
Staff loans/financing (of which RM Nil to Directors)	237,212	232,278	86,739	87,845
Credit cards	629,296	515,922	494,673	421,941
Revolving credits	2,922,506	3,108,766	1,946,583	1,808,511
Margin financing	2,189,086	1,963,919	–	–
Gross loans, advances and financing	79,511,068	72,044,655	38,593,166	36,371,882
Less: Expected credit losses	(965,330)	(1,152,570)	(669,558)	(731,868)
Total net loans, advances and financing	78,545,738	70,892,085	37,923,608	35,640,014
<p>Included in the Group's other term loans/financing before expected credit losses as at reporting date is RM Nil (2024: RM57.7 million) of term financing disbursed by AFFIN ISLAMIC to its joint venture company Affin-i Nadayu Sdn Bhd.</p>				
(ii) By maturity structure				
Maturing within one year	14,692,234	13,028,163	7,744,110	6,809,409
One year to three years	3,925,079	3,468,962	2,208,091	2,313,628
Three years to five years	7,386,261	6,507,527	4,445,206	4,122,230
Over five years	53,507,494	49,040,003	24,195,759	23,126,615
	79,511,068	72,044,655	38,593,166	36,371,882
(iii) By type of customers				
Domestic banking institutions	6,510	2,173	6,510	2,173
Domestic non-banking institutions				
– Others	863,774	628,511	339,548	202,212
Domestic business enterprises				
– Small medium enterprises	11,180,967	11,229,492	7,740,297	8,075,997
– Others	14,532,956	12,747,758	7,635,797	6,940,400
Government and statutory bodies	645,331	794,959	122,861	1,585
Individuals	49,931,585	44,807,791	20,931,806	19,456,806
Other domestic entities	368	7,072	349	661
Foreign entities	2,349,577	1,826,899	1,815,998	1,692,048
	79,511,068	72,044,655	38,593,166	36,371,882

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

9 LOANS, ADVANCES AND FINANCING (continued)

	The Group		The Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
(iv) By interest/profit rate sensitivity				
Fixed rate				
- Housing loans/financing	203,439	201,013	131,738	134,700
- Hire purchase receivables	15,576,824	15,224,681	7,187,380	7,995,052
- Other fixed rate loans/financing	1,085,975	1,455,208	587,127	566,573
Variable rate				
- Base lending rate and base rate plus	28,511,968	28,954,603	15,069,733	15,259,536
- Cost plus	11,709,810	10,069,169	5,467,385	4,581,816
- Other variable rate	22,423,052	16,139,981	10,149,803	7,834,205
	79,511,068	72,044,655	38,593,166	36,371,882
(v) By economic sector				
Primary agriculture	1,514,988	1,411,019	604,869	664,463
Mining and quarrying	212,884	106,498	145,603	48,787
Manufacturing	4,310,332	4,407,474	2,653,797	2,924,282
Electricity, gas and water supply	1,314,083	477,639	348,317	63,697
Construction	2,617,097	2,455,996	1,299,436	1,262,568
Real estate	4,493,127	4,568,302	3,084,574	3,321,139
Wholesale, retail trade, hotels and restaurants	6,233,849	6,175,182	4,428,898	4,554,894
Transport, storage and communication	3,010,552	3,252,058	1,864,993	2,100,736
Finance, insurance and business services	3,214,156	2,240,367	1,882,172	1,289,002
Education, health and others	2,395,803	1,922,851	1,152,191	527,308
Household	50,193,135	45,025,501	21,127,668	19,613,720
Others	1,062	1,768	648	1,286
	79,511,068	72,044,655	38,593,166	36,371,882
(vi) By economic purposes				
Purchase of securities	5,758,351	4,125,098	545,065	306,041
Purchase of transport vehicles	17,151,883	16,569,587	7,446,048	8,379,180
Purchase of landed property of which:				
- Residential	23,868,435	22,178,419	13,251,758	11,680,416
- Non-residential	7,203,119	6,728,751	5,107,387	4,659,922
Fixed assets other than land and building	453,224	461,013	190,236	203,948
Personal use	6,233,065	4,763,966	965,684	632,086
Credit card	629,296	515,922	494,673	421,941
Consumer durable	480	320	146	14
Construction	2,293,509	2,155,973	1,405,048	1,318,622
Merger and acquisition	105,413	87,026	-	-
Working capital	13,150,317	11,545,408	7,275,343	6,735,630
Others	2,663,976	2,913,172	1,911,778	2,034,082
	79,511,068	72,044,655	38,593,166	36,371,882

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

9 LOANS, ADVANCES AND FINANCING (continued)

	The Group		The Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
(vii) By geographical distribution				
Perlis	174,805	153,572	16,263	17,220
Kedah	2,719,053	2,359,430	679,373	677,138
Pulau Pinang	4,158,807	4,248,905	2,208,829	2,337,033
Perak	2,369,392	2,087,763	751,059	800,432
Selangor	24,515,863	22,038,580	11,546,434	10,960,501
Wilayah Persekutuan	15,351,149	14,892,730	7,840,677	7,245,392
Negeri Sembilan	2,795,473	2,592,694	947,404	909,488
Melaka	1,332,086	1,230,047	584,312	596,564
Johor	12,017,265	10,563,453	7,333,189	6,474,257
Pahang	2,291,611	2,199,430	875,480	925,301
Terengganu	1,313,611	1,211,472	155,726	175,494
Kelantan	1,005,062	881,357	43,478	38,659
Sarawak	3,761,527	3,207,311	2,261,520	2,107,514
Sabah	2,872,213	2,602,905	1,657,116	1,578,753
Labuan	523,363	487,209	353,642	263,023
Putrajaya	593,853	–	49,563	–
Outside Malaysia	1,715,935	1,287,797	1,289,101	1,265,113
	79,511,068	72,044,655	38,593,166	36,371,882
(viii) Movements of impaired loans, advances and financing				
At beginning of the financial year	1,398,005	1,265,411	1,067,037	973,145
Classified as impaired	1,111,757	1,165,240	687,598	675,154
Reclassified as non-impaired	(584,824)	(467,156)	(316,024)	(226,793)
Amount recovered	(325,080)	(229,669)	(282,881)	(87,743)
Amount written-off	(296,343)	(335,821)	(164,656)	(266,726)
At end of the financial year	1,303,515	1,398,005	991,074	1,067,037
Ratio of gross impaired loans, advances and financing to gross loans, advances and financing*	1.64%	1.94%	2.44%	2.72%

* For the Bank, RIA included in the ratio calculation amounted to RM2,553.3 million (2024: RM3,259.6 million) with impaired financing amounted to RM11.5 million (2024: RM11.4 million).

The outstanding contractual amounts of such assets written-off during the financial year amounted to RM296,343,000 (2024: RM335,821,000) for the Group and RM164,656,000 (2024: RM266,726,000) for the Bank respectively.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

9 LOANS, ADVANCES AND FINANCING (continued)

	The Group		The Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
(ix) Impaired loans by economic sector				
Primary agriculture	741	10,510	551	10,334
Mining and quarrying	7,418	8,811	7,365	8,811
Manufacturing	75,861	56,684	69,988	50,259
Electricity, gas and water supply	4,065	11,499	4,065	11,457
Construction	95,504	138,757	72,405	110,502
Real estate	148,236	338,063	139,279	297,531
Wholesale, retail trade, hotels and restaurants	278,834	220,703	231,640	174,156
Transport, storage and communication	109,651	93,589	101,820	86,404
Finance, insurance and business services	33,040	26,509	19,161	12,613
Education, health and others	14,572	14,186	12,523	11,889
Household	535,593	478,694	332,277	293,081
	1,303,515	1,398,005	991,074	1,067,037
(x) Impaired loans by economic purposes				
Purchase of securities	61	19,098	57	2
Purchase of transport vehicles	92,442	76,865	39,161	38,537
Purchase of landed property of which:				
- Residential	396,532	378,797	257,984	246,858
- Non-residential	237,063	200,436	208,758	162,760
Fixed assets other than land and building	6,123	11,551	6,123	11,551
Personal use	38,127	30,563	18,118	13,657
Credit card	3,218	1,885	2,549	1,657
Construction	58,801	181,462	58,801	181,462
Working capital	436,233	468,528	365,415	388,686
Others	34,915	28,820	34,108	21,867
	1,303,515	1,398,005	991,074	1,067,037
(xi) Impaired loans by geographical distribution				
Perlis	4,517	3,962	95	68
Kedah	35,350	61,163	11,225	37,471
Pulau Pinang	66,686	68,942	50,668	53,961
Perak	76,834	125,371	65,882	114,802
Selangor	449,512	467,092	324,184	317,513
Wilayah Persekutuan	389,214	421,591	331,118	367,969
Negeri Sembilan	33,462	36,266	18,343	22,192
Melaka	71,999	77,180	63,535	63,901
Johor	107,849	66,798	84,462	42,524
Pahang	22,508	35,053	14,941	28,217
Terengganu	5,172	4,028	928	578
Kelantan	10,952	9,080	787	360
Sarawak	14,524	7,286	13,393	6,761
Sabah	14,819	14,193	11,507	10,720
Labuan	111	-	-	-
Outside Malaysia	6	-	6	-
	1,303,515	1,398,005	991,074	1,067,037

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

9 LOANS, ADVANCES AND FINANCING (continued)

(xii) Movements in expected credit losses for loans, advances and financing

The Group	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
2025				
At beginning of the financial year	149,185	504,490	498,895	1,152,570
Total transfer between stages due to change in credit risk:-	(921,851)	998,595	(76,744)	-
- Transfer to 12-month ECL (Stage 1)	114,401	(90,984)	(23,417)	-
- Transfer to Lifetime ECL not credit impaired (Stage 2)	(1,032,306)	1,144,261	(111,955)	-
- Transfer to Lifetime ECL credit impaired (Stage 3)	(3,946)	(54,682)	58,628	-
Loans/financing derecognised (other than write-off)	(50,118)	(1,116,229)	(52,912)	(1,219,259)
New loans/financing originated or purchased	1,092,633	-	-	1,092,633
Changes due to change in credit risk	(114,777)	(72,620)	329,950	142,553
Write-off	-	-	(199,551)	(199,551)
Other adjustments	(160)	(136)	(3,320)	(3,616)
At end of the financial year	154,912	314,100	496,318	965,330
2024				
At beginning of the financial year	149,260	704,665	583,947	1,437,872
Total transfer between stages due to change in credit risk:-	(116,467)	130,781	(14,314)	-
- Transfer to 12-month ECL (Stage 1)	111,925	(99,145)	(12,780)	-
- Transfer to Lifetime ECL not credit impaired (Stage 2)	(198,254)	302,463	(104,209)	-
- Transfer to Lifetime ECL credit impaired (Stage 3)	(30,138)	(72,537)	102,675	-
Loans/financing derecognised (other than write-off)	(61,011)	(326,640)	(60,350)	(448,001)
New loans/financing originated or purchased	287,718	-	-	287,718
Changes due to change in credit risk	(110,326)	(4,427)	203,793	89,040
Write-off	-	-	(251,623)	(251,623)
Other adjustments	11	111	37,442	37,564
At end of the financial year	149,185	504,490	498,895	1,152,570

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

9 LOANS, ADVANCES AND FINANCING (continued)

(xii) Movements in expected credit losses for loans, advances and financing (continued)

The Bank	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
2025				
At beginning of the financial year	83,625	286,670	361,573	731,868
Total transfer between stages due to change in credit risk-	11,158	22,768	(33,926)	-
– Transfer to 12-month ECL (Stage 1)	64,183	(50,329)	(13,854)	-
– Transfer to Lifetime ECL not credit impaired (Stage 2)	(49,108)	107,338	(58,230)	-
– Transfer to Lifetime ECL credit impaired (Stage 3)	(3,917)	(34,241)	38,158	-
Loans/financing derecognised (other than write-off)	(32,890)	(42,335)	(48,720)	(123,945)
New loans/financing originated or purchased	85,238	-	-	85,238
Changes due to change in credit risk	(57,516)	(85,944)	239,618	96,158
Write-off	-	-	(111,061)	(111,061)
Other adjustments	(104)	(132)	(8,464)	(8,700)
At end of the financial year	89,511	181,027	399,020	669,558
2024				
At beginning of the financial year	95,645	392,797	469,349	957,791
Total transfer between stages due to change in credit risk-	(8,601)	(5,896)	14,497	-
– Transfer to 12-month ECL (Stage 1)	75,619	(70,871)	(4,748)	-
– Transfer to Lifetime ECL not credit impaired (Stage 2)	(55,819)	109,686	(53,867)	-
– Transfer to Lifetime ECL credit impaired (Stage 3)	(28,401)	(44,711)	73,112	-
Loans/financing derecognised (other than write-off)	(44,492)	(123,972)	(42,443)	(210,907)
New loans/financing originated or purchased	117,434	-	-	117,434
Changes due to change in credit risk	(76,339)	23,717	91,322	38,700
Write-off	-	-	(196,304)	(196,304)
Other adjustments	(22)	24	25,152	25,154
At end of the financial year	83,625	286,670	361,573	731,868

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

9 LOANS, ADVANCES AND FINANCING (continued)

(xiii) Movements in the gross carrying amount of loans, advances and financing that contributed to changes in the ECL

The Group	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
2025				
At beginning of the financial year	65,872,110	4,774,540	1,398,005	72,044,655
Total transfer between stages due to change in credit risk:-	(5,403,379)	4,883,677	519,702	-
- Transfer to 12-month ECL (Stage 1)	3,680,992	(3,585,142)	(95,850)	-
- Transfer to Lifetime ECL not credit impaired (Stage 2)	(9,068,667)	9,557,637	(488,970)	-
- Transfer to Lifetime ECL credit impaired (Stage 3)	(15,704)	(1,088,818)	1,104,522	-
Loans/financing derecognised (other than write-off)	(25,238,153)	(3,881,353)	(193,610)	(29,313,116)
New loans/financing originated or purchased	41,610,757	-	-	41,610,757
Changes due to additional drawdown/partial settlements	(3,692,051)	(559,287)	(131,465)	(4,382,803)
Unwinding of modification loss during the year (Note)	10,140	402	-	10,542
Write-off	-	-	(296,343)	(296,343)
Other adjustments				
- Foreign exchange and other movements	(169,556)	(294)	7,226	(162,624)
At end of the financial year	72,989,868	5,217,685	1,303,515	79,511,068

Note: The amount of loans, advances and financing whose cash flows were modified in 2025 were RM616,099,970.

2024				
At beginning of the financial year	59,621,797	5,775,661	1,265,411	66,662,869
Total transfer between stages due to change in credit risk:-	(4,735,423)	4,045,258	690,165	-
- Transfer to 12-month ECL (Stage 1)	3,527,895	(3,485,697)	(42,198)	-
- Transfer to Lifetime ECL not credit impaired (Stage 2)	(8,171,865)	8,596,823	(424,958)	-
- Transfer to Lifetime ECL credit impaired (Stage 3)	(91,453)	(1,065,868)	1,157,321	-
Loans/financing derecognised (other than write-off)	(24,352,721)	(4,416,197)	(170,355)	(28,939,273)
New loans/financing originated or purchased	39,117,494	9,374	-	39,126,868
Changes due to additional drawdown/partial settlements	(3,695,875)	(642,887)	(61,147)	(4,399,909)
Unwinding of modification loss during the year (Note)	13,681	3,356	-	17,037
Write-off	-	-	(335,821)	(335,821)
Other adjustments				
- Foreign exchange and other movements	(96,843)	(25)	9,752	(87,116)
At end of the financial year	65,872,110	4,774,540	1,398,005	72,044,655

Note: The amount of loans, advances and financing whose cash flows were modified in 2024 were RM1,156,443,000.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

9 LOANS, ADVANCES AND FINANCING (continued)

(xiii) Movements in the gross carrying amount of loans, advances and financing that contributed to changes in the ECL (continued)

The Bank	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
2025				
At beginning of the financial year	32,545,284	2,759,561	1,067,037	36,371,882
Total transfer between stages due to change in credit risk-	(1,941,874)	1,574,579	367,295	-
- Transfer to 12-month ECL (Stage 1)	1,860,550	(1,800,978)	(59,572)	-
- Transfer to Lifetime ECL not credit impaired (Stage 2)	(3,791,036)	4,047,485	(256,449)	-
- Transfer to Lifetime ECL credit impaired (Stage 3)	(11,388)	(671,928)	683,316	-
Loans/financing derecognised (other than write-off)	(10,669,219)	(1,023,755)	(183,663)	(11,876,637)
New loans/financing originated or purchased	15,581,346	-	-	15,581,346
Changes due to additional drawdown/partial settlements	(928,334)	(186,551)	(99,216)	(1,214,101)
Unwinding of modification loss during the year (Note)	5,125	173	-	5,298
Write-off	-	-	(164,656)	(164,656)
Other adjustments				
- Foreign exchange and other movements	(114,525)	282	4,277	(109,966)
At end of the financial year	34,477,803	3,124,289	991,074	38,593,166

Note: The amount of loans, advances and financing whose cash flows were modified in 2025 were RM305,992,429.

2024

At beginning of the financial year	31,252,134	3,242,962	973,145	35,468,241
Total transfer between stages due to change in credit risk-	(1,249,162)	804,752	444,410	-
- Transfer to 12-month ECL (Stage 1)	1,826,861	(1,812,815)	(14,046)	-
- Transfer to Lifetime ECL not credit impaired (Stage 2)	(3,058,951)	3,271,698	(212,747)	-
- Transfer to Lifetime ECL credit impaired (Stage 3)	(17,072)	(654,131)	671,203	-
Loans/financing derecognised (other than write-off)	(11,160,988)	(936,277)	(57,622)	(12,154,887)
New loans/financing originated or purchased	14,825,541	-	-	14,825,541
Changes due to additional drawdown/partial settlements	(1,048,743)	(352,913)	(30,124)	(1,431,780)
Unwinding of modification loss during the year (Note)	7,494	1,503	-	8,997
Write-off	-	-	(266,726)	(266,726)
Other adjustments				
- Foreign exchange and other movements	(80,992)	(466)	3,954	(77,504)
At end of the financial year	32,545,284	2,759,561	1,067,037	36,371,882

Note: The amount of loans, advances and financing whose cash flows were modified in 2024 were RM581,553,860.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

9 LOANS, ADVANCES AND FINANCING (continued)

IBOR Reform

The Group and the Bank hold the following loans, advances and financing which are referenced to the current benchmark interest rates and have yet to transition to an alternative benchmark interest rate.

	The Group		The Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Gross loans, advances and financing:				
- KLIBOR	346,491	376,719	176,564	194,221
	346,491	376,719	176,564	194,221

10 AMOUNT DUE FROM CLIENT AND BROKERS

	The Group	
	2025 RM'000	2024 RM'000
Amount due from stock-broking clients:		
- performing accounts	769,883	293,933
- impaired accounts (i)	114	151
Amount due from brokers	33,405	60,110
Amount due from Bursa Securities Clearing Sdn Bhd	-	159,940
	803,402	514,134
Less: Expected credit losses (ii)	(274)	(227)
	803,128	513,907
(i) Movements of impaired amount due from client and brokers		
At beginning of the financial year	151	114
Classified as impaired	1,873	3,809
Reclassified as non-impaired	(1,910)	(3,772)
At end of the financial year	114	151
(ii) Movements in expected credit losses		
At beginning of the financial year	227	223
Allowance made	1,990	3,957
Amount written-back	(1,943)	(3,953)
At end of the financial year	274	227

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

11 OTHER ASSETS

	The Group		The Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Other debtors and deposits	405,116	366,000	313,744	274,215
Prepayments	209,992	159,655	95,252	76,593
Clearing accounts	29,964	74,038	28,323	36,893
Cash collateral pledged for securities borrowing transactions	71,874	63,996	–	–
Cash collateral pledged for derivatives transactions	14,503	1,790	–	–
Equity margin with Bursa Malaysia	11,517	10,606	–	–
Foreclosed properties (i)	8,724	8,724	5,901	5,901
	751,690	684,809	443,220	393,602
Less: Expected credit losses (ii)	(20,957)	(21,067)	(9,290)	(9,290)
	730,733	663,742	433,930	384,312
(i) Foreclosed properties				
At beginning of the financial year	8,724	19,316	5,901	5,901
Disposal	–	(10,592)	–	–
At end of the financial year	8,724	8,724	5,901	5,901
(ii) Movements in expected credit losses				
At beginning of the financial year	21,067	23,251	9,290	20,966
Allowance made	562	32,343	–	9,290
Amount written-back	(672)	(34,527)	–	(20,966)
At end of the financial year	20,957	21,067	9,290	9,290

12 AMOUNT DUE FROM SUBSIDIARIES

	The Bank	
	2025 RM'000	2024 RM'000
Amount due from subsidiaries	361,963	756,357

The amount due from subsidiaries are unsecured, bear no interest/profit rate and repayable on demand.

13 AMOUNT DUE FROM JOINT VENTURES

	The Group	
	2025 RM'000	2024 RM'000
Advances to joint ventures	49,758	47,254
Less: Expected credit losses (i)	(49,758)	(42,615)
	–	4,639
(i) Movements in expected credit losses		
At beginning of the financial year	42,615	52,467
Allowance made	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 interest/profit rate and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

14 DEFERRED TAX ASSETS/(LIABILITIES)

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

	The Group		The Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Deferred tax assets/liabilities	54,147	114,938	(4,919)	43,840
Deferred tax assets:				
– settled more than 12 months	11,563	37,069	746	11,488
– settled within 12 months	207,836	237,517	149,433	172,840
Deferred tax liabilities:				
– settled more than 12 months	(160,305)	(145,735)	(155,098)	(140,488)
– settled within 12 months	(4,947)	(13,913)	–	–
	54,147	114,938	(4,919)	43,840

	The Group		The Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
At beginning of the financial year	114,938	138,283	43,840	72,072
Recognised in income statement (Note 46)	(52,005)	(26,704)	(50,997)	(34,372)
Recognised in equity	(8,786)	3,359	2,238	6,140
At end of the financial year	54,147	114,938	(4,919)	43,840

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

14 DEFERRED TAX ASSETS/(LIABILITIES) (continued)

The movements in deferred tax assets and liabilities during the financial year are as follows:

	Property and equipment RM'000	Right-of-use assets RM'000	Lease liabilities RM'000	Intangible assets RM'000	Loans, advances and financing RM'000	Other liabilities RM'000	Foreign exchange translation gain RM'000	Financial investment at AC RM'000	Financial investment at FVOCI RM'000	Total RM'000
The Group										
2025										
At beginning of financial year	(61,602)	(12,255)	13,392	(21,688)	89,532	102,660	(6,071)	2,890	8,080	114,938
Recognised in income statement	(28,912)	1,519	(1,182)	(12,759)	(21,852)	(2,569)	16,040	(2,538)	248	(52,005)
Recognised in equity	–	–	–	–	–	–	–	–	(8,786)	(8,786)
At end of the financial year	(90,514)	(10,736)	12,210	(34,447)	67,680	100,091	9,969	352	(458)	54,147
2024										
At beginning of the financial year	(45,789)	(8,820)	9,274	(10,701)	98,616	85,905	(20,406)	23,219	6,985	138,283
Recognised in income statement	(15,813)	(3,435)	4,118	(10,987)	(9,084)	16,755	14,335	(20,329)	(2,264)	(26,704)
Recognised in equity	–	–	–	–	–	–	–	–	3,359	3,359
At end of the financial year	(61,602)	(12,255)	13,392	(21,688)	89,532	102,660	(6,071)	2,890	8,080	114,938
The Bank										
2025										
At beginning of the financial year	(62,045)	(12,578)	13,741	(20,066)	55,412	(13,819)	70,095	2,010	(2,729)	43,840
Recognised in income statement	(26,705)	(392)	784	(12,766)	(13,819)	3,496	3,496	(1,803)	208	(50,997)
Recognised in equity	–	–	–	–	–	–	–	–	2,238	2,238
At end of the financial year	(88,750)	(12,970)	14,525	(32,832)	41,593	41,593	73,591	207	(283)	(4,919)
2024										
At beginning of the financial year	(46,227)	(8,742)	9,187	(9,126)	59,130	(3,718)	55,927	20,920	(8,997)	72,072
Recognised in income statement	(15,818)	(3,836)	4,554	(10,940)	(3,718)	14,168	14,168	(18,910)	128	(34,372)
Recognised in equity	–	–	–	–	–	–	–	–	6,140	6,140
At end of the financial year	(62,045)	(12,578)	13,741	(20,066)	55,412	55,412	70,095	2,010	(2,729)	43,840

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

15 STATUTORY DEPOSITS WITH BANK NEGARA MALAYSIA

The non-interest/profit bearing statutory deposits are maintained with BNM in compliance with requirements of Section 26(2) (c) of the Central Bank of Malaysia Act 2009, the amount of which is determined at a set percentage of total eligible liabilities. The Statutory Reserve Requirement ('SRR') rate for banking industry is 1.0% of eligible liabilities.

16 INVESTMENT IN SUBSIDIARIES

	The Bank	
	2025 RM'000	2024 RM'000
Unquoted shares, at cost	3,306,828	3,306,828
Capital contribution to a subsidiary [@]	2,193	1,001
	3,309,021	3,307,829
Less: Allowance for impairment losses	(2,879)	(2,879)
	3,306,142	3,304,950

[@] Pertaining to the LTIP, implemented by the Bank since 2023, which is granted to the employees of Affin Islamic Bank Berhad.

Movements in cost of investment in subsidiaries

At beginning of the financial year	3,307,829	3,207,002
Capital contribution to a subsidiary	1,192	787
Capital injection into Affin Business Services Sdn Bhd	–	40
Capital injection into Affin Islamic Bank Berhad	–	100,000
At end of the financial year	3,309,021	3,307,829

Movement in allowance for impairment losses

At beginning/end of the financial year	2,879	2,879
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The subsidiaries of the Bank, all of which are incorporated in Malaysia, are as follows:

Name	Principal Activities	Issued and Paid-up share capital RM'000	Percentage of equity held	
			2025 %	2024 %
Affin Islamic Bank Berhad	Islamic banking business	1,310,000	100	100
Affin Moneybrokers Sdn Bhd	Money-broking	1,000	100	100
PAB Properties Sdn Bhd	Property management services	8,000	100	100
ABB Nominee (Tempatan) Sdn Bhd	Share nominee services	40	100	100
Affin Business Services Sdn Bhd	Information technology services	40	100	100
ABB Nominee (Asing) Sdn Bhd	Dormant	^	100	100
Affin Holdings Bhd	Investment holding	@	100	100
Yayasan AFFIN	Charitable organisation	#	–	–
Affin Hwang Investment Bank Berhad ('AHIB')	Provision of investment banking services	999,800	100	100
Affin Hwang Trustee Berhad ('AHTB')	Trustee services	6,500	100	100
Affin Hwang Nominees (Asing) Sdn Bhd	Nominee services	1,326	100	100
Affin Hwang Nominees (Tempatan) Sdn Bhd	Nominee services	1,331	100	100
AHC Global Sdn Bhd	Investment holding	1,332	100	100
AHC Associates Sdn Bhd	Investment holding	1,332	100	100

^ Subsidiary with issued and paid-up share capital of RM2.00 each.

@ Subsidiary with issued and paid-up share capital of RM2.00 each and in member's voluntary winding-up.

Subsidiary incorporated as a company limited by guarantee and not having a share capital.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

17 INVESTMENT IN JOINT VENTURES

	The Group	
	2025 RM'000	2024 RM'000
At beginning/end of the financial year	–	–

The joint ventures, all of which are incorporated in Malaysia, are as follows:

Name	Principal Activities	Issued and Paid-up share capital RM'000	Percentage of equity held	
			2025 %	2024 %
Affin-i Nadayu Sdn Bhd #	Property development	1,000	50	50
KL South Development Sdn Bhd #	Property development	500	30	30

Shareholding held directly by Affin Islamic Bank Berhad.

The financial information of Affin-i Nadayu Sdn Bhd and KL South Development Sdn Bhd are not significant to the Group. As at 31 December 2025, the Bank's share of cumulative loss is RM28.1 million (2024: cumulative loss of RM27.8 million).

18 INVESTMENT IN ASSOCIATES

	The Group		The Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
At beginning of the financial year	830,917	841,260	676,279	667,279
Share of profit for the financial year	52,380	54,729	–	–
Share of other comprehensive income/(loss) for the financial year	2,718	(5,813)	–	–
Acquisition of additional shares	–	9,000	–	9,000
Other adjustment	–	(3,459)	–	–
Dividend received during the financial year	(32,700)	(64,800)	–	–
At end of the financial year	853,315	830,917	676,279	676,279

The associates, all of which are incorporated in Malaysia, are as follows:

Name	Principal Activities	Issued and Paid-up share capital RM'000	Percentage of equity held	
			2025 %	2024 %
Generali Malaysia Holding Berhad ('GMHB')	Investment holding company	2,553,318	30	30

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

18 INVESTMENT IN ASSOCIATES (continued)

The summarised financial information of the material associates are as follows:

	The Group	
	2025 RM'000	2024 RM'000
Total assets	9,514,159	9,682,545
Total liabilities	(6,768,935)	(7,011,981)
Net assets	2,745,224	2,670,564
Capital commitment for property and equipment	47,159	47,159
The above amounts of assets and liabilities include the following:		
Cash and cash equivalent	129,914	206,984
Revenue	2,448,822	2,342,059
Profit after taxation	174,600	182,430
Other comprehensive income/(loss)	9,060	(19,377)
Total comprehensive income	183,660	163,053

Reconciliation of the summarised financial information to the carrying amount of the interest in associates recognised in the consolidated financial statements:

	The Group	
	2025 RM'000	2024 RM'000
Net assets		
At beginning of the financial year	2,670,564	2,705,041
Profit for the financial year	174,600	182,430
Other comprehensive income/(loss)	9,060	(19,377)
Issuance of new shares	–	30,000
Other reserves movements	–	(11,530)
Dividend payout	(109,000)	(216,000)
At end of the financial year	2,745,224	2,670,564
Interest in associate:		
– in percentage (%)	30.00	30.00
– in thousand (RM'000)	823,567	801,169
– premium on acquisition	29,748	29,748
	853,315	830,917
Share of results of an associate	52,380	54,729
Share of other comprehensive income/(loss) of an associate	2,718	(5,813)

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

19 PROPERTY AND EQUIPMENT

The Group	Freehold land RM'000	Buildings on freehold land RM'000	Buildings on leasehold land RM'000	Renovation RM'000	Office equipment and furniture RM'000	Computer equipment RM'000	Motor vehicles RM'000	Capital work in progress RM'000	Total RM'000
2025									
Cost									
At beginning of the financial year	278,905	582,927	28,473	218,644	172,605	343,634	4,597	259,298	1,889,083
Additions	-	466	-	33,409	18,115	25,133	280	153,051	230,454
Disposals	-	-	(1,869)	(91)	(21)	-	(316)	-	(2,297)
Write-off	-	-	-	(3,216)	(2,841)	(3,757)	-	-	(9,814)
Reclassification to:									
- intangible assets (Note 22)	-	-	-	-	-	-	-	(23,916)	(23,916)
- others	-	5,437	-	406	2,675	42,019	-	(50,537)	-
At end of the financial year	278,905	588,830	26,604	249,152	190,533	407,029	4,561	337,896	2,083,510
Accumulated depreciation and impairment losses									
At beginning of the financial year	140	36,439	14,397	166,114	79,619	228,065	2,537	-	527,311
Charge	-	14,651	1,502	9,660	13,283	34,914	726	-	74,736
Disposal	-	-	(1,380)	(91)	(21)	-	(290)	-	(1,782)
Write-off	-	-	-	(3,169)	(2,683)	(3,756)	-	-	(9,608)
At end of the financial year	140	51,090	14,519	172,514	90,198	259,223	2,973	-	590,657
Net book value at end of the financial year	278,765	537,740	12,085	76,638	100,335	147,806	1,588	337,896	1,492,853

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

19 PROPERTY AND EQUIPMENT (continued)

The Group	Freehold land RM'000	Buildings on freehold land RM'000	Buildings on leasehold land RM'000	Renovation RM'000	Office equipment and furniture RM'000	Computer equipment RM'000	Motor vehicles RM'000	Capital work in progress RM'000	Total RM'000
2024									
Cost									
At beginning of the financial year	278,905	695,658	28,473	195,140	162,099	250,079	5,143	234,478	1,849,975
Additions	-	20,293	-	23,597	11,022	52,611	1,026	181,177	289,726
Disposals	-	(2,870)	-	-	-	(344)	(1,572)	-	(4,786)
Write-off	-	-	-	(96)	(516)	(785)	-	-	(1,397)
Reclassification to:									
- intangible assets (Note 22)	-	-	-	-	-	-	-	(114,281)	(114,281)
- investment properties (Note 20)	-	(130,154)	-	-	-	-	-	-	(130,154)
- others	-	-	-	3	-	42,073	-	(42,076)	-
At end of the financial year	278,905	582,927	28,473	218,644	172,605	343,634	4,597	259,298	1,889,083
Accumulated depreciation and impairment losses									
At beginning of the financial year	140	28,589	13,859	158,244	67,771	194,905	3,330	-	466,838
Charge	-	14,761	538	7,964	12,296	34,061	686	-	70,306
Disposal	-	(1,745)	-	-	-	(229)	(1,479)	-	(3,453)
Write-off	-	-	-	(94)	(448)	(672)	-	-	(1,214)
Reclassification to:									
- investment properties (Note 20)	-	(5,166)	-	-	-	-	-	-	(5,166)
At end of the financial year	140	36,439	14,397	166,114	79,619	228,065	2,537	-	527,311
Net book value at end of the financial year	278,765	546,488	14,076	52,530	92,986	115,569	2,060	259,298	1,361,772

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

19 PROPERTY AND EQUIPMENT (continued)

The Bank	Freehold land RM'000	Buildings on freehold land RM'000	Buildings on leasehold land RM'000	Renovation RM'000	Office equipment and furniture RM'000	Computer equipment RM'000	Motor vehicles RM'000	Capital work in progress RM'000	Total RM'000
2025									
Cost									
At beginning of the financial year	276,397	532,820	27,565	187,000	163,359	292,218	3,273	258,023	1,740,655
Additions	-	466	-	30,610	17,910	25,125	280	152,426	226,817
Disposals	-	-	(1,869)	-	-	-	-	-	(1,869)
Write-off	-	-	-	(3,216)	(2,793)	(3,412)	-	-	(9,421)
Reclassification to:									
- intangible assets (Note 22)	-	-	-	-	-	-	-	(23,385)	(23,385)
- others	-	5,437	-	406	2,675	42,019	-	(50,537)	-
At end of the financial year	276,397	538,723	25,696	214,800	181,151	355,950	3,553	336,527	1,932,797
Accumulated depreciation and impairment losses									
At beginning of the financial year	-	33,433	13,650	141,130	70,962	181,481	1,516	-	442,172
Charge	-	14,625	509	8,909	13,072	33,526	587	-	71,228
Disposal	-	-	(1,380)	-	-	-	-	-	(1,380)
Write-off	-	-	-	(3,169)	(2,638)	(3,411)	-	-	(9,218)
At end of the financial year	-	48,058	12,779	146,870	81,396	211,596	2,103	-	502,802
Net book value at end of the financial year	276,397	490,665	12,917	67,930	99,755	144,354	1,450	336,527	1,429,995

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

19 PROPERTY AND EQUIPMENT (continued)

	Freehold land RM'000	Buildings on freehold land RM'000	Buildings on leasehold land RM'000	Renovation RM'000	Office equipment and furniture RM'000	Computer equipment RM'000	Motor vehicles RM'000	Capital work in progress RM'000	Total RM'000
The Bank									
2024									
Cost									
At beginning of the financial year	276,397	694,359	27,565	165,565	153,005	199,862	2,758	233,542	1,753,053
Additions	-	20,293	-	21,528	10,854	50,725	1,026	180,524	284,950
Disposals	-	(2,870)	-	-	-	-	(511)	-	(3,381)
Write-off	-	-	-	(96)	(500)	(402)	-	-	(998)
Reclassification to:									
- intangible assets (Note 22)	-	-	-	-	-	-	-	(114,007)	(114,007)
- investment properties (Note 20)	-	(178,962)	-	-	-	-	-	-	(178,962)
- others	-	-	-	3	-	42,033	-	(42,036)	-
At end of the financial year	276,397	532,820	27,565	187,000	163,359	292,218	3,273	258,023	1,740,655
Accumulated depreciation and impairment losses									
At beginning of the financial year	-	27,546	13,130	133,649	59,311	149,809	1,517	-	384,962
Charge	-	14,735	520	7,575	12,083	32,071	510	-	67,494
Disposal	-	(1,745)	-	-	-	-	(511)	-	(2,256)
Write-off	-	-	-	(94)	(432)	(399)	-	-	(925)
Reclassification to:									
- investment properties (Note 20)	-	(7,103)	-	-	-	-	-	-	(7,103)
At end of the financial year	-	33,433	13,650	141,130	70,962	181,481	1,516	-	442,172
Net book value at end of the financial year	276,397	499,387	13,915	45,870	92,397	110,737	1,757	258,023	1,298,483

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

20 INVESTMENT PROPERTIES

	The Group		The Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Cost				
At beginning of the financial year	130,154	–	178,962	–
Reclassification from property and equipment (Note 19)	–	130,154	–	178,962
At end of the financial year	130,154	130,154	178,962	178,962
Less: Accumulated depreciation				
At beginning of the financial year	5,166	–	7,103	–
Reclassification from property and equipment (Note 19)	2,600	5,166	3,575	7,103
At end of the financial year	7,766	5,166	10,678	7,103
Net book value at end of the financial year	122,388	124,988	168,284	171,859

21 RIGHT-OF-USE ASSETS

	Leasehold land RM'000	Properties RM'000	Equipment RM'000	Total RM'000
The Group				
2025				
Cost				
At beginning of the financial year	15,181	95,470	22,485	133,136
Additions	–	34,288	–	34,288
Termination of contracts	(1,511)	–	–	(1,511)
At end of the financial year	13,670	129,758	22,485	165,913
Less: Accumulated depreciation				
At beginning of the financial year	5,296	44,707	11,268	61,271
Charge	196	37,875	–	38,071
Termination of contracts	(55)	–	–	(55)
At end of the financial year	5,437	82,582	11,268	99,287
Net book value at end of the financial year	8,233	47,176	11,217	66,626
2024				
Cost				
At beginning of the financial year	15,181	149,069	17,196	181,446
Additions	–	50,186	5,289	55,475
Termination of contracts	–	(1,886)	–	(1,886)
End of lease term	–	(101,899)	–	(101,899)
At end of the financial year	15,181	95,470	22,485	133,136
Less: Accumulated depreciation				
At beginning of the financial year	5,099	115,448	6,772	127,319
Charge	197	31,158	4,496	35,851
End of lease term	–	(101,899)	–	(101,899)
At end of the financial year	5,296	44,707	11,268	61,271
Net book value at end of the financial year	9,885	50,763	11,217	71,865

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

21 RIGHT-OF-USE ASSETS (continued)

The Bank	Leasehold land RM'000	Properties RM'000	Equipment RM'000	Total RM'000
2025				
Cost				
At beginning of the financial year	13,292	78,198	20,849	112,339
Additions	–	34,263	–	34,263
Termination of contracts	(1,511)	–	–	(1,511)
At end of the financial year	11,781	112,461	20,849	145,091
Less: Accumulated depreciation				
At beginning of the financial year	4,964	36,195	10,447	51,606
Charge	188	28,419	4,207	32,814
Termination of contracts	(55)	–	–	(55)
At end of the financial year	5,097	64,614	14,654	84,365
Net book value at end of the financial year	6,684	47,847	6,195	60,726
2024				
Cost				
At beginning of the financial year	13,292	134,937	15,560	163,789
Additions	–	42,571	5,289	47,860
Termination of contracts	–	(1,886)	–	(1,886)
End of lease term	–	(97,424)	–	(97,424)
At end of the financial year	13,292	78,198	20,849	112,339
Less: Accumulated depreciation				
At beginning of the financial year	4,775	107,798	6,278	118,851
Charge	189	25,821	4,169	30,179
End of lease term	–	(97,424)	–	(97,424)
At end of the financial year	4,964	36,195	10,447	51,606
Net book value at end of the financial year	8,328	42,003	10,402	60,733

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

22 INTANGIBLE ASSETS

	The Group		The Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Intangible assets (a)				
– Computer software	183,996	180,727	180,742	177,358
Goodwill on consolidation (b)	581,369	581,369	137,323	137,323
	765,365	762,096	318,065	314,681

(a) Intangible assets

	The Group		The Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Computer software				
Cost				
At beginning of the financial year	488,878	367,468	456,241	336,719
Additions	1,105	7,290	831	5,520
Write-off	(21)	(161)	(21)	(5)
Reclassification from property and equipment (Note 19)	23,916	114,281	23,385	114,007
At end of the financial year	513,878	488,878	480,436	456,241
Less: Accumulated amortisation				
At beginning of the financial year	308,151	288,157	278,883	259,766
Amortised	21,752	20,016	20,832	19,122
Write-off	(21)	(22)	(21)	(5)
At end of the financial year	329,882	308,151	299,694	278,883
Net book value at end of the financial year	183,996	180,727	180,742	177,358

(b) Goodwill on consolidation

	The Group		The Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Cost				
At beginning/end of the financial year	646,013	646,013	137,323	137,323
Less: Accumulated impairment losses				
At beginning/end of the financial year	64,644	64,644	–	–
Net book value at end of the financial year	581,369	581,369	137,323	137,323

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

22 INTANGIBLE ASSETS (continued)

(b) Goodwill on consolidation (continued)

The carrying amount of the Group's and the Bank's goodwill (after impairment allowances) has been allocated to the following Group and the Bank's cash-generating units ('CGUs'):

	The Group		The Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
CGU				
Business banking	123,591	123,591	123,591	123,591
Community banking	13,732	13,732	13,732	13,732
Investment banking – Advisory ('IB')	–	–	–	–
Investment banking – Treasury & Markets ('T&M')	213,360	213,360	–	–
Stock-broking ('SB')	230,686	230,686	–	–
	581,369	581,369	137,323	137,323

(i) Goodwill impairment assessment

Goodwill is tested for impairment annually or more frequently if events, or changes in circumstances indicate that it might be impaired. The recoverable amount of the CGUs are determined based on value-in-use ('VIU') calculations using the cash flow projections based on financial budgets or forecasts covering a five-year period. Cash flows beyond the fifth-year period are assumed to grow at 4.30% (2024: 5.20%) on a perpetual basis for all CGUs which is based on the forecast Gross Domestic Product ('GDP') growth rate of Malaysia.

In view of the uncertainty in the economic and global recession outlook, the VIU estimated during the financial year ended 31 December 2025 and 31 December 2024 was based on the discounted cash flow ('DCF') method with multiple cash flow projections taking into consideration the assumed probability of different future events and/or scenarios. Two scenarios (2024: three scenarios) have been adopted to represent the possible outcomes, where probability weightage are assigned to these scenarios. Management believes that the probability weightage provides a reasonable assessment of the likelihood of the scenarios. The discount rates used are pre-tax and reflect specific risks relating to the relevant CGUs.

The discount rate and terminal growth rate used for the value in use calculation are as follows:

	Discount rate (%)		Terminal growth rate (%)	
	2025	2024	2025	2024
Business banking	7.21	7.28	4.30	5.20
Community banking	7.21	7.27	4.30	5.20
Investment banking – Advisory ('IB')	7.74	8.01	4.30	5.20
Investment banking – Treasury & Markets ('T&M')	7.78	8.02	4.30	5.20
Stock-broking ('SB')	7.48	7.67	4.30	5.20

There are no impairment losses recognised during the financial year 31 December 2025 and 31 December 2024.

(ii) Sensitivity to changes in assumptions

Management believes that no reasonably changes in any of the key assumption (including those used in preparing cash flow projection) would cause the carrying value of the CGU to exceed its recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

23 DEPOSITS FROM CUSTOMERS

	The Group		The Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
(i) By type of deposit				
Demand deposits	16,620,765	16,251,930	8,323,691	8,214,689
Savings deposits	3,389,251	6,131,696	2,309,911	3,971,904
Fixed deposits	55,995,999	49,863,800	30,828,329	28,032,644
Commodity Murabahah	856,351	576,349	–	–
Money market deposits	187,033	225,506	187,033	225,506
Negotiable Instruments of Deposit ('NID')	1,924,869	660,075	910,083	660,075
Others	25,717	34,163	–	–
	78,999,985	73,743,519	42,559,047	41,104,818
(ii) Maturity structure of fixed deposits, NID and others				
Due within six months	40,409,433	35,843,215	20,762,930	20,073,937
Six months to one year	17,472,964	14,539,671	10,922,982	8,458,579
One year to three years	62,988	172,748	51,320	158,113
Three years to five years	1,200	2,404	1,180	2,090
	57,946,585	50,558,038	31,738,412	28,692,719
(iii) By type of customers				
Government and statutory bodies	16,367,071	14,465,811	5,454,100	5,272,370
Business enterprises	20,212,813	17,972,061	8,742,316	8,298,197
Individuals	32,801,445	34,038,820	23,395,855	24,475,521
Domestic banking institutions	2,096,354	829,164	1,108,451	839,178
Domestic non-banking financial institutions	5,227,695	4,427,691	2,123,861	829,242
Foreign entities	1,146,791	879,551	929,917	615,290
Other entities	1,147,816	1,130,421	804,547	775,020
	78,999,985	73,743,519	42,559,047	41,104,818

24 INVESTMENT ACCOUNTS OF CUSTOMERS

	The Group	
	2025 RM'000	2024 RM'000
(i) By type of deposit		
Mudharabah	1,164,406	757,600
(ii) Movement in investment accounts		
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 TIA investment asset:		
Personal financing	1,164,406	757,600

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

24 INVESTMENT ACCOUNTS OF CUSTOMERS (continued)

	The Group			
	Average PSR (%)		Average ROR (%)	
	2025	2024	2025	2024
(iii) Profit Sharing Ratio ('PSR') and Rate of Return ('ROR')				
Due within:				
Six months to one year	49	85	3.73	5.69

25 DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	The Group		The Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Licensed banks	2,938,392	2,953,794	2,989,854	3,339,215
Licensed investment banks	572,892	194,972	122,453	44,960
Other financial institutions	5,057,580	5,469,645	1,749,945	1,799,414
	8,568,864	8,618,411	4,862,252	5,183,589
Maturity structure of deposits				
Due within six months	7,537,388	7,419,943	4,862,252	5,092,622
Six months to one year	629,374	644,047	–	90,967
One year to three years	402,102	554,421	–	–
	8,568,864	8,618,411	4,862,252	5,183,589

26 OBLIGATIONS ON SECURITIES SOLD UNDER REPURCHASE AGREEMENTS

Obligations on securities sold under repurchase agreements are securities which the Group and the Bank have sold from its portfolio, with a commitment to repurchase at future dates. Such financing and the obligations to repurchase the securities are reflected as a liability on the statements of financial position.

27 RECOURSE OBLIGATION ON LOANS/FINANCING SOLD TO CAGAMAS BERHAD

	The Group		The Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Recourse obligation on loans/financing sold to Cagamas Berhad	7,705,084	5,127,995	4,779,222	3,002,564
Movements in recourse obligation on loans/financing sold to Cagamas Berhad:				
At beginning of the financial year	5,127,995	3,974,491	3,002,564	2,859,450
Additions	4,867,488	2,495,000	2,767,488	1,495,000
Redemption	(2,300,257)	(1,350,008)	(1,000,255)	(1,350,008)
Interest/Profit payment	(229,703)	(148,866)	(129,014)	(103,943)
Interest/Profit expense	242,075	162,784	139,914	105,237
Fair value changes arising from fair value hedges	(2,514)	(5,406)	(1,475)	(3,172)
At end of the financial year	7,705,084	5,127,995	4,779,222	3,002,564

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

27 RECOURSE OBLIGATION ON LOANS/FINANCING SOLD TO CAGAMAS BERHAD (continued)

This represents the proceeds received from housing loans/financing sold directly to Cagamas Berhad with recourse to the Group. Under this agreement, the Group undertakes to administer the loans/financing on behalf of Cagamas Berhad and to buy back any loans/financing which are regarded as defective based on the prudential criteria set by Cagamas Berhad. Such loans/financing transactions and the obligation to buy back the loans/financing are reflected as a financial liability on the statements of financial position and stated at amortised cost.

28 AMOUNT DUE TO CLIENT AND BROKERS

	The Group	
	2025 RM'000	2024 RM'000
Amount due to clients	196,335	191,016
Amount due to brokers	196,650	179,266
Amount due to Bursa Malaysia Securities Sdn Bhd	264,171	–
	657,156	370,282

Amount due to clients and brokers include amount payable under outstanding contracts from the stock and share broking activities. The credit terms of amounts due to clients and brokers range from 1 to 30 days (2024: 1 to 30 days).

29 LEASE LIABILITIES

	The Group		The Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
At beginning of the financial year	65,404	45,721	57,251	38,278
Additions	34,289	50,512	34,263	45,898
Interest/Profit expense	2,475	2,258	2,255	1,922
Lease payment	(37,677)	(33,087)	(33,248)	(28,847)
At end of the financial year	64,491	65,404	60,521	57,251
Potential future rental payments relating to periods following the exercise date of extension options are summarised below:				
Lease liabilities recognised (discounted)	64,491	65,404	60,521	57,251
Potential future lease payments not included in lease liabilities (undiscounted):				
- Payable in 2026 to 2030	221,038	160,611	197,171	136,410
- Payable in 2031 to 2035	16,497	18,925	16,453	18,859
	237,535	179,536	213,624	155,269

The Group and the Bank have not included potential future rental payments after the exercise date of extension options because the Group and the Bank are not reasonably certain to extend the lease beyond the date.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

30 OTHER LIABILITIES

	The Group		The Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Bank Negara Malaysia and Credit Guarantee Corporation Funding programmes (a)	186,303	217,603	147,409	196,227
Margin and collateral deposits	179,504	128,852	144,332	102,476
Other creditors and accruals	344,341	291,487	230,164	145,045
Sundry creditors	312,270	518,993	249,344	489,463
Provision for zakat	5,003	6,301	1,285	1,048
Defined contribution plan (b)	37,668	37,114	34,713	34,822
Accrued employee benefits	151,218	168,291	116,090	120,024
Contract liability (c)	105,616	121,481	43,504	34,931
Commissioned dealer's representatives' balances	60,789	62,890	–	–
Cash collaterals pledged for derivative transactions	1,059	–	–	–
Cash collateral pledged for securities lending transactions	126,957	202,696	–	–
Amounts payable to commissioned and salaried dealer's representatives	38,665	54,515	–	–
Structured Investment	742,018	–	–	–
Expected credit losses (d) - loan/financing commitments and financial guarantees	21,383	16,799	13,316	11,709
	2,312,794	1,827,022	980,157	1,135,745

- (a) Includes monies received by the Group and the Bank under interest free government financing scheme 'BNM SRF SME Fund' and 'SRF Tourism Fund' as part of the government support measures in response to COVID-19 for the purpose of SME financing with a 6 to 8.5 years tenure amounted to RM115.2 million (2024: RM160.8 million). The financing under the government scheme is at concession rates to SMEs.
- (b) The Group and the Bank contribute to EPF, the national defined contribution plan. Once the contributions have been paid, the Group and the Bank have no further payment obligations.
- (c) Contract liabilities includes fees received in advance from bancassurance and bancatakaful partners, which are recognised as revenue over time. During the financial year, the Group and the Bank recognised RM13.8 million (2024: RM13.1 million) and RM1.25 million (2024: RM1.67 million) respectively as fee and commission income.
- (d) Movement in expected credit losses:

	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
The Group				
2025				
At beginning of the financial year	10,048	4,451	2,300	16,799
Net remeasurement of loss allowance	(1,356)	4,275	515	3,434
New loan commitments and financial guarantees issued	10,349	–	–	10,349
Loan commitment and financial guarantees derecognised	(5,153)	(2,920)	(1,126)	(9,199)
At end of the financial year	13,888	5,806	1,689	21,383

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for the financial year ended 31 December 2025

30 OTHER LIABILITIES (continued)

(d) Movement in expected credit losses (continued):

The Group	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
2024				
At beginning of the financial year	13,452	16,172	19,493	49,117
Net remeasurement of loss allowance	(8,044)	(8,489)	(15,528)	(32,061)
New loan commitments and financial guarantees issued	10,441	2,959	–	13,400
Loan commitment and financial guarantees derecognised	(5,801)	(6,191)	(1,665)	(13,657)
At end of the financial year	10,048	4,451	2,300	16,799
The Bank				
	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
2025				
At beginning of the financial year	7,313	3,183	1,213	11,709
Net remeasurement of loss allowance	(1,738)	2,014	787	1,063
New loan commitments and financial guarantees issued	7,435	–	–	7,435
Loan commitment and financial guarantees derecognised	(3,546)	(2,360)	(985)	(6,891)
At end of the financial year	9,464	2,837	1,015	13,316
2024				
At beginning of the financial year	9,090	5,085	892	15,067
Net remeasurement of loss allowance	(5,574)	482	1,408	(3,684)
New loan commitments and financial guarantees issued	8,273	2,019	–	10,292
Loan commitment and financial guarantees derecognised	(4,476)	(4,403)	(1,087)	(9,966)
At end of the financial year	7,313	3,183	1,213	11,709

31 AMOUNT DUE TO SUBSIDIARIES

	The Bank	
	2025 RM'000	2024 RM'000
Amount due to subsidiaries	157,546	175,656

The amount due to subsidiaries are relating to intercompany transactions which are unsecured, bear no interest/profit rate and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS

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32 BORROWINGS AND SUKUK

	The Group		The Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
(a) Tier-2 Subordinated Medium Term Notes ('MTN')	510,753	510,890	510,753	510,890
(b) Additional Tier-1 Capital Securities ('AT1CS')	500,703	500,703	500,703	500,703
(c) Additional Tier-1 Sukuk Wakalah ('AT1S')	505,808	505,808	–	–
(d) MTN Tier-2 Sukuk Murabahah	505,178	470,099	–	–
(e) Senior MTN/Sukuk	2,767,482	1,790,732	1,725,252	503,032
(f) Commercial Paper ('CP')	942,443	–	493,025	4,956
(g) Term Loan	406,148	–	406,148	–
	6,138,515	3,778,232	3,635,881	1,519,581
Fair value changes arising from fair value hedges	(11,877)	(13,352)	(11,877)	(13,352)
	6,126,638	3,764,880	3,624,004	1,506,229

(a) Tier-2 Subordinated Medium Term Notes ('MTN')

The Bank had, on 26 July 2022, issued the 3rd series of the Subordinated MTNs amounting to RM500.0 million out of its approved BASEL III Compliant MTN Programme of up to RM6.0 billion in nominal value. The Subordinated MTNs were issued for a tenure of 10 years from the issue date on a 10-year non-callable 5-year basis, at a coupon rate of 5.00% p.a. The Subordinated MTNs were issued for the purpose of general banking business and working capital requirements of the Bank.

(b) Additional Tier-1 Capital Securities ('AT1CS')

The Bank had, on 31 July 2018, issued first series of AT1CS of RM500.0 million out of its approved BASEL III Compliant AT1CS Programme of up to RM3.0 billion in nominal value. The first series AT1CS was issued on perpetual non-callable 5-year basis, at a coupon rate of 5.80% p.a. The Bank had on, 31 July 2023 fully redeemed the first series of AT1CS of RM500.0 million and on 23 June 2023, the Bank had issued a second series of AT1CS of RM500.0 million. The second series AT1CS was issued on perpetual non-callable 5-year basis, at a fixed coupon rate of 5.70% p.a. The second series AT1CS was issued for the purpose of general banking business and working capital requirements of the Bank.

(c) Additional Tier-1 Sukuk Wakalah ('AT1S')

On 10 October 2023, AFFIN ISLAMIC 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 AFFIN ISLAMIC.

(d) MTN Tier-2 Sukuk Murabahah

On 13 October 2023, AFFIN ISLAMIC 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 AFFIN ISLAMIC.

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for the financial year ended 31 December 2025

32 BORROWINGS AND SUKUK (continued)

(e) Senior MTN/Sukuk

AFFIN ISLAMIC 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 AFFIN ISLAMIC. The RM230.0 million Sukuk was fully redeemed on 16 December 2025.

On 12 December 2023, AFFIN ISLAMIC 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 AFFIN ISLAMIC.

The Bank had, on 8 May 2024, issued Senior MTN of RM500.0 million for a tenure of 5 years from the issue date, at a coupon rate of 4.10% p.a. The Senior MTN was issued for the purpose of general banking business and working capital requirements of the Bank.

On 4 June 2025, the Bank had issued Senior Unsecured Euro Medium Term Note ('EMTN') of USD300.0 million out of its EMTN Programme. The EMTN is issued for a tenure of 5 years from the issue date, at a coupon rate of 5.11% p.a. The EMTN was issued for the purpose of general banking business, working capital requirements and other corporate purposes of the Bank.

(f) Commercial Paper ('CP')

The Bank, AFFIN ISLAMIC and AHIB had on 27 September 2024, each issued RM5.0 million of Commercial Paper ('CP') or Islamic Commercial Paper ('ICP') for a tenure of 181 days from the issue date, at a discount/profit rate of 3.70% p.a. The CP and ICP were issued for the purpose of general banking business and working capital requirements of their respective institutions. The Bank subscribed to the CP issued by AFFIN ISLAMIC and AHIB, while AHIB subscribed to the CP issued by the Bank. All the CPs and ICP were fully redeemed on 25 March 2025.

On 27 March 2025, the Bank and AFFIN ISLAMIC had issued CP of RM25.0 million and ICP of RM65.0 million respectively, both for a tenure of 6 months from the issue date, at a discount/profit rate of 3.81% p.a. The CP and ICP were issued for the purpose of general banking business and working capital requirements of ABB and AIBB. All the CP and ICP were fully redeemed on 25 September 2025.

On 29 May 2025, the Bank had issued CP of RM300.0 million for a tenure of 6 months from the issue date, at a discount rate of 3.57% p.a. The CP was issued for the purpose of general banking business and working capital requirements of the Bank. The CP was fully redeemed on 28 November 2025.

On 25 September 2025, the Bank and AFFIN ISLAMIC had issued CP of RM45.0 million and ICP of RM115.0 million respectively, both for a tenure of 6 months from the issue date, at a discount/profit rate of 3.38% p.a. The CP and ICP were issued for the purpose of general banking business and working capital requirements of ABB and AIBB.

On 28 November 2025, the Bank and AFFIN ISLAMIC again had issued CP of RM160.0 million and ICP of RM340.0 million respectively, both for a tenure of 6 months from the issue date, at a discount/profit rate of 3.40% p.a. The CP and ICP were issued for the purpose of general banking business and working capital requirements of ABB and AIBB.

On 5 December 2025, the Bank again had issued CP of RM300.0 million for a tenure of 12 months from the issue date, at a discount rate of 3.39% p.a. The CP was issued for the purpose of general banking business and working capital requirements of the Bank.

(g) Term Loan

The USD term loan of ABB bear interest at rates of 4.22% (2024: nil) p.a. for the purpose of general banking business and working capital requirements.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

32 BORROWINGS AND SUKUK (continued)

The Group	At beginning of the financial year RM'000	Net issuance/ (Redemption and interest/profit payments) RM'000	Interest/profit expense and foreign exchange movement RM'000	At end of the financial year RM'000
2025				
Tier-2 Subordinated MTN	510,890	(25,137)	25,000	510,753
AT1CS	500,703	(28,500)	28,500	500,703
AT1S *	505,808	(25,500)	25,500	505,808
MTN Tier-2 Sukuk Murabahah *	470,099	11,779	23,300	505,178
Senior MTN/Sukuk *	1,790,732	889,950	86,800	2,767,482
Commercial Paper ('CP')	–	931,665	10,778	942,443
Term Loan	–	404,700	1,448	406,148
	3,778,232	2,158,957	201,326	6,138,515
2024				
Tier-2 Subordinated MTN	510,890	(25,068)	25,068	510,890
AT1CS	500,468	(28,343)	28,578	500,703
AT1S *	505,808	(25,500)	25,500	505,808
MTN Tier-2 Sukuk Murabahah *	505,113	(58,379)	23,365	470,099
Senior MTN/Sukuk *	1,287,450	429,850	73,432	1,790,732
	3,309,729	292,560	175,943	3,778,232
The Bank				
2025				
Tier-2 Subordinated MTN	510,890	(25,137)	25,000	510,753
AT1CS	500,703	(28,500)	28,500	500,703
Senior MTN	503,032	1,190,949	31,271	1,725,252
Commercial Paper ('CP')	4,956	480,560	7,509	493,025
Term Loan	–	404,700	1,448	406,148
	1,519,581	2,022,572	93,728	3,635,881
2024				
Tier-2 Subordinated MTN	510,890	(25,068)	25,068	510,890
AT1CS	500,468	(28,343)	28,578	500,703
Senior MTN	–	489,665	13,367	503,032
Commercial Paper ('CP')	–	4,908	48	4,956
	1,011,358	441,162	67,061	1,519,581

* inclusive of profit expense on ATIS, Senior Sukuk and Senior Sukuk Murabahah from Islamic banking business.

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for the financial year ended 31 December 2025

33 SHARE CAPITAL

	The Group and The Bank			
	2025		2024	
	Number of ordinary shares '000	RM'000	Number of ordinary shares '000	RM'000
Ordinary shares issued and fully paid (no par value):				
At beginning of the financial year	2,400,486	5,488,544	2,346,488	5,371,044
Issued on 11 June 2024 (a)	–	–	53,998	117,500
Issued on 5 May 2025 (b)	133,349	–	–	–
At end of the financial year	2,533,835	5,488,544	2,400,486	5,488,544

- (a) The Bank increased its issued ordinary shares from 2,346.5 million to 2,400.5 million via issuance of 54.0 million new ordinary shares amounting to RM117.5 million arising from the DRP relating to electable portion of the final dividend of 5.76 sen per ordinary share, in respect of the financial year ended 31 December 2023.
- (b) The Bank increased its issued ordinary shares from 2,400.5 million to 2,533.8 million via issuance of 133.3 million new ordinary shares from the Bonus Issue of one (1) bonus share for every eighteen (18) existing ordinary shares at no consideration and without capitalisation of the Bank's reserves, in respect of the financial year ended 31 December 2024.

34 RESERVES

	The Group		The Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
FVOCI revaluation reserves (a)	228,942	170,624	228,752	207,027
Regulatory reserves (b)	594,418	473,143	326,563	335,563
Other reserves (c)	22,601	3,493	36,770	17,241
Retained profits	5,884,406	5,465,488	4,351,086	4,126,004
	6,730,367	6,112,748	4,943,171	4,685,835

- (a) FVOCI revaluation reserves represent the unrealised gains or losses arising from the change in fair value of investments classified as financial investments at FVOCI. The gains or losses are transferred to the income statement upon disposal or when the securities become impaired.
- (b) Pursuant to BNM Financial Reporting policy dated 29 April 2022, the Group and the Bank must maintain, in aggregate, loss allowance for non-credit-impaired exposures and regulatory reserves of no less than 1% of all credit exposures, net of loss allowance for credit-impaired exposures.
- (c) Included in these other reserves are the Long Term Incentive Plan (LTIP), as disclosed in Note 59, and share of insurance finance reserve from the associates.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

35 INTEREST INCOME

	The Group		The Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Loans, advances and financing	2,096,815	2,141,243	1,808,398	1,810,114
Money at call and deposit placements with financial institutions	90,022	91,104	217,632	257,901
Reverse repurchase agreements with financial institutions	1,929	445	1,929	551
Financial investments at FVOCI	431,074	390,979	300,723	249,580
Financial investments at AC	316,487	369,904	319,464	379,244
Interest income on Securities Borrowing Collateral	2,721	1,949	–	–
Interest income from Discretionary Financing	5,458	3,331	–	–
Others	1,146	2,752	647	1,852
	2,945,652	3,001,707	2,648,793	2,699,242

36 INTEREST EXPENSE

	The Group		The Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Deposits from customers	1,395,549	1,535,277	1,210,410	1,366,802
Deposits and placements of banks and other financial institutions	229,667	258,890	220,822	247,642
Obligation on securities sold under repurchase agreements	174,504	197,559	171,103	185,884
Recourse obligation on loans/financing sold to Cagamas Berhad	139,914	105,237	139,914	105,237
Borrowings and Sukuk	118,037	60,866	118,123	60,964
Interest expense on Securities Lending Collateral	7,958	11,185	–	–
Others	5,253	6,288	4,611	5,137
	2,070,882	2,175,302	1,864,983	1,971,666

37 INCOME FROM ISLAMIC BANKING BUSINESS

	The Group	
	2025 RM'000	2024 RM'000
Income derived from investment of depositors' funds and others	1,967,445	1,693,968
Income derived from investment of investment account funds	170,962	189,534
Income derived from investment of shareholders' funds	184,432	156,686
Total distributable income	2,322,839	2,040,188
Income attributable to depositors and others	(1,456,025)	(1,349,039)
	866,814	691,149

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

38 NET FEE AND COMMISSION INCOME

	The Group		The Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
(a) Fee and commission income:				
Gross brokerage income	113,559	125,858	–	–
Corporate advisory fees	6,859	11,645	–	–
Commission	52,635	48,791	52,471	48,532
Service charges and fees	91,084	103,404	90,613	103,044
Guarantee fees	14,231	14,367	13,571	13,211
Arrangement fees	1,505	3,226	–	–
Other fee income	48,836	37,871	1,145	961
	328,709	345,162	157,800	165,748
(b) Fee and commission expenses:				
Commission and referral expense	(45,613)	(47,254)	(22,620)	(17,216)
Net fee and commission income	283,096	297,908	135,180	148,532

39 NET GAINS ON FINANCIAL INSTRUMENTS

	The Group		The Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Gain arising on financial assets at FVTPL:				
- net gain on disposal	69,896	55,078	36,617	7,491
- unrealised (loss)/gain	(3,862)	13,120	17,340	3,963
- interest/profit income	85,840	78,472	75,386	52,430
- gross dividend income	3,479	4,388	2,191	2,038
	155,353	151,058	131,534	65,922
(Loss)/Gain on derivatives instruments:				
- realised gain/(loss)	22,769	(6,948)	4,509	1,317
- unrealised gain/(loss)	(45,710)	28,298	(36,392)	31,893
- interest/profit income	(6,550)	16,102	(6,284)	14,339
	(29,491)	37,452	(38,167)	47,549
Gain arising on financial investments at FVOCI:				
- net gain on disposal	163,966	14,457	119,739	14,725
- gross dividend income	882	1,340	732	1,190
	164,848	15,797	120,471	15,915
Gain arising on financial investments at AC:				
- net gain on sale/redemption	–	6,796	–	5,040
Unrealised gain on fair value changes arising from fair value hedges	245	988	245	988
Net gains on financial instruments	290,955	212,091	214,083	135,414

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

40 OTHER INCOME

	The Group		The Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Foreign exchange gain/(loss):				
– realised	519,574	209,417	445,862	86,457
– unrealised	(403,317)	(70,915)	(336,484)	49,661
Rental income	2,909	74	8,517	7,436
Gain on sale of property and equipment	1,949	2,667	1,881	2,637
Gain on disposal of right-of-use-assets	511	–	511	–
Other non-operating income	4,246	951	67,697	24,095
Gross dividend received from:				
– subsidiaries	–	–	83,959	76,369
– associates	–	–	32,700	64,800
	125,872	142,194	304,643	311,455

41 OTHER OPERATING EXPENSES

	The Group		The Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Personnel costs	1,025,114	1,065,014	634,090	677,491
Establishment costs	461,403	399,872	318,628	289,465
Marketing expenses	60,493	56,258	49,542	46,323
Administrative and general expenses	154,982	146,964	95,123	95,113
	1,701,992	1,668,108	1,097,383	1,108,392
Personnel costs				
Wages, salaries and bonuses	735,485	771,654	444,049	472,043
Defined contribution plan ('EPF')	131,041	133,864	76,831	84,049
Voluntary separation scheme	7,942	47,426	6,408	45,839
Employee benefits share grant scheme ('SGS') ¹	19,529	13,095	18,336	9,502
Other personnel costs	131,117	98,975	88,466	66,058
	1,025,114	1,065,014	634,090	677,491
Establishment costs				
Equipment rental	7,619	4,121	3,730	3,247
Repair and maintenance	164,740	159,094	94,108	95,023
Depreciation of property and equipment	74,736	70,306	71,228	67,494
Depreciation of investment property	2,600	–	3,575	–
Depreciation of right-of-use assets	38,071	35,851	32,814	30,179
Amortisation of intangible assets	21,752	20,016	20,832	19,122
IT consultancy fees	6,422	1,070	4,440	1,070
Dataline rental	51,950	36,922	37,200	27,139
Security services	23,552	21,150	16,068	14,973
Electricity, water and sewerage	15,164	16,838	9,550	10,590
Insurance/Takaful and indemnities	21,768	20,741	15,958	14,889
Other establishment costs	33,029	13,763	9,125	5,739
	461,403	399,872	318,628	289,465

¹ The long term incentive plan ('LTIP') was implemented by the Group in August 2023. The LTIP awards ordinary shares of the Bank to eligible employees within the Group and its subsidiary companies. The eligibility of participation in the LTIP shall be at the discretion of SGS Committee, and the awarded shares will be vested by stages at predetermined dates subject to continuation employment and performance conditions. Kindly refer to Note 59.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

41 OTHER OPERATING EXPENSES (continued)

	The Group		The Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Marketing expenses				
Business promotion and advertisement	26,892	27,492	24,394	25,764
Entertainment	2,911	2,091	1,403	1,401
Traveling and accommodation	4,828	5,658	2,579	3,302
Commission and brokerage expenses	19,464	13,799	18,347	12,779
Other marketing expenses	6,398	7,218	2,819	3,077
	60,493	56,258	49,542	46,323
Administration and general expenses				
Telecommunication expenses	13,668	13,642	1,227	2,033
Auditors' remuneration	3,598	4,528	2,168	3,203
Professional fees	20,547	21,869	12,504	17,153
Property and equipment written-off	206	183	203	73
Intangible assets written-off	–	139	–	–
Mail and courier charges	3,355	2,634	2,636	2,530
Stationery and consumables	13,578	12,456	9,744	8,905
Directors' fees and allowances	8,617	8,418	3,768	3,565
Donations	4,233	2,097	3,982	1,478
Settlement, clearing and bank charges	46,199	37,536	39,567	33,053
Stamp duties	406	2,105	228	212
Operational and litigation write-off expenses	4,803	25	4,803	24
Subscription fees	13,936	11,574	–	3
Other administration and general expenses	21,836	29,758	14,293	22,881
	154,982	146,964	95,123	95,113

Included in other operating expenses of the Group and the Bank are President/Group CEO and Directors' remuneration totalling RM14,894,000 (2024: RM11,694,000) and RM10,045,000 (2024: RM6,841,000) respectively.

The expenditure includes the following required statutory disclosures:

	The Group		The Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Directors' remuneration (Note 42)	8,617	8,418	3,768	3,565
Auditors' remuneration ^:				
(i) Statutory audit fees	2,546	2,516	1,454	1,525
(ii) Regulatory related fees	257	231	145	122
(iii) Tax fees	215	208	39	38
(iv) Non audit fees	580	1,573	530	1,518

^ There was no indemnity given to or insurance effected for the Group and the Bank during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

42 PRESIDENT/GROUP CHIEF EXECUTIVE OFFICER AND DIRECTORS' REMUNERATION

The President/Group CEO and Directors of the Bank who have held office during the financial year are as follows:

President/Group CEO

Datuk Wan Razly Abdullah bin Wan Ali

Non-Executive Directors

Dato' Agil Natt (Chairman)
 Dato' Abdul Aziz bin Abu Bakar
 Chan Tze Ching, Ignatius
 Dato' Rozalila binti Abdul Rahman
 Peter Yuen Wai Hung
 Gregory Jerome Gerald Fernandes
 Chan Wai Yu
 Mohammad Ashraf bin Md Radzi
 Emeliana Dallan Rice-Oxley
 Dato Sharkawi bin Alis
 Datu Hajah Elean binti Masa'at
 Dato' Mohd Hata bin Robani
 Marzida binti Mohd Noor

The aggregate amount of remuneration for the Directors of the Group and the Bank for the financial year are as follows:

	The Group		The Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
President/Group CEO				
Salaries	2,382	2,268	2,382	2,268
Bonuses	2,457	–	2,457	–
Defined contribution plan ('EPF')	1,197	767	1,197	767
Other employee benefits	166	166	166	166
Benefits-in-kind	75	75	75	75
President/Group CEO remuneration	6,277	3,276	6,277	3,276
Non-Executive Directors				
Fees and other emoluments	3,579	3,382	3,579	3,382
Benefits-in-kind	189	183	189	183
Directors' remuneration	3,768	3,565	3,768	3,565
Directors of subsidiaries	4,849	4,853	–	–
Total Directors' remuneration (Note 41)	8,617	8,418	3,768	3,565
President/Group CEO and Directors' remuneration	14,894	11,694	10,045	6,841

The Directors' remuneration in the current financial year represents remuneration for Directors of the Group, the Bank and its subsidiaries to comply with the requirements of the Companies Act 2016. The names of Directors of subsidiaries and their remuneration details are set out in the respective subsidiary's statutory accounts and the said information is deemed incorporated herein by such reference and made a part thereof.

Included in the Directors' emoluments are benefits-in-kind (based on estimated monetary value) receivable from the Bank and its subsidiaries of RM189,000 (2024: RM183,000) and RM189,000 (2024: RM183,000) respectively.

During the financial year, Directors and Officers of the Group and the Bank are covered under the Directors' & Officers' Liability Insurance/Takaful in respect of liabilities arising from acts committed in their capacity as, inter alia, Directors and Officers of the Group and the Bank subject to the terms of the policy. The total amount of Directors' & Officers' Liability Insurance/Takaful effected for the Directors & Officers of the holding company was RM40.0 million. The total amount of premium paid by the Group and the Bank was RM1,362,681 (2024: RM1,373,697) and RM205,210 (2024: RM214,336) respectively.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

42 PRESIDENT/GROUP CHIEF EXECUTIVE OFFICER AND DIRECTORS' REMUNERATION (continued)

A summary of the total remuneration of the President/Group CEO and Directors are as follows:

The Group	Salaries RM'000	Bonuses RM'000	Directors' fees RM'000	Other emoluments RM'000	Benefits- in-kind RM'000	Total RM'000
2025						
President & Group CEO						
Datuk Wan Razly Abdullah bin Wan Ali	2,382	2,457	–	1,363	75	6,277
Total	2,382	2,457	–	1,363	75	6,277
Non-Executive Directors						
Dato' Agil Natt	–	–	507	–	159	666
Dato' Abdul Aziz bin Abu Bakar	–	–	303	–	1	304
Chan Tze Ching, Ignatius	–	–	215	–	1	216
Dato' Rozalila binti Abdul Rahman	–	–	345	–	1	346
Peter Yuen Wai Hung	–	–	38	–	1	39
Gregory Jerome Gerald Fernandes	–	–	377	–	1	378
Chan Wai Yu	–	–	385	–	1	386
Mohammad Ashraf bin Md Radzi	–	–	45	–	1	46
Emeliana Dallan Rice-Oxley	–	–	277	–	1	278
Dato Sharkawi bin Alis	–	–	215	–	10	225
Datu Hajah Elean binti Masa'at	–	–	77	–	1	78
Dato' Mohd Hata bin Robani	–	–	420	–	10	430
Marzida binti Mohd Noor	–	–	375	–	1	376
Total	–	–	3,579	–	189	3,768
Grand total	2,382	2,457	3,579	1,363	264	10,045
2024						
President & Group CEO						
Datuk Wan Razly Abdullah bin Wan Ali (completion of Directorship Tenure w.e.f. 2 April 2024)	2,268	–	–	933	75	3,276
Total	2,268	–	–	933	75	3,276
Non-Executive Directors						
Dato' Agil Natt	–	–	508	–	164	672
Dato' Abdul Aziz bin Abu Bakar	–	–	295	–	1	296
Dato' Mohd Hata bin Robani	–	–	410	–	10	420
Chan Tze Ching, Ignatius	–	–	212	–	1	213
Dato' Rozalila binti Abdul Rahman	–	–	350	–	1	351
Peter Yuen Wai Hung	–	–	212	–	1	213
Marzida binti Mohd Noor	–	–	350	–	1	351
Gregory Jerome Gerald Fernandes	–	–	370	–	1	371
Chan Wai Yu	–	–	335	–	1	336
Mohammad Ashraf bin Md Radzi	–	–	60	–	1	61
Emeliana Dallan Rice-Oxley	–	–	280	–	1	281
Total	–	–	3,382	–	183	3,565
Grand total	2,268	–	3,382	933	258	6,841

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

42 PRESIDENT/GROUP CHIEF EXECUTIVE OFFICER AND DIRECTORS' REMUNERATION (continued)

A summary of the total remuneration of the President/Group CEO and Directors are as follows (continued):

The Bank	Salaries RM'000	Bonuses RM'000	Directors' fees RM'000	Other emoluments RM'000	Benefits- in-kind RM'000	Total RM'000
2025						
President & Group CEO						
Datuk Wan Razly Abdullah bin Wan Ali	2,382	2,457	–	1,363	75	6,277
Total	2,382	2,457	–	1,363	75	6,277
Non-Executive Directors						
Dato' Agil Natt	–	–	507	–	159	666
Dato' Abdul Aziz bin Abu Bakar	–	–	303	–	1	304
Chan Tze Ching, Ignatius	–	–	215	–	1	216
Dato' Rozalila binti Abdul Rahman	–	–	345	–	1	346
Peter Yuen Wai Hung	–	–	38	–	1	39
Gregory Jerome Gerald Fernandes	–	–	377	–	1	378
Chan Wai Yu	–	–	385	–	1	386
Mohammad Ashraf bin Md Radzi	–	–	45	–	1	46
Emeliana Dallan Rice-Oxley	–	–	277	–	1	278
Dato Sharkawi bin Alis	–	–	215	–	10	225
Datu Hajah Elean binti Masa'at	–	–	77	–	1	78
Dato' Mohd Hata bin Robani	–	–	420	–	10	430
Marzida binti Mohd Noor	–	–	375	–	1	376
Total	–	–	3,579	–	189	3,768
Grand total	2,382	2,457	3,579	933	264	10,045

The Bank	Salaries RM'000	Bonuses RM'000	Directors' fees RM'000	Other emoluments RM'000	Benefits- in-kind RM'000	Total RM'000
2024						
President & Group CEO						
Datuk Wan Razly Abdullah bin Wan Ali (completion of Directorship Tenure w.e.f. 2 April 2024)	2,268	–	–	933	75	3,276
Total	2,268	–	–	933	75	3,276
Non-Executive Directors						
Dato' Agil Natt	–	–	508	–	164	672
Dato' Abdul Aziz bin Abu Bakar	–	–	295	–	1	296
Dato' Mohd Hata bin Robani	–	–	410	–	10	420
Chan Tze Ching, Ignatius	–	–	212	–	1	213
Dato' Rozalila binti Abdul Rahman	–	–	350	–	1	351
Peter Yuen Wai Hung	–	–	212	–	1	213
Marzida binti Mohd Noor	–	–	350	–	1	351
Gregory Jerome Gerald Fernandes	–	–	370	–	1	371
Chan Wai Yu	–	–	335	–	1	336
Mohammad Ashraf bin Md Radzi	–	–	60	–	1	61
Emeliana Dallan Rice-Oxley	–	–	280	–	1	281
Total	–	–	3,382	–	183	3,565
Grand total	2,268	–	3,382	933	258	6,841

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

43 ALLOWANCES FOR/(WRITE-BACK OF) CREDIT IMPAIRMENT LOSSES

	The Group		The Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Expected credit losses (written-back)/made on:				
- loans, advances and financing	15,631	(58,514)	57,215	(54,771)
- amount due from client and brokers	47	4	-	-
- securities and placements	(15,759)	(97,442)	(12,812)	(74,710)
- loans/financing commitments and financial guarantee	4,584	(32,318)	1,607	(3,358)
Bad debts and financing				
- recovered	(57,203)	(50,505)	(37,988)	(34,706)
- written-off	76,867	68,594	42,696	53,394
	24,167	(170,181)	50,718	(114,151)

44 ALLOWANCES FOR/(WRITE-BACK OF) IMPAIRMENT LOSSES ON OTHER ASSETS

	The Group		The Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Allowance for impairment made/(written-back) on:				
- amount due from joint ventures	7,143	32	-	-
- other debtors	(110)	18,781	-	9,290
	7,033	18,813	-	9,290

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

45 SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES

Related parties that have transactions and their relationship with the Bank are as follows:

Related parties	Relationship
State Financial Secretary, Sarawak ('SFS')	Substantial shareholder, which is an Investment Corporation of the Government of Sarawak
Lembaga Tabung Angkatan Tentera ('LTAT')	Substantial shareholder, which is Government-Linked Investment Company of the Government of Malaysia
Bank of East Asia ('BEA')	Substantial shareholder
Subsidiaries of SFS	Subsidiary companies of the substantial shareholder
Subsidiaries of LTAT	Subsidiary companies of the substantial shareholder
Subsidiaries of Affin Bank Berhad as disclosed in Note 16	Subsidiaries
Joint ventures as disclosed in Note 17	Joint ventures
Associates as disclosed in Note 18	Associates
Key management personnel	The key management personnel of the Group and the Bank consist of: <ul style="list-style-type: none"> - Directors - President & Group CEO - Members of Senior Management team and the Company Secretary
Related parties of key management personnel (deemed as related to the Bank)	Close family members and dependents of key management personnel <ul style="list-style-type: none"> - Entities that are controlled, jointly controlled or for which significant voting power in such entity resides with, directly or indirectly by key management personnel or its close family members

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group and the Bank either directly or indirectly. Key management personnel include the President & Group CEO of the Bank in office during the financial year and his remuneration for the financial year is disclosed in Note 42.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

45 SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (continued)

The Group and the Bank do not have any individually or collectively significant transactions outside the ordinary course of business with the Government of Malaysia and government-related entities. In addition to related party disclosures mentioned elsewhere in the financial statements, set out below are other significant related party transactions and balances.

(a) Related parties transactions and balances

	Substantial shareholders		Other related companies		Joint venture/ Associates		Companies in which certain Directors have substantial interest		Key management personnel	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
The Group										
Income										
Interest on NID purchased	-	-	-	-	-	-	-	-	-	-
Interest on loans, advances and financing	-	-	15,590	27,761	-	-	1,151	213	195	278
Interest/profit on corporate bonds/Sukuk	-	-	24,028	33,044	-	-	-	-	-	-
Commission income	-	-	-	-	16,411	14,459	-	-	-	-
Interest on unquoted entities	-	-	2,870	3,139	-	-	-	-	-	-
Other income	392	2,039	6,003	6,003	-	-	-	-	-	-
	392	2,039	48,491	69,947	16,411	14,459	1,151	213	195	278
Expenditure										
Interest/profit on deposits and placements of banks and other financial institutions	30,249	6,016	262,572	10,406	2,076	2,940	4,409	168	-	124
Insurance premium	-	-	-	-	2,120	2,749	-	-	-	-
Rental	-	-	3,542	4,098	-	-	-	-	-	-
Other expenditure	326	776	2,608	3,621	-	-	-	-	-	-
	30,575	6,792	268,722	18,125	4,196	5,689	4,409	168	-	124

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

45 SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (continued)

(a) Related parties transactions and balances (continued)

	Substantial shareholders		Other related companies		Joint venture/ Associates		Companies in which certain Directors have substantial interest		Key management personnel	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
The Group										
Amount due from										
Cash and short-term funds	-	-	-	-	-	-	-	-	-	-
Corporate bonds/Sukuk/NID	-	-	339,962	385,420	-	-	-	-	-	-
Loans, advances and financing	-	-	385,869	829,223	-	-	221,227	9,116	5,728	7,624
Intercompany balances	-	-	-	-	4	4,639	-	-	-	-
Unquoted equities	-	-	-	15,000	-	-	-	-	-	-
Other assets	-	10,350	600	1,152	-	-	-	-	-	-
	-	10,350	726,431	1,230,795	4	4,639	221,227	9,116	5,728	7,624
Amount due to										
Demand and savings deposits	504,216	435,012	373,962	192,774	7,477	11,020	372,806	2,080	1,487	2,804
Fixed deposits	128,000	2,164,014	1,722,171	643,420	46,095	75,557	4,296	38,323	12,912	5,406
Money market deposits	-	-	462,147	62,577	-	-	-	-	-	-
Other liabilities	-	-	180	203	-	-	-	-	-	-
	632,216	2,599,026	2,558,460	898,974	53,572	86,577	377,102	40,403	14,399	8,210
Commitments and contingencies	29,500	29,500	496,029	217,023	50,350	50,346	2,042	16,560	-	3,703

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

45 SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (continued)

(a) Related parties transactions and balances (continued)

	Substantial shareholders		Subsidiaries		Other related companies		Joint venture/ Associates		Companies in which certain Directors have substantial interest		Key management personnel	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
The Bank												
Income												
Interest on deposits and placements with banks and other financial institutions	-	-	29,154	35,518	-	-	-	-	-	-	-	-
Profit on RIA	-	-	144,594	169,552	-	-	-	-	-	-	-	-
Interest on NID purchased	-	-	29,672	34,755	-	-	-	-	-	-	-	-
Interest on loans, advances and financing	-	-	-	-	14,330	16,664	-	-	16	21	-	103
Interest on corporate bonds/Sukuk	-	-	-	-	15,718	28,922	-	-	-	-	-	-
Interest on borrowings	-	-	2,548	2,747	-	-	-	-	-	-	-	-
Interest on reverse obligation on securities sold under repurchase agreements	-	-	-	106	-	-	-	-	-	-	-	-
Rental income	22	-	6,118	6,717	217	-	-	-	-	-	-	-
Other income	-	-	457,201	330,705	2,191	2,044	16,411	14,459	-	-	-	-
	22	-	669,287	580,100	32,456	47,630	16,411	14,459	16	21	-	103
Expenditure												
Interest on fixed deposits	-	5,030	705	120	137,362	680	-	-	113	-	645	118
Interest on NID	-	-	22,379	22,678	-	-	-	-	-	-	-	-
Interest on money market deposits	-	-	15,260	13,481	1,221	1,423	24	115	-	-	-	-
Brokerage fees	-	-	929	731	-	-	-	-	-	-	-	-
Rental	-	-	455	451	2,100	1,344	-	-	-	-	-	-
Other expenditure	-	-	999	2,241	2,302	2,207	1,829	1,719	-	-	-	-
	-	5,030	40,727	39,702	142,985	5,654	1,853	1,834	113	-	645	118

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

45 SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (continued)

(a) Related parties transactions and balances (continued)

	Substantial shareholders		Subsidiaries		Other related companies		Joint venture/ Associates		Companies in which certain Directors have substantial interest		Key management personnel	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
The Bank												
Amount due from												
Restricted investment accounts	-	-	2,549,143	3,248,280	-	-	-	-	-	-	-	-
Negotiable instruments of deposit	-	-	1,530,534	899,613	-	-	-	-	-	-	-	-
Loans, advances and financing	-	-	-	-	262,519	324,904	-	-	326	439	517	422
Derivatives financial assets	-	-	8,007	-	-	-	-	-	-	-	-	-
Deposits and placements with banks and other financial institutions	-	-	1,437,748	1,370,168	-	-	-	-	-	-	-	-
Intercompany balances	-	-	361,963	756,357	-	-	-	-	-	-	-	-
Borrowings	-	-	45,355	65,309	-	-	-	-	-	-	-	-
Corporate bonds/Sukuk	-	-	-	9,918	244,185	324,176	-	-	30,214	-	-	-
Unquoted equities	-	-	-	-	-	15,000	-	-	-	-	-	-
Reverse obligation on securities sold under repurchase agreements	-	-	-	8,033	-	-	-	-	-	-	-	-
Security deposits	-	-	8	8	-	-	-	-	-	-	-	-
	-	-	5,932,758	6,357,686	506,704	664,080	-	-	30,540	439	517	422
Amount due to												
Demand and savings deposits	468,671	398,928	41,397	57,798	54,532	93,763	7,080	11,020	370,041	-	339	1,509
Fixed deposits	-	1,550,000	194,006	152,497	614,177	37,074	-	-	-	-	3,891	4,493
Negotiable instruments of deposit	-	-	200,759	657,568	-	-	-	-	-	-	-	-
Money market deposits	-	-	311,478	322,229	44,569	62,577	-	-	-	-	-	-
Security deposits	-	-	1,912	1,878	-	-	-	-	-	-	-	-
Derivatives financial liabilities	-	-	42,460	-	-	-	-	-	-	-	-	-
Intercompany balances	-	-	157,546	175,656	-	-	-	-	-	-	-	-
	468,671	1,948,928	949,558	1,367,626	713,278	193,414	7,080	11,020	370,041	-	4,230	6,002
Commitments and contingencies	28,000	28,000	2,622,230	2,677,976	140,938	114,941	50,340	50,336	-	-	2,898	2,164

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

45 SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (continued)

(b) Key management personnel compensation

The remuneration of key management personnel of the Group and the Bank during the financial year are as follows:

	The Group		The Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Directors' fees, other emoluments and benefits				
Fees	7,322	7,907	3,579	3,382
Benefits-in-kind	1,295	511	189	183
	8,617	8,418	3,768	3,565
Short-term employment benefits				
Salaries	24,503	22,068	12,257	11,743
Bonuses	15,601	3,562	8,044	224
Defined contribution plan ("EPF")	9,094	6,662	5,355	3,979
Other employee benefits	3,198	2,956	1,744	1,686
Benefits-in-kind	590	622	429	445
	52,986	35,870	27,829	18,077

Included in the above is the President/Group CEO and directors' remuneration as disclosed in Note 42.

46 TAXATION

	The Group		The Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<u>Malaysian income tax</u>				
Current tax	179,601	157,349	36,627	25,998
(Over)/Under provision in prior financial year	(16,054)	7,273	(14,091)	6,150
Deferred tax (Note 14)	52,005	26,704	50,997	34,372
Tax expense for the financial year	215,552	191,326	73,533	66,520

	The Group		The Bank	
	2025 %	2024 %	2025 %	2024 %
<u>Statutory tax rate in Malaysia</u>	24.00	24.00	24.00	24.00
Tax effect in respect of:				
- Non-allowable expenses	7.64	4.52	16.18	5.76
- Non taxable income	(1.41)	(2.11)	(9.93)	(10.86)
- (Over)/Under provision in prior financial year	(2.11)	1.03	(4.87)	1.93
- Unrecognised tax losses of which temporary differences not recognised	-	(0.01)	-	-
- Tun Razak Exchange Marquee status incentive	(0.09)	(0.39)	-	-
Average effective tax rate	28.03	27.04	25.38	20.83

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

47 EARNINGS PER SHARE

(a) BASIC EARNINGS PER SHARE

The basic earnings per ordinary share for the Group and the Bank have been calculated by dividing the net profit attributable to equity holders of the Group and the Bank by the weighted average number of ordinary shares in issue during the financial year.

	The Group		The Bank	
	2025	2024	2025	2024
Net profit attributable to equity holders of the Bank (RM'000)	540,193	509,703	216,082	252,926
Weighted average number of ordinary shares in issue ('000)	2,533,835	2,376,438	2,533,835	2,376,438
Adjustment for bonus issue ('000) ¹	–	133,349	–	133,349
Adjusted weighted average number of ordinary shares in issue ('000)	2,533,835	2,509,787	2,533,835	2,509,787
Basic earnings per share (sen)				
- Before issuance of bonus shares	–	21.4	–	10.6
- After issuance of bonus shares ¹	21.3	20.3	8.5	10.1

(b) DILUTED EARNINGS PER SHARE

During the financial year ended 31 December 2025, diluted EPS is calculated by dividing the net profit attributable to equity holders of the Bank, which require no adjustment for the effects of dilutive potential ordinary shares, by the weighted average number of ordinary shares in issue during the financial year and the weighted average number of ordinary shares that would be issued on conversion of dilutive potential ordinary shares.

The Group	The Group		The Bank	
	2025	2024	2025	2024
Net profit attributable to equity holders of the Bank (RM'000)	540,193	509,703	216,082	252,926
Weighted average number of ordinary shares in issue ('000)				
- during the year	2,533,835	2,376,438	2,533,835	2,376,438
- effect of dilutive of potential ordinary shares ²	35,249	26,037	27,559	19,526
Adjustment for bonus issue ('000) ¹	–	133,349	–	133,349
Adjusted weighted average number of potential ordinary shares in issue ('000)	2,569,084	2,535,824	2,561,394	2,529,313
Diluted earnings per share (sen)				
- Before issuance of bonus shares	–	21.2	–	10.6
- After issuance of bonus shares ¹	21.0	20.1	8.4	10.0

¹ For comparison purposes, the earnings per share for the Group and the Bank for the financial year ended 31 December 2024 have been restated to reflect the bonus issue of one (1) bonus share for every eighteen (18) existing ordinary shares which was completed on 5 May 2025.

² The dilutive potential ordinary shares is arising from Shares Grant Scheme ('SGS'). The SGS is a restricted share unit scheme where vesting is subject to performance conditions. The number of shares calculated as above is compared with the number of shares that would have been issued assuming performance conditions are achieved.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

48 DIVIDENDS

Dividends recognised as distribution to ordinary equity holders of the Bank:

	2025		2024	
	Dividend per share sen	Amount of dividend RM'000	Dividend per share sen	Amount of dividend RM'000
The Group and The Bank				
Ordinary shares				
Dividend for the financial year ended 31 December 2023:				
- Single-tier final dividend	-	-	5.76	135,157
	-	-	5.76	135,157

During the financial year, the Bank issued 133,348,843 new ordinary shares from the Bonus Issue on the basis of one (1) bonus share for every eighteen (18) existing ordinary shares held in the Bank at no consideration and without capitalisation of the Bank's reserves, in respect of the financial year ended 31 December 2024.

On 29 January 2026, the Board of Directors proposed a single-tier final dividend of 8.53 sen per share amounting to RM216,136,158 in respect of the financial year ended 31 December 2025, based on the Bank's issued share capital of 2,533,835,382 ordinary shares at 31 December 2025.

On the same day, the Board of Directors resolved that DRP as disclosed in Note Z be applied to the entire proposed final dividend, which can be elected and reinvested in new ordinary shares of the Bank.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

49 COMMITMENTS AND CONTINGENCIES

In the normal course of business, the Group and the Bank make various commitments and incur 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 Group and the Bank. The principal amount of commitments and contingencies constitute the following:

	The Group		The Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Direct credit substitutes*	718,534	547,957	470,207	395,893
Transaction-related contingent items	1,320,681	1,166,378	886,188	715,944
Short-term self-liquidating trade-related contingencies	1,858,165	3,695,873	95,326	43,616
Obligations under an on-going underwriting agreement	8,249	–	–	–
Irrevocable commitments to extend credit [^] :	17,404,788	11,641,760	9,127,910	6,380,826
– maturity less than one year	12,361,249	9,001,392	5,579,217	4,553,519
– maturity more than one year	5,043,539	2,640,368	3,548,693	1,827,307
Foreign exchange related contracts [#] :	35,225,311	39,197,534	35,462,296	38,404,456
– less than one year	34,949,775	39,087,200	35,262,336	38,404,456
– one year to less than five years	275,536	110,334	199,960	–
Interest/Profit rate related contracts [#] :	30,477,489	21,301,233	24,879,895	15,592,512
– less than one year	7,371,000	2,119,000	5,871,000	1,514,000
– one year to less than five years	22,266,058	18,313,866	18,168,464	13,313,170
– more than five years	840,431	868,367	840,431	765,342
Equity related contracts:	116,128	94,098	–	–
Share margin financing	2,314,634	1,815,376	–	–
Lending of the Banks' securities or the posting of securities as collateral by Banks, including instances where these arise out of repo-style transactions. (i.e. repurchase/reverse repurchase and securities lending/borrowing transactions)	–	3,739,622	–	3,739,622
Unutilised credit card lines	2,318,907	1,986,666	1,775,660	1,592,949
	91,762,886	85,186,497	72,697,482	66,865,818

* Included in direct credit substitutes above are financial guarantee contracts of RM718.5 million and RM470.2 million at the Group and the Bank respectively (2024: RM548.0 million and RM395.9 million at the Group and the Bank respectively).

[^] The comparative balance of the commitment on share margin financing have been reclassified to conform to current year's presentation.

[#] The fair value of these derivatives have been recognised as 'derivative financial instruments' in the statement of financial position and disclosed in Note 6 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

50 FINANCIAL RISK MANAGEMENT

The Group has set up objectives and policies to manage the risks that arise in connection with financial instruments. The risk management policies of the Group are guided by specific objectives to ensure that comprehensive and adequate risk management procedures are established to mitigate the salient risk elements in the operations of the Group. The establishment of the overall financial risk management objectives is consistent and in tandem with the strategy to create and enhance shareholders' value, whilst guided by a prudent and robust framework of risk management policies. In achieving the objective of maximising returns to shareholders, the Board takes cognisance of the risk elements that the Group is confronted within its operations. In view of the multi-faceted risks inherent especially in the Group's operations in the banking sector, the Group places great emphasis on the importance of risk management and has put in place clear and comprehensive risk management mechanisms and strategies to identify, monitor, manage and control the relevant risk factors.

(i) Credit risk

Credit risk is the risk that a counterparty will fail to meet its contractual obligations which could result in a financial loss to the Group and the Bank. The Group's and the Bank's exposure to credit risks arises primarily from loans, advances and financing, amount due from client and brokers, share margin financing, corporate/inter-bank lending activities, securities borrowing and lending, bonds/sukuk investment, foreign exchange trading as well as equity and debt underwriting and from participation in securities settlements and payment transactions.

The management of credit risk is governed by a set of approved credit policies, guidelines and procedures to ensure that the overall lending objectives are in compliance with the internal and regulatory requirements. The risk management policies are subject to review by the Group Board Risk Management Committee ('GBRMC'), a sub-committee of the Board that reviews the adequacy of the Group's and the Bank's risk policies and framework. The Group's and the Bank's credit risk framework is further strengthened through an established process for the approval and review of proposals that comprises the Group Management Credit Committee ('GMCC') and the Group Board Credit Review and Recovery Committee ('GBCRRC'). The GMCC represents the approving authority for credit and underwriting proposals, whilst the GBCRRC is the committee that reviews proposals that exceed specified limits and criteria, as well as to consider whether to veto the approval of GMCC on the proposal or modify the terms of the proposal.

The Group and the Bank recognise that learning is a continuous journey and are committed to enhance the knowledge and skills set of its staff. They placed strong emphasis on creating and enhancing risk awareness in the organisation.

The Group and the Bank are supportive of credit officers in pursuing Professional Credit Certification ('PCC') programmes offered by the Asian Institute of Chartered Bankers ('AICB'). Upon attaining the Chartered Banker certification, credit officers are expected to demonstrate sound understanding of credit process and competence to undertake credit roles and responsibilities.

Credit risk evaluation

Credit evaluation is the process of analysing the creditworthiness of a prospective counterparty against the Group's and the Bank's underwriting criteria and the ability of the Group and the Bank to make a return commensurate to the level of risk undertaken. Apart from conducting a holistic risk assessment on the prospective counterparty, a critical element in the evaluation process is the assignment of a credit risk grade to the counterparty. This assists in the risk assessment and decision making process. A number of relevant qualitative and quantitative factors are taken into consideration in the identification and analysis of a counterparty's credit risk. Each counterparty is assigned a credit rating which considers factors such as competitive position, operating performance, cash flow financial strength and management strength. The Group and the Bank have developed internal rating models to support the assessment and quantification of credit risk.

All corporate lending/financing, underwritings and corporate debt securities investments/Sukuk are independently evaluated by the Group's and Bank's credit management function and approved by the relevant approving authorities based on the Authority Matrix approved by the Board.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

50 FINANCIAL RISK MANAGEMENT (continued)

(i) Credit risk (continued)

Credit risk evaluation (continued)

For consumer mass market products, statistically developed application scorecards are used to assess the risks associated with the credit application as a decision support tool at loans, advances and financing origination. For share margin financing, the credit decisions are guided by an internally developed rating scorecard as well as other terms and conditions stipulated in the Group's and the Bank's Margin Financing Policy. The credit risk of share margin financing is largely mitigated by the holding of collateral in the form of marketable securities.

Credit risk limit control and mitigation policies

The Group and the Bank employ various policies and practices to control and mitigate credit risk.

Lending/Financing limits

The Group and the Bank establish internal limits and related lending/financing guidelines to manage large exposures and avoid undue concentration of credit risk in its credit portfolio. The limits include single customer groupings, connected parties and industry segments. These risks are monitored regularly and the limits are reviewed annually or sooner depending on changing market and economic conditions.

The credit risk exposure for derivatives due to potential exposure arising from market movements, and loan books are managed on an aggregated basis as part of the overall lending limits with customers.

Collateral

Credits are established against customer's capacity to pay rather than to rely solely on collateral. However, collateral may be taken to mitigate credit risk.

The main collateral types accepted and ascribed value by the Group and the Bank are:

- Mortgages over residential real estate;
- Charges over commercial real estate or vehicles financed;
- Charges over business assets such as business properties, equipment and fixed deposits;
- Charges over financial instruments such as marketable securities; and
- Debentures, personal guarantees and corporate guarantees.

Where relevant, the Group and the Bank undertake a valuation of the collateral obtained as part of the loan/financing origination process. This assessment is reviewed periodically.

Term loans/financing and lending to corporate entities are generally secured, revolving individual credit facilities are generally unsecured.

Collateral held as security for financial assets other than loans, advances and financing depends on the nature of the instrument. Debt securities, treasury and other eligible bills are generally unsecured, with the exception of asset-backed securities and similar instruments, which are secured by portfolios of financial instruments. Derivatives are also collateralised.

The Group's and the Bank's policies regarding obtaining collateral have not significantly changed during the reporting period and there has been no significant change in the overall quality of the collateral held by the Group and the Bank since the prior period.

The Group and the Bank closely monitor collateral held for financial assets that are credit-impaired, as it becomes more likely that the Group and the Bank will realise the collateral to mitigate potential credit losses.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

50 FINANCIAL RISK MANAGEMENT (continued)

(i) Credit risk (continued)

Credit risk limit control and mitigation policies (continued)

Collateral (continued)

Financial assets that are credit-impaired and related collateral held in order to mitigate potential losses are shown below:

The Group	Gross loans, advances and financing RM'000	Expected credit losses RM'000	Net loans, advances and financing RM'000	Fair value of collateral held RM'000
2025				
Community Banking				
- Overdraft/Cash Line-i	14,658	(5,085)	9,573	27,887
- Credit cards	3,218	(1,481)	1,737	-
- Term loans/financing	85,123	(18,671)	66,452	110,392
- Mortgages	363,303	(87,612)	275,691	432,682
- Hire purchase	92,441	(48,186)	44,255	257,310
Corporate Banking	370,012	(165,098)	204,914	1,666,739
Enterprise Banking	374,760	(170,185)	204,575	876,112
Total credit-impaired assets	1,303,515	(496,318)	807,197	3,371,122
2024				
Community Banking				
- Overdraft/Cash Line-i	12,403	(3,863)	8,540	25,939
- Credit cards	1,885	(1,179)	706	-
- Term loans/financing	99,844	(45,697)	54,147	105,395
- Mortgages	343,785	(90,371)	253,414	376,280
- Hire purchase	76,947	(42,960)	33,987	255,572
Corporate Banking	540,876	(164,494)	376,382	2,269,626
Enterprise Banking	322,265	(150,331)	171,934	1,087,704
Total credit-impaired assets	1,398,005	(498,895)	899,110	4,120,516

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

50 FINANCIAL RISK MANAGEMENT (continued)

(i) Credit risk (continued)

Credit risk limit control and mitigation policies (continued)

Collateral (continued)

Financial assets that are credit-impaired and related collateral held in order to mitigate potential losses are shown below: (continued)

	Gross loans, advances and financing RM'000	Expected credit losses RM'000	Net loans, advances and financing RM'000	Fair value of collateral held RM'000
The Bank				
2025				
Community Banking				
- Overdraft	14,582	(5,071)	9,511	27,587
- Credit cards	2,549	(1,173)	1,376	-
- Term loans/financing	55,734	(14,558)	41,176	72,385
- Mortgages	229,268	(55,772)	173,496	278,765
- Hire purchase	39,160	(20,742)	18,418	131,938
Corporate Banking	349,129	(161,821)	187,308	1,324,686
Enterprise Banking	300,652	(139,883)	160,769	760,135
Total credit-impaired assets	991,074	(399,020)	592,054	2,595,496
2024				
Community Banking				
- Overdraft	12,122	(3,772)	8,350	25,369
- Credit cards	1,657	(1,037)	620	-
- Term loans/financing	39,378	(10,107)	29,271	42,510
- Mortgages	217,455	(58,705)	158,750	244,727
- Hire purchase	38,619	(20,237)	18,382	161,272
Corporate Banking	514,101	(154,598)	359,503	2,188,458
Enterprise Banking	243,705	(113,117)	130,588	834,275
Total credit-impaired assets	1,067,037	(361,573)	705,464	3,496,611

The financial effect of collateral held for loans, advances and financing of the Group and the Bank are 79.2% (2024: 82.1%) and 72.9% (2024: 78.7%) respectively. The financial effects of collateral for the other financial assets are insignificant.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

50 FINANCIAL RISK MANAGEMENT (continued)

(i) Credit risk (continued)

Collateral and other credit enhancements obtained

The Group and the Bank obtained assets by taking possession of collateral held as security or calling upon other credit enhancements.

Foreclosed Properties Classified under Other Assets

	The Group		The Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<i>Nature of assets</i>				
Industrial and residential properties	8,724	8,724	5,901	5,901

Foreclosed properties are sold as soon as practicable, with the proceeds used to reduce the outstanding indebtedness. The carrying amount of foreclosed properties held by the Group and the Bank as at reporting date has been classified as 'Other assets' as disclosed in Note 11.

Collateral for financial assets at fair value through profit or loss ('FVTPL')

	The Group		The Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Derivatives	1,059	5,165	–	–

The Group mitigates the credit risk of derivatives by entering into master netting agreements and holding collateral in the form of cash.

Collateral for reverse repurchase agreements with financial institutions

	The Group		The Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Reverse repurchase agreements with financial institutions	153	3,363	153	3,363

The Group mitigates the credit risk of reverse repurchase agreements with financial institutions by holding collateral in the form of cash.

Credit related commitments

Commitment to extend credit represents unutilised portion of approved credit in the form of loans/financing, guarantees or letters of credit. Unutilised credits give rise to potential or contingent credit losses to the Group and the Bank in an amount equal to the total unutilised commitments. The Group and the Bank manage and mitigate the amount of potential and contingent losses arising from unutilised credit lines by imposing minimum specific credit standards on counterparties.

The Group and the Bank monitor the term to maturity of credit commitments as longer-term commitments generally have a greater degree of credit risk than short-term commitments.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

50 FINANCIAL RISK MANAGEMENT (continued)

(i) Credit risk (continued)

Credit risk measurement

Credit risk grades

The Group and the Bank allocate a credit risk grade to each exposure. Credit risk grades are indicative of the risk of default and are generated using qualitative and quantitative factors which are supplemented by experienced credit judgement. These inputs vary depending on the nature of the exposure and the type of customer.

Credit risk grades are defined and calibrated such that the risk of default occurring increases exponentially as the credit risk deteriorates.

Determining whether credit risk has increased significantly

The criteria for determining whether credit risk has increased significantly vary by portfolio and include quantitative changes in probability of default ('PD') and qualitative factors, including a backstop based on delinquency.

The credit risk of a particular exposure is deemed to have increased significantly since initial recognition if, based on the Group's and the Bank's quantitative modelling, the remaining lifetime PD is determined to have increased by more than a predetermined percentage/range.

Using its expert credit judgement and, where possible, relevant historical experience, the Group and the Bank may determine that an exposure has undergone a significant increase in credit risk based on qualitative indicators that it considers are indicative of such and which effect may not otherwise be fully reflected in its quantitative analysis on a timely basis.

As a backstop, the Group and the Bank consider that a significant increase in credit risk is presumed if a borrower/issuer/customer is more than 30 days or 1 month past due. Days or months past due are determined by the number of days or month since the earliest elapsed due date in respect of which full payment has not been received. Due dates are determined without considering any grace period that might be available to the borrower.

The Group and the Bank monitor the effectiveness of the criteria used to identify significant increases in credit risk by regular reviews to confirm that:

- the criteria are capable of identifying significant increases in credit risk before an exposure is in default; and
- there is no unwarranted volatility in loss allowance from transfers between 12-month PD (Stage 1) and lifetime PD (Stage 2).

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

50 FINANCIAL RISK MANAGEMENT (continued)

(i) Credit risk (continued)

Credit risk measurement (continued)

Measurement of expected credit losses ('ECL')

The Group and the Bank use three categories on financial instruments at FVOCI and AC for recognising ECL.

Category	Definition	Basis for recognising
Performing accounts (Stage 1)	<ul style="list-style-type: none"> Financial assets that do not have significant increase in credit risk since initial recognition of the asset and therefore, less likely to default; Performing accounts with credit grade 13 or better; Accounts past due less than or equal to 30 days or; For early control accounts where one that has risk or potential weakness which if left unchecked, may result in significant deterioration of repayment prospect and transfer to Underperforming status (Stage 2) or worse. 	12-Months ECL
Underperforming accounts (Stage 2)	<ul style="list-style-type: none"> An account with significant increase in credit risk since initial recognition and if left uncorrected, may result in impairment of the account within the next 12 months; Accounts past due more than 30 days or 1 month but up to 90 days or 3 months; Account demonstrating critical level of risk and therefore, credit grade 14 and placed under Watchlist or; Restructuring and rescheduling ('R&R') due to significant increase in credit risk. 	Lifetime ECL – not credit impaired
Impaired accounts (Stage 3)	<ul style="list-style-type: none"> Impaired credit; Credit grade 15 or worse; Accounts past due more than 90 days or 3 months or; R&R which warrants a reclassification to Stage 3. 	Lifetime ECL – credit impaired
Write-off	<ul style="list-style-type: none"> Evidence indicating that there is no reasonable expectation of recovery based on unavailability of debtor's sources of income or; Assets unable to generate sufficient future cash flows to repay the amount. 	Asset is written-off

The Group and the Bank have not used the low credit risk exemption for any financial instrument for the financial year ended 31 December 2025.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

50 FINANCIAL RISK MANAGEMENT (continued)

(i) Credit risk (continued)

Credit risk measurement (continued)

Measurement of expected credit losses ('ECL') (continued)

The key inputs into the measurement of ECL are the term structure of the following variables:

- probability of default ('PD');
- loss given default ('LGD'); and
- exposure at default ('EAD').

These parameters are generally derived from internally developed statistical models and other historical data. They are adjusted to reflect forward-looking information.

PD is the likelihood of a counterparty defaulting on its contractual obligations over a given time horizon and are estimates at a certain date, which are calculated based on statistical models. These statistical models are based on internally compiled data comprising both quantitative and qualitative factors. If a counterparty or exposure migrates between rating classes, this will lead to a change in the estimate of the associated PD. PDs are estimated considering the contractual maturities of exposures and estimated prepayment rates.

The Group and the Bank collect performance and default information relating to its credit risk exposures which are analysed by type of product and customer as well as by credit risk grading. For some portfolios, information from external credit assessment institutions are also used.

The Group and the Bank employ statistical models to analyse the data collected and generate estimates of the remaining lifetime PD of exposures and how these are expected to change as a result of the passage of time.

The lifetime PD is developed by applying a maturity profile to the current 12-month PD. The maturity profile is used to determine how defaults develop on a portfolio from the point of initial recognition throughout the lifetime of the loans/financing. The maturity profile is based on historical observed data and is assumed to be the same across all assets within a portfolio and credit grade band. This is supported by historical analysis.

LGD is the magnitude of loss in an event of a default. LGD parameters are estimated based on the history of recovery rates of claims against defaulted counterparties. The LGD models consider the structure, collateral, seniority of the claim, counterparty industry and recovery costs of any collateral that is integral to the financial asset. LGD estimates are recalibrated for different economic scenarios. They are calculated on a discounted cash flow basis using the original effective interest/profit rate as the discounting factor.

EAD represents the exposure outstanding in the event of a default. The Group and the Bank derived the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract including amortisation. The EAD of a financial asset is its gross carrying amount. For financing commitments and financial guarantees, the EAD includes the amount drawn, as well as potential future amounts that may be drawn under the contract, which are estimated based on historical observations and forward-looking forecasts. For some financial assets, EAD is determined by modelling the range of possible exposure outcomes at various points in time using scenario and statistical techniques.

The 12-month and lifetime EAD are determined based on the expected payment profile, which varies by product type.

ECL is determined by projecting the PD, LGD and EAD at each future point on a yearly basis on individual exposures, or collective segments, and discounting these monthly expected losses back to the reporting date. The discount rate used in the ECL calculation is the original interest/profit rate or an approximation thereof.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

50 FINANCIAL RISK MANAGEMENT (continued)

(i) Credit risk (continued)

Credit risk measurement (continued)

Measurement of expected credit losses ('ECL') (continued)

As described above, and subject to using a maximum of a 12-month PD for financial assets for which credit risk has not significantly increased, the Group and the Bank measure ECL considering the risk of default over the maximum contractual period (including any borrower's extension options) over which it is exposed to credit risk, even if, for risk management purposes, the Group and the Bank consider a longer period. The maximum contractual period extends to the date at which the Group and the Bank have the right to require repayment of an advance or terminate a loan commitment or guarantee.

Forward looking economic information is also included in determining the 12-month and lifetime PD, LGD and EAD.

Where modelling of a parameter is carried out on a collective basis, the financial instruments are grouped on the basis of shared risk characteristics which include:

- product/instrument type;
- past due status;
- credit risk grading;
- collateral type;
- date of initial recognition; and
- remaining term to maturity.

The groupings are subject to regular review to ensure that exposures within a particular group remain appropriately homogeneous.

There have been no significant changes in estimation techniques or significant assumptions made during the reporting period that have material impact to ECL.

Incorporation of forward-looking information

The Group and the Bank incorporate forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL. A 'base case' view of the future direction of relevant economic variables as well as a representative range of other possible forecast scenarios are formulated.

This process involves developing two or more additional economic scenarios and considering the relative probabilities of each outcome. External information includes economic data and forecasts published by governmental bodies and monetary authorities.

The base case represents a most-likely outcome and is aligned with information used by the Group and the Bank for other purposes such as strategic planning and budgeting. The other scenarios represent more optimistic and more pessimistic outcomes. Periodically, the Group and the Bank carry out stress testing which involves more extreme shocks to calibrate its determination of these other representative scenarios.

The Group and the Bank have identified and documented key drivers of credit risk and credit losses for each portfolio of financial instruments and, using an analysis of historical data, have estimated relationships between macro-economic variables and credit risk and credit losses.

The Group and the Bank have also identified the key economic variables and carried out sensitivity assessment of ECL for loans, advances and financing, financing commitments and guarantees, treasury bonds and placements in relation to the changes in these key economic variables while all other variables remain constant. The sensitivity factors used are derived based on expected standard deviation determined for each key economic variable to assess the impact on the ECL of the Group and the Bank.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

50 FINANCIAL RISK MANAGEMENT (continued)

(i) Credit risk (continued)

Credit risk measurement (continued)

Incorporation of forward-looking information (continued)

The economic scenario used for the expected credit losses ('ECL') estimate and the effect to the ECL estimate due to the changes in the macro-economic variables ('MEVs') by percentage are set out as below:

	2025 %	2024 %
Measurement variables - MEV change		
House Price Index	0.00	0.43
Private Consumption Expenditure	*N/A	12.26
USD Dollar to Malaysian Ringgit Exchange Rate	*N/A	0.02
Malaysia Economic Indicator Leading Index ('MEILI') 2015	*N/A	0.49
Malaysia Debt Service Ratio	0.50	0.82
Unemployment Rate	0.32	4.43
Average Lending Rate	1.53	10.26

*N/A - Not applicable as a result of change in MEV made during the financial year.

The impact on ECL based on 3 years historical MEV are as follows:

	2025		2024	
	RM'000 +	RM'000 -	RM'000 +	RM'000 -
The Group				
Additional provisional of ECL	(2,512)	(66,440)	657	809
The Bank				
Additional/(Write-back) provisional of ECL	6,389	(35,220)	1,231	(108)

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

50 FINANCIAL RISK MANAGEMENT (continued)

(i) Credit risk (continued)

Credit risk monitoring

Corporate credits and large individual accounts are subject to ongoing monitoring. This is to ensure that the credit grades remain appropriate and to detect any signs of weaknesses or deterioration in the credit quality. Appropriate remedial action is taken where evidence of deterioration exists.

The credit monitoring process is also to identify significant increase in credit risk as a means to pro-actively report and manage potentially deteriorating credit quality. Watchlist accounts are closely reviewed and monitored with appropriate corrective measures employed to prevent further credit deterioration into impaired status. Watchlist accounts are either managed up or managed out within a period of twelve months.

The Group and the Bank have established MFRS 9 - Stage Transfer Policy to provide guidance in determining significant increases in credit risk of financial assets. There are 3 stages to differentiate the credit risk of financial assets in conjunction with MFRS 9 standards: Performing Accounts (Stage 1), Underperforming Accounts (Stage 2) and Impaired Accounts (Stage 3).

Active portfolio monitoring, thematic reviews, as well as exceptions reportings are in place to identify, analyse and manage the overall risk profile to mitigate adverse trends or specific areas of risk concerns.

The Group and the Bank conduct post-mortem reviews on newly impaired loans/financing and relapsed impaired loans/financing to determine the key reason(s) and/or driver(s) leading to the account being classified as impaired. The findings are communicated at both management and Board levels as lessons learned which are used to assist in formulating appropriate remedial actions or measures to minimise potential or future credit loss from similar or repeat events.

In addition, post-approval independent credit review is undertaken by the Group and the Bank to ensure that credit decision-making is consistent with the overall credit risk appetite and strategy.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

50 FINANCIAL RISK MANAGEMENT (continued)

(i) Credit risk (continued)

Maximum exposure to credit risk

For financial assets recognised on the statement of financial position, the exposure to credit risk equals their carrying amount. For financial guarantees granted, the maximum exposure to credit risk is the maximum amount that the Group and the Bank would have to pay if the guarantee were to be called upon. For loan commitments and other commitments, the maximum exposure to credit risk is the full amount of the undrawn credit facilities granted to customers.

All financial assets of the Group and the Bank are subject to credit risk except for cash in hand, equity securities held as financial assets at FVTPL or financial investments at FVOCI, as well as non-financial assets.

The exposure to credit risk of the Group and the Bank equals their carrying amount in the statement of financial position as at reporting date, except for the followings:

	The Group		The Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Maximum credit risk exposure				
Credit risk exposures of on-balance sheet assets:				
Cash and short-term funds *	5,800,089	2,536,859	3,076,384	1,644,541
Financial assets at FVTPL **	2,105,522	1,277,672	2,867,122	1,715,845
Financial investments at FVOCI #	15,012,365	13,634,206	8,358,310	5,804,950
Financial investments at AC **	15,161,548	15,680,171	9,901,846	10,028,564
Others @	1,322,440	1,120,972	702,018	1,094,547
	39,401,964	34,249,880	24,905,680	20,288,447
Credit risk exposure of off-balance sheet items:				
Financial guarantees	718,534	547,957	470,207	395,893
Obligations under an on-going underwriting agreement	8,249	-	-	-
Loan commitments and other credit related commitments [^]	22,902,541	18,490,677	11,885,084	8,733,335
Share margin financing	2,314,634	1,815,376	-	-
	25,943,958	20,854,010	12,355,291	9,129,228
Total maximum credit risk exposure	65,345,922	55,103,890	37,260,971	29,417,675

* Excluded cash in hand

** Excluded investment in exchange traded fund, shares, unit trusts, REITs and fair value hedge

Excluded investment in unquoted shares

@ Included amount due from joint ventures and subsidiaries, amount due from client and brokers and other assets (excluded prepayment and foreclosed properties)

[^] The comparative balance of the commitment on Lending of the Banks' securities or the posting of securities as collateral by Banks have been excluded to conform to current year's presentation.

Whilst the Group's and the Bank's maximum exposure to credit risk is the carrying value of the assets, or in the case of off-balance sheet items, the amount guaranteed, committed or accepted, in most cases the likely exposure is far less due to collateral, credit enhancements and other actions taken to mitigate the credit exposure.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

50 FINANCIAL RISK MANAGEMENT (continued)

(i) Credit risk (continued) Credit risk concentrations

Credit risk is the risk of financial loss from the failure of customers to meet their contractual obligations. Exposure to credit risk is managed through portfolio management. The credit portfolio's risk profiles and exposures are reviewed and monitored regularly to ensure that an acceptable level of risk diversification is maintained. Exposure to credit risk is also managed in part by obtaining collateral, security, corporate and personal guarantees.

The credit risk concentrations of the Group and the Bank, by industry, are set out in the following tables:

	Short-term funds RM'000	Deposits and placements with banks and other financial institutions RM'000	Reverse repurchase agreements with financial institutions RM'000	Financial assets at FVTPL RM'000	Derivative financial instruments RM'000	Financial investments at FVOCI RM'000	Financial investments at AC RM'000	Loans, advances and financing RM'000	Others RM'000	Total on-balance sheet RM'000	Commitments and contingencies RM'000
The Group											
2025											
Agriculture	-	-	-	-	-	10,047	88,953	1,412,594	-	1,511,594	539,070
Mining and quarrying	-	-	-	-	4	687,077	15,290	204,169	-	906,540	502,440
Manufacturing	-	-	-	-	317	201,344	55,545	4,229,035	509	4,486,750	2,133,457
Electricity, gas and water supply	-	-	-	-	3,366	449,430	198,759	1,307,191	-	1,958,746	499,337
Construction	-	-	-	50,314	1,835	405,116	1,004,645	2,520,856	84	3,982,850	2,494,167
Real estate	-	-	-	-	241	707,826	386,983	4,449,625	317	5,544,992	825,002
Transport, storage and communication	-	-	-	17,334	86	633,922	793,879	2,975,436	-	4,420,657	896,976
Finance, insurance and business services	2,169,975	250,245	-	2,007,129	291,964	8,959,858	10,482,722	3,179,566	6,314	27,347,773	1,748,736
Government and government agencies	3,630,114	-	-	30,745	904	2,326,425	1,864,463	643,642	-	8,496,293	5,249,484
Wholesale, retail trade, hotel and restaurants	-	-	-	-	1,492	55,477	-	6,009,804	-	6,066,773	1,980,621
Others	-	-	65,812	-	3,993	575,843	270,309	51,613,820	1,315,216	53,844,993	9,074,668
Total assets	5,800,089	250,245	65,812	2,105,522	304,202	15,012,365	15,161,548	78,545,738	1,322,440	118,567,961	25,943,958

^ Others include amount due from joint ventures, amount due from client and brokers and other assets (excluded prepayment and foreclosed properties).

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

50 FINANCIAL RISK MANAGEMENT (continued)

(i) Credit risk (continued)

Credit risk concentrations (continued)

Credit risk is the risk of financial loss from the failure of customers to meet their contractual obligations. Exposure to credit risk is managed through portfolio management. The credit portfolio's risk profiles and exposures are reviewed and monitored regularly to ensure that an acceptable level of risk diversification is maintained. Exposure to credit risk is also managed in part by obtaining collateral, security, corporate and personal guarantees (continued).

The credit risk concentrations of the Group and the Bank, by industry, are set out in the following tables (continued):

The Group	Short-term funds RM'000	Deposits and placements with banks and other financial institutions RM'000		Reverse repurchase agreements with financial institutions RM'000	Financial assets at FVTPL RM'000	Derivative financial instruments RM'000	Financial investments at FVOCI RM'000	Financial investments at AC RM'000	Loans, advances and financing RM'000	Others [^] RM'000	Total on-balance sheet RM'000	Commitments and contingencies RM'000
		RM'000	RM'000									
2024												
Agriculture	-	-	-	-	10,106	-	60,928	84,303	1,320,036	-	1,475,373	2,950,746
Mining and quarrying	-	-	-	-	2,259	-	342,604	15,290	98,424	-	458,577	225,984
Manufacturing	-	-	-	-	15,377	1,968	420,016	177,213	4,337,441	111	4,952,126	1,842,944
Electricity, gas and water supply	-	-	-	-	-	3,127	364,999	252,763	470,044	-	1,090,933	305,855
Construction	-	-	-	-	20,179	52	698,495	1,091,680	2,362,288	24	4,172,718	1,964,217
Real estate	-	-	-	-	35,194	3,040	644,119	544,245	4,400,390	509	5,627,497	645,816
Transport, storage and communication	-	-	-	-	-	649	825,561	772,477	3,225,304	-	4,823,991	868,824
Finance, insurance and business services	853,591	302,241	-	-	257,999	440,328	6,480,069	10,320,833	2,136,674	1,564	20,793,299	1,519,699
Government and government agencies	1,683,268	-	-	-	931,503	-	2,929,300	1,767,375	794,600	-	8,106,046	5,472,676
Wholesale, retail trade, hotel and restaurants	-	-	-	-	-	1,206	-	189,948	5,947,635	-	6,138,789	1,616,593
Others	-	-	-	8,033	5,055	-	868,115	464,044	45,799,249	1,118,764	48,263,260	6,093,632
Total assets	2,536,859	302,241	8,033	1,277,672	450,370	13,634,206	15,680,171	70,892,085	1,120,972	105,902,609	23,506,986	

[^] Others include amount due from joint ventures, amount due from client and brokers and other assets (excluded prepayment and foreclosed properties).

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

50 FINANCIAL RISK MANAGEMENT (continued)

(i) Credit risk (continued)

Credit risk concentrations (continued)

Credit risk is the risk of financial loss from the failure of customers to meet their contractual obligations. Exposure to credit risk is managed through portfolio management. The credit portfolio's risk profiles and exposures are reviewed and monitored regularly to ensure that an acceptable level of risk diversification is maintained. Exposure to credit risk is also managed in part by obtaining collateral, security, corporate and personal guarantees (continued).

The credit risk concentrations of the Group and the Bank, by industry, are set out in the following tables (continued):

	Short-term funds RM'000	Deposits and placements with banks and other financial institutions RM'000	Reverse repurchase agreements with financial institutions RM'000	Investment accounts due from designated financial institutions RM'000	Financial assets at FVTPL RM'000	Derivative financial instruments RM'000	Financial investments at FVOCI RM'000	Financial investments at AC RM'000	Loans, advances and financing RM'000	Others ^ RM'000	Total on-balance sheet RM'000	Commitments and contingencies RM'000
The Bank												
2025												
Agriculture	-	-	-	-	-	-	-	-	596,354	-	596,354	145,704
Mining and quarrying	-	-	-	-	-	-	401,002	5,097	137,075	-	543,174	153,950
Manufacturing	-	-	-	-	-	254	120,321	30,281	2,597,966	-	2,748,822	1,523,379
Electricity, gas and water supply	-	-	-	-	-	-	234,889	146,800	342,628	-	724,317	326,159
Construction	-	-	-	-	20,475	1,801	202,297	583,824	1,216,658	-	2,025,055	1,551,700
Real estate	-	-	-	-	-	238	193,345	75,811	3,050,313	-	3,319,707	666,425
Transport, storage and communication	-	-	-	-	8,868	33	340,713	440,587	1,839,105	-	2,629,306	600,483
Finance, insurance and business services	2,745,519	450,460	-	2,549,141	2,837,779	286,501	6,362,976	7,760,131	1,859,450	-	24,851,957	1,136,191
Government and government agencies	330,865	-	-	-	-	392	66,079	736,562	121,278	-	1,255,176	86,964
Wholesale, retail trade, hotel and restaurants	-	-	-	-	-	708	41,742	-	4,240,078	-	4,282,528	1,279,672
Others	-	-	65,812	-	-	-	394,946	122,753	21,922,703	702,018	23,208,232	4,884,664
Total assets	3,076,384	450,460	65,812	2,549,141	2,867,122	289,927	8,358,310	9,901,846	37,923,608	702,018	66,184,628	12,355,291

^ Others include amount due from subsidiaries and other assets (excluded prepayment and foreclosed properties).

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

50 FINANCIAL RISK MANAGEMENT (continued)

(i) Credit risk (continued)

Credit risk concentrations (continued)

Credit risk is the risk of financial loss from the failure of customers to meet their contractual obligations. Exposure to credit risk is managed through portfolio management. The credit portfolio's risk profiles and exposures are reviewed and monitored regularly to ensure that an acceptable level of risk diversification is maintained. Exposure to credit risk is also managed in part by obtaining collateral, security, corporate and personal guarantees (continued).

The credit risk concentrations of the Group and the Bank, by industry, are set out in the following tables (continued):

The Bank	Short-term funds RM'000	Deposits and placements with banks and other financial institutions RM'000	Reverse repurchase agreements with financial institutions RM'000	Investment accounts due from designated financial institutions RM'000	Financial assets at FVTPL RM'000	Derivative financial instruments RM'000	Financial investments at FVOCI RM'000	Financial investments at AC RM'000	Loans, advances and financing RM'000	Others [^] RM'000	Total on-balance sheet RM'000	Commitments and contingencies RM'000
2024												
Agriculture	-	-	-	-	-	-	20,238	-	644,132	-	664,370	161,388
Mining and quarrying	-	-	-	-	2,259	-	157,436	5,097	40,907	-	205,699	51,196
Manufacturing	-	-	-	-	-	869	255,342	70,585	2,877,508	-	3,204,304	1,468,243
Electricity, gas and water supply	-	-	-	-	-	-	126,966	157,460	56,183	-	340,609	36,297
Construction	-	-	-	-	20,179	52	354,968	644,428	1,181,916	-	2,201,543	1,148,566
Real estate	-	-	-	-	-	3,040	219,544	101,233	3,201,432	-	3,525,249	494,571
Transport, storage and communication	-	-	-	-	-	649	304,708	433,204	2,081,718	-	2,820,279	580,311
Finance, insurance and business services	1,644,541	604,294	-	3,248,280	1,149,708	407,384	3,765,023	7,481,833	1,200,511	-	19,501,574	922,065
Government and government agencies	-	-	-	-	538,644	-	192,951	740,136	1,298	-	1,473,029	66,234
Wholesale, retail trade, hotel and restaurants	-	-	-	-	-	604	-	189,948	4,387,314	-	4,577,866	1,088,628
Others	-	-	8,033	-	5,055	-	407,774	204,640	19,967,095	1,094,547	21,687,144	3,111,729
Total assets	1,644,541	604,294	8,033	3,248,280	1,715,845	412,598	5,804,950	10,028,564	35,640,014	1,094,547	60,201,666	9,129,228

[^] Others include amount due from subsidiaries and other assets (excluded prepayment and foreclosed properties).

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

50 FINANCIAL RISK MANAGEMENT (continued)

(i) Credit risk (continued)

Total loans, advances and financing – credit quality

All loans, advances and financing are categorised into 'neither past due nor impaired', 'past due but not impaired' and 'impaired'.

Past due loans refer to loans, advances and financing that are overdue by one day or more.

Loans, advances and financing are classified as impaired when they fulfil any of the following criteria:

- i) the principal or interest/profit or both is past due for more than 90 days or 3 months from the first day of default; or
- ii) where the account is in arrears for less than 90 days or 3 months, but there is evidence of impairment to indicate that the borrower/customer is 'unlikely to meet' its credit obligations.

Distribution of loans, advances and financing by credit quality

The Group	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
2025				
Neither past due nor impaired	69,423,305	2,501,862	–	71,925,167
Past due but not impaired	3,566,563	2,715,823	–	6,282,386
Impaired	–	–	1,303,515	1,303,515
Gross loans, advances and financing	72,989,868	5,217,685	1,303,515	79,511,068
Less: Expected credit losses	(154,912)	(314,100)	(496,318)	(965,330)
Net loans, advances and financing	72,834,956	4,903,585	807,197	78,545,738

The Group	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
2024				
Neither past due nor impaired	62,350,290	2,721,922	–	65,072,212
Past due but not impaired	3,521,820	2,052,618	–	5,574,438
Impaired	–	–	1,398,005	1,398,005
Gross loans, advances and financing	65,872,110	4,774,540	1,398,005	72,044,655
Less: Expected credit losses	(149,185)	(504,490)	(498,895)	(1,152,570)
Net loans, advances and financing	65,722,925	4,270,050	899,110	70,892,085

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

50 FINANCIAL RISK MANAGEMENT (continued)

(i) Credit risk (continued)

Total loans, advances and financing – credit quality (continued)

Distribution of loans, advances and financing by credit quality (continued)

The Bank	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
2025				
Neither past due nor impaired	32,646,617	1,745,323	–	34,391,940
Past due but not impaired	1,831,186	1,378,966	–	3,210,152
Impaired	–	–	991,074	991,074
Gross loans, advances and financing	34,477,803	3,124,289	991,074	38,593,166
Less: Expected credit losses	(89,511)	(181,027)	(399,020)	(669,558)
Net loans, advances and financing	34,388,292	2,943,262	592,054	37,923,608

The Bank	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
2024				
Neither past due nor impaired	30,631,289	1,708,286	–	32,339,575
Past due but not impaired	1,913,995	1,051,275	–	2,965,270
Impaired	–	–	1,067,037	1,067,037
Gross loans, advances and financing	32,545,284	2,759,561	1,067,037	36,371,882
Less: Expected credit losses	(83,625)	(286,670)	(361,573)	(731,868)
Net loans, advances and financing	32,461,659	2,472,891	705,464	35,640,014

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

50 FINANCIAL RISK MANAGEMENT (continued)

(i) Credit risk (continued)

Total loans, advances and financing – credit quality (continued)

Distribution of loans, advances and financing by credit quality (continued)

The following table contains an analysis of the credit risk exposure of financial instruments for which an ECL allowance is recognised. The gross carrying amount of financial assets below also represents the Group's and the Bank's maximum exposure to credit risk on these assets.

The Group	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
2025				
Credit grade				
Satisfactory	20,178,881	1,853,620	–	22,032,501
Special mention	4,303,589	636,529	–	4,940,118
Default/impaired	–	–	1,303,515	1,303,515
Unrated	48,507,398	2,727,536	–	51,234,934
Gross loans, advances and financing	72,989,868	5,217,685	1,303,515	79,511,068
Less: Expected credit losses	(154,912)	(314,100)	(496,318)	(965,330)
Net loans, advances and financing	72,834,956	4,903,585	807,197	78,545,738

The Group	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
2024				
Credit grade				
Satisfactory	15,579,363	2,003,372	–	17,582,735
Special mention	5,915,861	673,859	–	6,589,720
Default/impaired	–	–	1,398,005	1,398,005
Unrated	44,376,886	2,097,309	–	46,474,195
Gross loans, advances and financing	65,872,110	4,774,540	1,398,005	72,044,655
Less: Expected credit losses	(149,185)	(504,490)	(498,895)	(1,152,570)
Net loans, advances and financing	65,722,925	4,270,050	899,110	70,892,085

Satisfactory: Exposures demonstrate a strong capacity to meet financial commitments, with negligible or low probability of default and/or levels of expected loss.

Special mention: Exposures require varying degrees of special attention and default risk is of greater concern which are under the monitoring of Group Early Alert Committee.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

50 FINANCIAL RISK MANAGEMENT (continued)

(i) Credit risk (continued)

Total loans, advances and financing – credit quality (continued)

Distribution of loans, advances and financing by credit quality (continued)

The following table contains an analysis of the credit risk exposure of financial instruments for which an ECL allowance is recognised. The gross carrying amount of financial assets below also represents the Group's and the Bank's maximum exposure to credit risk on these assets (continued):

The Bank	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
2025				
Credit grade				
Satisfactory	10,651,884	1,332,425	–	11,984,309
Special mention	2,353,096	421,880	–	2,774,976
Default/impaired	–	–	991,074	991,074
Unrated	21,472,823	1,369,984	–	22,842,807
Gross loans, advances and financing	34,477,803	3,124,289	991,074	38,593,166
Less: Expected credit losses	(89,511)	(181,027)	(399,020)	(669,558)
Net loans, advances and financing	34,388,292	2,943,262	592,054	37,923,608

The Bank	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
2024				
Credit grade				
Satisfactory	8,649,176	1,314,026	–	9,963,202
Special mention	3,206,817	395,546	–	3,602,363
Default/impaired	–	–	1,067,037	1,067,037
Unrated	20,689,291	1,049,989	–	21,739,280
Gross loans, advances and financing	32,545,284	2,759,561	1,067,037	36,371,882
Less: Expected credit losses	(83,625)	(286,670)	(361,573)	(731,868)
Net loans, advances and financing	32,461,659	2,472,891	705,464	35,640,014

Satisfactory: Exposures demonstrate a strong capacity to meet financial commitments, with negligible or low probability of default and/or levels of expected loss.

Special mention: Exposures require varying degrees of special attention and default risk is of greater concern which are under the monitoring of Group Early Alert Committee.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

50 FINANCIAL RISK MANAGEMENT (continued)

(i) Credit risk (continued)

Deposits and short-term funds, corporate bonds/Sukuk and treasury bills – credit quality

Most listed and some unlisted securities are rated by external rating agencies. The Group and the Bank mainly use external credit ratings provided by recognised External Credit Assessment Institutions ('ECAIs').

The table below presents the deposits and short-term funds, corporate bonds/Sukuk, treasury bills and other eligible bills that neither past due nor impaired and impaired, analysed by rating:

The Group	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
2025				
Short-term funds, deposits and placements with banks and other financial institutions				
Sovereigns	3,529,113	–	–	3,529,113
AAA	169,467	–	–	169,467
AA- to AA+	1,898,523	–	–	1,898,523
A- to A+	326,636	–	–	326,636
Lower than A-	126,875	–	–	126,875
Expected credit losses ('ECL')	(280)	–	–	(280)
	6,050,334	–	–	6,050,334
Financial investments at FVOCI				
Sovereigns	5,497,424	–	–	5,497,424
AAA	1,910,937	–	–	1,910,937
AA- to AA+	4,240,906	94,220	–	4,335,126
A- to A+	1,545,722	–	–	1,545,722
Lower than A-	1,223,019	–	–	1,223,019
Unrated	500,137	–	–	500,137
	14,918,145	94,220	–	15,012,365
Expected credit losses ('ECL') ^^	(2,311)	(324)	–	(2,635)
Financial investments at AC				
Sovereigns	12,088,114	–	–	12,088,114
AAA	666,401	–	–	666,401
AA- to AA+	1,142,076	20,154	–	1,162,230
A- to A+	160,834	–	–	160,834
Lower than A-	164,425	–	–	164,425
Unrated	921,254	–	–	921,254
Expected credit losses ('ECL')	(1,699)	(11)	–	(1,710)
	15,141,405	20,143	–	15,161,548
Amount due from joint ventures				
Unrated	–	49,758	–	49,758
Expected credit losses ('ECL')	–	(49,758)	–	(49,758)
	–	–	–	–

^^ The ECL is recognised in other comprehensive income instead of in the statement of financial position as the carrying amount of debt instruments at FVOCI are equivalent to their fair value.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

50 FINANCIAL RISK MANAGEMENT (continued)

(i) Credit risk (continued)

Deposits and short-term funds, corporate bonds/Sukuk and treasury bills – credit quality (continued)

The table below presents the deposits and short-term funds, corporate bonds/Sukuk, treasury bills and other eligible bills that neither past due nor impaired and impaired, analysed by rating (continued):

The Group	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
2024				
Short-term funds, deposits and placements with banks and other financial institutions				
Sovereigns	1,683,268	–	–	1,683,268
AAA	201,384	–	–	201,384
AA- to AA+	569,274	–	–	569,274
A- to A+	257,267	–	–	257,267
Lower than A-	83,153	–	–	83,153
Unrated	44,785	–	–	44,785
Expected credit losses ('ECL')	(31)	–	–	(31)
	2,839,100	–	–	2,839,100
Financial investments at FVOCI				
Sovereigns	6,578,454	–	–	6,578,454
AAA	1,693,438	–	–	1,693,438
AA- to AA+	3,428,179	123,456	–	3,551,635
A- to A+	1,150,801	–	–	1,150,801
Lower than A-	634,388	–	–	634,388
Unrated	25,490	–	–	25,490
	13,510,750	123,456	–	13,634,206
Expected credit losses ('ECL') ^^	(1,255)	(19)	–	(1,274)
Financial investments at AC				
Sovereigns	12,404,762	–	–	12,404,762
AAA	777,824	–	–	777,824
AA- to AA+	1,292,721	50,392	–	1,343,113
A- to A+	221,605	–	–	221,605
Lower than A-	190,532	–	–	190,532
Unrated	556,530	204,281	–	760,811
Expected credit losses ('ECL')	(4,142)	(14,334)	–	(18,476)
	15,439,832	240,339	–	15,680,171
Amount due from joint ventures				
Unrated	–	47,254	–	47,254
Expected credit losses ('ECL')	–	(42,615)	–	(42,615)
	–	4,639	–	4,639

^^ The ECL is recognised in other comprehensive income instead of in the statement of financial position as the carrying amount of debt instruments at FVOCI are equivalent to their fair value.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

50 FINANCIAL RISK MANAGEMENT (continued)

(i) Credit risk (continued)

Deposits and short-term funds, corporate bonds/Sukuk and treasury bills – credit quality (continued)

The table below presents the deposits and short-term funds, corporate bonds/Sukuk, treasury bills and other eligible bills that neither past due nor impaired and impaired, analysed by rating (continued):

The Bank	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
2025				
Short-term funds, deposits and placements with banks and other financial institutions				
Sovereigns	229,864	–	–	229,864
AAA	134,725	–	–	134,725
AA- to AA+	2,788,550	–	–	2,788,550
A- to A+	309,021	–	–	309,021
Lower than A-	64,964	–	–	64,964
Expected credit losses ('ECL')	(280)	–	–	(280)
	3,526,844	–	–	3,526,844
Investment accounts due from designated financial institution				
Unrated	2,549,141	–	–	2,549,141
Financial investments at FVOCI				
Sovereigns	2,450,031	–	–	2,450,031
AAA	1,149,452	–	–	1,149,452
AA- to AA+	2,635,402	47,537	–	2,682,939
A- to A+	887,133	–	–	887,133
Lower than A-	688,617	–	–	688,617
Unrated	500,138	–	–	500,138
	8,310,773	47,537	–	8,358,310
Expected credit losses ('ECL')	(1,484)	(178)	–	(1,662)
Financial investments at AC				
Sovereigns	8,072,416	–	–	8,072,416
AAA	378,164	–	–	378,164
AA- to AA+	667,604	10,077	–	677,681
A- to A+	109,888	–	–	109,888
Lower than A-	164,425	–	–	164,425
Unrated	500,139	–	–	500,139
Expected credit losses ('ECL')	(862)	(5)	–	(867)
	9,891,774	10,072	–	9,901,846
Amount due from subsidiaries				
AA- to AA+	–	361,963	–	361,963

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

50 FINANCIAL RISK MANAGEMENT (continued)

(i) Credit risk (continued)

Deposits and short-term funds, corporate bonds/Sukuk and treasury bills – credit quality (continued)

The table below presents the deposits and short-term funds, corporate bonds/Sukuk, treasury bills and other eligible bills that neither past due nor impaired and impaired, analysed by rating (continued):

The Bank	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
2024				
Short-term funds, deposits and placements with banks and other financial institutions				
AAA	180,153	–	–	180,153
AA- to AA+	1,759,744	–	–	1,759,744
A- to A+	245,960	–	–	245,960
Lower than A-	18,224	–	–	18,224
Unrated	44,785	–	–	44,785
Expected credit losses ('ECL')	(31)	–	–	(31)
	2,248,835	–	–	2,248,835
Investment accounts due from designated financial institution				
Unrated	3,248,280	–	–	3,248,280
Financial investments at FVOCI				
Sovereigns	2,213,417	–	–	2,213,417
AAA	714,540	–	–	714,540
AA- to AA+	1,841,045	82,600	–	1,923,645
A- to A+	658,188	–	–	658,188
Lower than A-	295,160	–	–	295,160
	5,722,350	82,600	–	5,804,950
Expected credit losses ('ECL')	(774)	(246)	–	(1,020)
Financial investments at AC				
Sovereigns	8,307,883	–	–	8,307,883
AAA	413,561	–	–	413,561
AA- to AA+	741,160	25,196	–	766,356
A- to A+	160,523	–	–	160,523
Lower than A-	190,532	–	–	190,532
Unrated	–	204,281	–	204,281
Expected credit losses ('ECL')	(239)	(14,333)	–	(14,572)
	9,813,420	215,144	–	10,028,564
Amount due from subsidiaries				
AA- to AA+	–	756,357	–	756,357

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

50 FINANCIAL RISK MANAGEMENT (continued)

(i) Credit risk (continued)

Other financial assets – credit quality

Other financial assets of the Group and the Bank are neither past due nor impaired and impaired are summarised as below:

Simplified approach

The Group	Current RM'000	Current to less than 90 days past due RM'000	More than 90 days past due RM'000	Total RM'000	Provision for credit loss RM'000
2025					
Amount due from client and brokers	–	803,198	204	803,402	(274)
Other assets	487,754	31,572	4,737	524,063	(4,751)
2024					
Amount due from client and brokers	–	513,973	161	514,134	(227)
Other assets	580,461	26,598	4,867	611,926	(4,861)
The Bank					
2025					
Other assets	702,018	–	–	702,018	–
2024					
Other assets	1,094,547	–	–	1,094,547	–

Other financial assets that are past due but not impaired or impaired are not significant.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

50 FINANCIAL RISK MANAGEMENT (continued)

(i) Credit risk (continued)

Loans/Financing commitments and financial guarantees – credit quality

The following table contains an analysis of the credit risk exposure of loans/financing commitments and financial guarantees for which an ECL is recognised.

The Group	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
2025				
Credit grade				
Satisfactory	25,172,095	596,466	–	25,768,561
Special mention	1,296	134,422	–	135,718
Default/impaired	–	–	39,679	39,679
	25,173,391	730,888	39,679	25,943,958
Expected credit losses	13,888	5,806	1,689	21,383
2024				
Credit grade				
Satisfactory	20,202,475	522,111	–	20,724,586
Special mention	1,194	90,565	–	91,759
Default/impaired	–	–	37,665	37,665
	20,203,669	612,676	37,665	20,854,010
Expected credit losses	10,048	4,451	2,300	16,799
The Bank				
2025				
Credit grade				
Satisfactory	11,874,531	403,212	–	12,277,743
Special mention	1,296	44,432	–	45,728
Default/impaired	–	–	31,820	31,820
	11,875,827	447,644	31,820	12,355,291
Expected credit losses	9,464	2,837	1,015	13,316
2024				
Credit grade				
Satisfactory	8,757,934	293,695	–	9,051,629
Special mention	1,194	46,103	–	47,297
Default/impaired	–	–	30,302	30,302
	8,759,128	339,798	30,302	9,129,228
Expected credit losses	7,313	3,183	1,213	11,709

Satisfactory: Exposures demonstrate a strong capacity to meet financial commitments, with negligible or low probability of default and/or levels of expected loss.

Special mention: Exposures require varying degrees of special attention and default risk is of greater concern which are under the monitoring of Group Early Alert Committee ('GEAC').

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

50 FINANCIAL RISK MANAGEMENT (continued)

(ii) Market risk

Market risk is defined as changes in the market value of a trading or investment position arising from movements in market factors such as interest/profit rate, foreign exchange rates and implied volatility rates. The Group and the Bank's exposure to market risk results largely from interest/profit rate and foreign exchange rate risks.

Market risk may arise from proprietary trading position and investment activities (including those for liquidity requirement purposes) in the Trading and Investment Book respectively.

The Market Risk Management Framework governs the market risk activities of the Group and the Bank which are supported by a set of approved market risk management policies, guidelines and procedures.

Risk control parameters are established based on risk appetite, market liquidity and business strategies as well as macro-economic conditions. These parameters are reviewed at least annually.

Market risk arising from the Trading Book is primarily controlled through the imposition of Stop-loss, Value-at-Risk ('VaR') and sensitivity limits.

Periodic stress tests are conducted to quantify market risk arising from probability of abnormal market movements.

Risk Management Policies and Procedures

Value-at-Risk ('VaR')

VaR estimates the potential loss of a Trading portfolio from adverse market price movements which may occur over a specified holding period of the Trading portfolio.

It measures the risk of losses arising from potential adverse movements in interest/profit rates, implied volatility rates and foreign exchange rates that could affect values of financial instruments.

Backtesting of the VaR results is conducted to validate and reassess the accuracy of the risk measurement systems.

Other risk measures

- **Mark-to-market**
Mark-to-market valuation tracks the current market value of the outstanding financial instruments.
- **Stress testing**
Stress tests are conducted to attempt to quantify market risk arising from abnormal market movements. Stress tests measure the changes in values primarily arising from extreme movements in interest/profit rates and foreign exchange rates based on Marco-economic Variables ('MEV') provided by in-house research team.
- **Sensitivity**
Sensitivities are measures that quantify the change in value of a portfolio of financial instruments resulting from a unit change in the relevant market risk factors. Sensitivities are used as measures of vulnerability to market risk factor movements and are also used to facilitate the implementation of risk controls and hedging strategies.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

50 FINANCIAL RISK MANAGEMENT (continued)

(ii) Market risk (continued)

Interest/profit rate sensitivity analysis

The table below shows the interest/profit sensitivity for the financial assets and financial liabilities held as at reporting date. The impact on profit after tax is measured using the Repricing Gap Simulation methodology based on 100 basis point parallel shifts in interest/profit rate. While the impact on equity represents the changes in fair value of fixed income instruments held in financial investments at FVOCI portfolio arising from the shifts in interest/profit rate.

	2025 Increase/(Decrease)		2024 Increase/(Decrease)	
	+100 basis point RM million	-100 basis point RM million	+100 basis point RM million	-100 basis point RM million
The Group				
Impact on profit after taxation	5.8	(5.8)	46.7	(46.7)
Impact on equity	(194.0)	194.0	(187.0)	187.0
The Bank				
Impact on profit after taxation	(4.4)	4.4	11.7	(11.7)

Foreign exchange risk sensitivity analysis

The following table sets out the analysis of the exposure to assess the impact of a 1% change in exchange rate to the profit after taxation.

	The Group Increase/(Decrease)		The Bank Increase/(Decrease)	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
+1%				
Euro	2,624	2,079	2,664	2,710
United States Dollar	(3,281)	(161)	(11,028)	(1,009)
Great Britain Pound	(1,153)	(918)	(1,164)	165
Australian Dollar	15,177	5,007	11,324	2,221
New Zealand Dollar	(20)	(69)	(20)	(68)
Japanese Yen	9	5	5	(2)
Others	(904)	(673)	(1,341)	(1,196)
	12,452	5,270	440	2,821
-1%				
Euro	(2,624)	(2,079)	(2,664)	(2,710)
United States Dollar	3,281	161	11,028	1,009
Great Britain Pound	1,153	918	1,164	(165)
Australian Dollar	(15,177)	(5,007)	(11,324)	(2,221)
New Zealand Dollar	20	69	20	68
Japanese Yen	(9)	(5)	(5)	2
Others	904	673	1,341	1,196
	(12,452)	(5,270)	(440)	(2,821)

Foreign exchange risk

The Group and the Bank are exposed to the effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. The risk of fluctuations in foreign currency exchange rates is monitored daily and managed via setting of thresholds on the level of exposure by currency and in aggregate for overnight position. The intra-day position is monitored in aggregate basis.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

50 FINANCIAL RISK MANAGEMENT (continued)

(ii) Market risk (continued)

Foreign exchange risk (continued)

The following table summarises the Group's and the Bank's exposure to foreign currency exchange rate risk at reporting date. Included in the table are the Group's and the Bank's financial instruments at carrying amounts, categorised by currency.

The Group	Euro RM'000	United States Dollar RM'000	Great Britain Pound RM'000	Australian Dollar RM'000	New Zealand Dollar RM'000	Japanese Yen RM'000	Others RM'000	Total RM'000
2025								
Assets								
Short-term funds	12,088	1,077,321	3,733	7,901	760	2,201	116,066	1,220,070
Financial assets at FVTPL	–	221,142	–	–	–	–	–	221,142
Derivative financial instruments	1,124	246,312	2,338	5,189	–	–	853	255,816
Financial investments at FVOCI	–	3,134,645	–	2,515,987	–	–	9,963	5,660,595
Financial investments at AC	–	287,531	–	152,344	–	–	–	439,875
Loans, advances and financing	360,805	1,597,459	319,749	103,439	–	–	29,040	2,410,492
Amount due from client and brokers	–	3,954	–	(66)	–	–	8,277	12,165
Other assets	–	24,447	–	(289)	–	–	1,212	25,370
Total financial assets	374,017	6,592,811	325,820	2,784,505	760	2,201	165,411	10,245,525
Liabilities								
Deposits from customers	23,055	2,986,129	37,339	78,893	3,333	748	217,961	3,347,458
Deposits and placements of banks and other financial institutions	–	3,371,851	439,462	707,281	–	–	58,258	4,576,852
Derivative financial instruments	5,624	530,942	765	1,306	91	333	3,961	543,022
Amount due to client and brokers	–	3,382	–	41	–	–	4,144	7,567
Other liabilities	10	132,227	11	6	–	–	94	132,348
Total financial liabilities	28,689	7,024,531	477,577	787,527	3,424	1,081	284,418	8,607,247
Net on-balance sheet financial position	345,328	(431,720)	(151,757)	1,996,978	(2,664)	1,120	(119,007)	1,638,278
Off-balance sheet commitments	1,400,749	24,391,733	451,706	756,198	13,997	20,181	375,938	27,410,502

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

50 FINANCIAL RISK MANAGEMENT (continued)

(ii) Market risk (continued)

Foreign exchange risk (continued)

The following table summarises the Group's and the Bank's exposure to foreign currency exchange rate risk at reporting date. Included in the table are the Group's and the Bank's financial instruments at carrying amounts, categorised by currency (continued).

The Group	Euro RM'000	United States Dollar RM'000	Great Britain Pound RM'000	Australian Dollar RM'000	New Zealand Dollar RM'000	Japanese Yen RM'000	Others RM'000	Total RM'000
2024								
Assets								
Short-term funds	12,398	571,122	10,265	11,615	681	1,270	121,533	728,884
Financial assets at FVTPL	–	13,423	–	–	–	–	15,377	28,800
Derivative financial instruments	5,519	283,286	203	142	–	209	609	289,968
Financial investments at FVOCI	–	2,117,809	–	1,051,472	–	–	–	3,169,281
Financial investments at AC	–	344,188	–	169,989	–	–	–	514,177
Loans, advances and financing	359,210	1,332,963	263,184	–	–	–	117,987	2,073,344
Amount due from client and brokers	–	21,199	254	160	–	–	8,398	30,011
Other assets	–	4,199	–	(157)	–	3	988	5,033
Total financial assets	377,127	4,688,189	273,906	1,233,221	681	1,482	264,892	6,839,498
Liabilities								
Deposits from customers	94,231	1,259,918	44,460	70,434	9,217	774	193,541	1,672,575
Deposits and placements of banks and other financial institutions	–	3,047,265	349,546	491,977	–	–	151,755	4,040,543
Derivative financial instruments	9,160	200,042	589	11,836	557	–	4,680	226,864
Amount due to client and brokers	–	1,958	138	103	–	–	3,376	5,575
Other liabilities	129	200,184	15	12	5	–	77	200,422
Total financial liabilities	103,520	4,709,367	394,748	574,362	9,779	774	353,429	6,145,979
Net on-balance sheet financial position	273,607	(21,178)	(120,842)	658,859	(9,098)	708	(88,537)	693,519
Off balance sheet commitments	1,462,324	43,984,034	45,380	223,898	10,134	12,595	544,345	46,282,710

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

50 FINANCIAL RISK MANAGEMENT (continued)

(ii) Market risk (continued)

Foreign exchange risk (continued)

The following table summarises the Group's and the Bank's exposure to foreign currency exchange rate risk at reporting date. Included in the table are the Group's and the Bank's financial instruments at carrying amounts, categorised by currency (continued).

The Bank	Euro RM'000	United States Dollar RM'000	Great Britain Pound RM'000	Australian Dollar RM'000	New Zealand Dollar RM'000	Japanese Yen RM'000	Others RM'000	Total RM'000
2025								
Assets								
Short-term funds	4,291	965,975	1,995	1,667	760	1,776	77,911	1,054,375
Investment accounts due from designated financial institution	-	12,181	-	-	-	-	-	12,181
Derivative financial instruments	1,162	237,397	2,338	4,487	-	-	865	246,249
Financial investments at FVOCI	-	1,583,295	-	2,045,216	-	-	9,963	3,638,474
Financial investments at AC	-	287,531	-	119,614	-	-	-	407,145
Loans, advances and financing	360,805	979,793	319,749	103,439	-	-	-	1,763,786
Other assets	-	10,351	-	-	-	-	-	10,351
Total financial assets	366,258	4,076,523	324,082	2,274,423	760	1,776	88,739	7,132,561
Liabilities								
Deposits from customers	10,058	3,088,340	36,993	76,457	3,333	727	203,471	3,419,379
Deposits and placements of banks and other financial institutions	-	1,907,305	439,462	707,281	-	-	58,258	3,112,306
Derivative financial instruments	5,624	524,131	765	680	91	333	3,459	535,083
Other liabilities	4	7,815	11	6	-	-	5	7,841
Total financial liabilities	15,686	5,527,591	477,231	784,424	3,424	1,060	265,193	7,074,609
Net on-balance sheet financial position	350,572	(1,451,068)	(153,149)	1,489,999	(2,664)	716	(176,454)	57,952
Off balance sheet commitments	1,400,749	22,876,631	451,706	447,315	13,997	20,181	298,208	25,508,787

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

50 FINANCIAL RISK MANAGEMENT (continued)

(ii) Market risk (continued)

Foreign exchange risk (continued)

The following table summarises the Group's and the Bank's exposure to foreign currency exchange rate risk at reporting date. Included in the table are the Group's and the Bank's financial instruments at carrying amounts, categorised by currency (continued).

The Bank	Euro RM'000	United States Dollar RM'000	Great Britain Pound RM'000	Australian Dollar RM'000	New Zealand Dollar RM'000	Japanese Yen RM'000	Others RM'000	Total RM'000
2024								
Assets								
Short-term funds	7,377	464,992	1,669	3,146	681	680	58,926	537,471
Investment accounts due from designated financial institution	–	25,063	–	–	–	–	–	25,063
Derivative financial instruments	3,442	272,333	203	52	–	19	450	276,499
Financial investments at FVOCI	–	1,118,085	–	725,843	–	–	–	1,843,928
Financial investments at AC	–	344,188	–	136,404	–	–	–	480,592
Loans, advances and financing	359,210	1,053,653	235,058	–	–	–	116,342	1,764,263
Other assets	–	1,740	–	–	–	–	–	1,740
Total financial assets	370,029	3,280,054	236,930	865,445	681	699	175,718	4,929,556
Liabilities								
Deposits from customers	6,308	651,682	44,266	69,108	9,217	742	176,591	957,914
Deposits and placements of banks and other financial institutions	–	2,570,125	170,319	491,977	–	–	151,755	3,384,176
Derivative financial instruments	7,051	189,784	589	12,123	420	235	4,675	214,877
Other liabilities	129	1,254	15	12	5	–	3	1,418
Total financial liabilities	13,488	3,412,845	215,189	573,220	9,642	977	333,024	4,558,385
Net on-balance sheet financial position	356,541	(132,791)	21,741	292,225	(8,961)	(278)	(157,306)	371,171
Off balance sheet commitments	1,386,513	39,389,585	45,380	227,385	10,134	5,791	488,889	41,553,677

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

50 FINANCIAL RISK MANAGEMENT (continued)

(ii) Market risk (continued)

Interest/profit rate risk

Interest/profit rate risk is the risk to earnings and capital arising from exposure to adverse movements in interest/profit rates mainly due to mismatches in timing repricing of assets and liabilities. These mismatches are actively managed from an earnings and economic value perspective.

The objective of interest/profit rate risk management is to achieve a stable and sustainable net interest/profit income from the following perspectives:

1. Next 12 months' Earnings - Interest/profit rate risk from the earnings perspective is the impact based on changes to the net interest/profit income over the next 12 months. This risk is measured through sensitivity analysis including the application of an instantaneous 150 basis point parallel shock in interest/profit rates across the yield curve.
2. Economic Value - Measuring the change in the EVE is an assessment of the long-term impact to the Group and the Bank's capital. This is assessed through the application of relevant duration factors to capture the net economic value impact over the long term or total life of all balance sheet assets and liabilities to adverse changes in interest/profit rates.

Interest/profit rate risk thresholds are established in line with the Group and the Bank's strategy and risk appetite. These thresholds are reviewed regularly to ensure relevance in the context of prevailing market conditions.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

50 FINANCIAL RISK MANAGEMENT (continued)

(ii) Market risk (continued)

Interest/profit rate risk (continued)

The following table represents the Group's and the Bank's assets and liabilities at carrying amounts, categorised by the earlier of contractual repricing or maturity dates as at reporting date.

The Group	Non-trading book							Trading book RM'000	Total RM'000
	Up to 1 month RM'000	>1-3 months RM'000	>3-12 months RM'000	>1-5 years RM'000	Over 5 years RM'000	Non-interest/ profit sensitive RM'000			
2025									
Assets	5,376,333								6,155,814
Cash and short-term funds	-								
Deposits and placements with banks and other financial institutions	-	249,774							
Reverse repurchase agreements with financial institutions	65,693								
Financial assets at FVTPL	-								
Derivative financial instruments	-								
Financial investments at FVOCI	30,005	431,936	943,100	6,355,179	7,151,059	399,059	2,330,282	304,202	15,310,337
Financial investments at AC	5,000	215,688	2,122,496	9,961,477	2,732,159	133,376			15,170,196
Loans, advances and financing	55,871,878	2,346,355	1,157,178	7,958,781	10,873,360	(469,012) [^]			77,738,541
- non-impaired	-								
- impaired	85,235					807,197 [#]			807,197
Others ⁽¹⁾	-					1,237,205			1,322,440
Statutory deposits with Bank Negara Malaysia	-					804,510			804,510
Total assets	61,434,144	3,243,753	4,222,774	24,275,437	20,756,578	3,692,406	2,634,484	120,259,576	

[^] The negative balance represents ECL for loans, advances and financing in accordance with the Group's accounting policy on allowance for unimpaired loans, advances and financing.

[#] Net of ECL for impaired loans, advances and financing.

⁽¹⁾ Others include other assets, amount due from joint ventures and amount due from client and brokers.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

50 FINANCIAL RISK MANAGEMENT (continued)

(ii) Market risk (continued)

Interest/profit rate risk (continued)

The following table represents the Group's and the Bank's assets and liabilities at carrying amounts, categorised by the earlier of contractual repricing or maturity dates as at reporting date (continued).

	Non-trading book							Trading book RM'000	Total RM'000
	Up to 1 month RM'000	>1-3 months RM'000	>3-12 months RM'000	>1-5 years RM'000	Over 5 years RM'000	Non-interest/ profit sensitive RM'000			
The Group									
2025									
Liabilities									
Deposits from customers	30,372,478	16,801,270	31,020,664	63,994	-	741,579	-	78,999,985	
Investment accounts of customers	87,595	145,323	919,285	-	-	12,203	-	1,164,406	
Deposits and placements of banks and other financial institutions	4,813,814	3,003,918	716,201	2,293	-	32,638	-	8,568,864	
Obligation on securities sold under repurchase agreements	1,722,156	3,828,061	-	-	-	19,628	-	5,569,845	
Derivative financial instruments	-	-	-	-	-	-	628,290	628,290	
Bills and acceptances payable	-	-	-	-	-	57,265	-	57,265	
Recourse obligation on loans/financing sold to Cagamas Berhad	-	300,009	1,988,800	5,362,473	-	53,802	-	7,705,084	
Lease liabilities	1,588	928	7,828	54,139	8	-	-	64,491	
Borrowings and Sukuk	-	157,318	1,787,527	3,146,343	1,000,000	35,450	-	6,126,638	
Others ⁽²⁾	127,533	-	-	-	-	2,653,531	-	2,781,064	
Total liabilities	37,125,164	24,236,827	36,440,305	8,629,242	1,000,008	3,606,096	628,290	111,665,932	
Net interest/profit sensitivity gap	24,308,980	(20,993,074)	(32,217,531)	15,646,195	19,756,570				

⁽²⁾ Others include amount due to client and brokers and other liabilities.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

50 FINANCIAL RISK MANAGEMENT (continued)

(ii) Market risk (continued)

Interest/profit rate risk (continued)

The following table represents the Group's and the Bank's assets and liabilities at carrying amounts, categorised by the earlier of contractual repricing or maturity dates as at reporting date (continued).

The Group	Non-trading book						Trading book RM'000	Total RM'000
	Up to 1 month RM'000	>1-3 months RM'000	>3-12 months RM'000	>1-5 years RM'000	Over 5 years RM'000	Non-interest/ profit sensitive RM'000		
2024								
Assets								
Cash and short-term funds	1,786,819	-	-	-	-	1,066,062	-	2,852,881
Deposits and placements with banks and other financial institutions	-	97,947	200,000	-	-	4,294	-	302,241
Financial assets at FVTPL	-	-	-	-	-	-	1,562,337	1,562,337
Derivative financial instruments	-	-	-	-	-	-	450,370	450,370
Financial investments at FVOCI	9,999	731,393	1,237,752	4,283,042	7,362,704	276,567	-	13,901,457
Financial investments at AC	50,000	189,311	676,138	10,045,345	4,597,847	130,772	-	15,689,413
Loans, advances and financing								
- non-impaired	51,176,400	1,189,452	2,270,449	6,199,901	9,810,448	(653,675) [^]	-	69,992,975
- impaired	-	-	-	-	-	899,110 [#]	-	899,110
Others ⁽¹⁾	65,593	-	-	-	-	1,055,379	-	1,120,972
Statutory deposits with Bank Negara Malaysia	-	-	-	-	-	1,524,530	-	1,524,530
Total assets	53,088,811	2,208,103	4,384,339	20,528,288	21,770,999	4,303,039	2,012,707	108,296,286

[^] The negative balance represents ECL for loans, advances and financing in accordance with the Group's accounting policy on allowance for unimpaired loans, advances and financing.

[#] Net of ECL for impaired loans, advances and financing.

⁽¹⁾ Others include other assets, amount due from joint ventures and associates and amount due from client and brokers.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

50 FINANCIAL RISK MANAGEMENT (continued)

(ii) Market risk (continued)

Interest/profit rate risk (continued)

The following table represents the Group's and the Bank's assets and liabilities at carrying amounts, categorised by the earlier of contractual repricing or maturity dates as at reporting date (continued).

The Group	Non-trading book							Total RM'000
	Up to 1 month RM'000	>1-3 months RM'000	>3-12 months RM'000	>1-5 years RM'000	Over 5 years RM'000	Non-interest/ profit sensitive RM'000	Trading book RM'000	
2024								
Liabilities								
Deposits from customers	32,825,006	14,498,422	25,561,399	173,906	-	684,786	-	73,743,519
Investment accounts of customers	375	750,451	2,106	-	-	4,668	-	757,600
Deposits and placements of banks and other financial institutions	4,374,398	2,819,814	1,361,227	-	-	62,972	-	8,618,411
Obligation on securities sold under repurchase agreements	2,529,433	2,472,214	521,985	-	-	43,786	-	5,567,418
Derivative financial instruments	-	-	-	-	-	-	365,936	365,936
Bills and acceptances payable	-	-	-	-	-	32,341	-	32,341
Recourse obligation on loans/financing sold to Cagamas Berhad	-	300,002	350,000	4,436,561	-	41,432	-	5,127,995
Lease liabilities	3,078	1,996	5,708	54,565	57	-	-	65,404
Borrowings and Sukuk	-	-	230,000	1,519,921	1,986,648	28,311	-	3,764,880
Others ⁽²⁾	207,699	-	-	-	-	1,784,204	-	1,991,903
Total liabilities	39,939,989	20,842,899	28,032,425	6,184,953	1,986,705	2,682,500	365,936	100,035,407
Net interest/profit sensitivity gap	13,148,822	(18,634,796)	(23,648,086)	14,343,335	19,784,294			

⁽²⁾ Others include amount due to client and brokers and other liabilities.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

50 FINANCIAL RISK MANAGEMENT (continued)

(ii) Market risk (continued)

Interest/profit rate risk (continued)

The following table represents the Group's and the Bank's assets and liabilities at carrying amounts, categorised by the earlier of contractual repricing or maturity dates as at reporting date (continued).

	Non-trading book							Trading book RM'000	Total RM'000
	Up to 1 month RM'000	>1-3 months RM'000	>3-12 months RM'000	>1-5 years RM'000	Over 5 years RM'000	Non-interest sensitive RM'000			
The Bank									
2025									
Assets									
Cash and short-term funds	2,754,477	-	-	-	-	-	-	-	3,432,100
Deposits and placements with banks and other financial institutions	-	449,989	-	-	-	-	-	-	450,460
Reverse repurchase agreements with financial institutions	65,693	-	-	-	-	-	-	-	65,812
Investment accounts due from designated financial institutions	335,000	83,572	87,289	776,210	1,267,070	-	-	-	2,549,141
Financial assets at FVTPL	-	-	-	-	-	-	-	3,010,216	3,010,216
Derivative financial instruments	-	-	-	-	-	-	-	289,927	289,927
Financial investments at FVOCI	20,002	131,407	489,388	3,675,858	3,958,093	354,074	-	-	8,628,822
Financial investments at AC	5,000	130,394	1,951,573	6,104,963	1,632,568	85,865	-	-	9,910,363
Loans, advances and financing	-	-	-	-	-	-	-	-	-
- non-impaired	26,425,468	1,190,615	652,386	5,103,614	4,230,009	(270,538) [^]	-	-	37,331,554
- impaired	-	-	-	-	-	592,054 [#]	-	-	592,054
Others (1)	-	-	-	-	-	702,018	-	-	702,018
Statutory deposits with Bank Negara Malaysia	-	-	-	-	-	449,000	-	-	449,000
Total assets	29,605,640	1,985,977	3,180,636	15,660,645	11,087,740	2,590,686	3,300,143	67,411,467	

[^] The negative balance represents ECL for loans, advances and financing in accordance with the Group's accounting policy on allowance for unimpaired loans, advances and financing.

[#] Net of ECL for impaired loans, advances and financing.

(1) Others include other assets and amount due from subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

50 FINANCIAL RISK MANAGEMENT (continued)

(ii) Market risk (continued)

Interest/profit rate risk (continued)

The following table represents the Group's and the Bank's assets and liabilities at carrying amounts, categorised by the earlier of contractual repricing or maturity dates as at reporting date (continued).

The Bank	Non-trading book							Trading book RM'000	Total RM'000
	Up to 1 month RM'000	>1-3 months RM'000	>3-12 months RM'000	>1-5 years RM'000	Over 5 years RM'000	Non-interest sensitive RM'000			
2025									
Liabilities									
Deposits from customers	15,626,854	8,966,516	17,514,422	52,346	-	398,909	-	42,559,047	
Deposits and placements of banks and other financial institutions	1,704,794	2,783,945	354,185	-	-	19,328	-	4,862,252	
Obligation on securities sold under repurchase agreements	1,722,156	3,828,061	-	-	-	19,605	-	5,569,822	
Derivative financial instruments	-	-	-	-	-	-	593,680	593,680	
Bills and acceptances payable	-	-	-	-	-	57,265	-	57,265	
Recourse obligation on loans sold to Cagamas Berhad	-	-	1,488,828	3,262,474	-	27,920	-	4,779,222	
Borrowings and Sukuk	-	44,246	853,259	2,206,423	500,000	20,076	-	3,624,004	
Lease liabilities	753	194	6,662	52,912	-	-	-	60,521	
Others ⁽²⁾	-	-	-	-	-	986,900	-	986,900	
Total liabilities	19,054,557	15,622,962	20,217,356	5,574,155	500,000	1,530,003	593,680	63,092,713	
Net interest sensitivity gap	10,551,083	(13,636,985)	(17,036,720)	10,086,490	10,587,740				

⁽²⁾ Others include amount due to client and brokers and other liabilities.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

50 FINANCIAL RISK MANAGEMENT (continued)

(ii) Market risk (continued)

Interest/profit rate risk (continued)

The following table represents the Group's and the Bank's assets and liabilities at carrying amounts, categorised by the earlier of contractual repricing or maturity dates as at reporting date (continued).

The Bank	Non-trading book							Trading book RM'000	Total RM'000
	Up to 1 month RM'000	>1-3 months RM'000	>3-12 months RM'000	>1-5 years RM'000	Over 5 years RM'000	Non-interest sensitive RM'000			
2024									
Assets									
Cash and short-term funds	1,286,333	-	-	-	-	674,225	-	1,960,558	
Deposits and placements with banks and other financial institutions	-	400,000	200,000	-	-	4,294	-	604,294	
Investment accounts due from designated financial institutions	314,449	130,526	628,310	818,019	1,356,976	-	-	3,248,280	
Financial assets at FVTPL	-	-	-	-	-	-	1,852,836	1,852,836	
Derivative financial instruments	-	-	-	-	-	-	412,598	412,598	
Financial investments at FVOCI	-	230,958	571,668	1,775,536	3,226,788	241,057	-	6,046,007	
Financial investments at AC	-	86,821	441,047	6,836,010	2,589,624	84,618	-	10,038,120	
Loans, advances and financing	-	-	-	-	-	-	-	-	
- non-impaired	25,078,514	195,417	1,584,592	4,269,611	4,176,711	(370,295) [^]	-	34,934,550	
- impaired	-	-	-	-	-	705,464 [#]	-	705,464	
Others ⁽¹⁾	-	-	-	-	-	1,094,547	-	1,094,547	
Statutory deposits with Bank Negara Malaysia	-	-	-	-	-	867,000	-	867,000	
Total assets	26,679,296	1,043,722	3,425,617	13,699,176	11,350,099	3,300,910	2,265,434	61,764,254	

[^] The negative balance represents ECL for loans, advances and financing in accordance with the Group's accounting policy on allowance for unimpaired loans, advances and financing.

[#] Net of ECL for impaired loans, advances and financing.

⁽¹⁾ Others include other assets and amount due from subsidiaries and associates.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

50 FINANCIAL RISK MANAGEMENT (continued)

(ii) Market risk (continued)

Interest/profit rate risk (continued)

The following table represents the Group's and the Bank's assets and liabilities at carrying amounts, categorised by the earlier of contractual repricing or maturity dates as at reporting date (continued).

The Bank	Non-trading book							Total RM'000
	Up to 1 month RM'000	>1-3 months RM'000	>3-12 months RM'000	>1-5 years RM'000	Over 5 years RM'000	Non-interest sensitive RM'000	Trading book RM'000	
2024								
Liabilities								
Deposits from customers	17,159,443	8,568,956	14,799,993	159,017	-	417,409	-	41,104,818
Deposits and placements of banks and other financial institutions	2,618,757	2,355,979	184,510	-	-	24,343	-	5,183,589
Obligation on securities sold under repurchase agreements	2,151,280	2,472,214	521,985	-	-	43,300	-	5,188,779
Derivative financial instruments	-	-	-	-	-	-	316,611	316,611
Bills and acceptances payable	-	-	-	-	-	32,341	-	32,341
Recourse obligation on loans sold to Cagamas Berhad	-	-	350,000	2,635,544	-	17,020	-	3,002,564
Borrowings and Sukuk	-	4,907	-	-	1,486,648	14,674	-	1,506,229
Lease liabilities	1,437	458	4,425	50,874	57	-	-	57,251
Others ⁽²⁾	-	-	-	-	-	1,156,555	-	1,156,555
Total liabilities	21,930,917	13,402,514	15,860,913	2,845,435	1,486,705	1,705,642	316,611	57,548,737
Net interest sensitivity gap	4,748,379	(12,358,792)	(12,435,296)	10,853,741	9,863,394			

⁽²⁾ Others include amount due to client and brokers and other liabilities.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

50 FINANCIAL RISK MANAGEMENT (continued)

(iii) Liquidity risk

Liquidity risk is the risk of inability of a bank to fund increases in assets and meet obligations as they come due, without incurring unacceptable losses. Liquidity risk includes the inability to manage sudden decreases or changes in funding sources. Liquidity risk also arises from the failure to recognise changes in market conditions that affect the ability to liquidate assets quickly and with minimal loss in value.

The Liquidity Risk Management Framework governs the liquidity risk management activities of the Group and the Bank. The objective of liquidity risk management is to ensure that there are sufficient funds to meet contractual and regulatory obligations without incurring unacceptable losses as well as to undertake new transactions. The Group and the Bank's liquidity management process involves establishing liquidity risk management policies and prudential thresholds, liquidity risk threshold monitoring, stress testing and establishing contingency funding plans. These building blocks of liquidity risk management are subject to regular reviews to ensure relevance in the context of prevailing market conditions and regulatory landscape.

The Group and the Bank's short term liquidity risk management is premised on BNM's Liquidity Coverage Ratio ('LCR') standards. The LCR is a quantitative requirement which seeks to ensure that the Group and the Bank holds sufficient High Quality Liquid Assets ('HQLA') to withstand a significant liquidity stress scenario over a 30-day horizon.

Long-term liquidity risk profile is assessed via the Net Stable Funding Ratio ('NSFR') which promotes resilience over a longer time horizon for the Group and the Bank to fund its activities with more stable sources of funding on an ongoing basis.

The Group and the Bank also employs a set of liquidity risk indicators as an early alert of any structural change for liquidity risk management. The liquidity risk indicators include internal and external qualitative as well as quantitative indicators.

Liquidity stress tests are conducted periodically and on ad-hoc basis to gauge the Group and the Bank's resilience in the event of a liquidity disruption.

The Contingency Funding Plan provides a systematic approach in handling liquidity disruption. The document encompasses strategies, decision-making authorities, and courses of action to be taken in the event of liquidity crisis and emergencies, enabling the Group and the Bank to respond to an unexpected liquidity disruption in an effective and efficient manner.

The Group Board Risk Management Committee ('GBRMC') is responsible for the Group and the Bank's liquidity policy and the strategic management of liquidity has been delegated to the Group Asset Liability Management Committee ('GALCO'). The GBRMC is informed regularly on the liquidity position of the Group and the Bank.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

50 FINANCIAL RISK MANAGEMENT (continued)

(iii) Liquidity risk (continued)

Liquidity risk disclosure table which is based on contractual undiscounted cash flows

The table below provides analysis of cash flow payables for financial liabilities based on remaining contractual maturities on undiscounted basis. The balances in the table below do not agree directly to the balances reported in the statement of financial position as the table incorporates all contractual cash flows, on an undiscounted basis, relating to both principal and interest/profit payments.

The Group	Up to 1 month RM'000	>1-3 months RM'000	>3-12 months RM'000	>1-5 years RM'000	Over 5 years RM'000	Total RM'000
2025						
Deposits from customers	30,515,170	17,184,080	31,996,881	65,377	–	79,761,508
Investment accounts of customers	88,841	147,999	944,748	–	–	1,181,588
Deposits and placements of banks and other financial institutions	4,828,934	3,040,775	767,059	18,001	–	8,654,769
Obligation on securities sold under repurchase agreements	1,733,452	3,858,873	–	–	–	5,592,325
Bills and acceptances payable	57,265	–	–	–	–	57,265
Recourse obligation on loans/financing sold to Cagamas Berhad	–	331,956	2,199,293	5,546,567	–	8,077,816
Amount due to client and brokers	657,156	–	–	–	–	657,156
Lease liabilities	3,783	7,480	30,871	39,879	–	82,013
Other liabilities [^]	396,636	586,525	918,284	201,953	20,510	2,123,908
Borrowings and Sukuk	12,603	167,672	2,088,526	2,886,026	1,876,535	7,031,362
	38,293,840	25,325,360	38,945,662	8,757,803	1,897,045	113,219,710
Financial guarantees	24,534	127,376	346,644	218,195	1,785	718,534
Credit related commitments	5,972,181	867,168	6,769,063	2,710,440	6,583,689	22,902,541
Share margin financing	2,314,634	–	–	–	–	2,314,634
	8,311,349	994,544	7,115,707	2,928,635	6,585,474	25,935,709

[^] Other liabilities exclude accrued employee benefits.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

50 FINANCIAL RISK MANAGEMENT (continued)

(iii) Liquidity risk (continued)

Liquidity risk disclosure table which is based on contractual undiscounted cash flows (continued)

The table below provides analysis of cash flow payables for financial liabilities based on remaining contractual maturities on undiscounted basis. The balances in the table below do not agree directly to the balances reported in the statement of financial position as the table incorporates all contractual cash flows, on an undiscounted basis, relating to both principal and interest/profit payments (continued).

The Group	Up to 1 month RM'000	>1-3 months RM'000	>3-12 months RM'000	>1-5 years RM'000	Over 5 years RM'000	Total RM'000
2024						
Deposits from customers	32,943,240	14,853,224	26,416,405	180,822	–	74,393,691
Investment accounts of customers	376	760,528	2,177	–	–	763,081
Deposits and placements of banks and other financial institutions	4,415,950	2,866,607	1,402,116	24,409	–	8,709,082
Obligation on securities sold under repurchase agreements	2,567,197	2,496,568	526,212	–	–	5,589,977
Bills and acceptances payable	32,341	–	–	–	–	32,341
Recourse obligation on loans/financing sold to Cagamas Berhad	–	330,860	104,863	2,302,610	2,729,977	5,468,310
Amount due to client and brokers	370,282	–	–	–	–	370,282
Lease liabilities	3,299	6,519	21,619	31,157	–	62,594
Other liabilities [^]	315,409	25,403	1,037,367	226,644	16,794	1,621,617
Borrowings and Sukuk	12,603	132	169,712	3,244,985	1,112,904	4,540,336
	40,660,697	21,339,841	29,680,471	6,010,627	3,859,675	101,551,311
Financial guarantees	15,143	62,952	333,285	135,569	1,008	547,957
Credit related commitments	4,231,830	671,772	5,124,504	4,209,326	4,253,245	18,490,677
Share margin financing	1,815,376	–	–	–	–	1,815,376
	6,062,349	734,724	5,457,789	4,344,895	4,254,253	20,854,010

[^] Other liabilities exclude accrued employee benefits.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

50 FINANCIAL RISK MANAGEMENT (continued)

(iii) Liquidity risk (continued)

Liquidity risk disclosure table which is based on contractual undiscounted cash flows (continued)

The table below provides analysis of cash flow payables for financial liabilities based on remaining contractual maturities on undiscounted basis. The balances in the table below do not agree directly to the balances reported in the statement of financial position as the table incorporates all contractual cash flows, on an undiscounted basis, relating to both principal and interest/profit payments (continued).

The Bank	Up to 1 month RM'000	>1-3 months RM'000	>3-12 months RM'000	>1-5 years RM'000	Over 5 years RM'000	Total RM'000
2025						
Deposits from customers	15,699,686	9,180,710	18,069,027	53,468	–	43,002,891
Deposits and placements of banks and other financial institutions	1,712,817	2,812,824	361,323	–	–	4,886,964
Obligation on securities sold under repurchase agreements	1,733,452	3,858,873	–	–	–	5,592,325
Bills and acceptances payable	57,265	–	–	–	–	57,265
Recourse obligation on loans sold to Cagamas Berhad	–	9,255	1,628,638	3,370,558	–	5,008,451
Lease liabilities	2,961	5,843	24,341	26,111	–	59,256
Other liabilities [^]	–	–	667,948	148,090	13,316	829,354
Amount due to subsidiaries	157,546	–	–	–	–	157,546
Borrowings and Sukuk	12,603	45,734	1,044,294	1,323,545	1,876,535	4,302,711
	19,376,330	15,913,239	21,795,571	4,921,772	1,889,851	63,896,763
Financial guarantees	15,617	46,562	240,363	166,073	1,592	470,207
Credit related commitments	1,672,673	545,651	4,228,593	589,958	4,848,209	11,885,084
	1,688,290	592,213	4,468,956	756,031	4,849,801	12,355,291

[^] Other liabilities exclude accrued employee benefits.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

50 FINANCIAL RISK MANAGEMENT (continued)

(iii) Liquidity risk (continued)

Liquidity risk disclosure table which is based on contractual undiscounted cash flows (continued)

The table below provides analysis of cash flow payables for financial liabilities based on remaining contractual maturities on undiscounted basis. The balances in the table below do not agree directly to the balances reported in the statement of financial position as the table incorporates all contractual cash flows, on an undiscounted basis, relating to both principal and interest/profit payments (continued).

The Bank	Up to 1 month RM'000	>1-3 months RM'000	>3-12 months RM'000	>1-5 years RM'000	Over 5 years RM'000	Total RM'000
2024						
Deposits from customers	17,225,900	8,796,854	15,289,453	165,538	–	41,477,745
Deposits and placements of banks and other financial institutions	2,635,783	2,383,354	190,344	–	–	5,209,481
Obligation on securities sold under repurchase agreements	2,179,800	2,496,568	526,212	–	–	5,202,580
Bills and acceptances payable	32,341	–	–	–	–	32,341
Recourse obligation on loans sold to Cagamas Berhad	–	–	59,525	411,546	2,729,977	3,201,048
Lease liabilities	2,487	4,895	19,257	27,494	–	54,133
Other liabilities [^]	–	–	770,594	198,596	11,709	980,899
Amount due to subsidiaries	175,656	–	–	–	–	175,656
Borrowings and Sukuk	12,603	5,000	61,432	708,582	1,112,904	1,900,521
	22,264,570	13,686,671	16,916,817	1,511,756	3,854,590	58,234,404
Financial guarantees	10,738	35,008	235,623	113,705	819	395,893
Credit related commitments	1,719,972	503,816	3,087,412	419,894	3,002,241	8,733,335
	1,730,710	538,824	3,323,035	533,599	3,003,060	9,129,228

[^] Other liabilities exclude accrued employee benefits.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

50 FINANCIAL RISK MANAGEMENT (continued)

(iii) Liquidity risk (continued)

Derivative financial liabilities

Derivative financial liabilities based on contractual undiscounted cash flows:

Derivatives settled on net basis

The Group	Up to 1 month RM'000	>1-3 months RM'000	>3-12 months RM'000	>1-5 years RM'000	Over 5 years RM'000	Total RM'000
2025						
Interest rate derivatives	(3,877)	(9,680)	(31,719)	(73,185)	(4,817)	(123,278)
2024						
Interest rate derivatives	(1,259)	(5,226)	(9,471)	(41,665)	(27,554)	(85,175)

The Bank

2025						
Interest rate derivatives	(3,005)	(4,960)	(22,374)	(37,722)	7	(68,054)
2024						
Interest rate derivatives	(1,205)	(1,538)	(5,354)	(15,238)	(14,825)	(38,160)

Derivatives settled on gross basis

The Group	Up to 1 month RM'000	>1-3 months RM'000	>3-12 months RM'000	>1-5 years RM'000	Over 5 years RM'000	Total RM'000
2025						
Foreign exchange derivatives:						
Outflow	(2,195,289)	(3,601,489)	(5,070,552)	(75,646)	–	(10,942,976)
Inflow	2,194,837	3,601,447	5,070,606	75,661	–	10,942,551
	(452)	(42)	54	15	–	(425)
2024						
Foreign exchange derivatives:						
Outflow	(2,190,301)	(2,228,476)	(566,369)	(13,399)	–	(4,998,545)
Inflow	2,120,737	2,172,209	546,433	13,333	–	4,852,712
	(69,564)	(56,267)	(19,936)	(66)	–	(145,833)

The Bank

2025						
Foreign exchange derivatives:						
Outflow	(911,113)	(3,467,498)	(4,323,472)	–	–	(8,702,082)
Inflow	911,113	3,467,498	4,323,472	–	–	8,702,082
	–	–	–	–	–	–

2024						
Foreign exchange derivatives:						
Outflow	(1,664,668)	(1,617,045)	(323,025)	–	–	(3,604,738)
Inflow	1,603,885	1,572,082	312,603	–	–	3,488,570
	(60,783)	(44,963)	(10,422)	–	–	(116,168)

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

50 FINANCIAL RISK MANAGEMENT (continued)

(iii) Liquidity risk (continued)

Liquidity risk for assets and liabilities based on remaining contractual maturities

The maturities of on-balance sheet assets and liabilities as well as other off-balance sheet assets and liabilities, commitments and counter-guarantees are important factors in assessing the liquidity of the Group and the Bank. The table below provides analysis of assets and liabilities into relevant maturity tenures based on remaining contractual maturities.

The Group	Up to 1 month RM'000	>1-3 months RM'000	>3-12 months RM'000	>1-5 years RM'000	Over 5 years RM'000	No specific maturity RM'000	Total RM'000
2025							
Assets							
Cash and short-term funds	6,155,814	-	-	-	-	-	6,155,814
Deposits and placements with banks and other financial institutions	-	250,245	-	-	-	-	250,245
Reverse repurchase agreements with financial institutions	65,812	-	-	-	-	-	65,812
Financial assets at FVTPL	89,912	625,086	505,716	191,083	693,725	224,760	2,330,282
Derivative financial instruments	118,534	81,048	30,499	73,944	177	-	304,202
Financial investments at FVOCI	30,784	436,888	948,407	6,418,260	7,223,382	252,616	15,310,337
Financial investments at AC	5,117	243,332	2,110,335	10,047,483	2,755,412	8,517	15,170,196
Loans, advances and financing	5,165,811	3,317,964	1,986,982	11,073,950	57,001,031	-	78,545,738
Amount due from client and brokers	803,128	-	-	-	-	-	803,128
Other assets	483,197	3,392	9,783	14,314	4,076	4,550	519,312
Statutory deposits with Bank Negara Malaysia	804,510	-	-	-	-	-	804,510
Other non-financial assets ⁽¹⁾	18,262	154	93,719	63,010	-	3,639,020	3,814,165
	13,740,881	4,958,109	5,685,441	27,882,044	67,677,803	4,129,463	124,073,741

⁽¹⁾ Other non-financial assets include tax recoverable, deferred tax assets, investment in associates, property and equipment, investment property, right-of-use assets, intangibles assets, prepayments and foreclosed properties.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

50 FINANCIAL RISK MANAGEMENT (continued)

(iii) Liquidity risk (continued)

Liquidity risk for assets and liabilities based on remaining contractual maturities (continued)

The maturities of on-balance sheet assets and liabilities as well as other off-balance sheet assets and liabilities, commitments and counter-guarantees are important factors in assessing the liquidity of the Group and the Bank. The table below provides analysis of assets and liabilities into relevant maturity tenures based on remaining contractual maturities (continued).

The Group	Up to 1 month RM'000	>1-3 months RM'000	>3-12 months RM'000	>1-5 years RM'000	Over 5 years RM'000	No specific maturity RM'000	Total RM'000
2025							
Liabilities							
Deposits from customers	30,502,163	17,081,904	31,351,730	64,188	-	-	78,999,985
Investment accounts of customers	88,727	147,026	928,653	-	-	-	1,164,406
Deposits and placements of banks and other financial institutions	4,823,614	3,018,233	727,017	-	-	-	8,568,864
Obligation on securities sold under repurchase agreements	1,731,663	3,838,159	-	11	12	-	5,569,845
Derivative financial instruments	101,166	198,848	234,775	88,194	5,307	-	628,290
Bills and acceptances payable	57,265	-	-	-	-	-	57,265
Recourse obligation on loans/financing sold to Cagamas Berhad	-	321,745	2,022,854	5,360,485	-	-	7,705,084
Amount due to client and brokers	657,156	-	-	-	-	-	657,156
Lease liabilities	1,148	928	8,287	54,128	-	-	64,491
Other liabilities	396,636	586,525	918,284	201,953	20,510	-	2,123,908
Borrowings and Sukuk	10,754	493,025	1,121,101	369,235	4,132,523	-	6,126,638
Other non-financial liabilities ⁽²⁾	153,107	7,301	28,490	-	-	-	188,898
	38,523,399	25,693,694	37,341,191	6,138,194	4,158,352	-	111,854,830
Net liquidity gap	(24,782,518)	(20,735,585)	(31,655,750)	21,743,850	63,519,451	4,129,463	

⁽²⁾ Other non-financial liabilities include provision for taxation, defined contribution plan and accrued employee benefits.

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for the financial year ended 31 December 2025

50 FINANCIAL RISK MANAGEMENT (continued)

(iii) Liquidity risk (continued)

Liquidity risk for assets and liabilities based on remaining contractual maturities (continued)

The maturities of on-balance sheet assets and liabilities as well as other off-balance sheet assets and liabilities, commitments and counter-guarantees are important factors in assessing the liquidity of the Group and the Bank. The table below provides analysis of assets and liabilities into relevant maturity tenures based on remaining contractual maturities (continued).

The Group	Up to 1	>1-3	>3-12	>1-5	Over 5	No specific	Total
	month	months	months	years	years	maturity	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2024							
Assets							
Cash and short-term funds	2,852,881	–	–	–	–	–	2,852,881
Deposits and placements with banks and other financial institutions	–	100,535	201,706	–	–	–	302,241
Financial assets at FVTPL	8,985	103,966	4,950	545,322	614,449	284,665	1,562,337
Derivative financial instruments	138,391	90,831	121,990	93,104	6,054	–	450,370
Financial investments at FVOCI	10,138	738,206	1,242,519	4,308,494	7,405,265	196,835	13,901,457
Financial investments at AC	–	133,335	683,931	10,191,360	4,671,231	9,556	15,689,413
Loans, advances and financing	4,886,187	2,539,541	2,296,150	9,821,818	51,346,311	2,078	70,892,085
Amount due from client and brokers	513,907	–	–	–	–	–	513,907
Other assets	449,019	2,909	132,061	11,936	3,843	2,658	602,426
Amount due from joint ventures	4,639	–	–	–	–	–	4,639
Statutory deposits with Bank Negara Malaysia	1,524,530	–	–	–	–	–	1,524,530
Other non-financial assets ⁽¹⁾	84,441	253	58,954	39,729	–	3,362,444	3,545,821
	10,473,118	3,709,576	4,742,261	25,011,763	64,047,153	3,858,236	111,842,107

⁽¹⁾ Other non-financial assets include tax recoverable, deferred tax assets, investment in joint ventures, investment in associates, property and equipment, right-of-use assets, intangibles assets, prepayments and foreclosed properties.

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for the financial year ended 31 December 2025

50 FINANCIAL RISK MANAGEMENT (continued)

(iii) Liquidity risk (continued)

Liquidity risk for assets and liabilities based on remaining contractual maturities (continued)

The maturities of on-balance sheet assets and liabilities as well as other off-balance sheet assets and liabilities, commitments and counter-guarantees are important factors in assessing the liquidity of the Group and the Bank. The table below provides analysis of assets and liabilities into relevant maturity tenures based on remaining contractual maturities (continued).

The Group	Up to 1 month RM'000	>1-3 months RM'000	>3-12 months RM'000	>1-5 years RM'000	Over 5 years RM'000	No specific maturity RM'000	Total RM'000
2024							
Liabilities							
Deposits from customers	32,928,744	14,767,039	25,872,585	175,151	-	-	73,743,519
Investment accounts of customers	375	755,114	2,111	-	-	-	757,600
Deposits and placements of banks and other financial institutions	4,409,249	2,839,618	1,369,518	26	-	-	8,618,411
Obligation on securities sold under repurchase agreements	2,555,636	2,488,118	523,664	-	-	-	5,567,418
Derivative financial instruments	145,933	76,084	41,988	96,393	5,548	-	365,936
Bills and acceptances payable	32,341	-	-	-	-	-	32,341
Recourse obligation on loans/financing sold to Cagamas Berhad	-	20,204	371,228	4,736,563	-	-	5,127,995
Amount due to client and brokers	370,282	-	-	-	-	-	370,282
Lease liabilities	2,271	1,996	6,526	54,565	46	-	65,404
Other liabilities	315,409	25,403	1,037,367	226,644	16,794	-	1,621,617
Borrowings and Sukuk	10,890	-	247,571	1,519,772	1,986,647	-	3,764,880
Other non-financial liabilities ⁽²⁾	161,527	569	41,644	1,670	-	2	205,412
	40,932,657	20,974,145	29,514,202	6,810,774	2,009,035	2	100,240,815
Net liquidity gap	(30,459,539)	(17,264,569)	(24,771,941)	18,200,989	62,038,118	3,858,234	

⁽²⁾ Other non-financial liabilities include deferred tax liabilities, provision for taxation, defined contribution plan and accrued employee benefits.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

50 FINANCIAL RISK MANAGEMENT (continued)

(iii) Liquidity risk (continued)

Liquidity risk for assets and liabilities based on remaining contractual maturities (continued)

The maturities of on-balance sheet assets and liabilities as well as other off-balance sheet assets and liabilities, commitments and counter-guarantees are important factors in assessing the liquidity of the Group and the Bank. The table below provides analysis of assets and liabilities into relevant maturity tenures based on remaining contractual maturities (continued).

The Bank	Up to 1 month RM'000	>1-3 months RM'000	>3-12 months RM'000	>1-5 years RM'000	Over 5 years RM'000	No specific maturity RM'000	Total RM'000
2025							
Assets							
Cash and short-term funds	3,432,100	-	-	-	-	-	3,432,100
Deposits and placements with banks and other financial institutions	-	450,460	-	-	-	-	450,460
Reverse repurchase agreements with financial institutions	65,812	-	-	-	-	-	65,812
Investment accounts due from designated financial institutions	335,001	83,570	87,289	776,210	1,267,071	-	2,549,141
Financial assets at FVTPL	250,196	464,019	838,970	670,678	643,259	143,094	3,010,216
Derivative financial instruments	137,186	77,252	14,242	61,070	177	-	289,927
Financial investments at FVOCI	20,535	133,200	492,093	3,711,215	4,001,267	270,512	8,628,822
Financial investments at AC	5,117	157,210	1,938,357	6,153,727	1,647,435	8,517	9,910,363
Loans, advances and financing	1,736,533	1,728,870	1,327,498	6,479,865	26,650,842	-	37,923,608
Other assets	327,115	-	-	8,891	4,049	-	340,055
Amount due from subsidiaries	361,963	-	-	-	-	-	361,963
Statutory deposits with Bank Negara Malaysia	449,000	-	-	-	-	-	449,000
Other non-financial assets ⁽¹⁾	329	154	93,032	48,501	-	6,126,667	6,268,683
	7,120,887	3,094,735	4,791,481	17,910,157	34,214,100	6,548,790	73,680,150

(1) Other non-financial assets include tax recoverable, deferred tax assets, investment in joint ventures, investment in associates, property and equipment, investment property, right-of-use assets, intangibles assets, prepayments and foreclosed properties.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

50 FINANCIAL RISK MANAGEMENT (continued)

(iii) Liquidity risk (continued)

Liquidity risk for assets and liabilities based on remaining contractual maturities (continued)

The maturities of on-balance sheet assets and liabilities as well as other off-balance sheet assets and liabilities, commitments and counter-guarantees are important factors in assessing the liquidity of the Group and the Bank. The table below provides analysis of assets and liabilities into relevant maturity tenures based on remaining contractual maturities (continued).

The Bank	Up to 1 month RM'000	>1-3 months RM'000	>3-12 months RM'000	>1-5 years RM'000	Over 5 years RM'000	No specific maturity RM'000	Total RM'000
2025							
Liabilities							
Deposits from customers	15,693,895	9,126,713	17,685,939	52,500	-	-	42,559,047
Deposits and placements of banks and other financial institutions	1,710,116	2,796,003	356,133	-	-	-	4,862,252
Obligation on securities sold under repurchase agreements	1,731,663	3,838,159	-	-	-	-	5,569,822
Derivative financial instruments	139,052	193,071	198,273	57,977	5,307	-	593,680
Bills and acceptances payable	57,265	-	-	-	-	-	57,265
Lease liabilities	753	194	6,662	52,912	-	-	60,521
Recourse obligation on loans sold to Cagamas Berhad	-	5,245	1,512,709	3,261,268	-	-	4,779,222
Other liabilities	-	-	667,948	148,090	13,316	-	829,354
Amount due to subsidiaries	157,546	-	-	-	-	-	157,546
Borrowings and Sukuk	10,754	493,025	7,702	-	3,112,523	-	3,624,004
Other non-financial liabilities ⁽²⁾	155,722	-	-	-	-	-	155,722
	19,656,766	16,452,410	20,435,366	3,572,747	3,131,146	-	63,248,435
Net liquidity gap	(12,535,879)	(13,357,675)	(15,643,885)	14,337,410	31,082,954	6,548,790	

⁽²⁾ Other non-financial liabilities include defined contribution plan and accrued employee benefits.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

50 FINANCIAL RISK MANAGEMENT (continued)

(iii) Liquidity risk (continued)

Liquidity risk for assets and liabilities based on remaining contractual maturities (continued)

The maturities of on-balance sheet assets and liabilities as well as other off-balance sheet assets and liabilities, commitments and counter-guarantees are important factors in assessing the liquidity of the Group and the Bank. The table below provides analysis of assets and liabilities into relevant maturity tenures based on remaining contractual maturities (continued).

The Bank	Up to 1 month RM'000	>1-3 months RM'000	>3-12 months RM'000	>1-5 years RM'000	Over 5 years RM'000	No specific maturity RM'000	Total RM'000
2024							
Assets							
Cash and short-term funds	1,960,558	–	–	–	–	–	1,960,558
Deposits and placements with banks and other financial institutions	–	402,588	201,706	–	–	–	604,294
Reverse repurchase agreements with financial institutions	8,033	–	–	–	–	–	8,033
Investment accounts due from designated financial institutions	314,449	130,526	628,310	818,018	1,356,977	–	3,248,280
Financial assets at FVTPL	50,069	389,682	–	859,995	416,099	136,991	1,852,836
Derivative financial instruments	141,247	80,196	113,615	72,912	4,628	–	412,598
Financial investments at FVOCI	–	230,958	571,668	1,775,536	3,226,788	241,057	6,046,007
Financial investments at AC	–	87,739	447,254	6,880,876	2,612,695	9,556	10,038,120
Loans, advances and financing	1,724,603	1,540,482	1,225,566	6,358,559	24,790,804	–	35,640,014
Other assets	289,408	–	36,865	8,200	3,717	–	338,190
Amount due from subsidiaries	756,357	–	–	–	–	–	756,357
Statutory deposits with Bank Negara Malaysia	867,000	–	–	–	–	–	867,000
Other non-financial assets ⁽¹⁾	44,798	253	57,833	33,583	–	5,969,208	6,105,675
	6,156,522	2,862,424	3,282,817	16,807,679	32,411,708	6,356,812	67,877,962

⁽¹⁾ Other non-financial assets include tax recoverable, deferred tax assets, investment in joint ventures, investment in associates, property and equipment, right-of-use assets, intangibles assets, prepayments and foreclosed properties.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

50 FINANCIAL RISK MANAGEMENT (continued)

(iii) Liquidity risk (continued)

Liquidity risk for assets and liabilities based on remaining contractual maturities (continued)

The maturities of on-balance sheet assets and liabilities as well as other off-balance sheet assets and liabilities, commitments and counter-guarantees are important factors in assessing the liquidity of the Group and the Bank. The table below provides analysis of assets and liabilities into relevant maturity tenures based on remaining contractual maturities (continued).

The Bank	Up to 1 month RM'000	>1-3 months RM'000	>3-12 months RM'000	>1-5 years RM'000	Over 5 years RM'000	No specific maturity RM'000	Total RM'000
2024							
Liabilities							
Deposits from customers	17,219,623	8,750,422	14,974,570	160,203	-	-	41,104,818
Deposits and placements of banks and other financial institutions	2,632,055	2,365,198	186,336	-	-	-	5,183,589
Obligation on securities sold under repurchase agreements	2,176,997	2,488,118	523,664	-	-	-	5,188,779
Derivative financial instruments	154,357	65,124	16,323	76,528	4,279	-	316,611
Bills and acceptances payable	32,341	-	-	-	-	-	32,341
Lease liabilities	1,448	458	4,425	50,874	46	-	57,251
Recourse obligation on loans sold to Cagamas Berhad	-	-	367,020	2,635,544	-	-	3,002,564
Other liabilities	-	-	770,594	198,596	11,709	-	980,899
Amount due to subsidiaries	175,656	-	-	-	-	-	175,656
Borrowings and Sukuk	10,890	4,956	3,736	1,486,647	-	-	1,506,229
Other non-financial liabilities ⁽²⁾	154,846	-	-	-	-	-	154,846
	22,558,213	13,674,276	16,846,668	3,121,745	1,502,681	-	57,703,583
Net liquidity gap	(16,401,691)	(10,811,852)	(13,563,851)	13,685,934	30,909,027	6,356,812	

⁽²⁾ Other non-financial liabilities include defined contribution plan and accrued employee benefits.

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for the financial year ended 31 December 2025

50 FINANCIAL RISK MANAGEMENT (continued)

(iv) Operational risk management

Operational risk is defined as the risk of direct or indirect loss resulting from inadequate or failed internal processes, people, and systems, or from external events. The definition includes legal risk, but excludes strategic, business, and reputational risks.

The management of operational risk is governed by the Group Operational Risk Management Policy, with ancillary aspects of reputational and outsourcing risks under the purview of the Reputational Risk Policy and the Outsourcing Policy, respectively. Any material changes to the policies require endorsement from the Group Board Risk Management Committee ('GBRMC') before seeking approval from the Board. The Group Management Committee – Governance, Risk and Compliance ('GMC-GRC') which is responsible for reviewing and monitoring operational risk and supporting the GBRMC, provides a forum to discuss and manage all aspects of operational risk, amongst other risk types.

The Group and the Bank employs the Three Lines of Defence model to clearly delineate key roles and responsibilities in managing operational risk. Group Operational Risk Management, a function within Group Risk Management, operates independently as the 2nd Line of Defence. In the 1st Line of Defence, Business Risk and Compliance Managers are designated as champions for their respective divisions. They act as liaisons with the 2nd Line of Defence to oversee and report their respective operational risk via the following tools:

- Risk Control Self-Assessment
- Operational Risk Event Reporting
- Control Self Testing
- Key Risk Indicator
- Operational Risk Scenario Analysis
- Outsourcing Assessment
- Process Risk Control Assessment

(v) Technology risk

Technology risk refers to any risk emanating from technology failures and cyber threats that may disrupt the Group's and the Bank's business such as failures of information technology ('IT') systems, applications, platforms or infrastructures including threats or vulnerabilities exposed from external network or Internet, which could result in financial loss, financial services disruption or the operations of the Group and the Bank. Failures or errors in any of the elements above could also lead to adverse reputational impact to the Group and the Bank.

The Technology Risk Management function within Group Risk Management ('GRM') oversees the identification, assessment, and mitigation of technology-related risks across the Group and the Bank. This function is guided by the Technology Risk Management Framework ('TRMF'), the Cyber Resilience Framework ('CRF'), and the Technology Risk Management Policy ('TRMP'), which collectively establish governance and standards for managing technology risk throughout the Group and the Bank.

The Group Board IT and Transformation Committee ('GBITC') represents the Board committee serves as a forum for discussing and provide input on all aspects of technology and supports the GBRMC in reviewing and monitoring technology risks. GBRMC provides overall governance and oversight of technology risk across the Group and the Bank.

GBITC oversees and endorses major IT initiatives, IT/cybersecurity policies, technology architecture decisions, IT expenditure, priorities, and performance. It also reviews the TRMF, CRF, TRMP, risk appetite, and KRIs before submission to GBRMC, for its recommendation to the Board for approval.

The Group and the Bank use risk identification and assessment to determine the extent of the potential threat and the risk associated with an IT system throughout its System Development Life Cycle ('SDLC') and on-going cyber hygiene monitoring. The output of this process helps to identify appropriate controls for reducing or eliminating risk during the risk mitigation process.

Technology risk controls encompass the use of technical and non-technical methods. Technical controls are safeguards that are incorporated into computer hardware, software, and networks to prevent, detect, and respond to cyber threats (i.e. access control mechanisms, identification and authentication mechanisms, encryption methods, intrusion detection and prevention tools). Non-technical controls provide governance and operational guidance that includes security policies, operational procedures, personnel training, and physical and environmental security measures.

Technology Risk Management reports are produced periodically for the respective stakeholders and committees.

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for the financial year ended 31 December 2025

50 FINANCIAL RISK MANAGEMENT (continued)

(vi) Shariah non-compliance risk

Shariah Non-Compliance ('SNC') Risk refers to the risk of legal or regulatory sanctions, financial loss or non-financial implications including reputational damage, which the Bank may suffer arising from the failure to comply with the rulings of the Shariah Advisory Council of BNM ('SAC BNM'), standards on Shariah matters issued by BNM pursuant to Section 29(1) of the IFSA or decisions or advice of the Affin Islamic Bank's Shariah Committee.

BNM's policy document on Shariah governance together with the Bank's internal Shariah Governance Policy and Shariah Risk Management Policy are the main references for the Shariah risk management process within the Bank.

Affin Islamic Bank's Shariah Committee is established to provide objective and sound advice to the management to ensure that the aims and operations, business, affairs and activities are in compliance with Shariah.

Shariah Risk Management is part of an integrated risk management that systematically identify, assess, measure, monitor and report SNC risks in the operations, business, affairs and activities of the Bank.

SNC risk is proactively managed via the following risk tools:

1. SNC Loss Event Reporting ('LER');
2. Shariah Risk and Control Self-Assessment ('RCSA');
3. Shariah Key Risk Indicator ('KRI'); and
4. Shariah Key Control Self-Assessment ('KCSA')

(vii) Business continuity risk

Business continuity risk encompasses the potential loss of assets, revenue, reputation, and stakeholder confidence resulting from disruptions in business or technology operations. Mitigating this risk is essential to ensuring seamless service continuity, protecting the Bank's financial stability, and maintaining the trust and confidence of AFFIN's stakeholders and customers.

The Group Business Continuity Management Policy is strategically designed to govern the management of business continuity across the Bank, ensuring strict adherence to the standards set by Bank Negara Malaysia ('BNM'), PayNet, Bursa Malaysia, and the Securities Commission Malaysia. This policy underscores the Bank's commitment to resilience, regulatory compliance, and the seamless continuity of AFFIN banking operations.

The Group Board Risk Management Committee ('GBRMC') represents the Board committee in reviewing, monitoring, and evaluating business continuity management reports, providing vital insights. To support the GBRMC, the Group Management Committee-Business Continuity Management ('GMC-BCM') offers an essential forum for in-depth review and proactive management of business continuity risks and operational risk controls, fostering a culture of resilience and accountability across AFFIN Group.

The BCM function plays a vital role in safeguarding the Group and the Bank by overseeing the management of business continuity risks and ensuring effective crisis management. Its strategic oversight is essential in minimising disruptions, protecting critical operations, and maintaining organisational resilience, making it a cornerstone of the Group and the Bank's commitment to operational stability and long-term success.

Annual Risk Assessment ('RA') and Business Impact Analysis ('BIA') are mandatory for all business and support units within the Group and the Bank, reflecting our unwavering commitment to proactive risk management. The outcomes of these assessments will provide a detailed risk register, compelling each unit to implement focused action plans to mitigate identified risks.

Robust policies, plan and processes are in place to support the monitoring and reporting of business continuity risks, ensuring proactive identification, assessment, and management of potential disruptions. These measures enable timely and accurate reporting, facilitating informed decision-making and continuous improvement in managing the business continuity risk.

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for the financial year ended 31 December 2025

50 FINANCIAL RISK MANAGEMENT (continued)

(viii) Interest/Profit rate benchmark reform

Interest/Profit rate benchmarks, commonly known as interbank offered rates ('IBORs'), such as the London Interbank Offered Rate ('LIBOR'), Euro Interbank Offered Rate ('EURIBOR'), and Kuala Lumpur Interbank Offered Rate ('KLIBOR') have historically been used as reference rates for various financial products, including loans/financing, derivatives and bonds/Sukuk.

Following scandals involving rate manipulation, global reforms were introduced to replace IBORs with Alternative Reference Rates ('ARRs') that are more transparent and based on actual transactions. They are known, among others as Secured Overnight Financing Rate ('SOFR') in the U.S., Sterling Overnight Index Average ('SONIA') in the U.K. and Euro Short-Term Rate ('ESTR') in the Europe.

On 30 June 2023, the Group and the Bank successfully completed its IBOR migration, ahead of the decommissioning of USD LIBOR. As at 31 December 2025, the Group and the Bank have exposures only to financial instruments referencing KLIBOR, AUD Bank Bill Swap ('BBSW') and EURIBOR based.

On 16 October 2025, BNM announced the transition from KLIBOR to the Malaysia Overnight Rate ('MYOR') and Malaysia Islamic Overnight Rate ('MYOR-i') with the following key milestones:

- By 1 October 2026 – Financial institutions must be operationally ready for products referencing MYOR and MYOR-i.
- By 1 July 2027 – KLIBOR will cease for new trades, and MYOR-i will be mandated for all new Islamic products.
- By 30 June 2028 – All existing KLIBOR based contracts must be converted to MYOR or MYOR-i.
- Effective 1 January 2029 – KLIBOR will be fully discontinued.

Additionally, the Reserve Bank of Australia ('RBA') has not yet transitioned the BBSW index to an ARR. Meanwhile, EURIBOR linked transactions were executed on a back-to-back basis, resulting in no exposure to interest/profit rates risk.

(ix) Fair value of financial instruments

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 Group and the Bank measure fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

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

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

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

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

Where fair value is determined using quoted market 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 Group and the Bank then determine fair value based upon valuation techniques that use as 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.

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for the financial year ended 31 December 2025

50 FINANCIAL RISK MANAGEMENT (continued)

(ix) Fair value of financial instruments (continued)

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 Group and 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 Group and 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 Group and the Bank recognise 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).

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

The Group	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
2025				
Financial Assets				
Financial assets at FVTPL				
- Money market instruments	–	1,786,336	–	1,786,336
- Commercial paper and Corporate bonds/Sukuk	–	319,186	–	319,186
- Shares and unit trusts	81,666	–	143,094	224,760
Derivative financial instruments	–	304,202	–	304,202
Financial investments at FVOCI				
- Money market instruments	–	5,481,691	–	5,481,691
- Shares	–	–	297,972	297,972
- Corporate bonds/Sukuk	–	9,530,674	–	9,530,674
Total	81,666	17,422,089	441,066	17,944,821
Financial Liabilities				
Derivative financial instruments	–	628,290	–	628,290
2024				
Financial Assets				
Financial assets at FVTPL				
- Money market instruments	–	1,176,079	–	1,176,079
- Commercial paper and Corporate bonds/Sukuk	–	101,593	–	101,593
- Shares and unit trusts	147,674	–	136,991	284,665
Derivative financial instruments	–	450,370	–	450,370
Financial investments at FVOCI				
- Money market instruments	–	5,926,062	–	5,926,062
- Shares	–	–	267,251	267,251
- Corporate bonds/Sukuk	–	7,708,144	–	7,708,144
Total	147,674	15,362,248	404,242	15,914,164
Financial Liabilities				
Derivative financial instruments	–	365,936	–	365,936

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for the financial year ended 31 December 2025

50 FINANCIAL RISK MANAGEMENT (continued)

(ix) Fair value of financial instruments (continued)

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

The Bank	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
2025				
Financial Assets				
Financial assets at FVTPL				
- Money market instruments	-	2,823,226	-	2,823,226
- Commercial paper and Corporate bonds/Sukuk	-	43,896	-	43,896
- Unquoted shares	-	-	143,094	143,094
Derivative financial instruments	-	289,927	-	289,927
Financial investments at FVOCI				
- Money market instruments	-	2,520,139	-	2,520,139
- Unquoted shares	-	-	270,512	270,512
- Corporate bonds/Sukuk	-	5,838,171	-	5,838,171
Total	-	11,515,359	413,606	11,928,965
Financial Liabilities				
Derivative financial instruments	-	593,680	-	593,680
2024				
Financial Assets				
Financial assets at FVTPL				
- Money market instruments	-	1,688,352	-	1,688,352
- Commercial paper and Corporate bonds/Sukuk	-	27,493	-	27,493
- Unquoted shares	-	-	136,991	136,991
Derivative financial instruments	-	412,598	-	412,598
Financial investments at FVOCI				
- Money market instruments	-	2,137,637	-	2,137,637
- Unquoted shares	-	-	241,057	241,057
- Corporate bonds/Sukuk	-	3,667,313	-	3,667,313
Total	-	7,933,393	378,048	8,311,441
Financial Liabilities				
Derivative financial instruments	-	316,611	-	316,611

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

50 FINANCIAL RISK MANAGEMENT (continued)

(ix) Fair value of financial instruments (continued)

The following table present the changes in Level 3 instruments for the financial year ended:

	The Group		The Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
At beginning of the financial year	404,242	361,242	378,048	336,477
Total gains recognised in other comprehensive income	30,721	21,611	29,455	20,182
Total gains recognised in FVTPL	6,103	21,389	6,103	21,389
At end of the financial year	441,066	404,242	413,606	378,048

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.

Qualitative information about the fair value measurements using significant unobservable inputs (Level 3):

Description	Fair value assets		Valuation techniques	Unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
	2025 RM'000	2024 RM'000			
Financial assets at FVTPL					
The Group and The Bank					
Unquoted shares	143,094	136,991	Net tangible assets	Net tangible assets	Higher net tangible assets results in higher fair value
Financial investments at FVOCI					
The Group					
Unquoted shares	297,972	267,251	Net tangible assets	Net tangible assets	Higher net tangible assets results in higher fair value
The Bank					
Unquoted shares	270,512	241,057	Net tangible assets	Net tangible assets	Higher net tangible assets results in higher fair value

In estimating its significance, the Group and the Bank used an approach that is currently based on methodologies used for fair value adjustments. These adjustments reflects the values that the Group and the Bank estimate are appropriate to adjust from the valuations produced to reflect for uncertainties in the inputs used. The methodologies used can be a statistical or other relevant approved techniques.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

50 FINANCIAL RISK MANAGEMENT (continued)

(ix) Fair value of financial instruments (continued)

The following table summarises the carrying amounts and the fair values of financial instruments of the Group and the Bank which are not carried at fair value in the statement of financial position. It does not include those short term/ on demand financial assets and liabilities where the carrying amounts are reasonable approximate to their fair values.

The Group	Carrying amount RM'000	Fair value			
		Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
2025					
Financial assets					
Financial investments at AC	15,170,196	–	15,012,181	–	15,012,181
Loans, advances and financing	78,545,738	–	78,531,897	–	78,531,897
	93,715,934	–	93,544,078	–	93,544,078
Financial liabilities					
Deposits from customers	78,999,985	–	79,130,653	–	79,130,653
Deposits and placements of banks and other financial institutions	8,568,864	–	8,563,457	–	8,563,457
Investment accounts of customers	1,164,406	–	1,166,302	–	1,166,302
Recourse obligation on loans/financing sold to Cagamas Berhad	7,705,084	–	7,796,358	–	7,796,358
Borrowings and Sukuk	6,126,638	–	3,608,577	–	3,608,577
	102,564,977	–	100,265,347	–	100,265,347

The Group	Carrying amount RM'000	Fair value			
		Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
2024					
Financial assets					
Financial investments at AC	15,689,413	–	15,303,605	–	15,303,605
Loans, advances and financing	70,892,085	–	71,521,263	–	71,521,263
	86,581,498	–	86,824,868	–	86,824,868
Financial liabilities					
Deposits from customers	73,743,519	–	73,827,888	–	73,827,888
Deposits and placements of banks and other financial institutions	8,618,411	–	8,610,209	–	8,610,209
Obligation on securities sold under repurchase agreements	5,567,418	–	5,585,629	–	5,585,629
Recourse obligation on loans/financing sold to Cagamas Berhad	5,127,995	–	5,668,736	–	5,668,736
Borrowings and Sukuk	3,764,880	–	3,810,195	–	3,810,195
	96,822,223	–	97,502,657	–	97,502,657

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

50 FINANCIAL RISK MANAGEMENT (continued)

(ix) Fair value of financial instruments (continued)

The following table summarises the carrying amounts and the fair values of financial instruments of the Group and the Bank which are not carried at fair value in the statement of financial position. It does not include those short term/ on demand financial assets and liabilities where the carrying amounts are reasonable approximate to their fair values (continued).

	Carrying amount RM'000	Fair value			
		Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
The Bank					
2025					
Financial assets					
Investment accounts due from designated financial institutions	2,549,141	–	2,548,815	–	2,548,815
Financial investments at AC	9,910,363	–	9,810,571	–	9,810,571
Loans, advances and financing	37,923,608	–	37,904,117	–	37,904,117
	50,383,112	–	50,263,503	–	50,263,503
Financial liabilities					
Deposits from customers	42,559,047	–	42,641,089	–	42,641,089
Deposits and placements of banks and other financial institutions	4,862,252	–	4,862,252	–	4,862,252
Recourse obligation on loans sold to Cagamas Berhad	4,779,222	–	4,841,501	–	4,841,501
Borrowings and Sukuk	3,624,004	–	1,524,119	–	1,524,119
	55,824,525	–	53,868,961	–	53,868,961

	Carrying amount RM'000	Fair value			
		Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
The Bank					
2024					
Financial assets					
Investment accounts due from designated financial institutions	3,248,280	–	3,259,280	–	3,259,280
Financial investments at AC	10,038,120	–	9,779,173	–	9,779,173
Loans, advances and financing	35,640,014	–	35,975,136	–	35,975,136
	48,926,414	–	49,013,589	–	49,013,589
Financial liabilities					
Deposits from customers	41,104,818	–	41,153,932	–	41,153,932
Deposits and placements of banks and other financial institutions	5,183,589	–	5,182,088	–	5,182,088
Recourse obligation on loans sold to Cagamas Berhad	3,002,564	–	3,527,630	–	3,527,630
Borrowings and Sukuk	1,506,229	–	1,524,789	–	1,524,789
	50,797,200	–	51,388,439	–	51,388,439

Other than as disclosed above, the total fair value of each financial assets and liabilities presented on the statements of financial position as at reporting date of the Group and the Bank approximates the total carrying amount.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

50 FINANCIAL RISK MANAGEMENT (continued)

(ix) Fair value of financial instruments (continued)

The fair value estimates were determined by application of the methodologies and assumptions described below.

Short-term funds and placements with banks and other financial institutions

For short-term funds and placements with banks and other financial institutions with maturity of less than six months, the carrying amount is a reasonable estimate of fair value.

For amounts with maturities of six months or more, fair values have been estimated by reference to current rates at which similar deposits and placements would be made to banks with similar credit ratings and maturities.

Financial investments at AC

The fair values of financial investments at AC are reasonable estimates based on quoted market prices. In the absence of such quoted prices, the fair values are based on the expected cash flows of the instruments discounted by indicative market yields for the similar instruments as at reporting date or the audited net tangible asset of the invested company.

Loans, advances and financing

Loans, advances and financing of the Group comprise of floating rate loans/financing and fixed rate loans/financing. For performing floating rate loans/financing, the carrying amount is a reasonable estimate of their fair values.

The fair values of performing fixed rate loans/financing are arrived at using the discounted cash flows based on the prevailing market rates of loans, advances and financing with similar credit ratings and maturities.

The fair values of impaired loans, advances and financing, whether fixed or floating are represented by their carrying values, net ECL, being the reasonable estimate of recoverable amount.

Other assets/liabilities and amount due from client and brokers/payables

The carrying value less any estimated allowance for financial assets and liabilities included in other assets/liabilities and amount due from client and brokers/payables are assumed to approximate their fair values as these items are not materially sensitive to the shift in market interest/profit rates.

Amount due (to)/from subsidiaries and related companies

The estimated fair values of the amount due (to)/from subsidiaries and related companies approximate the carrying values as the balances are either recallable on demand or are based on the current rates for such similar loans.

Deposits from customers, banks and other financial institutions, investment accounts of customers, bills and acceptances payable

The carrying values of deposits and liabilities with maturities of six months or less are assumed to be reasonable estimates of their fair values. Where the remaining maturities of deposits and liabilities are above six months, their estimated fair values are arrived at using the discounted cash flows based on prevailing market rates currently offered for similar remaining maturities.

The estimated fair value of deposits with no stated maturity, which include non-interest/profit bearing deposits, approximates carrying amount which represents the amount repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

50 FINANCIAL RISK MANAGEMENT (continued)

(ix) Fair value of financial instruments (continued)

Obligation on securities sold under repurchase agreements

The estimated fair values of obligations on securities sold under repurchase agreements with maturities of less than six months approximate the carrying values. For obligations on securities sold under repurchase agreements with maturities of six months or more, the fair values are estimated based on discounted cash flows using prevailing market interest rates with similar remaining period to maturity.

Borrowings and Sukuk

For fixed rate borrowings and sukuk, the estimate of fair value is based on discounted cash flows model using prevailing lending/financing rates for borrowings/Sukuk with similar risks and remaining term to maturity.

For floating rate borrowings and sukuk, the carrying value is generally a reasonable estimate of their fair values.

51 OFFSETTING OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

In accordance with MFRS 132 'Financial Instruments: Presentation', the Group and the Bank report financial assets and financial liabilities on a net basis on the statements of financial position only if there is a legally enforceable right to set-off the recognised amounts and there is intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. The following table shows the impact of netting arrangement on:

- All financial assets and liabilities that are reported net on statements of financial position; and
- All derivative financial instruments and reverse repurchase and repurchased agreements and other similar secured lending/financing and borrowing/funding agreements that are subject to enforceable master netting arrangements or similar agreements, but do not qualify for statements of financial position netting.

The table identifies the amounts that have been offset in the statements of financial position and also those amounts that are covered by enforceable netting arrangements (offsetting arrangements and financial collateral) but do not qualify for netting under the requirements of MFRS 132 described below.

The 'Financial instruments' column identifies financial assets and liabilities that are subject to set-off under netting agreements, such as the ISDA Master Agreement or derivative exchange or clearing counterparty agreements and Global Master Repurchase Agreements, whereby all outstanding transactions with the same counterparty can be offset and close-out netting applied across all outstanding transaction covered by the agreements if an event of default or other predetermined events occur.

Financial collateral refers to cash and non-cash collateral obtained, typically daily or weekly, to cover the net exposure between counterparties by enabling the collateral to be realised in an event of default or if other predetermined events occur.

The 'Net amounts' presented below are not intended to represent the Group and the Bank's actual exposure to credit risk, as a variety of credit mitigation strategies are employed in addition to netting and collateral arrangements.

Obligation on securities sold under repurchase agreements

The 'Financial instruments' column identifies financial assets and liabilities that are subject to set-off under netting agreements, such as Global Master Repurchase Agreements, whereby all outstanding transactions with the same counterparty can be offset and close-out netting applied across all outstanding transaction covered by the agreements if an event of default or other predetermined events occur.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

51 OFFSETTING OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

	Effects of offsetting on the statement of financial position			Related amounts not offset on the statement of financial position		
	Gross amount RM'000	Amount offset RM'000	Net amount reported on statement of financial position RM'000	Financial instruments RM'000	Financial collateral RM'000	Net amount RM'000
The Group						
2025						
Financial assets						
Reverse repurchase agreements with financial institutions	65,812	–	65,812	–	(65,812)	–
Derivative financial instruments	304,202	–	304,202	(247,092)	(1,059)	56,051
Amount due from client and brokers						
– Amount due from Bursa Securities Clearing Sdn Bhd	531,626	(531,626)	–	–	–	–
	901,640	(531,626)	370,014	(247,092)	(66,871)	56,051
Financial liabilities						
Obligation on securities sold under repurchase agreement	5,569,845	–	5,569,845	(3,875,515)	(43,799)	1,650,531
Derivative financial instruments	628,290	–	628,290	(247,092)	(14,504)	366,694
Amount due to client and brokers						
– Amount due to Bursa Securities Clearing Sdn Bhd	795,797	(531,626)	264,171	–	–	264,171
	6,993,932	(531,626)	6,462,306	(4,122,607)	(58,303)	2,281,396
2024						
Financial assets						
Reverse repurchase agreements with financial institutions	8,033	–	8,033	–	(8,033)	–
Derivative financial instruments	450,370	–	450,370	(343,955)	(5,165)	101,250
Amount due from client and brokers						
– Amount due from Bursa Securities Clearing Sdn Bhd	669,694	(509,754)	159,940	–	–	159,940
	1,128,097	(509,754)	618,343	(343,955)	(13,198)	261,190
Financial liabilities						
Obligation on securities sold under repurchase agreements	5,575,451	–	5,575,451	(4,152,284)	(92,495)	1,330,672
Derivative financial instruments	365,936	–	365,936	(343,955)	(8,074)	13,907
Amount due to client and brokers						
– Amount due to Bursa Securities Clearing Sdn Bhd	509,754	(509,754)	–	–	–	–
	6,451,141	(509,754)	5,941,387	(4,496,239)	(100,569)	1,344,579

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

51 OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES (continued)

	Effects of offsetting on the statement of financial position			Related amounts not offset on the statement of financial position		
	Gross amount RM'000	Amount offset RM'000	Net amount reported on the statement of financial position RM'000	Financial instruments RM'000	Financial collateral RM'000	Net amount RM'000
The Bank						
2025						
Financial assets						
Reverse repurchase agreements with financial institutions	65,812	–	65,812	–	(65,812)	–
Derivative financial instruments	289,927	–	289,927	(218,822)	–	71,105
	355,739	–	355,739	(218,822)	(65,812)	71,105
Financial liabilities						
Obligation on securities sold under repurchase agreements	5,569,822	–	5,569,822	(3,875,515)	(43,799)	1,650,508
Derivative financial instruments	593,680	–	593,680	(218,822)	–	374,858
	6,163,502	–	6,163,502	(4,094,337)	(43,799)	2,025,366
2024						
Financial assets						
Reverse repurchase agreements with financial institutions	8,033	–	8,033	–	(8,033)	–
Derivative financial instruments	412,598	–	412,598	(310,369)	–	102,229
	420,631	–	420,631	(310,369)	(8,033)	102,229
Financial liabilities						
Obligation on securities sold under repurchase agreements	5,188,779	–	5,188,779	(3,765,612)	(92,495)	1,330,672
Derivative financial instruments	316,611	–	316,611	(310,369)	(6,242)	–
	5,505,390	–	5,505,390	(4,075,981)	(98,737)	1,330,672

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

52 CAPITAL MANAGEMENT

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

The Group and 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.

The Group and the Bank's objectives when managing capital are:

- To comply with the capital requirements set by the regulators of the banking markets where the entities within the Group and the Bank operates;
- To safeguard the Group and the Bank's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- To maintain a strong capital base to support the development of its business.

The Group and the Bank maintain a ratio of total regulatory capital to its risk-weighted assets above a minimum level agreed with the management which takes into account the risk profile of the Group and the Bank.

The table in Note 53 below summarises the composition of regulatory capital and the ratios of the Group and the Bank for the financial year ended 31 December 2025.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

53 CAPITAL ADEQUACY

	The Group		The Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
The components of CET 1, Tier 1 and Tier 2 capital:				
<u>CET 1</u>				
Paid-up share capital	5,488,544	5,488,544	5,488,544	5,488,544
Retained profits	5,884,406	5,465,488	4,351,086	4,126,004
Unrealised gains on FVOCI instruments	228,942	170,624	228,752	207,027
Other reserves	22,601	3,493	36,770	17,241
	11,624,493	11,128,149	10,105,152	9,838,816
Less: Regulatory adjustments:				
- Goodwill and other intangibles	(730,918)	(762,096)	(285,233)	(314,681)
- Deferred tax assets	(88,595)	(114,938)	(27,914)	(43,840)
- 55% of cumulative unrealised gains on FVOCI instruments	(125,918)	(93,843)	(125,814)	(113,865)
- Investment in subsidiaries, joint ventures and associates	(853,315)	(830,917)	(3,982,421)	(3,981,229)
Total CET 1 capital	9,825,747	9,326,355	5,683,770	5,385,201
<u>Additional Tier 1 capital</u>				
Additional Tier 1 capital	1,000,000	1,000,000	500,000	500,000
Total Tier 1 capital	10,825,747	10,326,355	6,183,770	5,885,201
<u>Tier 2 capital</u>				
Subordinated medium term loans	1,000,000	1,000,000	500,000	500,000
Expected loss provisions #	842,485	713,313	504,673	380,792
Total Tier 2 capital	1,842,485	1,713,313	1,004,673	880,792
Total Capital	12,668,232	12,039,668	7,188,443	6,765,993
The breakdown of risk-weighted assets:				
Credit risk	67,398,770	63,843,561	40,373,856	40,161,190
Market risk	2,335,619	2,839,765	1,615,760	2,005,594
Operational risk	3,561,845	3,877,820	1,957,359	2,175,932
Total risk-weighted assets	73,296,234	70,561,146	43,946,975	44,342,716
Capital adequacy ratios:				
CET 1 capital ratio	13.406%	13.217%	12.933%	12.145%
Tier 1 capital ratio	14.770%	14.635%	14.071%	13.272%
Total capital ratio	17.284%	17.063%	16.357%	15.258%
CET 1 capital ratio (net of proposed dividends) ^{Note 1}	13.338%	13.217%	12.821%	12.145%
Tier 1 capital ratio (net of proposed dividends) ^{Note 1}	14.703%	14.635%	13.959%	13.272%
Total capital ratio (net of proposed dividends) ^{Note 1}	17.216%	17.063%	16.245%	15.258%

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

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

53 CAPITAL ADEQUACY (continued)

Note 1:

Under the DRP, the amount of declared dividend to be deducted in the calculation of CET 1 Capital Ratio is determined in accordance with BNM's Implementation Guidance on Capital Adequacy Framework (Capital Components) (Implementation Guidance) issued on 9 December 2020.

Under the said Implementation Guidance, where a portion of the dividend may be reinvested under a DRP (the electable portion), the amount of the declared dividend to be deducted in the calculation of CET 1 Capital Ratio may be reduced as follows:-

- (i) where an irrevocable written undertaking from shareholder has been obtained to reinvest the electable portion of the dividend; or
- (ii) where there is no irrevocable written undertaking provided, the average of the preceding 3-year take-up rates or if less than 3 preceding years, the available average historical take-up rates, subject to the amount being not more than 50% of the total electable portion of the dividend.

In arriving at the capital adequacy ratios, the portion of the proposed dividends where no irrevocable written undertaking from shareholders to reinvest the electable portion into new ordinary shares of the Bank is obtained, is assumed to be paid in cash and has been deducted from the calculation of CET 1 Capital Ratio.

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

The capital adequacy ratios of the AFFIN ISLAMIC is as follows:

	Economic Entity		The Bank	
	2025	2024	2025	2024
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%	17.046%	16.227%	17.046%

The capital adequacy ratios of the AHIB is as follows:

	The Group		The Bank	
	2025	2024	2025	2024
CET 1 capital ratio	37.573%	35.273%	37.573%	36.701%
Tier 1 capital ratio	37.573%	35.273%	37.573%	36.701%
Total capital ratio	38.379%	35.944%	38.379%	37.400%

54 LITIGATION AGAINST THE BANK

There is no material litigation during the financial year ended 31 December 2025 and 31 December 2024.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

55 CREDIT EXPOSURES ARISING FROM TRANSACTIONS WITH CONNECTED PARTIES

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

	The Group		The Bank	
	2025	2024	2025	2024
(i) The aggregate value of outstanding credit exposures with connected parties (RM'000)	4,167,642	5,387,892	2,095,730	3,502,766
(ii) The percentage of outstanding credit exposures to connected parties as a proportion of total credit exposures	3%	5%	3%	6%
(iii) The percentage of outstanding credit exposures with connected parties which is impaired or in default	Nil	Nil	Nil	Nil

56 SEGMENT ANALYSIS

Operating segments are reported in a manner consistent with the internal financial reporting system provided to the Chief Operating decision-maker, who is the person or group that allocates resources to and assess the performance of the operating segments of an entity. The Group has determined the President/Group CEO of the respective operating segments as its Chief Operating decision-maker.

The Group's operations are principally conducted in Malaysia and accordingly, no analysis in respect of geographical segments has been presented. The Group comprises the following main segments:

Commercial Banking

The Commercial Banking segment focuses on the business of banking in all aspects including Islamic Banking operations. Its activities are generally structured into four (4) key areas, Corporate Banking, Enterprise Banking, Community Banking and Treasury.

Corporate Banking and Enterprise Banking provide a full range of financial products and services to cater mainly the business and funding needs of corporate customers, ranging from large corporate and the public sector to small and medium enterprises. The products and services offered include long-term loans/financing, project and equipment financing and short-term credit such as overdrafts and trade financing and other fee-based services.

Community Banking comprises the full range of products and services offered to individuals, including savings and fixed deposits, remittance services, current accounts, consumer loans/financing such as vehicle loans/financing (i.e. hire purchase), housing loans/financing, overdrafts/cashlines and personal loans/financing, treasury, credit cards, unit trusts and bancassurance products.

The treasury department oversees liquidity and investments, ensuring optimal financial performance by strategically allocating funds and monitoring market conditions.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

56 SEGMENT ANALYSIS (continued)

Investment Banking

The Investment Banking segment focuses on business of a merchant bank, stock-broking and other related financial services.

This segment focuses on business needs of large corporate customers and financial institutions. The products and services offered to customers include advisory services and structuring of private debt securities, corporate finance and advisory services for corporate listings, mergers and acquisitions, capital raising through issues of equity and debt instruments, corporate and debts restructuring exercises.

It also provides structured lending solutions mainly in support of corporate finance and capital market activities as well as access to a variety of funds and capital market investment products to corporate, institutional and individual investors for competitive returns and other investment benefits including portfolio diversification and liquidity enhancement.

The stock-broking business comprises institutional and retail stock-broking business for securities listed on local and foreign stock exchanges, investment management and research services.

Insurance

The insurance segment includes the business of underwriting all classes of general and life insurance businesses in Malaysia.

Others

Other business segments in the Group include operation of investment holding companies, money-broking, information technology and other related financial services whose results are not material to the Group and therefore do not render separate disclosure in the financial statements and have been reported in aggregate.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

56 SEGMENT ANALYSIS (continued)

2025	Commercial Banking RM'000	Investment Banking RM'000	Insurance RM'000	Others RM'000	Elimination RM'000	Group RM'000
Net interest income						
External income/(expense)	765,676	109,116	–	(22)	–	874,770
Intersegment income/(expense)	27,246	(26,122)	–	206	(1,330)	–
Total net interest income	792,922	82,994	–	184	(1,330)	874,770
Income from Islamic banking business	865,362	–	–	–	1,452	866,814
Other operating income	630,192	242,931	–	27,715	(200,915)	699,923
Total segment revenue	2,288,476	325,925	–	27,899	(200,793)	2,441,507
Operating expenses of which:	(1,522,613)	(221,960)	–	(39,026)	81,607	(1,701,992)
Depreciation of property and equipment	(71,365)	(2,077)	–	(319)	(975)	(74,736)
Depreciation of investment property	(3,575)	–	–	–	975	(2,600)
Depreciation of right-in-use assets	(32,917)	(9,265)	–	(454)	4,565	(38,071)
Amortisation of intangible assets	(20,945)	(730)	–	(77)	–	(21,752)
(Allowances for)/write-back of impairment losses on loans, advances, financing and amount due from client and brokers/securities/other assets	(30,475)	(788)	–	–	63	(31,200)
Segment results	735,388	103,177	–	(11,127)	(119,123)	708,315
Share of results of associates (net of tax)	–	–	52,380	–	–	52,380
Profit before zakat and taxation	735,388	103,177	52,380	(11,127)	(119,123)	760,695
Zakat	(4,950)	–	–	–	–	(4,950)
Profit before taxation	730,438	103,177	52,380	(11,127)	(119,123)	755,745
Taxation	–	–	–	–	–	(215,552)
Net profit for the financial year	–	–	–	–	–	540,193
Segment assets						
Other segment assets	113,818,861	9,331,871	–	3,068	–	123,153,800
Investment in associates	–	–	853,315	–	–	853,315
ROU assets	62,316	5,106	–	(796)	–	66,626
Total segment assets	113,881,177	9,336,977	853,315	2,272	–	124,073,741
Segment liabilities						
Total segment liabilities	105,671,463	6,152,999	–	30,368	–	111,854,830
Other information						
Capital expenditure	228,297	3,261	–	1	–	231,559

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

56 SEGMENT ANALYSIS (continued)

2024	Commercial Banking RM'000	Investment Banking RM'000	Insurance RM'000	Others RM'000	Elimination RM'000	Group RM'000
Net interest income						
External income/(expense)	813,002	13,439	–	(36)	–	826,405
Intersegment income/(expense)	(77,591)	77,090	–	218	283	–
Total net interest income	735,411	90,529	–	182	283	826,405
Income from Islamic banking business	691,149	–	–	–	–	691,149
Other operating income	595,537	218,414	–	12,686	(174,444)	652,193
Total segment revenue	2,022,097	308,943	–	12,868	(174,161)	2,169,747
Operating expenses of which:	(1,464,323)	(209,137)	–	(22,000)	27,352	(1,668,108)
Depreciation of property and equipment	(67,655)	(2,319)	–	(332)	–	(70,306)
Depreciation of right-of-use assets	(30,292)	(9,427)	–	(435)	4,303	(35,851)
Amortisation of intangible assets	(19,262)	(740)	–	(14)	–	(20,016)
Write-back of impairment losses on loans, advances, financing and amount due from client and brokers/securities/other assets	90,714	52,084	–	–	8,570	151,368
Segment results	648,488	151,890	–	(9,132)	(138,239)	653,007
Share of results of associates (net of tax)	–	–	54,729	–	–	54,729
Profit before zakat and taxation	648,488	151,890	54,729	(9,132)	(138,239)	707,736
Zakat	(5,370)	(1,337)	–	–	–	(6,707)
Profit before taxation	643,118	150,553	54,729	(9,132)	(138,239)	701,029
Taxation						(191,326)
Net profit for the financial year						509,703
Segment assets						
Other segment assets	102,653,423	8,282,736	–	3,166	–	110,939,325
Investment in associates	–	–	830,917	–	–	830,917
ROU assets	62,426	12,975	–	(3,536)	–	71,865
Total segment assets	102,715,849	8,295,711	830,917	(370)	–	111,842,107
Segment liabilities						
Total segment liabilities	94,728,766	5,496,992	–	15,057	–	100,240,815
Other information						
Capital expenditure	291,177	5,825	–	14	–	297,016

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

57 SIGNIFICANT EVENTS DURING THE CURRENT AND PRECEDING FINANCIAL YEAR

Current Financial Year

Proposed acquisition by ABB of the entire equity interest in Pheim Asset Management Sdn Bhd (“Pheim AM”) for a total cash consideration of RM50.0 million (“Proposed Acquisition”)

ABB had on 20 November 2025 entered into a conditional share purchase agreement ('SPA') with the Shareholders of Pheim Asset Management Sdn Bhd ('Pheim AM') for the Proposed Acquisition of 5,000,000 ordinary shares in Pheim AM ('Pheim AM Shares'), representing the entire equity interest in Pheim AM, for a total purchase consideration of RM50.0 million to be satisfied entirely in cash ('Proposed Acquisition').

Upon completion of the Proposed Acquisition, Pheim AM will become a wholly-owned subsidiary of ABB and the financial results of Pheim AM and its subsidiaries namely Pheim Islamic Asset Management Sdn. Bhd. ('Pheim Islamic AM') and Pheim Unit Trusts Berhad ('Pheim UT') ('Pheim AM Group') will be consolidated into the financial statements of ABB.

The completion of the Proposed Acquisition is subject to the fulfilment of, amongst others:

- (i) the prior approval of Bank Negara Malaysia ('BNM') to be obtained by ABB pursuant to Section 85 of the Financial Services Act 2013 and Paragraph 8.1 of the Policy Document on Equity Investments issued by BNM; and
- (ii) each of Pheim AM, Pheim Islamic AM and Pheim UT obtaining the approval of the Securities Commission Malaysia ('SC') for a change in their respective direct or indirect shareholding resulting in a change of its controller or ultimate controller,

within 6 months from the date of the conditional SPA. The conditional SPA also contains either representations and warranties, undertakings and indemnities that are applicable for transactions of this nature.

Preceding Financial Year

Transfer of 26.44% equity interest in AFFIN BANK between Lembaga Tabung Angkatan Tentera ('LTAT'), the substantial shareholder of the Bank, and its wholly-owned subsidiary, the Boustead Holdings Berhad ('BHB') and the Government of Sarawak ('Divestment').

On 27 September 2024, the Bank announced that the Government of Sarawak through its wholly-owned subsidiary SG Assetfin Holdings Sdn Bhd ('SG Assetfin'), had entered into a sale and purchase agreement ('SPA') with Lembaga Tabung Angkatan Tentera ('LTAT'), the substantial shareholder of the Bank, together with Boustead Holdings Berhad ('BHB'), a wholly-owned subsidiary of LTAT. This agreement involves the divestment of 634,725,096 shares, representing a 26.44% equity interest in AFFIN BANK ('Divestment').

The SPA was completed on 27 November 2024 and subsequent to completion of the SPA, the Government of Sarawak became the largest shareholder in AFFIN BANK, holding a 31.25% equity interest.

The shareholdings of LTAT, BHB and SG Assetfin in AFFIN BANK after the share transfer are as follows:

- (i) LTAT's shareholding decreased from 693,338,029 shares (28.88%) to 528,290,622 shares (22.01%);
- (ii) BHB's shareholding reduced from 482,110,333 shares (20.08%) to Nil, including 12,432,644 shares disposed of via the open market; and
- (iii) The Government of Sarawak's collective shareholding, through SG Assetfin, increased from 4.81% to 31.25%.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

58 SIGNIFICANT EVENTS SUBSEQUENT TO THE FINANCIAL YEAR

There are no material events subsequent to the balance sheet date.

59 LONG TERM INCENTIVE PLAN ('LTIP')

The Group's Long Term Incentive Plan ('LTIP'), introduced on 1 August 2023 through the Share Grant Scheme ('SGS') approved by shareholders at the Annual General Meeting on 25 May 2023, remains in effect during the financial year ended 31 December 2025. The SGS is governed by the SGS By-Laws and administered by the Group Board Nomination & Remuneration Committee.

The SGS is a performance share unit scheme under which vesting is subject to performance conditions. The SGS Committee may grant awards to eligible employees at any time during the scheme's duration, in accordance with the SGS By-Laws. The awards may be settled through the issuance and transfer of new shares or other permitted methods as provided by the SGS By-Laws.

The scheme is designed to reward eligible employees and align their interests with the Group's long-term objectives. Eligibility is determined by the Board of Directors, based on recommendations from the SGS Committee, and excludes dormant subsidiaries. Any grant to directors, the chief executive, or connected persons requires prior shareholder approval at a general meeting. The SGS does not apply to non-executive directors of any entity within the Group.

The total shares available under the SGS shall not exceed 5% of the Bank's total number of issued shares (excluding treasury shares, if any) at any time during the scheme's duration. Details of SGS are set out in Note 59 to the financial statements. Details of SGS are set out below.

	Fair value RM	Awarded (Units '000)	Vesting Date*
Award Date			
7 August 2023 – First grant	1,806	15,592	30 June 2026
1 July 2024 – Second grant	2,080	11,309	30 June 2027
1 July 2025 – Third grant	2,516	11,852	30 June 2028

* *subject to performance conditions*

The following table indicates the number and movement of SGS shares during the financial year ended 31 December 2025 and 31 December 2024:

	As at 1 January 2025 (Units '000)	Movement during the year		As at 31 December 2025 (Units '000)
		Awarded (Units '000)	Forfeited (Units '000)	
Award Date				
The Group				
7 August 2023 – First grant	13,736	–	(1,648)	12,088
1 July 2024 – Second grant	12,301	–	(992)	11,309
1 July 2025 – Third grant	–	12,191	(339)	11,852
The Bank				
7 August 2023 – First grant	9,422	–	(413)	9,009
1 July 2024 – Second grant	10,104	–	(329)	9,775
1 July 2025 – Third grant	–	8,906	(131)	8,775

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2025

59 LONG TERM INCENTIVE PLAN ('LTIP') (continued)

	As at 1 January 2024 (Units '000)	Movement during the year		As at 31 December 2024 (Units '000)
		Awarded (Units '000)	Forfeited (Units '000)	
Award Date				
The Group				
7 August 2023 – First grant	15,563	–	(1,827)	13,736
1 July 2024 – Second grant	–	12,335	(34)	12,301
The Bank				
7 August 2023 – First grant	10,798	–	(1,376)	9,422
1 July 2024 – Second grant	–	10,138	(34)	10,104

President & Group CEO who has been awarded with SGS during the financial year is listed below:

	No. of SGS Awarded (Units '000)
Datuk Wan Razly Abdullah bin Wan Ali	779
Other directors	–

The fair value of SGS shares awarded was estimated taking into account the terms and conditions upon which the SGS shares were awarded. The fair value of SGS shares measured, closing share price at grant date and the assumptions were as follows:

	Award Date		
	1 July 2025	1 July 2024	7 August 2023
Fair value of SGS Shares (RM)	2.516	2.080	1.806
Closing share price at award date (RM)	2.57	2.490	1.950
Expected volatility (%)	25.56	23.73	22.21
Vesting period (years)	3.00	3.00	2.90
Risk-free rate (%)	3.14	3.54	3.47
Expected dividend yield (%)	2.68	3.44	5.44

60 AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

The financial statements have been authorised for issue by the Board of Directors in accordance with a resolution of the Directors dated 16 March 2026.

STATEMENT BY DIRECTORS

Pursuant to Section 251(2) of the Companies Act 2016

We, DATO' AGIL NATT and GREGORY JEROME GERALD FERNANDES, two of the Directors of Affin Bank Berhad, state that, in the opinion of the Directors, the accompanying financial statements set out on pages 402 to 576 are drawn up so as to give a true and fair view of the state of affairs of the Group and the Bank as at 31 December 2025 and of the results and cash flows of the Group and the Bank for the financial year ended on the date in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

DATO' AGIL NATT

Chairman/Independent Non-Executive Director

Kuala Lumpur
16 March 2026

GREGORY JEROME GERALD FERNANDES

Independent Non-Executive Director

STATUTORY DECLARATION

Pursuant to Section 251(1) of the Companies Act 2016

I, JOANNE MAY RODRIGUES, the officer of Affin Bank Berhad primarily responsible for the financial management of the Group and the Bank, do solemnly and sincerely declare that, in my opinion, the accompanying financial statements set out on pages 402 to 576, are correct and I make this solemn declaration conscientiously believing the same to be true, by virtue of the provisions of the Statutory Declarations Act, 1960.

JOANNE MAY RODRIGUES

MIA No. CA17745

Subscribed and solemnly declared by the abovenamed JOANNE MAY RODRIGUES at Kuala Lumpur in Malaysia on 16 March 2026, before me.

COMMISSIONER FOR OATHS

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF AFFIN BANK BERHAD

(Incorporated in Malaysia)

Registration No: 197501003274 (25046-T)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of Affin Bank Berhad ('the Bank') and its subsidiaries ('the Group') give a true and fair view of the financial position of the Group and of the Bank as at 31 December 2025, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

What we have audited

We have audited the financial statements of the Group and of the Bank, which comprise the statements of financial position as at 31 December 2025 of the Group and of the Bank, and the income statements, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Bank for the financial year then ended, and notes to the financial statements, including a summary of material accounting policies, as set out on pages 402 to 576.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the "Auditors' responsibilities for the audit of the financial statements" section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and other ethical responsibilities

We are independent of the Group and of the Bank in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), as applicable to audits of financial statements of public interest entities and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Our audit approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements of the Group and of the Bank. In particular, we considered where the Directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Group and of the Bank, the accounting processes and controls, and the industry in which the Group and the Bank operate.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF AFFIN BANK BERHAD

(Incorporated in Malaysia)
Registration No: 197501003274 (25046-T)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (continued)

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Bank for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Bank as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p>Impairment of loans, advances and financing assets <i>(expected credit losses)</i></p> <p>(Refer to Summary of Material Accounting Policies Note H (d), Note AG and Note 9 to the financial statements).</p> <p>MFRS 9 requires an expected credit losses ('ECL') impairment model for financial assets measured at amortised cost and fair value through other comprehensive income. The measurement of ECL requires the use of complex models and significant assumptions about future economic conditions and credit behaviour.</p> <p>We focused on the ECL for loans, advances and financing due to the significance of impairment allowance on loans, advances and financing assets balance. The Group and the Bank also exercised significant judgement on the following areas:</p> <p><u>Timing of identification of Stage 2 and Stage 3 loans, advances and financing</u></p> <ul style="list-style-type: none"> Assessment of objective evidence of impairment of loans, advances and financing based on mandatory and judgemental symptoms Identification of loans, advances and financing that have experienced a significant increase in credit risk <p><u>Individual assessment</u></p> <ul style="list-style-type: none"> Estimate on the amount and timing of future cash flows based on realisation of collateral or borrowers'/ customers' business cash flows <p><u>Collective assessment</u></p> <ul style="list-style-type: none"> Choosing the appropriate collective assessment models and assumptions for the measurement of ECL such as expected future cash flows and forward-looking macro-economic factors 	<p>We tested the design and operating effectiveness of the controls over impairment of loans, advances and financing. These controls covered:</p> <ul style="list-style-type: none"> Identification of loans/financing displaying indicators of impairment or loans/financing that have experienced significant increase in credit risk Governance over the impairment processes, including model development, model approval and model validation Data used to determine the allowances for credit losses including the completeness and accuracy of the key inputs and assumptions into the ECL models Calculation, review and approval of the ECL calculation <p><u>Individual assessment</u></p> <p>We performed individual credit assessment on a sample of loans, advances and financing on those identified as Early Control, Rescheduled and restructured, Stage 2 and 3 accounts, with a particular focus on high risks industries and formed our own judgement on whether the occurrence of loss event or significant increase in credit risk had been identified.</p> <p>Where individual impairment had been identified for loans, advances and financing, we assessed the adequacy of impairment allowance by examining both the quantum and timing of future cash flows used by the Group and the Bank in the impairment loss calculation, challenging the assumptions and comparing estimates to external evidence where available. We also reperformed the calculations of discounted cash flows.</p> <p><u>Collective assessment</u></p> <p>Where ECL was calculated on a collective basis, our testing, on a sample basis, included the following:</p> <ul style="list-style-type: none"> Assessed the methodologies and significant modelling assumptions inherent within the ECL models applied against the requirements of MFRS 9 Assessed and considered the reasonableness of forward-looking forecasts assumptions Checked the accuracy of data inputs used in the ECL models and checked the calculation of ECL Assessed the reasonableness and tested the identification and calculation of overlay adjustments to the ECL, where applicable

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF AFFIN BANK BERHAD

(Incorporated in Malaysia)
Registration No: 197501003274 (25046-T)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (continued)

Information other than the financial statements and auditors' report thereon

The Directors of the Bank are responsible for the other information. The other information comprises the Directors' Report and Annual Report, but does not include the financial statements of the Group and of the Bank and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Bank does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Bank, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Bank or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial statements

The Directors of the Bank are responsible for the preparation of the financial statements of the Group and of the Bank that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Bank that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Bank, the Directors are responsible for assessing the Group's and the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Bank or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Bank as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Bank, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Bank's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF AFFIN BANK BERHAD

(Incorporated in Malaysia)
Registration No: 197501003274 (25046-T)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (continued)

Auditors' responsibilities for the audit of the financial statements (continued)

- (d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Bank or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Bank to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Bank, including the disclosures, and whether the financial statements of the Group and of the Bank represent the underlying transactions and events in a manner that achieves fair presentation.
- (f) Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Bank for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTERS

This report is made solely to the members of the Bank, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants

WILLIAM MAH JIN CHIEK
03085/07/2027 J
Chartered Accountant

Kuala Lumpur, Malaysia
16 March 2026

Additional Compliance Information Disclosures

for the financial year ended 31 December 2025

1. UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSALS

During the financial year ended 31 December 2025, AFFIN BANK and its subsidiaries have issued the following debt instruments:

(a) Commercial Papers (“CP”) Programme of RM3.0 billion in nominal value by AFFIN BANK (“CP Programme”)

During the financial year, AFFIN BANK issued in total a nominal value of RM830.0 million CP under the CP Programme, and the proceeds raised have been utilised for the general banking working capital requirements and business purposes of AFFIN BANK.

(b) Islamic Commercial Papers (“ICP”) Programme of RM3.0 billion in nominal value by AFFIN ISLAMIC (“ICP Programme”)

During the financial year, AFFIN ISLAMIC, a wholly-owned subsidiary of AFFIN BANK, issued in total a nominal value of RM520.0 million ICP under the ICP Programme, and the proceeds raised have been utilised for general banking working capital requirements and business purposes of AFFIN ISLAMIC in Shariah compliant manner.

(c) USD2.0 billion Euro Medium Term Note Programme (“EMTN Programme”)

On 4 June 2025, AFFIN BANK had completed the first issuance of Senior Unsecured Notes (“Notes”) with a nominal value of USD300.0 million under the EMTN Programme. Net proceeds from the issuance of the Notes have been utilised for working capital, general banking and other corporate purposes of AFFIN BANK.

Disclosed in accordance with Appendix 9C, Part A, item 13 of the Listing Requirements of Bursa Malaysia.

2. AUDIT AND NON-AUDIT FEES

A breakdown of the total audit and non-audit fees incurred for services rendered to the Group and the Bank by the external auditors or a firm affiliated to the external auditors, Messrs. PricewaterhouseCoopers for the financial year ended 31 December 2025 is set out in Note 41 to the Financial Statements.

Disclosed in accordance with Appendix 9C, Part A, item 18 of the Listing Requirements of Bursa Malaysia.

3. RECURRENT RELATED PARTY TRANSACTIONS (“RRPT”)

The Bank did not seek any shareholders’ mandate under Paragraph 10.09(2)(b), Part E of Chapter 10 of the Listing Requirements, as the aggregate value of RRPT did not exceed the threshold under Paragraph 10.09(1)(a).

Disclosed in accordance with Paragraph 10.09(2)(b) of the Listing Requirements of Bursa Malaysia.

4. MATERIAL CONTRACTS

There were no material contracts entered into by AFFIN BANK and/or its subsidiaries involving directors’, chief executive’s or major shareholders’ interests that were subsisting as at 31 December 2025 or entered into since the end of the previous financial year.

Disclosed in accordance with Appendix 9C, Part A, item 21 of the Listing Requirements of Bursa Malaysia.

5. DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING

The following financial data are disclosed for the purpose of Shariah screening by the Shariah Advisory Council of the Securities Commission Malaysia. These include details on Shariah non-permissible income derived from the Group's business activities, as well as the Group's interest-based financial positions.

(a) Total Income and Total Assets

	Group	
	2025 (RM'000)	2024 (RM'000)
Interest/Finance income	874,770	826,405
Income from Islamic banking business	866,814	691,149
Other income	699,923	652,193
Share of profit of associates	52,380	54,729
Total Income	2,493,887	2,224,476
Total Assets	124,073,741	111,842,107

(b) Business Activities

	Group	
	2025 (RM'000)	2024 (RM'000)
Banking & finance and related services	874,770	826,405
Insurance services	52,380	54,729
Other income	497,440	421,361
Total Shariah Non-Compliant Activities	1,424,590	1,302,495

(c) Component of Financial Position

(i) Cash Component

	Group	
	2025 (RM'000)	2024 (RM'000)
Islamic Account		
Cash and bank balances	102,094	392,037
Deposits with licensed bank	3,308,701	2,050,545
Total	3,410,795	2,442,582
Conventional Account		
Cash and bank balances	1,000,624	859,051
Deposits with licensed bank	3,173,538	1,418,667
Total	4,174,162	2,277,718

Additional Compliance Information Disclosures

for the financial year ended 31 December 2025

5. DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING (CONTINUED)

The following financial data are disclosed for the purpose of Shariah screening by the Shariah Advisory Council of the Securities Commission Malaysia. These include details on Shariah non-permissible income derived from the Group's business activities, as well as the Group's interest-based financial positions. (continued)

(c) Component of Financial Position (continued)

(ii) Financing/Borrowing Component

	Group	
	2025 (RM'000)	2024 (RM'000)
Islamic Financing		
Recourse obligation on financing sold to Cagamas Berhad	2,925,862	2,125,431
Amount due to holding company	142,304	546,064
Obligation on securities sold under repurchase agreement	23	–
Subordinated and Senior Sukuk	2,582,817	2,368,791
Total Financing	5,651,006	5,040,286
Conventional Borrowing		
Obligation on securities sold under repurchase agreements	5,569,822	5,575,451
Bills and acceptances payable	57,265	32,341
Recourse obligation on loans/financing sold to Cagamas Berhad	4,779,222	3,002,564
Borrowings	3,624,004	1,511,186
Total Borrowing	14,030,313	10,121,542

Disclosed in accordance with paragraph 9.25A and paragraph (31) in Part A of Appendix 9C, paragraph 9.41(b) and paragraph (17) in Part B of Appendix 9C, of the Listing Requirements of Bursa Malaysia.

Top 10 Properties

as at 31 December 2025

NO.	TITLE/MUKIM	ADDRESS/ PROPERTY	DESCRIPTION/ EXISTING USE	TENURE	SITE AREA (SQ FT)	APPROX AGE OF BUILDING (YEARS)	NET BOOK VALUE AS AT 31/12/2025 (RM)
1.	GERAN NO. HAKMILIK 75550 LOT 1207 SEKSYEN 62 (previously Lot 13151) GERAN NO. HAKMILIK 76429 LOT 20006 SEKSYEN 62 (previously Lot 11641) BANDAR & DISTRICT OF KUALA LUMPUR WILAYAH PERSEKUTUAN KUALA LUMPUR	TRX DISTRICT PLOT C7.9-CT	43 STOREY OFFICE TOWER/ HEAD OFFICE	FREEHOLD	LAND: 54,266 BUILT-UP: 823,740	3	918,128,461.04
2.	HS(M) 6836 P.T. 14531 MUKIM OF DAMANSARA DISTRICT OF PETALING	NO. 301, 401 & 501, BLOCK C, MENARA GLOMAC KELANA BUSINESS CENTRE 97, JALAN 227/2 47301 KELANA JAYA SELANGOR	CONSUMER COLLECTION & RECOVERY, CONTACT CENTRE	LEASEHOLD EXP: 21/11/2092	LAND: N/A BUILT-UP NO 301: 6,916 NO 401: 6,916 NO 501: 6,916	25	3,713,912.93
3.	HS(D) 67774 & 67773 LOT 29427 & 29428 MUKIM OF KUALA LUMPUR DISTRICT & STATE OF WILAYAH PERSEKUTUAN	NO. 47 & 49 JALAN TUN MOHD FUAD 3 TAMAN TUN DR ISMAIL 60000 KUALA LUMPUR	2 UNITS 3 STOREY SHOP OFFICE/BRANCH PREMISES	FREEHOLD	LAND: 5,138 BUILT-UP: 11,250	34	3,545,867.34
4.	HS(D) 23766 PT 199, SECTION 40 MUKIM KUALA LUMPUR	133, JALAN BUNUS OFF JALAN MASJID INDIA 50100 KUALA LUMPUR	1 UNIT 4 1/2 STOREY SHOP OFFICE/BRANCH PREMISES	FREEHOLD	LAND: 1,539.9 BUILT-UP: 7,699.8	25	3,039,647.42
5.	LOT 51412 & 51413 HS(D) 23844 & 23843 P.T. 3479 & 3480 MUKIM OF KUALA LUMPUR DISTRICT OF W. PERSEKUTUAN	NO. 4 & 6 JALAN TELAWI 3 BANGSAR BARU 59100 KUALA LUMPUR	2 UNITS 3 STOREY SHOP OFFICE/BRANCH PREMISES	FREEHOLD	LAND: 4,659 BUILT-UP: 11,858	34	2,452,307.72
6.	HS(M) 14862 & 14863 PT 21350 & 21351 TEMPAT BUKIT RAJA MUKIM OF KAPAR DISTRICT OF KLANG	NO. 29 & 31 JALAN TIARA 3 BANDAR BARU KELANG 41150 KELANG SELANGOR	2 UNITS 4 STOREY SHOP OFFICE/BRANCH PREMISES	LEASEHOLD EXP: 8/5/2093	LAND: 3,300 BUILT-UP: 13,200	28	2,100,503.18
7.	HS(D) 96849 (30438 [new]) LOT/PT 6536 (28035 [new]) MUKIM OF SETAPAK DISTRICT & STATE OF WILAYAH PERSEKUTUAN	NO. 2, JLN 1/27F KLSC WANGSA MAJU 53300 KUALA LUMPUR [C7/50/86-1, C7/50/86-2 C7/50/86-3, & C7/50/86-4]	4 STOREY SHOP OFFICE CORNER UNIT/BRANCH PREMISES	LEASEHOLD EXP: 19/04/2083	LAND: 4,480 BUILT-UP: 14,920	27	1,629,005.16
	HS(D) 96848 (30437 [new]) LOT/PT 6537 (28034 [new]) MUKIM OF SETAPAK DISTRICT & STATE OF WILAYAH PERSEKUTUAN	NO. 4, JLN 1/27F KLSC WANGSA MAJU 53300 KUALA LUMPUR [C7/50/85-1, C7/50/85-2 & C7/50/85-3]	3 STOREY SHOP OFFICE/BRANCH PREMISES	LEASEHOLD EXP: 19/04/2083	LAND: 1,920 BUILT-UP: 5,760		

Top 10 Properties

as at 31 December 2025

NO.	TITLE/MUKIM	ADDRESS/ PROPERTY	DESCRIPTION/ EXISTING USE	TENURE	SITE AREA (SQ FT)	APPROX AGE OF BUILDING (YEARS)	NET BOOK VALUE AS AT 31/12/2025 (RM)
8.	PTD 100479 & 100480 MUKIM OF PLENTONG DISTRICT OF JOHOR BAHRU	NO. 23 & 25, JALAN PERMAS 10/2 PERMAS JAYA, 81750 MASAI, JOHOR BAHRU, JOHOR	2 UNITS 4 STOREY SHOP OFFICE/BRANCH PREMISES	FREEHOLD	LAND: 3,840 BUILT-UP: 13,440	32	1,627,119.08
9.	LOT 14127 & 14128 GRANTS 7792 & 7793 MUKIM OF SETAPAK DISTRICT OF KUALA LUMPUR	NO. 159 & 161 JALAN GENTING KELANG, SETAPAK 53300 KUALA LUMPUR	2 UNITS 3 STOREY SHOP OFFICE WITH BASEMENT/ BRANCH PREMISES	FREEHOLD	LAND: 4,306 BUILT-UP: 17,224	37	1,582,797.88
10.	UNIT NO. P1-01-32, HELD UNDER HAKMILIK, STRATA NO BERDAFTAR GERAN 61929/M1/1/53, LOT NO. 1594, SEKSYEN 2, BANDAR TANJONG TOKONG	FETTES PARK 98-G-32 TO 98-3A-32 BLOCK 32 PRIMA TANJUNG BUSINESS CENTRE JALAN TANJUNG TOKONG 10470 PULAU PINANG	5 STOREY SHOP OFFICE	FREEHOLD	LAND: 1,037 BUILT-UP: 1,037	25	1,325,892.77
	UNIT NO. P1-02-32, HELD UNDER HAKMILIK, STRATA NO BERDAFTAR GERAN 61929/M1/2/121, LOT NO. 1594, SEKSYEN 2, BANDAR TANJONG TOKONG				LAND: N/A BUILT-UP: 1,037		
	UNIT NO. P1-03-32, HELD UNDER HAKMILIK, STRATA NO BERDAFTAR GERAN 61929/M1 MENARA B/3/223, LOT NO. 1594, SEKSYEN 2, BANDAR TANJONG TOKONG				LAND: N/A BUILT-UP: 1,886		
	UNIT NO. P1-04-32, HELD UNDER HAKMILIK, STRATA NO BERDAFTAR GERAN 61929/M1 MENARA B/4/257, LOT NO. 1594, SEKSYEN 2, BANDAR TANJONG TOKONG				LAND: N/A BUILT-UP: 1,886		
	UNIT NO. P1-05-32, HELD UNDER HAKMILIK, STRATA NO BERDAFTAR GERAN 61929/M1 MENARA B/5/259, LOT NO. 1594, SEKSYEN 2, BANDAR TANJONG TOKONG				LAND: N/A BUILT-UP: 1,886		

Analysis of Shareholdings

as at 27 February 2026

Stock Code	: 5185
Stock Name	: AFFIN
Issued Share Capital	: 2,533,835,382
Class of Shares	: Ordinary Share
Number of Shareholders	: 28,211
Voting Right	: 1 vote per Ordinary Share

Listed on Main Market of Bursa Malaysia Securities Berhad on 2 February 2018

ANALYSIS BY SIZE OF HOLDINGS

SIZE OF HOLDINGS	No. of Holders	%	No. of Shares	%
Less than 100	2,502	8.868	73,012	0.002
100 to 1,000	3,588	12.718	1,486,734	0.058
1,001 to 10,000	15,685	55.598	56,326,881	2.222
10,001 to 100,000	5,829	20.662	152,655,544	6.024
100,001 to 126,691,768*	604	2.141	511,563,371	20.189
126,691,769 and above**	3	0.010	1,811,729,840	71.501
Total	28,211	100.000	2,533,835,382	100.000

* Less than 5% of issued shares

** 5% and above of issued shares

LIST OF TOP 30 SHAREHOLDERS

No.	Name of Shareholders	Shareholdings	%
1.	SG ASSETFIN HOLDINGS SDN BHD	669,987,601	26.441
2.	CITIGROUP NOMINEES (ASING) SDN BHD CBHK FOR THE BANK OF EAST ASIA LIMITED (INVESTMENT AC)	606,396,238	23.931
3.	LEMBAGA TABUNG ANGKATAN TENTERA	535,346,001	21.127
4.	STATE FINANCIAL SECRETARY SARAWAK	121,956,224	4.813
5.	KUMPULAN WANG PERSARAAN (DIPERBADANKAN)	94,580,831	3.732
6.	CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR CITIBANK NEW YORK (NORGES BANK 22)	21,997,964	0.868
7.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD	18,461,200	0.728
8.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (RHB INV)	9,400,000	0.370
9.	CITIGROUP NOMINEES (ASING) SDN BHD UBS AG	8,800,095	0.347
10.	CITIGROUP NOMINEES (ASING) SDN BHD CBNY FOR DIMENSIONAL EMERGING MARKETS VALUE FUND	6,770,842	0.267
11.	CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR CITIBANK NEW YORK (NORGES BANK 19)	6,656,600	0.262
12.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (LBF)	6,427,577	0.253

Analysis of Shareholdings

as at 27 February 2026

No.	Name of Shareholders	Shareholdings	%
13.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (PHEIM)	4,742,200	0.187
14.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (LSF)	4,351,950	0.171
15.	CHEAH FOOK LING	3,835,677	0.151
16.	TOKIO MARINE LIFE INSURANCE MALAYSIA BHD AS BENEFICIAL OWNER (TMEF)	3,500,333	0.138
17.	WAN RAZLY ABDULLAH BIN WAN ALI	3,467,512	0.136
18.	PUBLIC NOMINEES (ASING) SDN BHD PLEDGED SECURITIES ACCOUNT FOR MAYLAND PARKVIEW SDN BHD (KLC)	3,227,034	0.127
19.	HII YU HO SDN. BHD.	3,000,000	0.118
20.	HWANG CAPITAL (MALAYSIA) SDN. BHD.	3,000,000	0.118
21.	B-OK SDN BHD	2,744,458	0.108
22.	CITIGROUP NOMINEES (ASING) SDN BHD CBNY FOR ISHARES CORE MSCI EMERGING MARKETS ETF	2,739,995	0.108
23.	CITIGROUP NOMINEES (ASING) SDN BHD CBNY FOR EMERGING MARKETS CORE EQUITY 2 PORTFOLIO OF DFA INVESTMENT DIMENSIONS GROUP INC.	2,650,720	0.104
24.	HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR EMERGING MARKETS SMALL CAPITALIZATION EQUITY INDEX NONLENDABLE FUND	2,328,238	0.091
25.	TAN KAH HOCK	2,000,040	0.078
26.	DB (MALAYSIA) NOMINEE (ASING) SDN BHD SSBT FUND ZVTG FOR STATE STREET GLOBAL ADVISORS TRUST COMPANY INVESTMENT FUNDS FOR TAX EXEMPT RETIREMENT PLANS	1,915,022	0.075
27.	KEY DEVELOPMENT SDN. BERHAD	1,853,766	0.073
28.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD (CIMB PRIN)	1,800,000	0.071
29.	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR ANDREW TAN JUN SUAN (7005150)	1,760,200	0.069
30.	TOKIO MARINE LIFE INSURANCE MALAYSIA BHD AS BENEFICIAL OWNER (PF)	1,693,944	0.066
TOTAL		2,157,392,262	85.143

LIST OF SUBSTANTIAL SHAREHOLDERS

No.	Name of Shareholders	Direct Shareholdings	%	Indirect Shareholdings	%
1.	SG ASSETFIN HOLDINGS SDN BHD	669,987,601	26.441	-	-
2.	CITIGROUP NOMINEES (ASING) SDN BHD CBHK FOR THE BANK OF EAST ASIA LIMITED (INVESTMENT AC)	606,396,238	23.931	-	-
3.	LEMBAGA TABUNG ANGKATAN TENTERA	535,346,001	21.127	-	-
4.	STATE FINANCIAL SECRETARY SARAWAK	121,956,224	4.813	669,987,601*	26.441

Notes:

* Deemed interest by virtue of its interest in SG AssetFin Holdings Sdn Bhd

A substantial shareholder is defined as one who has an interest (or interests) in the voting shares in the corporation that is not less than 5% of the total voting shares in the corporation.

ANALYSIS BY CATEGORY

Category of Holders	No. of Holders			No. of Shares			%		
	Malaysian		Foreign	Malaysian		Foreign	Malaysian		Foreign
	Bumiputera	Non-Bumiputera		Bumiputera	Non-Bumiputera		Bumiputera	Non-Bumiputera	
Individual	1,033	19,603	314	12,146,995	216,407,654	6,716,810	0.479	8.540	0.265
Body Corporate									
Banks /Finance Companies	4	2	2	1,732,671	94,595,831	32,683	0.068	3.733	0.001
Investment Trust/ Foundation/ Charities	3	6	0	3,693	347,867	0	0.000	0.013	0.000
Industrial and commercial companies	28	239	10	670,983,820	29,134,649	5,383,849	26.480	1.149	0.212
Government Agencies/ Institutions	4	0	0	657,695,452	0	0	25.956	0.000	0.000
Nominees	2,978	3,744	239	51,934,406	93,454,877	693,258,627	2.049	3.688	27.360 [#]
Others	0	2	0	0	5,498	0	0.000	0.000	0.000
Trustee	0	0	0	0	0	0	0.000	0.000	0.000
Subtotal	4,050	23,596		1,394,497,037	433,946,376		55.032	17.123	
Total	27,646		565	1,828,443,413		705,391,969	72.155		27.838

	No. of Holders		No. of Shares		%	
Grand Total	28,211		2,533,835,382		100.00	

[#] These holdings include securities in the nominee companies with foreign beneficiaries

Our Branches

General Customer Feedback/Complaints:
<https://www.affingroup.com/en/affin-customer-care>
General Enquiries and Contact Centre

☎ 03-8230 2222 (Available daily 24/7)

Lost/Stolen Card and Fraud/Scam

☎ 03-8230 2222

Collection Related Matters

☎ 03-8230 2828 and 03-8230 2929

Business Hours

8:45 AM to 5:45 PM, Mondays to Thursdays

8:45 AM to 4:45 PM, Fridays

KEDAH

- Alor Setar
- Jitra
- Kulim
- Langkawi
- Sungai Petani
- Kulim Hi Tech

PULAU PINANG

- Bayan Baru
- Butterworth
- Fettes Park
- Jalan Macalister
- Kepala Batas
- Prai
- Seberang Jaya
- Wisma Pelaut
- Juru (Auto-City)
- Bandar Cassia (Batu Kawan)
- Air Itam
- Bukit Mertajam (Bandar Perda)
- Jelutong

PERLIS

- Kangar

PERAK

- Ipoh Garden
- Lumut
- Sitiawan
- Taiping
- Ipoh (Greentown Business Centre)
- Teluk Intan
- Bandar Meru Raya

JOHOR

- Ayer Hitam
- Batu Pahat
- Mutiara Rini (Skudai)
- Permas Jaya
- Taman Molek
- Segamat
- Johor Bahru (Kebun Teh)
- Danga Bay
- Johor Jaya
- Kluang
- Muar
- Kulai
- Tampoi
- Bukit Dahlia (Pasar Gudang)

- Nusa Bestari
- Southkey
- Mount Austin
- Iskandar Puteri (Eko Botani)
- Senai (Scientex Utama)

SELANGOR

- Bandar Bukit Tinggi (Klang)
- Kajang (Sg. Chua)
- Denai Alam
- Jalan Meru (Klang)
- Kinrara (Puchong)
- The Curve (Mutiara Damansara)
- Klang Utara (Bandar Baru Klang)
- Puchong (Bandar Puteri)
- USJ Taipan
- PJ SS2
- PJ State
- Kampus Puncak Alam (UiTM)
- Sea Park
- Rawang (Fortune Avenue)
- Bangi (Seksyen 8)
- Kota Damansara (Cascades)
- Kota Kemuning
- Kota Warisan (Sepang)
- Cyberjaya (Shaftsbury Square)
- Ampang Jaya (Ampang Point)
- Ampang New Village (Bandar Baru Ampang)
- Shah Alam (Vista Alam, Seksyen 14)
- Subang Jaya (SS15)
- Kepong (Desa Jaya)
- Port Klang
- Seri Kembangan (Pusat Perdagangan)
- Taman Equine (Demang)
- UiTM Branch (Menara SAAS)
- Ara Damansara
- Balakong (Cheras Dataran C180)
- Seksyen 14, Petaling Jaya
- Damansara Utama
- MSU (Shah Alam)
- Bandar Saujana Putra
- Setia Alam

KUALA LUMPUR

- Bangsar (Bangsar Baru)
- Batu Cantonment (Jalan Ipoh)
- Fraser (Fraser Business Park)
- LTAT (Chulan Tower)
- MyTown (Jalan Cochrane)
- Setapak
- Taman Midah (Cheras)
- Taman Tun Dr. Ismail
- Wangsa Maju
- KL Main (Menara AFFIN, TRX)
- Jalan P. Ramlee (Central Menara Hap Seng 2)
- Jalan Bunus (Masjid India)
- Jalan Ipoh (Batu 3)
- Selayang (Pusat Bandar Utara)
- Seri Petaling
- Taman Maluri
- Wisma Pertahanan (MINDEF)
- Desa Park City (Plaza Arkadia)
- Mid Valley (The Boulevard)
- Bukit Damansara (Plaza Damansara)

MELAKA

- Bukit Baru (Delima Point)
- Melaka Raya

NEGERI SEMBILAN

- Gemas (Kem Syed Sirajuddin)
- Nilai
- Senawang
- Sendayan (Bandar Sri Sendayan)
- Seremban (Jalan Dato' Bandar Tunggal)
- Port Dickson
- Seremban 2

PAHANG

- Kuantan (Menara Zenith, Putra Square)
- Temerloh
- Mentakab
- Jengka (Nadi Kota)
- Kota Sas (Kuantan)
- Cameron Highlands (Brinchang)
- Raub (Pusat Perniagaan Putra)
- Genting Permai (Genting Highlands)

TERENGGANU

- Kuala Terengganu
- Kemaman (Taman Chukai Utama)
- Kemaman Supply Base

KELANTAN

- Jeli (Bukit Bunga)
- Kota Bharu (Jalan Sultan Ibrahim)

SARAWAK

- Kuching (Jalan Tuanku Abdul Rahman)
- Miri (Boulevard Commercial Center)
- Prince Commercial (Kota Sentosa)
- Sibul
- NorthBank (Tabuan Jaya)
- Bintulu (Jalan Tun Ahmad Zaidi)
- Springville Commercial Centre, Bintulu
- iCom Square (Jalan Pending)
- Jalan Satok (Al Idrus Commercial Centre)
- Batu Kawah (Pines Square)
- Saradise (Kuching)
- Miri Times Square (Marina ParkCity)
- Hikmah Exchange (Tower 1)

SABAH

- Lahad Datu (Bandar Sri Perdana Fasa 5)
- Kota Kinabalu (Damai Plaza)
- Sandakan (Jalan Utara)
- Tawau (Jalan Hj. Karim)
- Jalan Gaya (Kota Kinabalu)
- Bandar Sri Indah, Tawau (Miles 10, Jalan Apas)
- Inanam (Plaza Kolombong)

PUTRAJAYA

- Putrajaya (MOF Complex, Presint 2)
- Presint 15 (Nadi @15)

Notice of 50th Annual General Meeting

NOTICE IS HEREBY GIVEN THAT THE 50TH ANNUAL GENERAL MEETING (“AGM”) OF AFFIN BANK BERHAD [197501003274 (25046-T)] (“ABB/THE COMPANY”) WILL BE HELD ON WEDNESDAY, 22 APRIL 2026 AT 10.00 A.M. AT THE TAMING SARI GRAND BALLROOM, THE ROYALE CHULAN KUALA LUMPUR, 5 JALAN CONLAY, 50450 KUALA LUMPUR (“MAIN VENUE”) AND VIRTUALLY BY WAY OF ELECTRONIC MEANS VIA VISTRA SHARE REGISTRY AND IPO (MY) PORTAL (“THE PORTAL”) AT [HTTPS://SRMY.VISTRA.COM](https://SRMY.VISTRA.COM) TO TRANSACT THE FOLLOWING BUSINESSES:

AGENDA

AS ORDINARY BUSINESSES:

1. To receive the Audited Financial Statements of the Company for the financial year ended 31 December 2025 together with the Reports of the Directors and Auditors thereon.
2. To approve the payment of a single-tier final dividend of 8.53 sen per ordinary share in respect of the financial year ended 31 December 2025. **Ordinary Resolution 1**
3. To re-elect the following Directors who retire by rotation pursuant to Article 118 of the Company’s Constitution and who being eligible, offer themselves for re-election:
 - 3.1 Mr. Chan Tze Ching, Ignatius **Ordinary Resolution 2**
 - 3.2 Dato’ Rozalila binti Abdul Rahman **Ordinary Resolution 3**

Dato’ Md Agil bin Mohd Natt who also retires by rotation pursuant to Article 118 of the Company’s Constitution, has expressed his intention to retire from office and not to seek re-election. Hence, he will retire from office upon the conclusion of the 50th AGM of the Company.
4. To re-elect the following Directors who retire by rotation pursuant to Article 124 of the Company’s Constitution and who being eligible, offer themselves for re-election:
 - 4.1 Dato Sharkawi bin Alis **Ordinary Resolution 4**
 - 4.2 Datu Hajah Elean binti Masa’at **Ordinary Resolution 5**
 - 4.3 Tan Sri Datuk Amar Abang Iskandar bin Abang Hashim **Ordinary Resolution 6**
 - 4.4 Datuk Hamirullah bin Boorhan **Ordinary Resolution 7**
5. To approve the following fees and payment of the same to the Non-Executive Directors for the period from the 50th AGM to the 51st AGM of the Company:
 - 5.1 Chairman’s fee of RM265,000 per annum; **Ordinary Resolution 8**
 - 5.2 Director’s fee of RM165,000 per annum for each Non-Executive Director;
 - 5.3 Board Committee Chairman’s fee of RM50,000 per annum for the Chairman of each Board Committee; and
 - 5.4 Board Committee member’s fee of RM35,000 per annum for each member of a Board Committee
6. To approve the payment of Directors’ benefits of an amount up to RM2,500,000 to eligible Non-Executive Directors from the 50th AGM to the 51st AGM of the Company. **Ordinary Resolution 9**
7. To re-appoint Messrs. PricewaterhouseCoopers PLT as the Company’s Auditors for the financial year ending 31 December 2026 and to authorise the Directors to fix the Auditors’ remuneration. **Ordinary Resolution 10**

Notice of 50th Annual General Meeting

AS SPECIAL BUSINESSES:

To consider, and if thought fit, to pass the following Ordinary Resolutions:

8. **AUTHORITY FOR DIRECTORS TO ALLOT AND ISSUE NEW ORDINARY SHARES IN AFFIN BANK BERHAD (“ABB SHARES”)** **Ordinary Resolution 11**

“THAT subject always to the Companies Act, 2016 (“Act”), the Company’s Constitution, the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Malaysia”) and approval of the relevant government/regulatory authorities, the Directors be and are hereby authorised pursuant to Sections 75 and 76 of the Act, to allot and issue ABB Shares, grant rights to subscribe for shares, convert any securities into shares, or allot shares under an agreement, option, or offer, at any time, at such price and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit, provided that the aggregate number of ABB Shares to be allotted, to be subscribed under any rights granted, to be issued from conversion of any securities, or to be issued and allotted under an agreement, option, or offer during the preceding 12 months pursuant to this resolution does not exceed ten percent (10%) of the total number of issued shares (excluding treasury shares, if any) of the Company as at the date of such allotment and that the Directors be and are hereby authorised to obtain all necessary approvals from the relevant authorities for the allotment, listing of and quotation for the additional shares so allotted on Bursa Malaysia and that such authority to allot ABB Shares shall continue to be in force until the conclusion of the next AGM of the Company.

AND THAT in connection with the above, pursuant to Section 85 of the Act read together with Article 9 of the Company’s Constitution, approval be given to waive the statutory pre-emptive rights conferred upon shareholders of ABB where the Board is exempted from offering such new ABB Shares first to the existing shareholders of ABB in respect of the allotment and issuance of new ABB Shares pursuant to Sections 75 and 76 of the Act, and such new ABB Shares when issued, to rank equally in all respects with the existing ABB Shares, save and except that they shall not be entitled to any dividends, rights, allotments and/or other forms of distribution that may be declared, made or paid to the shareholders of the Company for which the entitlement date precedes the date of allotment and issuance of the new ABB Shares.”

9. **ALLOTMENT AND ISSUANCE OF NEW ORDINARY SHARES OF AFFIN BANK BERHAD (“ABB SHARES”) IN RELATION TO THE DIVIDEND REINVESTMENT PLAN BY THE COMPANY THAT GIVES THE SHAREHOLDERS OF THE COMPANY THE OPTION TO REINVEST THEIR WHOLE OR A PORTION OF THE DIVIDEND FOR WHICH THE REINVESTMENT OPTION APPLIES IN NEW ABB SHARES (“DIVIDEND REINVESTMENT PLAN”)** **Ordinary Resolution 12**

“THAT pursuant to the Dividend Reinvestment Plan as approved by the shareholders at the Extraordinary General Meeting held on 15 May 2018 and subject to the approval of the relevant regulatory authority (if any), approval be and is hereby given to the Company to allot and issue such number of new ABB Shares upon the election of the shareholders of the Company to reinvest the dividend pursuant to the Dividend Reinvestment Plan until the conclusion of the next AGM upon such terms and conditions and to such persons as the Board of Directors of the Company (“Board”), in their sole and absolute discretion, deem fit and in the interest of the Company;

AND THAT, the issue price of the said new ABB Shares which will be determined by the Board on a price-fixing date to be determined (“Price-Fixing Date”), shall not be more than 10% discount to the adjusted 5-day volume-weighted average market price (“VWAMP”) of ABB Shares immediately prior to the Price-Fixing Date, of which the VWAMP shall be adjusted ex-dividend before applying the abovementioned discount in fixing the issue price;

AND THAT the Board be and is hereby authorised to do all such acts and enter into all such transactions, arrangements and agreements, deeds or undertakings and to execute, sign and deliver for and on behalf of the Company, all such documents and impose such terms and conditions or delegate all or any part of its powers as may be necessary or expedient in order to give full effect to the Dividend Reinvestment Plan with full power to assent to any conditions, variations, modifications and/or amendments, as the Board may, in its absolute discretion deem fit and in the best interest of the Company and/or as may be imposed or agreed to by any relevant authorities.”

10. **PROPOSED ALLOCATION TO DATUK WAN RAZLY ABDULLAH BIN WAN ALI, THE PRESIDENT & GROUP CHIEF EXECUTIVE OFFICER OF ABB FOR THE YEAR 2026 PURSUANT TO THE COMPANY'S LONG-TERM INCENTIVE PLAN IN THE FORM OF AN EMPLOYEES' SHARE GRANT SCHEME ("SGS")** **Ordinary Resolution 13**

"THAT the Board be and is hereby authorised to cause or procure the offering and the allocation to Datuk Wan Razly Abdullah bin Wan Ali, being the President & Group Chief Executive Officer of ABB, of up to a maximum of 2,028,000 new ABB Shares under the SGS as they shall deem fit, being the allocation for the year 2026 and will be measured against the 2028 targets, which will be vested to him in the year 2029, subject always to such terms and conditions of the By-Laws and provided that not more than 10% of the total number of ABB Shares to be issued under the SGS shall be allocated to any individual Eligible Employee who, either singly or collectively through persons connected with the said Eligible Employee, holds 20% or more of the total number of issued shares of ABB (excluding treasury shares, if any);

AND THAT pursuant to Section 85 of the Act read together with Article 9 of the Company's Constitution, approval be given to waive the statutory pre-emptive rights conferred upon shareholders of ABB where the Board is exempted from offering such new ABB Shares first to the existing shareholders of ABB in respect of the allotment and issuance of new ABB Shares pursuant to Sections 75 and 76 of the Act, and such new ABB Shares when issued, to rank equally in all respects with the existing ABB Shares, save and except that they shall not be entitled to any dividends, rights, allotments and/or other forms of distribution that may be declared, made or paid to the shareholders of the Company for which the entitlement date precedes the date of allotment and issuance of the new ABB Shares.

AND THAT the Board be and is hereby authorised to allot and issue new ABB Shares and/or transfer such number of treasury shares and/or existing ABB Shares and/or make cash payments pursuant to the SGS to him from time to time pursuant to the vesting of his Grant(s)."

11. To transact any other business of the Company for which due notice shall have been received in accordance with the Act and the Company's Constitution.

BY ORDER OF THE BOARD

NIMMA SAFIRA KHALID
(LS0009015)
(SSM PC No. 201908001266)
Company Secretary

Kuala Lumpur
25 March 2026

Notes:

1. HYBRID 50TH AGM

- 1.1. The 50th AGM of the Company will be held through a hybrid mode whereby Member(s), proxy(ies), corporate representative(s), or attorney(s) will have an option, either:

- (a) To attend in person at the Main Venue ("Physical Attendance"); OR
- (b) To attend virtually using the Remote Participation and Voting ("RPV") facilities which are available on The Portal at <https://smy.vistra.com> ("Virtual Attendance").

Please refer to the Administrative Guide for the full guide to Physical Attendance and Virtual Attendance at the 50th AGM.

- 1.2. For the purpose of determining members entitled to attend and vote at the 50th AGM in accordance with Articles 72(b) and 72(c) of the Company's Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act 1991, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to issue a General Meeting Record of Depositors ("General Meeting ROD") as at 14 April 2026.

Notice of 50th Annual General Meeting

2. PROXY

- 2.1. A Member entitled to participate and vote at this AGM is entitled to appoint proxy(ies) to participate and vote in his/her stead. A proxy may but need not be a Member of the Company and there shall be no restriction as to the qualification of a proxy.
- 2.2. A Member who is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("Authorised Nominee") may appoint at least one (1) proxy but not more than two (2) proxies in respect of each security account it holds with ordinary shares of the Company ("ABB Shares") standing to the credit of the said securities account to participate and vote at this AGM.
- 2.3. Notwithstanding the above, for an exempt Authorised Nominee who holds ABB Shares for multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies that the exempt Authorised Nominee may appoint in respect of each Omnibus Account.
- 2.4. Where a Member appoints two (2) proxies, the appointment shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.
- 2.5. The instrument appointing a proxy in the case of any individual shall be signed by the appointer or his/her attorney and in the case of a corporation, under its common seal or under the hand of the officer duly authorised.
- 2.6. With respect to deposited securities, only Members whose names appear in the General Meeting ROD on 14 April 2026 shall be entitled to participate and vote at the 50th AGM.
- 2.7. The appointment of proxy may be submitted in hard copy form or electronically via The Portal at <https://srmy.vistra.com>. The hard copy of the Proxy Form must be deposited at the office of Share Registrar of the Company, Tricor Investor & Issuing House Services Sdn. Bhd. ("Tricor") at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than 48 hours before the time set for the 50th AGM or no later than 20 April 2026 at 10.00 a.m.
- 2.8. If Members wish to submit their Proxy Form electronically via the Portal at <https://srmy.vistra.com>, please refer to the Procedures for Electronic Submission of Proxy Form as set out in the Administrative Guide for Members.

3. VOTING

- 3.1. Pursuant to Paragraph 8.29A(1) of MMLR of Bursa Malaysia, all resolutions set out in the Notice of the 50th AGM of the Company shall be put to vote by way of a poll.

4. EXPLANATORY NOTES ON ORDINARY BUSINESSES:

4.1. Audited Financial Statements for the Financial Year Ended 31 December 2025

The Audited Financial Statements are for discussion only in accordance with Section 340(1)(a) of the Act and do not require shareholders' approval. Hence, the same will not be put forward for voting.

4.2. Ordinary Resolution 1 - Payment of Single-Tier Final Dividend

The proposed single-tier final dividend as per Ordinary Resolution 1 can be entirely reinvested into new ABB Shares in accordance with the Dividend Reinvestment Plan.

Pursuant to Section 8.26 of the MMLR of Bursa Malaysia, the single-tier final dividend, if approved, shall be paid not later than three (3) months from the date of the shareholders' approval. The Books Closure Date will be announced by the Company after this AGM.

4.3. Ordinary Resolutions 2, 3, 4, 5, 6 and 7 - Re-election of Directors

Article 118 of the Company's Constitution provides that at least one-third (1/3) of the Directors who are subject to retirement by rotation or if their number is not three (3) or a multiple three (3), the number nearest to one-third (1/3) shall retire from office at every AGM of the Company and be eligible for re-election.

Article 124 of the Company's Constitution stipulates that newly appointed Directors due to a casual vacancy shall hold office only until the conclusion of the next annual general meeting and shall be eligible for re-election at such meeting.

The six (6) Directors retiring under Articles 118 and 124 respectively have given their consent for re-election at the 50th AGM of the Company. Meanwhile, Dato' Md Agil bin Mohd Natt has expressed his intention to retire from office and not to seek re-election, following more than six (6) years of steadfast leadership in shaping the Group's long term transformation journey. Accordingly, Dato' Md Agil bin Mohd Natt will retire from office upon the conclusion of the 50th AGM.

For the purpose of determining the eligibility of the Director to stand for re-election at the 50th AGM, the Board through its Group Board Nomination and Remuneration Committee ("GBNRC") had at its meeting held on 23 February 2026, assessed the retiring Directors and considered the following:

- (a) The Director's performance and contribution based on the results of the Board Effectiveness Evaluation conducted externally for the financial year ended 31 December 2025;
- (b) The Director's character, experience, integrity, competence and time commitment in discharging their roles as directors of the Company;
- (c) The Director's level of independence demonstrated by the independent director and ability to act in the best interest of the Company in decision-making; and
- (d) The Director's fitness and propriety as prescribed in Bank Negara Malaysia ("BNM")'s Policy Document on Fit and Proper.

Based on the results of the Board Effectiveness Evaluation 2025 ("BEE 2025"), the performance of each of the retiring Directors under Article 118 of the Company's Constitution and Dato Sharkawi bin Alis, who is retiring under Article 124 of the Company's Constitution were found to be satisfactory.

The other three (3) Directors retiring under Article 124 of the Company's Constitution, namely, Datu Hajah Elean binti Masa'at, did not participate in BEE 2025, given her brief tenure with the Company, whilst Tan Sri Datuk Amar Abang Iskandar bin Abang Hashim and Datuk Hamirullah bin Boorhan joined the Company in February and March 2026, respectively.

The GBNRC also considered the performance and contribution of each of the retiring Directors and has assessed the fitness and propriety as well as the independence of the Independent Non-Executive Directors ("INEDs") seeking re-election. In addition, the three (3) retiring INEDs have also provided their annual declaration/confirmation of independence in January and March 2026.

The Board had on 16 March 2026 endorsed the GBNRC's recommendation to seek shareholders' approval for the re-election of the six (6) retiring Directors. The retiring Directors had abstained from deliberations and decisions on their re-election at the Board meeting.

The profiles of the Directors who are standing for re-election at the 50th AGM are provided herein.

Notice of 50th Annual General Meeting

4.4. Ordinary Resolutions 8 and 9 - Remuneration Payable to Non-Executive Directors

Section 230(1) of the Act provides that the fees of directors and benefits payable to the directors of a public company shall be approved at a general meeting.

The Non-Executive Chairman and Non-Executive Directors (“NEDs”) are entitled to the following fees and allowances which have not changed since it was approved by the shareholders at the Company’s 46th AGM in 2022:

(a) Directors’ Fees:

	Chairman	Member
Board		
Director’s Fee (per annum)	265,000	165,000
Board Committee		
Board Committee Fee (per annum)	50,000	35,000

(b) Meeting allowance:

	Chairman	Member
Board		
Director’s Sitting Fee (per meeting)	3,000	2,500
Board Committee		
Board Committee Sitting Fee (per meeting)	2,500	2,500

The benefits payable to NEDs comprise allowances, benefits-in-kind, and other emoluments, details of which are as follows:

- (i) Meeting Allowance;
- (ii) Car Allowance and Company Driver for Chairman (based on maximum taxable rate); and
- (iii) Other Benefits - includes claimable benefits or otherwise such as monthly subscription of club membership and other facilities made available by the Company to eligible NEDs.

At the 49th AGM of the Company held on 16 April 2025, the benefits payable to the NEDs from the 49th AGM to the 50th AGM were approved for an amount of up to RM2,500,000. The utilisation of this approved amount as of 28 February 2026 is approximately 70%.

The exact amounts received by each NED are provided in Note 42 of the Audited Financial Statements for FY2025.

The total amount of benefits payable to the NEDs is maintained to be up to RM2,500,000 for the Current Period, taking into account the number of meetings for the Board/Board Committees as well as the number of NEDs involved in these meetings.

4.5. Ordinary Resolution 10 – Re-appointment of External Auditors

The Group Board Audit Committee (“GBAC”) had at its meeting held on 26 January 2026, conducted an annual review on the external auditors, Messrs. PricewaterhouseCoopers PLT in accordance with BNM’s Guidelines on External Auditors and ABB’s Policy and Procedures for Appointment of Group External Auditors. The assessment covered a wide spectrum of matters such as performance, independence, and objectivity of the external auditors.

Being satisfied with the performance, technical competency, audit approach as well as audit independence of Messrs. PricewaterhouseCoopers PLT, the GBAC has recommended the re-appointment of Messrs. PricewaterhouseCoopers PLT as the external auditors of the Company for the financial year ending 31 December 2026 (“FY2026”).

The Board had at its meeting held on 29 January 2026 endorsed the GBAC’s recommendation for the shareholders’ approval to be sought at the 50th AGM on the re-appointment of Messrs. PricewaterhouseCoopers PLT as the external auditors of the Company for FY2026 in accordance with Section 340(1)(c) of the Act.

The Board is also seeking shareholders’ approval to authorise the Directors to fix the remuneration of the external auditors for FY2026 in accordance with Section 274(1)(a) of the Act.

5. EXPLANATORY NOTES ON SPECIAL BUSINESSES:

5.1. Ordinary Resolution 11 - Authority for Directors to Issue Shares

The Company has not issued any shares under the general mandate for allotment of shares pursuant to Sections 75 and 76 of the Act which was approved at the 49th AGM held on 16 April 2025 and will lapse at the conclusion of the 50th AGM to be held on 22 April 2026.

The proposed Ordinary Resolution 11, if passed, will give powers to the Directors to issue up to a maximum of 10% of the issued share capital of the Company for the time being for such purposes as the Directors consider would be in the interests of the Company.

The authority will, unless revoked or varied by the Company in a General Meeting, expire at the conclusion of the next AGM or the expiration of the period within which the next AGM is required by law to be held, whichever is earlier.

The general mandate sought will provide flexibility to the Company for any possible fund-raising activities, including but not limited to further placing of shares, for the purpose of funding investment(s), working capital and/or acquisition(s), or other circumstances arise which involve grants of rights to subscribe for shares, conversion of any securities into shares, or allotment of shares under an agreement or option or offer, or such other application as the Directors may deem fit in the best interest of the Company.

Pursuant to Section 85 of the Act read together with Article 9 of the Company's Constitution, shareholders have pre-emptive rights to be offered any new ABB Shares which rank equally to the existing ABB Shares.

In order for the Board to issue any new ABB Shares under Sections 75 and 76 of the Act free of pre-emptive rights, such pre-emptive rights must be waived. The proposed Ordinary Resolution 11, if passed, will exclude Members' pre-emptive rights over all new ABB Shares arising from the issuance of new ABB Shares pursuant to Sections 75 and 76 of the Act.

5.2. Ordinary Resolution 12 – Dividend Reinvestment Plan

The proposed Ordinary Resolution 12, if passed, will give authority to the Board to allot and issue new ABB Shares pursuant to the Dividend Reinvestment Plan in respect of any future dividends to be declared, to which the Dividend Reinvestment Plan applies, and such authority shall expire at the conclusion of the next AGM of the Company.

5.3. Ordinary Resolution 13 - Proposed Allocation to Datuk Wan Razly Abdullah Wan Ali, the President & Group Chief Executive Officer of ABB for the year 2026 pursuant to the Company's Long-Term Incentive Plan in the Form of SGS

The proposed Ordinary Resolution 13, if passed, will enable the Company to allocate up to a maximum of 2,028,000 new ABB Shares under the SGS as the Board deems fit, being the allocation for the year 2026 and will be measured against the 2028 targets, which will be vested in the year 2029, to Datuk Wan Razly Abdullah Wan Ali, the President & Group Chief Executive Officer of ABB pursuant to the Group's Share Grant Scheme.

Pursuant to Section 85 of the Act read together with Article 9 of the Company's Constitution, shareholders have pre-emptive rights to be offered any new ABB Shares which rank equally to the existing ABB Shares.

For the Board to issue new ABB Shares to Datuk Wan Razly Abdullah Wan Ali free of pre-emptive rights, such pre-emptive rights must be waived. The proposed Ordinary Resolution 13, if passed, will exclude Members' pre-emptive rights over all new ABB Shares arising from the issuance of new ABB Shares to Datuk Wan Razly Abdullah Wan Ali pursuant to the SGS.

Statement Accompanying Notice of 50th Annual General Meeting

(pursuant to Paragraph 8.27(2) of Bursa Malaysia Securities Berhad Main Market Listing Requirements)

The profiles of the Directors who are standing for re-election as per Agenda 3 and 4 of the Notice of 50th AGM are as follows:

Resolution 2

MR. CHAN TZE CHING, IGNATIUS

Non-Independent Non-Executive Director

Nationality/Age/Gender	Hong Kong / 69 years old (as at 28 February 2026) / Male
Date of Appointment	1 December 2017
Length of Service (as at 28 February 2026)	8 years 2 months
Academic/Professional Qualification	<ul style="list-style-type: none"> • Bachelor of Business Administration, University of Hawaii, USA • Master of Business Administration, University of Hawaii, USA • Certified Public Accountant, American Institute of Certified Public Accountants
Past Directorship(s)/Working Experience	<p>Past Directorship(s)</p> <ul style="list-style-type: none"> • Chairman, Audit Committee of Hong Kong Red Cross • Judicial Committee Member of Standing Commission on Civil Service Salaries and Conditions of Service (SCCS) • Member Standing Commission of Judicial Committee, Standing Commission on Civil Service Salaries and Condition of Service • Independent Non-Executive Director of Hong Kong Exchanges and Clearing Limited • Member of Disciplinary Appeals Committee, Hong Kong Securities • Chairman of Prasac Microfinance Institution Limited, Cambodia (PRASAC) • Member of the Financial Reporting Council, Hong Kong • Non-Executive Director of Rizal Commercial Banking Corporation (RCBC) • Member of Hong Kong Tourism Board • Chairman of Hong Kong Polytechnic University Council • Deputy Chairman of Hong Kong Polytechnic University Council • Council Member of Hong Kong Polytechnic Council • Member of Executive Committee of Investor Education Centre, Securities and Futures Commission • Non-Independent Non-Executive Director of Affin Holdings Berhad • Member of Sponsorship and Development Fund Committee of Hong Kong Metropolitan University (Formerly known as Hong Kong Open University) • Non-Executive Director of ICEA Finance Holdings Limited (Former Name: Tung Shing Holdings Company Limited) • Independent Non-Executive Director of Larry Jewelry International Company Limited • Member of Greater Pearl River Delta Business Council (Convener of Services Industry Development & Human Resources Sub-group) • Member, HKSAR Advisory Committee on Bond Market Development • Chairman, HKSAR Travel Industry Compensation Fund Management Board • Member of HKSAR Advisory Committee on Human Resources Development in the Financial Services Sector • Member, HKSAR Small and Medium Size Enterprise Committee • Chairman of Financial & Treasury Services Committee, Hong Kong General Chamber of Commerce • Honorary Chairman of Hong Kong Chinese Bankers Club • Council member of Hong Kong Treasury Markets Association • Council member of Employer's Federation of Hong Kong • Advisory Board Member of Hong Kong Export Credit Insurance Corporation • Member of Banking Advisory Committee of the Hong Kong Monetary Authority

Past Directorship(s)/Working Experience (cont'd.)

Working Experience(s)

- Senior Advisor of CVC Capital Partners
- Deputy Chief Executive, Bank of China (Hong Kong)
- Head of Corporate and Investment Banking Business, Citibank, Greater China
- Chief Operating Officer, Citibank Greater China
- Country Officer, Citibank Taiwan
- Country Officer, Citibank Hong Kong
- Head, Corporate Banking Business, Citibank Hong Kong
- Country Treasurer and Head Sales and Trading, Citibank Hong Kong
- Vice President, Citibank Japan
- Management Associate, Citibank, Hong Kong and Japan

Present Directorship(s) in Public/Public Listed Companies and/or appointments

External Professional Commitment(s)

- Senior Advisor at The Bank of East Asia, Limited (BEA)

Public Listed Companies

- Director of China State Construction International Holdings Limited
- Director of Mongolian Mining Corporation (MMC)

Membership of Board Committees

- NIL

Notes:

- *Mr. Chan Tze Ching, Ignatius fulfils the fit and proper criteria as specified in the Financial Services Act 2013 and the BNM Policy Document on Fit and Proper Criteria. The Board has endorsed the GBNRC's recommendation to seek shareholders' approval for the re-election of Mr. Chan Tze Ching, Ignatius based on the satisfactory results of the Board Effectiveness Evaluation conducted for the financial year ended 31 December 2025.*
- *Mr. Chan Tze Ching, Ignatius is a nominee of The Bank of East Asia, Limited, a shareholder of Affin Bank Berhad.*

Statement Accompanying Notice of 50th Annual General Meeting

(pursuant to Paragraph 8.27(2) of Bursa Malaysia Securities Berhad Main Market Listing Requirements)

Resolution 3

DATO' ROZALILA BINTI ABDUL RAHMAN

Independent Non-Executive Director

Nationality/Age/Gender	Malaysian / 64 years old (as at 28 February 2026) / Female
Date of Appointment	4 February 2019
Length of Service (as at 28 February 2026)	7 years
Academic/Professional Qualification	<ul style="list-style-type: none"> • Bachelor of Science, Food Science & Technology, Universiti Pertanian Malaysia • Certificate of Merit, Sophia University, Japan • Diploma of Science with Education (Math Major), Universiti Pertanian Malaysia
Past Directorship(s)/Working Experience	<p>Past Directorship(s)</p> <ul style="list-style-type: none"> • Director of Awake Asia Distribution Sdn Bhd • Independent Non-Executive Director of MISC Berhad <p>Working Experience(s)</p> <ul style="list-style-type: none"> • Chief Executive Officer, Astro GS Shop Sdn Bhd • Adjunct Professor, Faculty of Economics and Management, Universiti Putra Malaysia • Chief Marketing Officer, Telekom Malaysia Berhad • General Manager, Maxis Berhad • Sales & Marketing Director, Bank Simpanan Nasional • Marketing Manager, Reckitt Benckiser, Malaysia & Singapore • Marketing Manager, Kellogg Asia Inc., South East Asia • Senior Brand Manager, Unilever (M) Holdings Sdn Bhd, Malaysia & Singapore • Brand Manager, Unilever (M) Holdings Sdn Bhd, Malaysia & Singapore • Quality Manager, Unilever (M) Holdings Sdn Bhd, Malaysia & Singapore • Lab/Quality Control Manager, Unilever (M) Holdings Sdn Bhd, Malaysia & Singapore • Product Development Manager, Unilever (M) Holdings Sdn Bhd, Malaysia & Singapore • Management Trainee, Unilever (M) Holdings Sdn Bhd, Malaysia • Cold Room Supervisor, Perwira Niaga Malaysia, PERNAMA
Present Directorship(s) in Public/ Public Listed Companies and/or appointments	<p>Public Listed Companies</p> <ul style="list-style-type: none"> • Independent Non-Executive Director and Chairman of AGX Group Berhad
Membership of Board Committees	<ul style="list-style-type: none"> • Chairman of Group Board Information Technology and Transformation Committee (appointed effective 1 March 2026) • Chairman of Group Board Compliance Committee (ceased effective 1 March 2026) • Member of Group Board Sustainability Committee

Notes:

- Dato' Rozalila Binti Abdul Rahman fulfils the fit and proper criteria as specified in the Financial Services Act 2013 and the BNM Policy Document on Fit and Proper Criteria. The Board has endorsed the GBNRC's recommendation to seek shareholders' approval for the re-election of Dato' Rozalila Binti Abdul Rahman based on the satisfactory results of the Board Effectiveness Evaluation conducted for the financial year ended 31 December 2025.
- Dato' Rozalila Binti Abdul Rahman fulfils the criteria of an independent director as defined under Bursa Malaysia Securities Berhad Main Market Listing Requirements, which include being independent of management, free from any business or other relationship which could interfere with the exercise of independent judgement, or the ability to act in the best interests of Affin Bank Berhad.
- Dato' Rozalila Binti Abdul Rahman does not hold any shares in Affin Bank Berhad, has no family relationship with any Director and/or major shareholders of Affin Bank Berhad, has no conflict of interest with Affin Bank Berhad, has not been convicted of any offence within the past five (5) years and has not been imposed any penalty by the relevant regulatory bodies during FY2025.

Resolution 4**DATO SHARKAWI BIN ALIS***Non-Independent Non-Executive Director*

Nationality/Age/Gender	Malaysian / 78 years old (as at 28 February 2026) / Male
Date of Appointment	9 May 2025
Length of Service (as at 28 February 2026)	9 months
Academic/Professional Qualification	<ul style="list-style-type: none"> • Advocate & Solicitor • Barrister-At-Law
Past Directorship(s)/Working Experience	<p>Past Directorship(s)</p> <ul style="list-style-type: none"> • Director, Malaysian Industrial Development Finance Berhad • Director, MIDF Investment Bank Berhad • Director, MIDF Amanah Asset Management Berhad • Director, MIDF Property Berhad • Chairman, Sinar Seroja Berhad (formerly known as MNRB Retakaful Berhad) • Chairman, Takaful Ikhlas Berhad • Chairman, Malaysian Reinsurance Berhad • Chairman, MNRB Holdings Berhad • Chairman, Malaysian Re (Dubai) Ltd • Chairman, Labuan Reinsurance (L) Ltd • Chairman, MNRB Scholarship Fund • Director, Motordata Research Consortium Sdn Bhd • Director, Perbadanan Pembangunan Ekonomi Sarawak (SEDC) • Director, Development Bank of Sarawak (DBOS) • Director, SME Bank <p>Working Experience(s)</p> <ul style="list-style-type: none"> • Director, Corporate Resources Division, Securities Commission Malaysia • Director, Market Supervision Division, Securities Commission Malaysia • Group Legal Adviser, Malaysia Mining Corporation Berhad • Various positions including Magistrate, President of Sessions Court, Deputy Public Prosecutor, Deputy Registrar of Companies & Senior Federal Counsel at Various Government Departments Judicial & Legal Service, Government of Malaysia
Present Directorship(s) in Public/ Public Listed Companies and/or appointments	<p>External Professional Commitment(s)</p> <ul style="list-style-type: none"> • Chairman, Bintulu Port Authority • Trustee, Yayasan Hartanah Bumiputera Sarawak <p>Public Listed Companies</p> <ul style="list-style-type: none"> • Director, Permodalan Satok Berhad
Membership of Board Committees	<ul style="list-style-type: none"> • Member of Group Board Nomination and Remuneration Committee (ceased effective 1 February 2026) • Member of Group Board Compliance Committee (ceased effective 1 February 2026)

Notes:

- Dato Sharkawi Bin Alis fulfils the fit and proper criteria as specified in the Financial Services Act 2013 and the BNM Policy Document on Fit and Proper Criteria. The Board has endorsed the GBNRC's recommendation to seek shareholders' approval for the re-election of Dato Sharkawi Bin Alis based on the satisfactory results of the Board Effectiveness Evaluation conducted for the financial year ended 31 December 2025.
- Dato Sharkawi Bin Alis is a nominee of SG AssetFin Holdings Sdn. Bhd., a major shareholder of Affin Bank Berhad.

Statement Accompanying Notice of 50th Annual General Meeting

(pursuant to Paragraph 8.27(2) of Bursa Malaysia Securities Berhad Main Market Listing Requirements)

Resolution 5

DATU HAJAH ELEAN BINTI MASA'AT

Non-Independent Non-Executive Director

Nationality/Age/Gender	Malaysian / 58 years old (as at 28 February 2026) / Female
Date of Appointment	15 August 2025
Length of Service (as at 28 February 2026)	6 months
Academic/Professional Qualification	<ul style="list-style-type: none"> Malaysian Institute of Certified Public Accountants (MICPA) Chartered Accountant, Malaysian Institute of Accountants (MIA) Master of Business Administration in Information Management, Phoenix International University (PIU) Higher Diploma in Management, New Zealand Institute of Management Advanced Diploma in Management, New Zealand Institute of Management Certificate in Practicing Management, New Zealand Institute of Management Advanced Diploma in Accountancy, Institut Teknologi Mara Diploma in Accountancy, Institut Teknologi Mara
Past Directorship(s)/Working Experience	Working Experience(s) <ul style="list-style-type: none"> State Accountant General Various capacities within the Sarawak State Treasury Department
Present Directorship(s) in Public/ Public Listed Companies and/or appointments	External Professional Commitment(s) <ul style="list-style-type: none"> State Accountant General, Sarawak Public Companies <ul style="list-style-type: none"> Director, Borneo Housing Mortgage Finance Berhad
Membership of Board Committees	NIL

Notes:

- Datu Hajah Elean Binti Masa'at fulfils the fit and proper criteria as specified in the Financial Services Act 2013 and the BNM Policy Document on Fit and Proper Criteria. The Board has endorsed the GBNRC's recommendation to seek shareholders' approval for the re-election of Datu Hajah Elean Binti Masa'at.
- Datu Hajah Elean Binti Masa'at is a nominee Director of SG AssetFin Holdings Sdn. Bhd., a major shareholder of Affin Bank Berhad.

Resolution 6**TAN SRI DATUK AMAR ABANG ISKANDAR BIN ABANG HASHIM***Independent Non-Executive Director*

Nationality/Age/Gender	Malaysian / 66 years old (as at 28 February 2026) / Male
Date of Appointment	7 February 2026
Length of Service (as at 28 February 2026)	Less than 1 month / 21 days
Academic/Professional Qualification	<ul style="list-style-type: none"> LL.B (Hons.) from the University of Malaya
Past Directorship(s)/Working Experience	Working Experience(s) <ul style="list-style-type: none"> President of the Court of Appeal Chief Judge of Sabah and Sarawak Federal Court Judge Court of Appeal Judge High Court Judge, Penang High Court High Court Judge, Kuala Lumpur High Court [RKKK1] High Court Judge, Kuala Lumpur High Court [Dagang 10] High Court Judge, Kuala Lumpur High Court [Dagang 2] Judicial Commissioner, Kuala Lumpur High Court Judicial Commissioner, Shah Alam High Court (Criminal) Director, Enforcement Division, Securities Commission Head of Commercial Crime Unit, Attorney General Chambers Head of Prosecution Unit, Bank Negara Malaysia Chairman, Tribunal, Department of Cooperative Development Malaysia Senior Federal Attorney, Attorney General Chambers Deputy Public Prosecutor, Attorney General Chambers Director, Legal and Prosecution Division, Fisheries Department, Ministry of Agriculture Deputy Public Prosecutor, Attorney General Chambers Sessions Court Judge, Sessions Court Kuala Lumpur Assistant Director, Sarawak Legal Aid Bureau Magistrate, Sibu Magistrate's Court Magistrate, Limbang Magistrate's Court Magistrate, Miri Magistrate's Court
Present Directorship(s) in Public/ Public Listed Companies and/or appointments	External Professional Commitment(s) <ul style="list-style-type: none"> Chairman, ASEAN Law Association (ALA) Malaysia
Membership of Board Committees	<ul style="list-style-type: none"> Member of Group Board Credit Review and Recovery Committee (appointed effective 7 February 2026) Chairman of Group Board Compliance Committee (appointed as member effective 7 February 2026 and subsequently redesignated as Chairman effective 1 March 2026) Member of Group Board Information Technology and Transformation Committee (appointed effective 7 February 2026)

Notes:

- Tan Sri Datuk Amar Abang Iskandar Bin Abang Hashim fulfils the fit and proper criteria as specified in the Financial Services Act 2013 and the BNM Policy Document on Fit and Proper Criteria. The Board has endorsed the GBNRC's recommendation to seek shareholders' approval for the re-election of Tan Sri Datuk Amar Abang Iskandar Bin Abang Hashim.
- Tan Sri Datuk Amar Abang Iskandar Bin Abang Hashim fulfils the criteria of an independent director as defined under Bursa Malaysia Securities Berhad Main Market Listing Requirements, which include being independent of management, free from any business or other relationship which could interfere with the exercise of independent judgement, or the ability to act in the best interests of Affin Bank Berhad.
- Tan Sri Datuk Amar Abang Iskandar Bin Abang Hashim does not hold any shares in Affin Bank Berhad, has no family relationship with any Director and/or major shareholders of Affin Bank Berhad, has no conflict of interest with Affin Bank Berhad, has not been convicted of any offence within the past five (5) years and has not been imposed any penalty by the relevant regulatory bodies during FY2025.

Statement Accompanying Notice of 50th Annual General Meeting

(pursuant to Paragraph 8.27(2) of Bursa Malaysia Securities Berhad Main Market Listing Requirements)

Resolution 7

DATUK HAMIRULLAH BIN BOORHAN

Independent Non-Executive Director

Nationality/Age/Gender	Malaysian / 62 years old / Male
Date of Appointment	12 March 2026
Length of Service (as at 28 February 2026)	NA
Academic/Professional Qualification	<ul style="list-style-type: none"> • Fellow, International Retail Banker, Retail Banking Institute, United Kingdom • MBA, International Islamic University Malaysia (IIUM) • Diploma in Accountancy, Institut Teknologi MARA • Executive programmes, Harvard Business School • Executive programmes, INSEAD - The Business School for the World • Executive programmes, The Wharton School
Past Directorship(s)/Working Experience	<p>Past Directorship(s)</p> <ul style="list-style-type: none"> • Director, Maybank Trustees Berhad • Director, Maybank Cambodia <p>Working Experience(s)</p> <ul style="list-style-type: none"> • Senior EVP & Head Community Financial Services • EVP, Head Consumer Finance • EVP, Head Automobile Financing • Various positions held at Malayan Banking Berhad, including Head of Enterprise Business & Group Relations, Head of Loan Management, Managerial roles in various loan recovery departments, consumer finance and branch management as well as Branch Manager for various branches
Present Directorship(s) in Public/ Public Listed Companies and/or appointments	<p>External Professional Commitment(s)</p> <ul style="list-style-type: none"> • Honourable Advisor, Association of Hire Purchase Companies of Malaysia • Honourable Advisor, Association of Finance Companies of Malaysia
Membership of Board Committees	<ul style="list-style-type: none"> • Chairman of Group Board Credit Review and Recovery Committee (appointed effective 12 March 2026) • Member of Group Board Risk Management Committee (appointed effective 12 March 2026)

Notes:

- Datuk Hamirullah Bin Boorhan fulfils the fit and proper criteria as specified in the Financial Services Act 2013 and the BNM Policy Document on Fit and Proper Criteria. The Board has endorsed the GBNRC's recommendation to seek shareholders' approval for the re-election of Datuk Hamirullah Bin Boorhan.
- Datuk Hamirullah Bin Boorhan fulfils the criteria of an independent director as defined under Bursa Malaysia Securities Berhad Main Market Listing Requirements, which include being independent of management, free from any business or other relationship which could interfere with the exercise of independent judgement, or the ability to act in the best interests of Affin Bank Berhad.
- Datuk Hamirullah Bin Boorhan does not hold any shares in Affin Bank Berhad, has no family relationship with any Director and/or major shareholders of Affin Bank Berhad, has no conflict of interest with Affin Bank Berhad has not been convicted of any offence within the past five (5) years and has not been imposed any penalty by the relevant regulatory bodies during FY2025.

Administrative Guide

50th Annual General Meeting

1. HYBRID 50TH ANNUAL GENERAL MEETING (“AGM”)

The 50th AGM of Affin Bank Berhad (“the Company”) will be conducted via a hybrid mode (physical and virtual) in line with Principle of the Malaysian Code of Corporate Governance (“MCCG”) and as announced by Securities Commission Malaysia and Bursa Malaysia Securities Berhad on 30 August 2024. In this respect, the Company will continue to leverage technology, to ensure that the 50th AGM supports meaningful engagement between the Board/Management and Shareholders of the Company.

The date, time and venue for the 50th AGM of the Company are as below:

Date	Time
Wednesday, 22 April 2026	10.00 a.m.
Venue	
(a) Main Venue Taming Sari Grand Ballroom The Royale Chulan Kuala Lumpur 5 Jalan Conlay, 50450 Kuala Lumpur	(b) Online Platform Vistra Share Registry and IPO (MY) portal (“The Portal”) at https://srmy.vistra.com with Remote Participation and Voting (“RPV”) facilities

Shareholders shall have the option to attend the hybrid 50th AGM either in person (“Physical Attendance”) at the Main Venue or virtually using the RPV facilities (“Virtual Attendance”) at The Portal at <https://srmy.vistra.com>. The Main Venue is the main venue in Malaysia where the Chairman of the meeting will be physically present in accordance with Section 327(2) of the Companies Act (“CA”) 2016.

2. GENERAL MEETING RECORD OF DEPOSITORS

For the purpose of determining a member who shall be entitled to attend the 50th AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd in accordance with Article 69(2) of the Company’s Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act 1991, to issue a General Meeting Record of Depositors (“General Meeting ROD”) as at 14 April 2026. Only a depositor whose name appears on the Record of Depositors as at 14 April 2026 shall be entitled to attend the said meeting or appoint proxies to attend and/or vote on his/her behalf.

3. REGISTRATION FOR ATTENDANCE AT THE MEETING VENUE ON THE DAY OF 50TH AGM

Shareholders of the Company are invited to attend the 50th AGM to exercise your right to attend, participate and vote at the AGM by Physical Attendance at the Meeting Venue or Virtual Attendance by participating remotely using RPV facilities available on The Portal at <https://srmy.vistra.com>.

(a) Physical Attendance

Pre-registration is not required if you are to attend the 50th AGM physically at the Meeting Venue. Please take note of the following notes for your physical attendance.

- (i) Registration will start at 8.00 a.m. at the counter and will end at a time as directed by the Chairman of the meeting.
- (ii) Please read the signage to ascertain which registration table you should approach to register yourself for the meeting and join the queue accordingly.
- (iii) Please produce your original Identity Card (“IC”) / passport to the registration staff for verification purposes. Please make sure you collect your IC / passport thereafter.
- (iv) No person will be allowed to register on behalf of another person even with the original IC / passport of that other person.
- (v) Upon verification, you are required to write your name and sign on the Attendance List placed on the registration table.
- (vi) You will be given an identification wristband printed with passcode. No person will be allowed to enter the meeting room without the wristband. Please retain the wristband for voting. There will be no replacement in the event that you lose or misplace the wristband.
- (vii) The registration counter will handle verification of identity, registration and revocation of proxy/proxies. If you have any enquiry, please proceed to the Help Desk.

Administrative Guide

50th Annual General Meeting

If you have registered to attend the meeting virtually via RPV and subsequently decided to be present at the Meeting Venue, registration staff will guide you on how you should register and submit your votes during the voting session.

(b) Virtual Attendance

The RPV facilities will open for registration from Wednesday, 25 March 2026 until the day of 50th AGM on Wednesday, 22 April 2026. Please refer to the procedures below for the requirements and instructions regarding RPV.

Item	Procedure	Action
1.	Register as a user at The Portal	<ul style="list-style-type: none"> • Visit the website at https://srmy.vistra.com. • Click "Register" and select "Individual Holder" and complete the New User Registration Form. • For guidance, you may refer to the tutorial guide available on the homepage. • Once registration is completed, you will receive an email notification to verify your registered email address. • After verification, your registration will be reviewed and approved within one (1) working day. A confirmation email will be sent once approved. • Once you receive the confirmation, activate your account by creating your password.
<p>PLEASE NOTE: If you are an existing user with The Portal or our TIIH Online portal previously, you are not required to register again.</p>		
2.	Submit your registration for RPV facilities	<ul style="list-style-type: none"> • Login with your user ID (e-mail address) and password and select the corporate event: "AFFIN BANK BERHAD 50TH AGM". • Navigate to the three (3)-dots menu on the right side of the corporate event and choose "Registration". • Read and agree to the Terms & Conditions and confirm the Declaration. • Review your details and proceed to submit your registration. Refer to "Submission History" for registration record. • Your registration will be verified against the Record of Depositors as of 14 April 2026. • Once approved, you will receive an email confirming your registration for remote participation together with details on RPV procedures. • If your registration is not approved, you will also receive an email notification.
<p>PLEASE NOTE: New users of The Portal are advised to allow sufficient time for the registration approval process to ensure successful log in and participation in the 50th AGM.</p>		
On the day of the 50 th AGM (22 April 2026)		
3.	Log in to The Portal	<ul style="list-style-type: none"> • Login with your user ID (e-mail address) and password and select the corporate event: "AFFIN BANK BERHAD 50TH AGM" for remote participation at the 50th AGM, two (2) hours before the meeting, from 8.00 a.m. on Wednesday, 22 April 2026.
4.	Participate through Live Streaming and Remote Voting	<ul style="list-style-type: none"> • Select the corporate event: "AFFIN BANK BERHAD 50TH AGM" to join the proceedings remotely. • If you have any question for the Chairman/Board of Directors, you may use the query box to transmit your question. The Chairman/Board of Directors will endeavor to respond to questions submitted by you during the 50th AGM. If there is time constraint, the responses will be e-mailed to you at the earliest possible, after the meeting. • Indicate your votes for the resolutions that are tabled for voting. Thereafter, confirm and submit your votes.
5.	End of Remote Participation	<ul style="list-style-type: none"> • After the declaration of the poll results and the Chair's announcement on the closure of the 50th AGM, the live streaming will be concluded.

Note to the RPV Users:

- (i) If your request to participate in the 50th AGM is approved, you will be granted access to the live-streamed meeting and the opportunity to vote remotely. Your login to The Portal on the day of the 50th AGM will indicate your virtual presence at the 50th AGM.
- (ii) Please note that the quality of your live broadcast connection relies on the internet bandwidth and stability at your location, as well as the device you are using.

If you encounter any issues with logging in, connecting to the live-streamed meeting or online voting, please reach out to the Tricor Help Line at 011-4080 5616, 011-4080 3168, 011-4080 3169, or 011-4080 3170 or email is.enquiry@vistra.com for assistance.

4. APPOINTMENT OF PROXY

(a) Appointment of Chairman of the meeting as proxy

If a shareholder is not able to attend the 50th AGM, he/she can appoint the Chairman of the meeting as his/her proxy and indicate the voting instructions in the Proxy Form. The same must be deposited or submitted in accordance with **Note 5** below.

(b) Appointment of proxy, corporate representative or attorney

- (i) A shareholder who has appointed a proxy(ies), corporate representative(s) or attorney(s) to participate at this 50th AGM must ensure that the proxy form is completed with the required information, signed and dated accordingly. The same must be deposited in accordance with **Note 5** below.
- (ii) The shareholder must also request his/her proxy(ies), authorised representative or attorney to register himself/herself as a user with The Portal at <https://srmy.vistra.com>.
- (iii) The representative of a corporation or institutional shareholder must register as a user first in accordance with **Note 5 (b)** below, before he/she can subscribe to this corporate holder electronic submission.

(c) Documents relating to appointment as corporate representative

For a corporate member who has appointed a representative to participate at the 50th AGM, please deposit the **ORIGINAL** certificate of appointment with the Share Registrar of the Company, Tricor Investor & Issuing House Services Sdn. Bhd. ("Tricor") at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia. The certificate of appointment should be executed in the following manner:

- (i) If the corporate member has a common seal, the certificate of appointment should be executed under seal in accordance with the constitution of the corporate member.
- (ii) If the corporate member does not have a common seal, the certificate of appointment should be affixed with the rubber stamp of the corporate member (if any) and executed by at least two (2) authorised officers, of whom one shall be a director; or any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.

(d) Documents relating to appointment of proxy by power of attorney

- (i) Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with the Share Registrar of the Company, Tricor at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.
- (ii) A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.

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50th Annual General Meeting

5. CUT-OFF DATE AND TIME FOR LODGEMENT OF PROXY FORM

As approved by the Board with reference to Article 102 of the Company's Constitution, proxy forms and/or documents relating to the appointment of proxy/corporate representative/attorney for the 50th AGM whether in hard copy or by electronic means shall be deposited or submitted in the following manner not later than **10.00 a.m. on Monday, 20 April 2026** in accordance with Article 104 of the Company's Constitution:

- (a) In hard copy:
- (i) By hand or post: to the office of the Share Registrar of the Company, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur;
- (b) In electronic form via The Portal at <https://srmy.vistra.com>:

Item	Procedure	Action
For Individual Shareholders		

- | | | |
|----|----------------------------------|---|
| 1. | Register as a user at The Portal | <ul style="list-style-type: none"> • Visit the website at https://srmy.vistra.com. • Click "Register" and select "Individual Holder" and complete the New User Registration Form. • For guidance, you may refer to the tutorial guide available on the homepage. • Once registration is completed, you will receive an email notification to verify your registered email address. • After verification, your registration will be reviewed and approved within one (1) working day. A confirmation email will be sent once approved. • Once you receive the confirmation, activate your account by creating your password. |
|----|----------------------------------|---|

PLEASE NOTE:

If you are an existing user with The Portal or our TIIH Online portal previously, you are not required to register again.

- | | | |
|----|--|---|
| 2. | Proceed with submission of Form of Proxy | <ul style="list-style-type: none"> • After the release of the Notice of Meeting by the Company, log in with your registered email address and password. • Select the corporate event: "AFFIN BANK BERHAD 50TH AGM" • Navigate to the three (3)-dot menu at the end of the corporate event and select "SUBMISSION OF PROXY FORM". • Read and agree to the Terms and Conditions and confirm the Declaration. • Indicate the total number of shares assigned to your proxy(ies) to vote on your behalf. • Appoint your proxy(ies) by inserting the required details or appoint the Chair of the meeting as your proxy. • Indicate your voting instructions - FOR or AGAINST or ABSTAIN. • Print the Form of Proxy for your record. |
|----|--|---|

Item	Procedure	Action
For Corporation or Institutional Shareholders		
1.	Register as a user at The Portal	<ul style="list-style-type: none"> Visit the website at https://srmy.vistra.com. Click “Register” and select “Representative of Corporate Holder” and complete the New User Registration Form. Complete the form with your personal details. Once submitted, you will receive an email notification to verify your registered email address. After verification, your registration will be reviewed and approved within two (2) working days. A confirmation email will be sent once approved. Once approved, activate your account by creating your password. <p>PLEASE NOTE: <i>A representative of a corporation or institutional shareholder must register as a user in accordance with the above steps before subscribing to the corporate holder electronic proxy submission. Please contact Tricor if clarification is required regarding the registration process.</i></p>
2.	Proceed with submission of Form of Proxy	<ul style="list-style-type: none"> Login to https://srmy.vistra.com with your registered email address and password. Select the corporate event: “AFFIN BANK BERHAD 50TH AGM” Navigate to the “>” icon at the end of the corporate event. Read and agree to the Terms and Conditions, then confirm the Declaration. Select the corporate holder’s name. Download the submission file. Prepare the file by inserting the required data for the appointment of proxy(ies). Upload the duly completed proxy appointment file. Select “Confirm” to complete your submission. Print the confirmation report of your submission for your record.

6. INTEGRATED REPORT 2025

The Company’s Integrated Report 2025 is available on the Company’s website at <https://affin.listedcompany.com/ar.html>

You may request a printed copy of the Integrated Report 2025 at <https://srmy.vistra.com> by selecting “Request for Annual Report/Circular” under “Investor Services”. However, we hope you would consider the environmental and sustainability concerns, and refrain from requesting a printed copy of the Integrated Report 2025.

7. SUBMISSION OF QUESTIONS FOR THE 50TH AGM

(a) Prior to the meeting

Shareholders may submit questions in relation to the agenda items for the 50th AGM prior to the meeting date via The Portal at <https://srmy.vistra.com> by selecting “e-Services” to log in, pose questions and submit electronically not later than 10.00 a.m. on Monday, 20 April 2026. The responses to these questions will be shared at the 50th AGM.

(b) During the meeting

For submission of questions ‘live’ during the 50th AGM

Physical Meeting Attendance	Virtual remote participation via RPV
Verified shareholder(s), proxy(ies) and corporate representative(s) will be able to ask questions in person at the AGM Main Venue	Verified shareholder(s), proxy(ies) and corporate representative(s) may use the Query Box facility to ask questions real-time (in the form of typed text) during the meeting.

The Board and Senior Management will provide the responses to the questions accordingly.

Administrative Guide

50th Annual General Meeting

8. ENQUIRY

If you have any enquiry prior to the 50th AGM, please contact the Share Registrar during office hours from 9.00 a.m. to 5.00 p.m. (Monday to Friday, except for public holidays):

(b) Tricor Investor & Issuing House Services Sdn Bhd
Registration No. 197101000970 (11324-H)
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur, Malaysia

General Line 603-2783 9299
E-mail is.enquiry@vistra.com

The Company shall abide by the prevailing and applicable procedures and guidelines as well as precautionary measures as prescribed by the Government and other relevant authorities. In the event that any new procedures, guidelines, or measures may affect the administration of the 50th AGM as set out in this Administrative Guide and require a material change to the proceedings of the meeting, the Company will issue announcement on the same accordingly. Hence, please contact the above officers or check the Company's website for announcements on the latest update (if any) in relation to the 50th AGM.

FORM OF PROXY



I/We _____ NRIC No./Company No. _____
(Full Name in Block Letters)

of _____
(Full Address)

_____ Tel No. _____ being a member of AFFIN BANK BERHAD, hereby appoint

Full name of proxy in capital letters	NRIC (new & old)/Passport No. of proxy	Proportion of shareholdings to be represented	
		No. of shares	%

and (if more than one (1) proxy)/or

Full name of proxy in capital letters	NRIC (new & old)/Passport No. of proxy	Proportion of shareholdings to be represented	
		No. of shares	%

or failing him/her the CHAIRMAN OF THE MEETING as my/our* proxy to participate and vote for me/us on my/our behalf at the 50th Annual General Meeting (AGM) of the Company to be held on **Wednesday, 22 April 2026 at 10.00 a.m.** at the **Taming Sari Grand Ballroom, The Royale Chulan Kuala Lumpur, 5 Jalan Conlay, 50450 Kuala Lumpur ("Main Venue")** and virtually by way of electronic means via Vistra Share Registry and IPO (MY) Portal ("The Portal") at <https://srmy.vistra.com> or any adjournment thereof.

My/our proxy(ies) is/are to vote on the resolutions as indicated by an "X" below. If no indication is given, my/our proxy(ies) shall vote or abstain as he/she thinks fit

No.	Resolutions		For	Against
1	To approve the payment of a single-tier final dividend of 8.53 sen per ordinary share in respect of the financial year ended 31 December 2025.	Ordinary Resolution 1		
2	To re-elect Mr. Chan Tze Ching, Ignatius as Director of the Company	Ordinary Resolution 2		
3	To re-elect Dato' Rozalila binti Abdul Rahman as Director of the Company	Ordinary Resolution 3		
4	To re-elect Dato Sharkawi bin Alis as Director of the Company	Ordinary Resolution 4		
5	To re-elect Datu Hajah Elean binti Masa'at as Director of the Company	Ordinary Resolution 5		
6	To re-elect Tan Sri Datuk Amar Abang Iskandar bin Abang Hashim as Director of the Company	Ordinary Resolution 6		
7	To re-elect Datuk Hamirullah bin Boorhan as Director of the Company	Ordinary Resolution 7		
8	To approve the following fees and payment of the same to the Non-Executive Directors for the period from the 50 th AGM to the 51 st AGM of the Company: 8.1 Chairman's fee of RM265,000 per annum; 8.2 Director's fee of RM165,000 per annum for each Non-Executive Director; 8.3 Board Committee Chairman's fee of RM50,000 per annum for the Chairman of each Board Committee; and 8.4 Board Committee Member's fee of RM35,000 per annum for each member of a Board Committee.	Ordinary Resolution 8		
9	To approve the payment of Directors' benefits payable to eligible Non-Executive Directors up to an amount of RM2,500,000 from the 50 th AGM to the 51 st AGM of the Company.	Ordinary Resolution 9		
10	To re-appoint Messrs PricewaterhouseCoopers PLT as the Company's Auditors for the financial year ending 31 December 2026 and to authorise the Directors to fix the Auditors' remuneration.	Ordinary Resolution 10		
11	To authorise the Directors to allot and issue new ordinary shares in the Company pursuant to Sections 75 and 76 of the Companies Act 2016.	Ordinary Resolution 11		
12	To authorise the Directors to allot and issue new ordinary shares of the Company in relation to the Dividend Reinvestment Plan.	Ordinary Resolution 12		
13	To approve the Proposed Allocation to Datuk Wan Razly Abdullah bin Wan Ali, the President & Group Chief Executive Officer of the Company for the year 2026 pursuant to the Company's long-term incentive plan in the form of an Employees' Share Grant Scheme	Ordinary Resolution 13		

Signed this on _____ day of _____ 2026

Signature of Member/Common Seal

CDS Account No.:	
No. of shares held:	
Proportion of shareholdings represented by proxies:	First proxy : % Second proxy: % 100%

Notes:

- (1) The 50th AGM of the Company will be held via a hybrid mode whereby Member(s), proxy(ies), corporate representative(s), or attorney(s) will have an option, either:
- To attend in person at the Main Venue ("Physical Attendance"); OR
 - To attend virtually using the Remote Participation and Voting (RPV) facilities which are available on The Portal at <https://srmy.vistra.com> ("Virtual Attendance").

Please refer to the Administrative Guide for the full guide to Physical Attendance and Virtual Attendance at the 50th AGM.

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- (2) For the purpose of determining members entitled to attend and vote at the 50th AGM in accordance with Articles 72(b) and 72(c) of the Company's Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act, 1991, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to issue a General Meeting Record of Depositors ("General Meeting ROD") as at 14 April 2026
- (3) A Member entitled to participate and vote at this AGM is entitled to appoint proxy(ies) to participate and vote in his/her stead. A proxy may but need not be a Member of the Company and there shall be no restriction as to the qualification of a proxy.
- (4) A Member who is an authorised nominee as defined under the Securities Industry ("Central Depositories") Act 1991 ("Authorised Nominee") may appoint at least one (1) proxy but not more than two (2) proxies in respect of each security account it holds with ordinary shares of the Company ("ABB Shares") standing to the credit of the said securities account to participate and vote at this AGM.
- (5) Notwithstanding the above, for an exempt Authorised Nominee who holds ABB Shares for multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies that the exempt Authorised Nominee may appoint in respect of each Omnibus Account.
- (6) Where a Member appoints two (2) proxies, the appointment shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.
- (7) The instrument appointing a proxy in the case of any individual shall be signed by the appointer or his/her attorney and in the case of a corporation, under its common seal or under the hand of the officer duly authorised.
- (8) With respect to deposited securities, only Members whose names appear in the General Meeting ROD on 14 April 2026 shall be entitled to participate and vote at the 50th AGM.
- (9) The appointment of proxy may be submitted in hard copy form or electronically via The Portal at <https://smy.vistra.com>. The hard copy of the Proxy Form must be deposited at the office of Share Registrar of the Company, Tricor Investor & Issuing House Services Sdn. Bhd. ("Tricor") at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than 48 hours before the time set for the 50th AGM or no later than 20 April 2026 at 10.00 a.m..
- (10) If Members wish to submit their Proxy Form electronically via the Portal at <https://smy.vistra.com>, please refer to the Procedures for Electronic Submission of Proxy Form as set out in the Administrative Guide for Members.
- (11) Pursuant to Paragraph 8.29A(1) of MMLR of Bursa Malaysia, all resolutions set out in the Notice of the 50th AGM of the Company shall be put to vote by way of a poll.

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AFFIX
STAMP

Tricor Investor & Issuing House Services Sdn Bhd

Registration No. 197101000970 (11324-H)

Unit 32-01, Level 32, Tower A
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Avenue 3, Bangsar South
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