

Affin Bank Berhad
Registration No. 197501003274 (25046-T)
Condensed Interim Financial Statements
Unaudited Statements of Financial Position as at 31 December 2024

	Note	The Group		The Bank	
		31/12/2024 RM'000	31/12/2023 RM'000	31/12/2024 RM'000	31/12/2023 RM'000
ASSETS					
Cash and short-term funds		2,852,881	5,642,363	1,960,558	3,545,685
Deposits and placements with banks and other financial institutions		302,241	840,592	604,294	1,143,443
Reverse repurchase agreements with financial institutions		-	-	8,033	-
Investment accounts due from designated financial institutions		-	-	3,248,280	3,665,450
Financial assets at fair value through profit or loss ('FVTPL')	A10	1,562,337	606,734	1,852,836	1,302,516
Derivative financial instruments	A30	450,370	470,438	412,598	348,883
Financial investments at fair value through other comprehensive income ('FVOCI')	A11	13,901,457	10,027,767	6,046,007	3,979,219
Financial investments at amortised cost ('AC')	A12	15,689,413	16,604,902	10,038,120	11,180,419
Loans, advances and financing	A13	70,892,085	65,224,997	35,640,014	34,510,450
Amount due from clients and brokers	A14	513,907	398,876	-	-
Other assets	A15	663,742	702,252	384,312	500,681
Amount due from subsidiaries		-	-	756,357	22,126
Amount due from joint ventures		4,639	32	-	-
Tax recoverable		217,929	255,645	188,728	178,043
Deferred tax assets		114,938	138,283	43,840	72,072
Statutory deposits with Bank Negara Malaysia		1,524,530	1,395,600	867,000	780,000
Investment in subsidiaries		-	-	3,304,950	3,204,123
Investment in associates		830,917	841,260	676,279	667,279
Property and equipment		1,361,772	1,383,137	1,298,483	1,368,091
Investment property		124,988	-	171,859	-
Right-of-use assets		71,865	54,127	60,733	44,938
Intangible assets		762,096	660,680	314,681	214,276
TOTAL ASSETS		111,842,107	105,247,685	67,877,962	66,727,694
LIABILITIES AND EQUITY					
Deposits from customers	B7	73,743,519	70,834,111	41,104,818	41,782,111
Investment accounts of customers		757,600	359	-	-
Deposits and placements of banks and other financial institutions	B7	8,618,411	9,050,682	5,183,589	5,695,017
Obligation on securities sold under repurchase agreements		5,567,418	4,917,910	5,188,779	4,103,954
Derivative financial instruments	A30	365,936	395,726	316,611	328,579
Bills and acceptances payable		32,341	40,686	32,341	40,686
Recourse obligation on loans/financing sold to Cagamas Berhad		5,127,995	3,974,491	3,002,564	2,859,450
Amount due to clients and brokers		370,282	214,162	-	-
Lease liabilities	B7	65,404	45,721	57,251	38,278
Other liabilities	A16	1,827,022	1,360,615	1,135,745	657,093
Amount due to subsidiaries		-	-	175,656	292,935
Provision for taxation		7	6	-	-
Borrowings and Sukuk	B7	3,764,880	3,304,401	1,506,229	1,006,030
TOTAL LIABILITIES		100,240,815	94,138,870	57,703,583	56,804,133

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

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Registration No. 197501003274 (25046-T)
Condensed Interim Financial Statements
Unaudited Statements of Financial Position as at 31 December 2024

	Note	The Group		The Bank	
		31/12/2024 RM'000	31/12/2023 RM'000	31/12/2024 RM'000	31/12/2023 RM'000
EQUITY					
Share capital		5,488,544	5,371,044	5,488,544	5,371,044
Reserves:					
FVOCI revaluation reserves	A17	170,624	169,540	207,027	204,573
Regulatory reserves	A17	473,143	337,761	335,563	270,563
Other reserves	A17	3,493	4,146	17,241	4,146
Retained profits	A17	5,465,488	5,226,324	4,126,004	4,073,235
TOTAL EQUITY		11,601,292	11,108,815	10,174,379	9,923,561
TOTAL LIABILITIES AND EQUITY		111,842,107	105,247,685	67,877,962	66,727,694
COMMITMENTS AND CONTINGENCIES	A29	85,940,014	87,430,950	66,865,818	63,141,622
CAPITAL ADEQUACY RATIOS	A31				
CET 1 capital ratio		13.217%	14.305%	12.145%	13.137%
Tier 1 capital ratio		14.635%	15.833%	13.272%	14.319%
Total capital ratio		17.063%	18.269%	15.258%	16.319%
CET 1 capital ratio (net of proposed dividends)		13.217%	14.259%	12.145%	13.066%
Tier 1 capital ratio (net of proposed dividends)		14.635%	15.787%	13.272%	14.247%
Total capital ratio (net of proposed dividends)		17.063%	18.223%	15.258%	16.247%
Net assets per share attributable to equity holders of the Bank (RM)		4.83	4.73	4.24	4.23

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

Affin Bank Berhad
Registration No. 197501003274 (25046-T)
Condensed Interim Financial Statements
Unaudited Income Statements for the Financial Quarter Ended 31 December 2024

The Group	Note	Individual Quarter Ended		Cumulative Quarter Ended	
		31/12/2024 RM'000	31/12/2023 RM'000	31/12/2024 RM'000	31/12/2023 RM'000
Interest income	A18	747,305	715,519	3,001,707	2,649,698
Interest expense	A19	(521,565)	(538,247)	(2,175,302)	(1,866,817)
Net interest income		225,740	177,272	826,405	782,881
Income from Islamic banking business		193,067	151,358	691,149	595,643
		418,807	328,630	1,517,554	1,378,524
Fee and commission income		114,015	65,064	345,162	261,508
Fee and commission expense		(35,369)	(2,848)	(47,254)	(10,930)
Net fee and commission income	A20	78,646	62,216	297,908	250,578
Net gains on financial instruments	A21	84,868	32,493	212,091	168,084
Other income	A22	(24,650)	62,854	142,194	188,597
Net income		557,671	486,193	2,169,747	1,985,783
Other operating expenses	A23	(465,479)	(400,422)	(1,668,108)	(1,421,157)
Operating profit before allowances		92,192	85,771	501,639	564,626
Write-back of/(allowance for) credit impairment losses	A24	81,578	(11,103)	170,181	(75,005)
Write-back of/(allowance for) impairment losses on other assets	A25	253	(3,200)	(18,813)	(3,200)
Operating profit		174,023	71,468	653,007	486,421
Share of results of associates		34,338	(949)	54,729	36,466
Profit before zakat and taxation		208,361	70,519	707,736	522,887
Zakat		(2,014)	(1,971)	(6,707)	(4,600)
Profit before taxation		206,347	68,548	701,029	518,287
Taxation	B5	(71,251)	(29,013)	(191,326)	(116,096)
Net profit after zakat and taxation		135,096	39,535	509,703	402,191
Attributable to:					
Equity holders of the Bank		135,096	39,535	509,703	402,191
Earnings per share attributable to equity holders of the Bank (sen):					
- Basic	B10	5.63	1.72	21.45	17.52
- Diluted	B10	5.57	1.71	21.22	17.40

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

Affin Bank Berhad
Registration No. 197501003274 (25046-T)
Condensed Interim Financial Statements
Unaudited Statements of Comprehensive Income
for the Financial Quarter Ended 31 December 2024

	Individual Quarter Ended		Cumulative Quarter Ended	
	31/12/2024 RM'000	31/12/2023 RM'000	31/12/2024 RM'000	31/12/2023 RM'000
The Group				
Net profit after zakat and taxation	135,096	39,535	509,703	402,191
Other comprehensive (loss)/income:				
<u>Items that may be reclassified subsequently to profit or loss:</u>				
- Net fair value change in financial investments at FVOCI (debt instruments)	(105,273)	79,081	9,678	136,232
- Net credit impairment loss change in financial investments at FVOCI (debt instruments)	715	(5,013)	(20,415)	2,747
- Net loss on financial investments measured at FVOCI reclassified to profit or loss on disposal (debt instruments)	(4,241)	(2,928)	(21,084)	(4,642)
- Deferred tax on financial investments at FVOCI	30,890	(23,264)	3,359	(33,237)
- Share of other comprehensive (loss)/income of associates	(14,723)	3,363	(5,813)	8,908
<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)	20,183	13,882	21,611	14,726
Other comprehensive (loss)/income for the financial year, net of tax	(72,449)	65,121	(12,664)	124,734
Total comprehensive income for the financial year	62,647	104,656	497,039	526,925
Total comprehensive income for the financial year attributable to:				
Equity holders of the Bank	62,647	104,656	497,039	526,925

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

Affin Bank Berhad
Registration No. 197501003274 (25046-T)
Condensed Interim Financial Statements
Unaudited Income Statements for the Financial Quarter Ended 31 December 2024

	Note	Individual Quarter Ended		Cumulative Quarter Ended	
		31/12/2024 RM'000	31/12/2023 RM'000	31/12/2024 RM'000	31/12/2023 RM'000
The Bank					
Interest income	A18	672,701	640,959	2,699,242	2,389,999
Interest expense	A19	(470,341)	(480,353)	(1,971,666)	(1,671,175)
Net interest income		202,360	160,606	727,576	718,824
Fee and commission income		39,441	40,845	165,748	166,963
Fee and commission expense		(5,331)	(2,848)	(17,216)	(10,930)
Net fee and commission income	A20	34,110	37,997	148,532	156,033
Net gains on financial instruments	A21	56,874	4,489	135,414	87,881
Other income	A22	58,136	63,250	311,455	383,057
Net income		351,480	266,342	1,322,977	1,345,795
Other operating expenses	A23	(303,039)	(286,626)	(1,108,392)	(992,855)
Operating profit/(loss) before allowances		48,441	(20,284)	214,585	352,940
Write-back of/(allowance for) credit impairment losses	A24	57,525	(40,405)	114,151	(92,457)
Allowances for impairment losses on other assets	A25	-	-	(9,290)	-
Profit/(loss) before taxation		105,966	(60,689)	319,446	260,483
Taxation	B5	(30,410)	6,460	(66,520)	(9,161)
Net profit/(loss) after taxation		75,556	(54,229)	252,926	251,322
Earnings/(losses) per share attributable to equity holders of the Bank (sen):					
- Basic	B10	3.15	(2.36)	10.64	10.95
- Diluted	B10	3.11	(2.35)	10.53	10.90

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Affin Bank Berhad
Registration No. 197501003274 (25046-T)
Condensed Interim Financial Statements
Unaudited Statements of Comprehensive Income
for the Financial Quarter Ended 31 December 2024

	Individual Quarter Ended		Cumulative Quarter Ended	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
The Bank	RM'000	RM'000	RM'000	RM'000
Net profit/(loss) after taxation	75,556	(54,229)	252,926	251,322
Other comprehensive (loss)/income:				
<u>Items that may be reclassified subsequently to profit or loss:</u>				
- Net fair value change in financial investments at FVOCI (debt instruments)	(50,096)	25,224	(9,756)	35,304
- Net credit impairment loss change in financial investments at FVOCI (debt instruments)	101	(3,107)	613	407
- Net loss on financial investments measured at FVOCI reclassified to profit or loss on disposal (debt instruments)	(3,181)	(2,454)	(14,725)	(2,454)
- Deferred tax on financial investments at FVOCI	15,852	(9,951)	6,140	(9,038)
<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)	20,182	13,882	20,182	13,882
Other comprehensive (loss)/income for the financial year, net of tax	(17,142)	23,594	2,454	38,101
Total comprehensive income/(loss) for the financial year	58,414	(30,635)	255,380	289,423

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

Affin Bank Berhad
Registration No. 197501003274 (25046-T)
Condensed Interim Financial Statements
Unaudited Statements of Changes in Equity
for the Financial Quarter Ended 31 December 2024

The Group	Attributable to Equity Holders of the Bank					Total equity RM'000
	Non-distributable			Distributable		
	Share capital RM'000	FVOCI revaluation reserves RM'000	Regulatory reserves RM'000	Other reserves RM'000	Retained profits RM'000	
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	-	-	-	-	509,703	509,703
Other comprehensive income (net of tax):						
- Financial investments at FVOCI	-	(6,851)	-	-	-	(6,851)
- Share of other comprehensive income of associates	-	7,935	-	(13,748)	-	(5,813)
Total comprehensive income for the financial year	-	1,084	-	(13,748)	509,703	497,039
Issuance of new shares	117,500	-	-	-	-	117,500
Share grant scheme granted	-	-	-	13,095	-	13,095
Transfer to regulatory reserves	-	-	135,382	-	(135,382)	-
Dividends	-	-	-	-	(135,157)	(135,157)
At 31 December 2024	5,488,544	170,624	473,143	3,493	5,465,488	11,601,292

	Attributable to Equity Holders of the Bank					Total equity RM'000
	Non-distributable			Distributable		
	Share capital RM'000	FVOCI revaluation reserves RM'000	Regulatory reserves RM'000	Other reserves RM'000	Retained profits RM'000	
At 1 January 2023	5,245,447	44,806	479,799	-	4,858,776	10,628,828
Net profit for the financial year	-	-	-	-	402,191	402,191
Other comprehensive income (net of tax):						
- Financial investments at FVOCI	-	115,826	-	-	-	115,826
- Share of other comprehensive income of associates	-	8,908	-	-	-	8,908
Total comprehensive income for the financial year	-	124,734	-	-	402,191	526,925
Issuance of new shares	125,597	-	-	-	-	125,597
Share grant scheme granted	-	-	-	4,146	-	4,146
Transfer from regulatory reserves	-	-	(142,038)	-	142,038	-
Dividends	-	-	-	-	(176,681)	(176,681)
At 31 December 2023	5,371,044	169,540	337,761	4,146	5,226,324	11,108,815

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

Affin Bank Berhad
Registration No. 197501003274 (25046-T)
Condensed Interim Financial Statements
Unaudited Statements of Changes in Equity
for the Financial Quarter Ended 31 December 2024

The Bank	Non-distributable			Distributable		Total equity RM'000
	Share capital RM'000	FVOCI revaluation reserves RM'000	Regulatory reserves RM'000	Other reserves RM'000	Retained profits RM'000	
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

	Non-distributable			Distributable		Total equity RM'000
	Share capital RM'000	FVOCI revaluation reserves RM'000	Regulatory reserves RM'000	Other reserves RM'000	Retained profits RM'000	
At 1 January 2023	5,245,447	166,472	416,620	-	3,852,537	9,681,076
Net profit for the financial year	-	-	-	-	251,322	251,322
Other comprehensive income (net of tax):						
- Financial investments at FVOCI	-	38,101	-	-	-	38,101
Total comprehensive income for the financial year	-	38,101	-	-	251,322	289,423
Issuance of new shares	125,597	-	-	-	-	125,597
Share grant scheme granted	-	-	-	4,146	-	4,146
Transfer from regulatory reserves	-	-	(146,057)	-	146,057	-
Dividends	-	-	-	-	(176,681)	(176,681)
At 31 December 2023	5,371,044	204,573	270,563	4,146	4,073,235	9,923,561

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

Affin Bank Berhad
Registration No. 197501003274 (25046-T)
Condensed Interim Financial Statements
Unaudited Condensed Statements of Cash Flows
for the Financial Quarter Ended 31 December 2024

	The Group		The Bank	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
	RM'000	RM'000	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before taxation	701,029	518,287	319,446	260,483
Adjustments for items not involving the movement of cash and cash equivalents	(484,562)	(338,957)	(666,601)	(384,360)
Operating profit/(loss) before changes in working capital	216,467	179,330	(347,155)	(123,877)
Net changes in operating assets	(4,632,453)	(9,637,712)	(1,526,628)	(6,943,788)
Net changes in operating liabilities	4,520,519	11,084,419	355,768	9,310,900
Tax and zakat paid	(194,306)	(188,270)	(43,958)	(77,917)
Tax and zakat refunded	1,125	54,091	1,125	44,917
Net cash (used in)/generated from operating activities	(88,648)	1,491,858	(1,560,848)	2,210,235
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received:				
- financial investments at FVOCI	396,718	166,332	225,724	31,888
- financial investments at AC	459,081	(439,163)	447,607	456,773
Dividend income received:				
- financial assets at FVTPL	4,388	3,201	2,038	1,826
- financial investments at FVOCI	1,340	922	1,190	732
- subsidiaries	-	-	76,369	151,295
- associates	64,800	-	64,800	-
Purchases of:				
- financial investments at FVOCI	(11,411,418)	(8,064,570)	(8,501,028)	(4,890,483)
- financial investments at AC	(1,736,029)	(1,442,667)	(1,542,808)	(771,878)
Redemptions/disposals of:				
- financial investments at FVOCI	7,392,518	2,012,624	6,368,527	1,217,427
- financial investments at AC	2,653,263	2,526,489	2,708,348	1,755,397
Purchases of:				
- property and equipment	(289,726)	(187,258)	(284,950)	(181,009)
- intangible assets	(7,290)	(2,130)	(5,520)	(1,767)
Proceeds from disposal of:				
- property and equipment	4,003	1,313	3,765	1,227
- foreclosed properties	10,592	5,295	-	-
Investment in subsidiary	-	-	(100,040)	(224)
Investment in associates	(9,000)	(24,600)	(9,000)	(24,600)
Net cash used in investing activities	(2,466,760)	(5,444,212)	(544,978)	(2,253,396)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	-	(1,200,000)	-	(500,000)
Drawdown of borrowings	500,000	2,035,000	504,956	500,000
Interest/profit payment on borrowings	(207,440)	(209,755)	(63,794)	(68,683)
Payment of dividend to the equity holders of the Bank	(17,657)	(51,084)	(17,657)	(51,084)
Addition of recourse obligation on loans/financing sold to Cagamas Berhad	1,144,992	2,872,012	144,992	1,772,013
Interest/profit payment from recourse obligation on loans/financing sold to Cagamas Berhad	(148,866)	(84,596)	(103,943)	(62,127)
Lease payments	(33,087)	(24,697)	(28,847)	(17,684)
Net cash generated from financing activities	1,237,942	3,336,880	435,707	1,572,435
Net (decrease)/increase in cash and cash equivalents	(1,317,466)	(615,474)	(1,670,119)	1,529,274
Effects of foreign exchange	(13,468)	119,399	(15,849)	52,124
Cash and cash equivalents at beginning of the financial year	4,435,730	4,931,805	3,545,685	1,964,287
Cash and cash equivalents at end of the financial year	3,104,796	4,435,730	1,859,717	3,545,685

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

Affin Bank Berhad
Registration No. 197501003274 (25046-T)
Condensed Interim Financial Statements
Unaudited Condensed Statements of Cash Flows
for the Financial Quarter Ended 31 December 2024

	The Group		The Bank	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
	RM'000	RM'000	RM'000	RM'000
<u>Cash and cash equivalents comprise the following:</u>				
Cash and short-term funds	2,852,881	5,642,363	1,960,558	3,545,685
Deposits and placements of banks and other financial institutions	302,241	840,592	604,294	1,143,443
	3,155,122	6,482,955	2,564,852	4,689,128
Less: Cash and short-term funds and deposits and placements with banks and other financial institutions with original maturity of more than three months	(50,326)	(2,047,225)	(705,135)	(1,143,443)
	3,104,796	4,435,730	1,859,717	3,545,685

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

Part A - Explanatory Notes pursuant to Malaysian Financial Reporting Standard ('MFRS') 134 and Policy Document on Financial Reporting issued by Bank Negara Malaysia

A1. BASIS OF PREPARATION

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

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

The unaudited condensed interim financial statements have been prepared in accordance with MFRS 134 Interim Financial Reporting issued by the Malaysian Accounting Standards Board ('MASB') Chapter 9, part K of the Listing Requirements of the Bursa Malaysia Securities Berhad and Policy Document on Financial Reporting issued by Bank Negara Malaysia ('BNM').

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

A2. ACCOUNTING POLICIES AND METHODS OF COMPUTATIONS

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

The annual improvements and amendments to MFRS which are effective for the Group and the Bank for the financial year beginning 1 January 2024:

Amendments to MFRS 101 'Presentation of Financial Statements'

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

The second amendments, 'Non-current Liabilities with Covenants' specify that covenants of loan arrangements which an entity must comply with only after the reporting date would not affect classification of a liability as current or noncurrent at the reporting date. However, those covenants that an entity is required to comply with on or before the reporting date would affect classification of a liability as current or non-current, even if the covenant is only assessed after the reporting date.

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

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

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

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

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

A3. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

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

A4. SEASONAL OR CYCLICAL FACTORS

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

Part A - Explanatory Notes pursuant to Malaysian Financial Reporting Standard ('MFRS') 134 and Policy Document on Financial Reporting issued by Bank Negara Malaysia

A5. ITEMS OF UNUSUAL NATURE, SIZE AND INCIDENCE AFFECTING NET ASSETS, EQUITY, NET INCOME OR CASH FLOWS

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

A6. CHANGES IN ESTIMATES

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

A7. BORROWINGS AND EQUITY SECURITIES

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

(a) Share capital

The share capital of the Bank increased from RM5,371,043,430 as at 31 December 2023 to RM5,488,543,516 as at 31 December 2024 via issuance of 53,998,201 new ordinary shares amounting to RM117,500,085 arising from the Dividend Reinvestment Plan ('DRP').

The outstanding ordinary shares of the Bank as at 31 December 2024 is 2,400,486,539 units (31 December 2023: 2,346,488,338 units).

(b) Borrowings and Sukuk

The Group has issued the following debt securities during the financial year:

Entity	Issuance Date	First Call Date	Maturity Date	Nominal Value	Description	Tenor
ABB	8 May 2024	Not Applicable	8 May 2029	RM500.0 million	Senior MTN	5 years
ABB	27 September 2024	Not Applicable	27 March 2025	RM5.0 million	Commercial Paper	181 days
AIBB	27 September 2024	Not Applicable	27 March 2025	RM5.0 million	Islamic Commercial Paper	181 days
AHIBB	27 September 2024	Not Applicable	27 March 2025	RM5.0 million	Commercial Paper	181 days

The Bank has issued the following debt securities during the financial year:

Entity	Issuance Date	First Call Date	Maturity Date	Nominal Value	Description	Tenor
ABB	8 May 2024	Not Applicable	8 May 2029	RM500.0 million	Senior MTN	5 years
ABB	27 September 2024	Not Applicable	27 March 2025	RM5.0 million	Commercial Paper	181 days

A8. DIVIDENDS PAID AND PROPOSED

A single-tier final dividend of 5.76 sen per ordinary share amounting to dividend payable of RM135,157,697 in respect of the financial year ended 31 December 2023 was paid on 12 June 2024.

No dividend has been paid and proposed for the quarter under review.

A9. STATUS OF CORPORATE PROPOSAL

There were no corporate proposal reported during the financial year under review other than the following:

(a) Proposed Bonus Issue

The Bank had on 25 February 2025 announced a proposed share reward to the shareholders in the form of a bonus issue of up to 133,360,363 new ordinary shares in the Bank ('Bonus Shares') on the basis of 1 Bonus Share for every 18 existing ordinary shares held in the Bank ('Proposed Bonus Issue').

The Proposed Bonus Issue is subject to the approvals of Bursa Malaysia Securities Berhad for the listing of and quotation for the Bonus Shares and shareholders of the Bank at an annual general meeting to be convened.

Part A - Explanatory Notes pursuant to Malaysian Financial Reporting Standard ('MFRS') 134 and Policy Document on Financial Reporting issued by Bank Negara Malaysia

A10. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS ('FVTPL')

	The Group		The Bank	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
	RM'000	RM'000	RM'000	RM'000
At fair value				
<u>Money market instruments:</u>				
Malaysian Government treasury bills	450,055	79,679	450,055	79,679
Malaysian Government investment certificates	392,859	-	-	-
Cagamas Bonds/Sukuk	-	45,165	-	45,165
Bank Negara Malaysia Bills	88,589	-	88,589	-
Negotiable Instruments of Deposit and Islamic Debt Certificates	244,576	239,229	1,149,708	1,041,847
	1,176,079	364,073	1,688,352	1,166,691
<u>Quoted securities:</u>				
Shares, warrants and REITs in Malaysia	146,375	89,123	-	-
Unit Trusts in Malaysia	1,299	1,257	-	-
	147,674	90,380	-	-
<u>Unquoted securities:</u>				
Shares in Malaysia	136,991	115,602	136,991	115,602
Corporate Bonds/Sukuk in Malaysia	70,534	20,225	25,234	20,223
Corporate Bonds/Sukuk outside Malaysia	31,059	16,454	2,259	-
	238,584	152,281	164,484	135,825
	1,562,337	606,734	1,852,836	1,302,516

A11. FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME ('FVOCI')

	The Group		The Bank	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
	RM'000	RM'000	RM'000	RM'000
At fair value				
<u>Money market instruments:</u>				
Malaysian Government treasury bills	99,538	307,819	99,538	307,819
Malaysian Government securities	2,604,068	1,736,804	1,263,194	680,929
Malaysian Government investment issues	2,793,101	2,360,106	537,273	351,225
Cagamas Bonds/Sukuk	429,355	923,900	237,632	620,944
Bank Negara Malaysia Bills	-	9,994	-	-
	5,926,062	5,338,623	2,137,637	1,960,917
<u>Unquoted securities:</u>				
Shares in Malaysia *	267,251	245,640	241,057	220,875
Commercial Papers	29,839	29,832	9,918	29,832
Corporate Bonds/Sukuk in Malaysia #	4,509,024	3,639,256	1,813,467	1,181,458
Corporate Bonds/Sukuk outside Malaysia	3,169,281	774,416	1,843,928	586,137
	7,975,395	4,689,144	3,908,370	2,018,302
	13,901,457	10,027,767	6,046,007	3,979,219

* Equity securities designated at FVOCI.

Certain unquoted perpetual bonds are designated at FVOCI

Part A - Explanatory Notes pursuant to Malaysian Financial Reporting Standard ('MFRS') 134 and Policy Document on Financial Reporting issued by Bank Negara Malaysia

A11. FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME ('FVOCI') (Cont.)

Movements in ECL for Financial Investments at FVOCI are as follows:

The Group	12-Month ECL Stage 1 RM'000	Lifetime ECL	Lifetime ECL	Total RM'000
		not credit impaired Stage 2 RM'000	credit impaired Stage 3 RM'000	
31/12/2024				
At beginning of the financial year	533	21,156	-	21,689
Financial assets derecognised (other than write-off)	(535)	(29,707)	-	(30,242)
New financial assets purchased	1,339	206	-	1,545
Changes due to change in credit risk	(36)	8,364	-	8,328
Other adjustments	(46)	-	-	(46)
At end of the financial year	1,255	19	-	1,274
31/12/2023				
At beginning of the financial year	817	18,125	-	18,942
Total transfer between stages due to change in credit risk:	(393)	393	-	-
- Transfer to Lifetime ECL not credit impaired (Stage 2)	(393)	393	-	-
Financial assets derecognised (other than write-off)	(3,079)	-	-	(3,079)
New financial assets purchased	4,985	-	-	4,985
Changes due to change in credit risk	(1,797)	2,638	-	841
At end of the financial year	533	21,156	-	21,689

The Bank	12-Month ECL Stage 1 RM'000	Lifetime ECL	Lifetime ECL	Total RM'000
		not credit impaired Stage 2 RM'000	credit impaired Stage 3 RM'000	
31/12/2024				
At beginning of the financial year	172	235	-	407
Financial assets derecognised (other than write-off)	(325)	-	-	(325)
New financial assets purchased	701	206	-	907
Changes due to change in credit risk	263	(195)	-	68
Other adjustments	(37)	-	-	(37)
At end of the financial year	774	246	-	1,020
31/12/2023				
At beginning of the financial year	-	-	-	-
Total transfer between stages due to change in credit risk:	(197)	197	-	-
- Transfer to Lifetime ECL not credit impaired (Stage 2)	(197)	197	-	-
Financial assets derecognised (other than write-off)	(2,148)	-	-	(2,148)
New financial assets purchased	3,468	-	-	3,468
Changes due to change in credit risk	(951)	38	-	(913)
At end of the financial year	172	235	-	407

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A12. FINANCIAL INVESTMENTS AT AMORTISED COST ('AC')

	The Group		The Bank	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
	RM'000	RM'000	RM'000	RM'000
At amortised cost				
<u>Money market instruments:</u>				
Malaysian Government Securities	3,847,842	3,908,873	3,657,415	3,718,178
Malaysian Government Investment Issues	5,450,848	5,672,708	2,930,495	3,066,433
Cagamas Bonds/Sukuk	35,409	121,143	25,335	80,852
Negotiable Instruments of Deposit and Islamic Debt Certificates	-	-	-	200,074
	<u>9,334,099</u>	<u>9,702,724</u>	<u>6,613,245</u>	<u>7,065,537</u>
<u>Unquoted securities:</u>				
Shares in Malaysia	14,915	14,915	14,915	14,915
Corporate Bonds/Sukuk in Malaysia	5,850,134	6,370,749	2,949,064	3,614,670
Corporate Bonds/Sukuk outside Malaysia	514,416	615,576	480,827	577,790
Loan stock in Malaysia	-	8,101	-	-
	<u>6,379,465</u>	<u>7,009,341</u>	<u>3,444,806</u>	<u>4,207,375</u>
	<u>15,713,564</u>	<u>16,712,065</u>	<u>10,058,051</u>	<u>11,272,912</u>
Fair value changes arising from fair value hedges	(5,672)	(2,582)	(5,359)	(2,582)
	<u>15,707,892</u>	<u>16,709,483</u>	<u>10,052,692</u>	<u>11,270,330</u>
Less: ECL	(18,479)	(104,581)	(14,572)	(89,911)
	<u>15,689,413</u>	<u>16,604,902</u>	<u>10,038,120</u>	<u>11,180,419</u>

Movements in ECL for Financial Investments at AC are as follows:

	Lifetime ECL not credit impaired		Lifetime ECL credit impaired		Total
	12-Month ECL	Stage 2	Stage 3		
	RM'000	RM'000	RM'000	RM'000	RM'000
The Group					
31/12/2024					
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-offs	-	-	(7,936)		(7,936)
Other adjustments	(10)	-	(165)		(175)
At end of the financial year	<u>4,145</u>	<u>14,334</u>	<u>-</u>		<u>18,479</u>
31/12/2023					
At beginning of the financial year	9,985	55,736	15,560		81,281
Total transfer between stages due to change in credit risk:	(198)	198	-		-
- Transfer to Lifetime ECL not credit impaired (Stage 2)	(198)	198	-		-
Financial assets derecognised (other than write-off)	(1,137)	-	(7,064)		(8,201)
New financial assets purchased	407	-	-		407
Changes due to change in credit risk	(2,369)	33,839	-		31,470
Other adjustments	19	-	(395)		(376)
At end of the financial year	<u>6,707</u>	<u>89,773</u>	<u>8,101</u>		<u>104,581</u>
The Bank					
31/12/2024					
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	(9)	-	-		(9)
At end of the financial year	<u>239</u>	<u>14,333</u>	<u>-</u>		<u>14,572</u>
31/12/2023					
At beginning of the financial year	2,616	55,736	-		58,352
Total transfer between stages due to change in credit risk:	(99)	99	-		-
- Transfer to Lifetime ECL not credit impaired (Stage 2)	(99)	99	-		-
Financial assets derecognised (other than write-off)	(677)	-	-		(677)
New financial assets purchased	260	-	-		260
Changes due to change in credit risk	(1,976)	33,933	-		31,957
Other adjustments	19	-	-		19
At end of the financial year	<u>143</u>	<u>89,768</u>	<u>-</u>		<u>89,911</u>

Part A - Explanatory Notes pursuant to Malaysian Financial Reporting Standard ('MFRS') 134 and Policy Document on Financial Reporting issued by Bank Negara Malaysia

A13. LOANS, ADVANCES AND FINANCING

	The Group		The Bank	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
	RM'000	RM'000	RM'000	RM'000
(a) <u>BY TYPES</u>				
Overdrafts	2,227,336	2,448,677	1,371,016	1,556,737
Term loans/financing:				
- Housing loans/financing	21,871,406	20,187,936	11,528,863	10,042,140
- Hire purchase receivables	15,877,544	14,844,361	7,995,058	8,900,963
- Syndicated financing	2,912,929	2,806,668	1,722,406	1,242,113
- Business term loans/financing	18,992,992	17,365,088	8,587,247	8,573,241
- Other term loans/financing	95,026	144,143	-	-
Bills receivables	773,858	877,094	637,725	606,365
Trust receipts	219,437	298,452	197,083	283,965
Claims on customers under acceptances credits	3,253,242	2,904,620	2,014,187	1,895,681
Staff loans/financing (of which RM Nil to Directors)	232,278	217,849	87,845	87,768
Credit cards	515,922	454,513	421,941	376,733
Revolving credits	3,108,766	2,489,684	1,808,511	1,902,535
Margin financing	1,963,919	1,623,784	-	-
Gross loans, advances and financing	72,044,655	66,662,869	36,371,882	35,468,241
Less: ECL	(1,152,570)	(1,437,872)	(731,868)	(957,791)
Total net loans, advances and financing	70,892,085	65,224,997	35,640,014	34,510,450

Included in the Group's other term loans/financing before expected credit losses as at reporting date is RM57,658,000 (2023: RM56,807,000) of term financing disbursed by Affin Islamic Bank Berhad, a wholly-owned subsidiary of the Bank, to Affin-i Nadayu Sdn Bhd, a joint venture company of Affin Islamic Bank Berhad.

	The Group		The Bank	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
	RM'000	RM'000	RM'000	RM'000
(b) <u>BY MATURITY STRUCTURE</u>				
Maturing within one year	13,028,163	12,275,006	6,809,409	7,119,792
One year to three years	3,468,962	3,913,266	2,313,628	2,375,510
Three years to five years	6,507,527	6,181,258	4,122,230	4,072,877
Over five years	49,040,003	44,293,339	23,126,615	21,900,062
	72,044,655	66,662,869	36,371,882	35,468,241
(c) <u>BY TYPES OF CUSTOMER</u>				
Domestic banking institutions	2,173	7,287	2,173	7,287
Domestic non-banking institutions	628,511	669,501	202,212	211,984
Domestic business enterprises:				
- Small medium enterprises	11,229,492	11,087,598	8,075,997	7,998,011
- Others	12,747,758	12,560,264	6,940,400	7,448,727
Government and statutory bodies	794,959	904,324	1,585	1,436
Individuals	44,807,791	39,960,390	19,456,806	18,519,326
Other domestic entities	7,072	7,882	661	865
Foreign entities	1,826,899	1,465,623	1,692,048	1,280,605
	72,044,655	66,662,869	36,371,882	35,468,241

Part A - Explanatory Notes pursuant to Malaysian Financial Reporting Standard ('MFRS') 134 and Policy Document on Financial Reporting issued by Bank Negara Malaysia

A13. LOANS, ADVANCES AND FINANCING (Cont.)

	The Group		The Bank	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
	RM'000	RM'000	RM'000	RM'000
(d) <u>BY INTEREST / PROFIT RATE SENSITIVITY</u>				
Fixed rate:				
- Housing loans/financing	201,013	199,596	134,700	144,057
- Hire purchase receivables	15,224,681	14,694,074	7,995,052	8,900,963
- Other fixed rate loans/financing	1,455,208	1,514,610	566,573	530,490
Variable rate:				
- Base lending rate and base rate plus	28,954,603	29,829,841	15,259,536	15,446,225
- Cost plus	10,069,169	9,649,847	4,581,816	4,649,547
- Others variable rates	16,139,981	10,774,901	7,834,205	5,796,959
	72,044,655	66,662,869	36,371,882	35,468,241
(e) <u>BY ECONOMIC SECTORS</u>				
Primary agriculture	1,411,019	1,501,595	664,463	701,814
Mining and quarrying	106,498	393,026	48,787	284,353
Manufacturing	4,407,474	4,042,298	2,924,282	2,752,809
Electricity, gas and water supply	477,639	474,648	63,697	87,559
Construction	2,455,996	2,083,785	1,262,568	1,010,607
Real estate	4,568,302	4,938,887	3,321,139	3,578,499
Wholesale, retail trade, hotels and restaurants	6,175,182	6,226,712	4,554,894	4,793,959
Transport, storage and communication	3,252,058	2,420,702	2,100,736	1,536,815
Finance, insurance and business services	2,240,367	2,331,069	1,289,002	1,480,144
Education, health and others	1,922,851	2,113,853	527,308	604,066
Household	45,025,501	40,135,534	19,613,720	18,636,856
Others	1,768	760	1,286	760
	72,044,655	66,662,869	36,371,882	35,468,241
(f) <u>BY ECONOMIC PURPOSE</u>				
Purchase of securities	4,125,098	3,024,949	306,041	326,206
Purchase of transport vehicles	16,569,587	15,500,675	8,379,180	9,217,571
Purchase of landed properties of which:				
- Residential	22,178,419	20,548,761	11,680,416	10,185,729
- Non-residential	6,728,751	6,993,057	4,659,922	4,570,282
Fixed assets other than land and building	461,013	479,659	203,948	191,638
Personal use	4,763,966	3,746,713	632,086	691,031
Credit card	515,922	454,513	421,941	376,733
Consumer durable	320	237	14	17
Construction	2,155,973	2,353,404	1,318,622	1,449,449
Merger and acquisition	87,026	12,078	-	12,078
Working capital	11,545,408	11,613,969	6,735,630	7,064,878
Others	2,913,172	1,934,854	2,034,082	1,382,629
	72,044,655	66,662,869	36,371,882	35,468,241

Part A - Explanatory Notes pursuant to Malaysian Financial Reporting Standard ('MFRS') 134 and Policy Document on Financial Reporting issued by Bank Negara Malaysia

A13. LOANS, ADVANCES AND FINANCING (Cont.)

	The Group		The Bank	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
	RM'000	RM'000	RM'000	RM'000
(g) <u>BY GEOGRAPHICAL DISTRIBUTION</u>				
Perlis	153,572	129,564	17,220	23,142
Kedah	2,359,430	2,055,506	677,138	682,064
Pulau Pinang	4,248,905	4,084,333	2,337,033	2,352,305
Perak	2,087,763	1,847,668	800,432	872,516
Selangor	22,038,580	20,247,720	10,960,501	10,541,603
Wilayah Persekutuan	14,892,730	14,815,495	7,245,392	7,643,753
Negeri Sembilan	2,592,694	2,331,533	909,488	827,989
Melaka	1,230,047	1,199,734	596,564	674,944
Johor	10,563,453	9,476,772	6,474,257	5,854,763
Pahang	2,199,430	1,992,509	925,301	878,717
Terengganu	1,211,472	1,132,807	175,494	186,537
Kelantan	881,357	748,713	38,659	38,403
Sarawak	3,207,311	2,918,423	2,107,514	2,077,936
Sabah	2,602,905	2,504,646	1,578,753	1,675,413
Labuan	487,209	282,039	263,023	243,951
Outside Malaysia	1,287,797	895,407	1,265,113	894,205
	72,044,655	66,662,869	36,371,882	35,468,241
(h) <u>IMPAIRED LOANS, ADVANCES AND FINANCING</u>				
(i) <u>Movements of impaired loans, advances and financing</u>				
At beginning of the financial year	1,265,411	1,171,181	973,145	735,434
Classified as impaired	1,165,240	1,251,499	675,154	924,699
Reclassified as non-impaired	(467,156)	(884,100)	(226,793)	(526,219)
Amount recovered	(229,669)	(163,173)	(87,743)	(101,557)
Amount written-off	(335,821)	(109,996)	(266,726)	(59,212)
At end of the financial year	1,398,005	1,265,411	1,067,037	973,145
Ratio of gross impaired loans, advances and financing to gross loans, advances and financing (*)	1.94%	1.90%	2.72%	2.49%

(*) For the Bank, restricted investment accounts ('RIA') included in the ratio calculation amounting to RM3,259,649,000 (2023: RM3,572,126,000) with impaired financing amounting to RM11,382,000 (2023: RM Nil).

The outstanding contractual amounts of such assets written-off during the financial year amounting to RM335,821,000 (2023: RM109,996,000) for the Group and RM266,726,000 (2023: RM59,212,000) for the Bank respectively.

Part A - Explanatory Notes pursuant to Malaysian Financial Reporting Standard ('MFRS') 134 and Policy Document on Financial Reporting issued by Bank Negara Malaysia

A13. LOANS, ADVANCES AND FINANCING (Cont.)

(h) IMPAIRED LOANS, ADVANCES AND FINANCING (Cont.)

	The Group		The Bank	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
	RM'000	RM'000	RM'000	RM'000
(ii) <u>Impaired loans by economic sectors</u>				
Primary agriculture	10,510	9,686	10,334	9,513
Mining and quarrying	8,811	29,941	8,811	10,124
Manufacturing	56,684	40,733	50,259	34,007
Electricity, gas and water supply	11,499	4	11,457	1
Construction	138,757	179,913	110,502	121,028
Real estate	338,063	204,395	297,531	168,038
Wholesale, retail trade, hotels and restaurants	220,703	343,533	174,156	323,915
Transport, storage and communication	93,589	98,939	86,404	96,312
Finance, insurance and business services	26,509	21,211	12,613	10,617
Education, health and others	14,186	13,671	11,889	12,660
Household	478,694	323,385	293,081	186,930
	1,398,005	1,265,411	1,067,037	973,145
(iii) <u>Impaired loans by economic purpose</u>				
Purchase of securities	19,098	18,305	2	16
Purchase of transport vehicles	76,865	79,745	38,537	43,336
Purchase of landed properties of which:				
- Residential	378,797	242,475	246,858	147,602
- Non-residential	200,436	186,479	162,760	147,345
Fixed assets other than land and building	11,551	5,139	11,551	5,073
Personal use	30,563	18,434	13,657	9,234
Credit card	1,885	4,163	1,657	3,507
Construction	181,462	194,380	181,462	194,380
Working capital	468,528	490,761	388,686	403,096
Others	28,820	25,530	21,867	19,556
	1,398,005	1,265,411	1,067,037	973,145
(iv) <u>Impaired loans by geographical distribution</u>				
Perlis	3,962	4,437	68	621
Kedah	61,163	48,031	37,471	32,478
Pulau Pinang	68,942	129,073	53,961	119,639
Perak	125,371	15,768	114,802	9,111
Selangor	467,092	374,058	317,513	263,021
Wilayah Persekutuan	421,591	350,641	367,969	315,905
Negeri Sembilan	36,266	34,555	22,192	19,349
Melaka	77,180	132,140	63,901	123,206
Johor	66,798	54,104	42,524	30,132
Pahang	35,053	27,532	28,217	24,219
Terengganu	4,028	3,606	578	667
Kelantan	9,080	6,732	360	244
Sarawak	7,286	73,315	6,761	25,711
Sabah	14,193	11,373	10,720	8,796
Outside Malaysia	-	46	-	46
	1,398,005	1,265,411	1,067,037	973,145

Part A - Explanatory Notes pursuant to Malaysian Financial Reporting Standard ('MFRS') 134 and Policy Document on Financial Reporting issued by Bank Negara Malaysia

A13. LOANS, ADVANCES AND FINANCING (Cont.)

(h) IMPAIRED LOANS, ADVANCES AND FINANCING (Cont.)

(v) Movements in ECL for loans, advances and financing

The Group 31/12/2024	12-Month	Lifetime ECL	Lifetime ECL	Total RM'000
	ECL Stage 1 RM'000	not credit impaired Stage 2 RM'000	credit impaired Stage 3 RM'000	
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

The Group 31/12/2023	12-Month	Lifetime ECL	Lifetime ECL	Total RM'000
	ECL Stage 1 RM'000	not credit impaired Stage 2 RM'000	credit impaired Stage 3 RM'000	
At beginning of the financial year	211,373	778,214	421,234	1,410,821
Total transfer between stages due to change in credit risk:	(169,761)	305,516	(135,755)	-
- Transfer to 12-month ECL (Stage 1)	46,853	(41,757)	(5,096)	-
- Transfer to Lifetime ECL not credit impaired (Stage 2)	(215,896)	436,284	(220,388)	-
- Transfer to Lifetime ECL credit impaired (Stage 3)	(718)	(89,011)	89,729	-
Loans/financing derecognised (other than write-off)	(67,652)	(58,675)	(26,487)	(152,814)
New loans/financing originated or purchased	290,231	-	-	290,231
Changes due to change in credit risk	(115,159)	(320,651)	371,623	(64,187)
Write-off	-	-	(69,723)	(69,723)
Other adjustments	228	261	23,055	23,544
At end of the financial year	149,260	704,665	583,947	1,437,872

Part A - Explanatory Notes pursuant to Malaysian Financial Reporting Standard ('MFRS') 134 and Policy Document on Financial Reporting issued by Bank Negara Malaysia

A13. LOANS, ADVANCES AND FINANCING (Cont.)

(h) IMPAIRED LOANS, ADVANCES AND FINANCING (Cont.)

(v) Movements in ECL for loans, advances and financing (Cont.)

The Bank 31/12/2024	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
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

The Bank 31/12/2023	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
At beginning of the financial year	144,574	448,993	297,399	890,966
Total transfer between stages due to change in credit risk:	(1,009)	100,548	(99,539)	-
- Transfer to 12-month ECL (Stage 1)	25,133	(21,763)	(3,370)	-
- Transfer to Lifetime ECL not credit impaired (Stage 2)	(25,554)	191,214	(165,660)	-
- Transfer to Lifetime ECL credit impaired (Stage 3)	(588)	(68,903)	69,491	-
Loans/financing derecognised (other than write-off)	(45,423)	(44,966)	(21,126)	(111,515)
New loans/financing originated or purchased	73,097	-	-	73,097
Changes due to change in credit risk	(75,819)	(112,039)	309,046	121,188
Write-off	-	-	(26,627)	(26,627)
Other adjustments	225	261	10,196	10,682
At end of the financial year	95,645	392,797	469,349	957,791

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A14. AMOUNT DUE FROM CLIENTS AND BROKERS

	The Group	
	31/12/2024	31/12/2023
	RM'000	RM'000
Amount due from stock-broking clients:		
- performing accounts	293,933	337,519
- impaired accounts (i)	151	114
Amount due from brokers	60,110	34,991
Amount due from Bursa Securities Clearing Sdn Bhd	159,940	26,475
	514,134	399,099
Less: ECL (ii)	(227)	(223)
	513,907	398,876
(i) Movements of impaired amount due from stock-broking clients		
At beginning of the financial year	114	941
Classified as impaired	3,809	412
Reclassified as non-impaired	(3,772)	(1,239)
At end of the financial year	151	114
(ii) Movements in ECL		
At beginning of the financial year	223	756
Allowance made	3,957	506
Amount written-back	(3,953)	(1,039)
At end of the financial year	227	223

A15. OTHER ASSETS

	The Group		The Bank	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
	RM'000	RM'000	RM'000	RM'000
Other debtors	437,041	528,999	262,298	396,842
Prepayments and deposits	165,006	125,901	88,510	85,536
Cheque clearing accounts	74,038	51,287	36,893	33,368
Foreclosed properties (i)	8,724	19,316	5,901	5,901
	684,809	725,503	393,602	521,647
Less: ECL (ii)	(21,067)	(23,251)	(9,290)	(20,966)
	663,742	702,252	384,312	500,681
(i) Foreclosed properties				
At beginning of the financial year	19,316	23,950	5,901	8,485
Disposal	(10,592)	(4,634)	-	(2,584)
At end of the financial year	8,724	19,316	5,901	5,901
(ii) Movements in ECL				
At beginning of the financial year	23,251	4,749	20,966	-
Allowance made	32,343	22,500	9,290	20,966
Amount written-back	(34,527)	(2,983)	(20,966)	-
Amount written-off	-	(1,015)	-	-
At end of the financial year	21,067	23,251	9,290	20,966

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A16. OTHER LIABILITIES

	The Group		The Bank	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
	RM'000	RM'000	RM'000	RM'000
BNM and CGC Funding programmes (a)	217,603	212,017	196,227	195,215
Margin and collateral deposits	128,852	125,111	102,476	104,773
Other creditors and accruals	291,487	316,832	145,045	115,297
Sundry creditors	518,993	78,757	489,463	56,650
Provision for zakat	6,301	5,383	1,048	710
Defined contribution plan (b)	37,114	61,048	34,822	59,074
Accrued employee benefits	168,291	109,736	120,024	73,183
Unearned income	121,481	127,312	34,931	37,124
Commissioned dealer's representatives trust balances	62,890	64,818	-	-
Securities borrowings and lending - borrow	202,696	151,709	-	-
Amounts payable to commissioned and salaried dealer's representatives	54,515	58,775	-	-
Add: ECL (c)				
- loan/financing commitments and financial guarantees	16,799	49,117	11,709	15,067
	1,827,022	1,360,615	1,135,745	657,093

- (a) Includes monies received by the Group and the Bank under 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 lending with a six-year maturity amounting to RM160,758,000 (2023: RM160,758,000). The financing under the government scheme is for lending 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.

	Group		Bank	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
	RM'000	RM'000	RM'000	RM'000
(c) Movement in ECL				
At beginning of the financial year	49,117	38,908	15,067	14,548
Net remeasurement of loss allowance	(32,061)	28,203	(3,684)	(2,132)
New loan commitments and financial guarantees issued	13,400	11,666	10,292	9,104
Loan commitment and financial guarantees derecognised	(13,657)	(29,660)	(9,966)	(6,453)
At end of the financial year	16,799	49,117	11,709	15,067

A17. RESERVES

	Group		Bank	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
	RM'000	RM'000	RM'000	RM'000
FVOCI revaluation reserves (a)	170,624	169,540	207,027	204,573
Regulatory reserves (b)	473,143	337,761	335,563	270,563
Other reserves (c)	3,493	4,146	17,241	4,146
Retained profits	5,465,488	5,226,324	4,126,004	4,073,235
	6,112,748	5,737,771	4,685,835	4,552,517

- (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) Other reserves arose from the Long Term Incentive Plan ('LTIP') and share of insurance finance reserve from the associates.

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A18. INTEREST INCOME

	Individual Quarter Ended		Cumulative Quarter Ended	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
	RM'000	RM'000	RM'000	RM'000
The Group				
Loan, advances and financing	531,370	517,169	2,141,243	1,953,143
Money at call and deposits placements with financial institutions	19,548	26,497	91,104	97,210
Reverse repurchase agreements with financial institutions	46	-	445	-
Financial investments at FVOCI	102,477	69,978	390,979	197,510
Financial investments at AC	91,767	99,304	369,904	393,869
Others	2,097	2,571	8,032	7,966
	747,305	715,519	3,001,707	2,649,698
The Bank				
Loan, advances and financing	453,044	443,539	1,810,114	1,690,598
Money at call and deposits placements with financial institutions	59,255	63,486	257,901	226,889
Reverse repurchase agreements with financial institutions	112	-	551	-
Financial investments at FVOCI	65,878	35,275	249,580	72,966
Financial investments at AC	93,961	98,017	379,244	397,581
Others	451	642	1,852	1,965
	672,701	640,959	2,699,242	2,389,999

A19. INTEREST EXPENSE

	Individual Quarter Ended		Cumulative Quarter Ended	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
	RM'000	RM'000	RM'000	RM'000
The Group				
Deposits from customers	363,555	389,238	1,535,278	1,414,709
Deposits and placements of banks and other financial institutions	58,436	68,745	258,890	171,035
Obligation on securities sold under repurchase agreements	50,810	40,905	197,559	139,026
Loans sold to Cagamas Berhad	30,554	24,499	105,237	72,250
Borrowings and Sukuk	18,604	13,485	60,866	56,836
Others	(394)	1,375	17,472	12,961
	521,565	538,247	2,175,302	1,866,817
The Bank				
Deposits from customers	314,982	350,877	1,366,802	1,261,478
Deposits and placements of banks and other financial institutions	55,612	57,160	247,642	154,244
Obligation on securities sold under repurchase agreements	49,039	34,080	185,884	123,032
Loans sold to Cagamas Berhad	30,554	24,499	105,237	72,250
Borrowings and Sukuk	18,698	13,485	60,964	56,836
Others	1,456	252	5,137	3,335
	470,341	480,353	1,971,666	1,671,175

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A20. NET FEE AND COMMISSION INCOME

	Individual Quarter Ended		Cumulative Quarter Ended	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
	RM'000	RM'000	RM'000	RM'000
The Group				
Fee and commission income:				
Brokerage fee income	53,127	15,293	125,858	60,462
Corporate advisory fees	7,619	1,307	11,645	4,696
Commission	12,584	16,854	48,791	54,074
Service charges and fees	23,451	20,581	103,404	99,456
Guarantee fees	3,435	3,544	14,367	14,173
Arrangement fees	1,890	637	3,226	1,923
Other fee income	11,909	6,848	37,871	26,724
	114,015	65,064	345,162	261,508
Fee and commission expense:				
Commission and referral expense	(5,331)	(2,848)	(17,216)	(10,930)
Brokerage fee expense	(30,038)	-	(30,038)	-
	(35,369)	(2,848)	(47,254)	(10,930)
Net fee and commission income	78,646	62,216	297,908	250,578
The Bank				
Fee and commission income:				
Commission	12,537	16,793	48,532	53,843
Service charges and fees	23,340	20,496	103,044	99,130
Guarantee fees	3,267	3,388	13,211	13,574
Other fee income	297	168	961	416
	39,441	40,845	165,748	166,963
Fee and commission expense:				
Commission and referral expense	(5,331)	(2,848)	(17,216)	(10,930)
Net fee and commission income	34,110	37,997	148,532	156,033

A21. NET GAINS ON FINANCIAL INSTRUMENTS

	Individual Quarter Ended		Cumulative Quarter Ended	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
	RM'000	RM'000	RM'000	RM'000
The Group				
Income from financial instruments:				
Gains arising on financial assets at FVTPL:				
- net gain on disposal	15,326	8,687	55,078	44,892
- unrealised gain	1,566	676	13,120	16,286
- interest/profit income	26,316	26,370	78,472	78,302
- gross dividend income	863	945	4,388	3,201
Gains/(losses) on derivatives instruments:				
- realised gain/(loss)	4,202	13,920	(6,948)	15,494
- unrealised gain/(loss)	33,243	(11,912)	28,298	(757)
- interest/profit income	4,293	2,936	16,102	7,163
Gains arising on financial investments at FVOCI:				
- net gain on disposal	4,260	40	14,457	4,205
- gross dividend income	458	-	1,340	922
Gains arising on financial investments at AC				
- net gain on redemption	6,796	-	6,796	62
Unrealised (losses)/gains on fair value changes arising from fair value hedges	(12,455)	(9,169)	988	(1,686)
Net gains on financial instruments	84,868	32,493	212,091	168,084

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A21. NET GAINS ON FINANCIAL INSTRUMENTS (Cont.)

The Bank	Individual Quarter Ended		Cumulative Quarter Ended	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
	RM'000	RM'000	RM'000	RM'000
Income from financial instruments:				
Gains/(losses) arising on financial assets at FVTPL:				
- net gain on disposal	6,414	3,412	7,491	14,774
- unrealised (loss)/gain	(5,766)	(4,406)	3,963	4,706
- interest income	19,922	20,675	52,430	53,048
- gross dividend income	505	524	2,038	1,826
Gains/(losses) on derivatives instruments:				
- realised gain	1,453	3,941	1,317	5,843
- unrealised gain/(loss)	34,305	(13,040)	31,893	1,191
- interest/profit income	3,817	2,552	14,339	4,931
Gains arising on financial investments at FVOCI:				
- net gain on disposal	3,181	-	14,725	2,454
- gross dividend income	458	-	1,190	732
Gains arising on financial investments at AC				
- net gain on redemption	5,040	-	5,040	62
Unrealised (losses)/gains on fair value changes arising from fair value hedges	(12,455)	(9,169)	988	(1,686)
Net gains on financial instruments	56,874	4,489	135,414	87,881

A22. OTHER INCOME

The Group	Individual Quarter Ended		Cumulative Quarter Ended	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
	RM'000	RM'000	RM'000	RM'000
Foreign exchange (losses)/gains:				
- realised	(1,007,223)	262,254	209,417	35,985
- unrealised	982,592	(200,751)	(70,915)	119,399
Rental income	(282)	(1,663)	74	227
Gain on disposal of property and equipment	2,525	1,045	2,667	1,043
Gain on disposal of foreclosed properties	-	-	-	661
Other non-operating income	(2,262)	1,969	951	6,282
Net (loss)/gain on disposal/dilution of interest in associates	-	-	-	25,000
Total other income	(24,650)	62,854	142,194	188,597
The Bank				
Foreign exchange (losses)/gains:				
- realised	(1,020,907)	290,540	86,457	88,891
- unrealised	994,360	(237,378)	49,661	52,124
Rental income	1,223	1,035	7,436	3,018
Gain on disposal of property and equipment	2,525	1,035	2,637	1,032
Gain on disposal of foreclosed properties	-	-	-	661
Other non-operating income	5,935	8,018	24,095	29,719
Gross dividend received from:				
- subsidiaries	75,000	-	76,369	151,295
- associates	-	-	64,800	-
Net gain on disposal/dilution of interest in associates	-	-	-	56,317
Total other income	58,136	63,250	311,455	383,057

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A23. OTHER OPERATING EXPENSES

The Group	Individual Quarter Ended		Cumulative Quarter Ended	
	31/12/2024 RM'000	31/12/2023 RM'000	31/12/2024 RM'000	31/12/2023 RM'000
<u>Personnel costs</u>				
Wages, salaries and bonus	211,183	184,662	771,654	673,049
Defined contribution plan	36,598	33,348	133,864	116,709
Voluntary separation scheme	46,629	963	47,426	963
Employee benefits share grant scheme ('SGS')	4,670	4,146	13,095	4,146
Other personnel costs	28,743	30,875	98,975	89,513
	327,823	253,994	1,065,014	884,380
<u>Promotion and marketing-related expenses</u>				
Business promotion and advertisement	6,842	8,746	27,492	22,572
Entertainment	289	239	2,091	1,654
Traveling and accommodation	1,315	1,479	5,658	4,612
Commission and brokerage expenses	2,704	3,439	13,799	13,170
Other marketing expenses	1,765	986	7,218	6,490
	12,915	14,889	56,258	48,498
<u>Establishment expenses</u>				
Equipment rental	872	709	4,121	2,888
Repair and maintenance	28,057	44,371	159,094	126,821
Depreciation of property and equipment	17,821	15,655	70,306	59,741
Depreciation of right-of-use assets	9,807	6,346	35,851	27,535
Amortisation of intangible assets	5,285	5,991	20,016	21,651
IT consultancy fee	483	729	1,070	967
Dataline rental	8,311	7,110	36,922	21,187
Security services	6,799	4,857	21,150	16,955
Electricity, water and sewerage	4,216	4,385	16,838	15,786
Insurance/Takaful and indemnities	1,569	6,091	20,741	25,724
Other establishment costs	5,045	3,293	13,763	26,881
	88,265	99,537	399,872	346,136
<u>General and administrative expenses</u>				
Telecommunication expenses	2,855	180	13,642	9,172
Auditors' remuneration	1,755	912	4,528	3,442
Professional fees	8,907	11,017	21,869	22,328
Property and equipment written-off	(2,596)	-	180	3
Intangible asset written-off	139	-	139	-
Mail and courier charges	389	1,049	2,634	4,463
Stationery and consumables	13	3,561	12,456	12,269
Directors' fees and allowances	2,405	2,245	8,418	7,912
Donations	(182)	403	2,097	2,933
Settlement, clearing and bank charges	10,603	8,330	37,536	50,158
Stamp duties	594	43	2,105	225
Operational and litigation write-off expenses	9	-	25	1,678
Subscription fees	2,782	2,653	11,574	9,998
Other administration and general expenses	8,803	1,609	29,761	17,562
	36,476	32,002	146,964	142,143
Total other operating expenses	465,479	400,422	1,668,108	1,421,157

Part A - Explanatory Notes pursuant to Malaysian Financial Reporting Standard ('MFRS') 134 and Policy Document on Financial Reporting issued by Bank Negara Malaysia

A23. OTHER OPERATING EXPENSES (Cont.)

The Bank	Individual Quarter Ended		Cumulative Quarter Ended	
	31/12/2024 RM'000	31/12/2023 RM'000	31/12/2024 RM'000	31/12/2023 RM'000
<u>Personnel costs</u>				
Wages, salaries and bonus	124,580	134,974	472,043	460,106
Defined contribution plan	22,534	23,642	84,049	81,800
Voluntary separation scheme	45,042	610	45,839	610
Employee benefits share grant scheme ('SGS')	3,505	2,922	9,502	2,922
Other personnel costs	5,327	10,539	66,058	54,224
	200,988	172,687	677,491	599,662
<u>Promotion and marketing-related expenses</u>				
Business promotion and advertisement	6,059	8,267	25,764	20,735
Entertainment	136	78	1,401	985
Travelling and accommodation	683	1,011	3,302	3,142
Commission and brokerage expenses	2,383	3,160	12,779	11,892
Others marketing expenses	904	326	3,077	3,316
	10,165	12,842	46,323	40,070
<u>Establishment expenses</u>				
Equipment rental	640	463	3,247	1,930
Repair and maintenance	14,439	36,162	95,023	92,955
Depreciation of property and equipment	17,152	14,948	67,494	56,574
Depreciation of right-of-use assets	8,368	7,770	30,179	24,003
Amortisation of intangible assets	5,072	5,757	19,122	20,678
IT consultancy fee	483	638	1,070	605
Dataline rental	5,865	4,875	27,139	12,250
Security services	5,249	3,822	14,973	12,722
Electricity, water and sewerage	2,661	3,366	10,590	11,524
Insurance/Takaful and indemnities	1,073	5,411	14,889	19,118
Other establishment costs	4,109	(601)	5,739	7,807
	65,111	82,611	289,465	260,166
<u>General and administrative expenses</u>				
Telecommunication expenses	331	573	2,033	2,236
Auditors' remuneration	1,196	70	3,203	1,872
Professional fees	16,484	5,052	17,153	7,185
Property and equipment written-off	(2,448)	25	70	5
Mail and courier charges	1,199	785	2,530	3,405
Stationery and consumables	2,222	2,762	8,905	8,679
Directors' fees and allowances	998	861	3,565	3,337
Donations	(396)	321	1,478	2,641
Settlement, clearing and bank charges	9,247	7,095	33,053	45,383
Stamp duties	126	42	212	170
Operational and litigation write-off expenses	8	-	24	1,678
Subscription fees	-	-	3	-
Other administration and general expenses	(2,192)	900	22,884	16,366
	26,775	18,486	95,113	92,957
Total other operating expenses	303,039	286,626	1,108,392	992,855

Part A - Explanatory Notes pursuant to Malaysian Financial Reporting Standard ('MFRS') 134 and Policy Document on Financial Reporting issued by Bank Negara Malaysia

A24. (WRITE-BACK OF)/ALLOWANCES FOR CREDIT IMPAIRMENT LOSSES

	Individual Quarter Ended		Cumulative Quarter Ended	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
	RM'000	RM'000	RM'000	RM'000
The Group				
ECL (written-back)/made on:				
- loans, advances and financing	(41,795)	14,578	(58,514)	94,686
- amount due from clients and brokers	(80)	(2)	4	(533)
- securities and placements	(28,913)	(6,265)	(97,442)	25,734
- loan/financing commitments and financial guarantee	(4,867)	10,445	(32,318)	10,209
Bad debts and financing:				
- recovered	(12,801)	(11,973)	(50,505)	(65,393)
- written-off	6,878	4,320	68,594	10,302
	(81,578)	11,103	(170,181)	75,005
The Bank				
ECL (written-back)/made on:				
- loans, advances and financing	(19,143)	52,427	(54,771)	104,223
- securities and placements	(28,201)	(4,377)	(74,710)	31,845
- loan/financing commitments and financial guarantee	(3,312)	453	(3,358)	520
Bad debts and financing:				
- recovered	(9,002)	(9,967)	(34,706)	(50,320)
- written-off	2,133	1,869	53,394	6,189
	(57,525)	40,405	(114,151)	92,457

A25. (WRITE-BACK OF)/ALLOWANCES FOR IMPAIRMENT LOSSES ON OTHER ASSETS

	Individual Quarter Ended		Cumulative Quarter Ended	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
	RM'000	RM'000	RM'000	RM'000
The Group				
Allowance for impairment made/(written-back) on:				
- amount due from joint ventures	-	4,649	32	4,649
- other debtors	(253)	(1,449)	18,781	(1,449)
	(253)	3,200	18,813	3,200
The Bank				
Allowance for impairment made on:				
- other debtors	-	-	9,290	-

Part A - Explanatory Notes pursuant to Malaysian Financial Reporting Standard ('MFRS') 134 and Policy Document on Financial Reporting issued by Bank Negara Malaysia

A26. SEGMENTAL INFORMATION ON REVENUE AND PROFIT

The segment analysis by activity for the individual and cumulative quarters ended 31 December 2024 and 31 December 2023 are as follows:

Current year's individual quarter ended 31 December 2024:

	Commercial Banking RM'000	Investment Banking RM'000	Insurance RM'000	Others RM'000	Elimination RM'000	Total RM'000
Revenue						
External revenue	511,133	43,920	-	2,618	-	557,671
Intersegment revenue	35,588	49,110	-	206	(84,904)	-
Segment revenue	546,721	93,030	-	2,824	(84,904)	557,671
Operating expenses	(399,496)	(66,611)	-	(6,321)	6,949	(465,479)
of which:						
Depreciation of property and equipment	(17,188)	(550)	-	(83)	-	(17,821)
Depreciation of right-of-use assets	(8,414)	(2,397)	-	(114)	1,118	(9,807)
Amortisation of intangible assets	(5,100)	(181)	-	(4)	-	(5,285)
Write-back of/(allowances for) impairment losses on loans, advances and financing, amount due from clients and brokers, securities and other assets	81,338	750	-	-	(257)	81,831
Segment results	228,563	27,169	-	(3,497)	(78,212)	174,023
Share of results of associates (net of tax)	-	-	34,338	-	-	34,338
Profit before zakat and taxation	228,563	27,169	34,338	(3,497)	(78,212)	208,361
Zakat	(2,014)	-	-	-	-	(2,014)
Profit before taxation	226,549	27,169	34,338	(3,497)	(78,212)	206,347
Taxation						(71,251)
Net profit for the current individual quarter						135,096

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A26. SEGMENTAL INFORMATION ON REVENUE AND PROFIT (Cont.)

The segment analysis by activity for the individual and cumulative quarters ended 31 December 2024 and 31 December 2023 are as follows (Cont.):

Preceding year's individual quarter ended 31 December 2023:

	Commercial Banking RM'000	Investment Banking RM'000	Insurance RM'000	Others RM'000	Elimination RM'000	Total RM'000
Revenue						
External revenue	389,105	94,493	-	2,595	-	486,193
Intersegment revenue	27,028	(21,896)	-	249	(5,381)	-
Segment revenue	416,133	72,597	-	2,844	(5,381)	486,193
Operating expenses	(354,922)	(50,053)	-	(4,761)	9,314	(400,422)
of which:						
Depreciation of property and equipment	(15,002)	(571)	-	(82)	-	(15,655)
Depreciation of right-of-use assets	(7,833)	(2,308)	-	(101)	3,896	(6,346)
Amortisation of intangible assets	(5,786)	(200)	-	(5)	-	(5,991)
(Allowances for)/write-back of impairment losses on loans, advances and financing, amount due from clients and brokers, securities and other assets	(20,973)	15,609	-	-	(8,939)	(14,303)
Segment results	40,238	38,153	-	(1,917)	(5,006)	71,468
Share of results of associates (net of tax)	-	-	(949)	-	-	(949)
Profit before zakat and taxation	40,238	38,153	(949)	(1,917)	(5,006)	70,519
Zakat	(1,971)	-	-	-	-	(1,971)
Profit before taxation	38,267	38,153	(949)	(1,917)	(5,006)	68,548
Taxation						(29,013)
Net profit for the preceeding individual quarter						39,535

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A26. SEGMENTAL INFORMATION ON REVENUE AND PROFIT (Cont.)

The segment analysis by activity for the individual and cumulative quarters ended 31 December 2024 and 31 December 2023 are as follows (Cont.):

Current year's cumulative quarter ended 31 December 2024:

	Commercial Banking RM'000	Investment Banking RM'000	Insurance RM'000	Others RM'000	Elimination RM'000	Total RM'000
Revenue						
External revenue	1,957,216	200,750	-	11,781	-	2,169,747
Intersegment revenue	64,881	108,193	-	1,087	(174,161)	-
Segment revenue	2,022,097	308,943	-	12,868	(174,161)	2,169,747
Operating expenses	(1,464,323)	(209,137)	-	(22,000)	27,352	(1,668,108)
of which:						
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 and financing, amount due from clients and brokers, securities and 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 current cumulative quarter						509,703

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A26. SEGMENTAL INFORMATION ON REVENUE AND PROFIT (Cont.)

The segment analysis by activity for the individual and cumulative quarters ended 31 December 2024 and 31 December 2023 are as follows (Cont.):

Preceding year's cumulative quarter ended 31 December 2023:

	Commercial Banking RM'000	Investment Banking RM'000	Insurance RM'000	Others RM'000	Elimination RM'000	Total RM'000
Revenue						
External revenue	1,749,614	223,758	-	12,411	-	1,985,783
Intersegment revenue	190,778	16,877		864	(208,519)	-
Segment revenue	1,940,392	240,635	-	13,275	(208,519)	1,985,783
Operating expenses	(1,262,736)	(173,416)	-	(13,577)	28,572	(1,421,157)
of which:						
Depreciation of property and equipment	(56,852)	(2,519)	-	(370)	-	(59,741)
Depreciation of right-of-use assets	(24,305)	(7,207)	-	(359)	4,336	(27,535)
Amortisation of intangible assets	(20,812)	(826)	-	(13)	-	(21,651)
(Allowances for)/write-back of impairment losses on loans, advances and financing, amount due from clients and brokers, securities and other assets	(94,715)	25,276	-	-	(8,766)	(78,205)
Segment results	582,941	92,495	-	(302)	(188,713)	486,421
Share of results of associates (net of tax)	-	-	36,466	-	-	36,466
Profit before zakat and taxation	582,941	92,495	36,466	(302)	(188,713)	522,887
Zakat	(4,600)	-	-	-	-	(4,600)
Profit before taxation	578,341	92,495	36,466	(302)	(188,713)	518,287
Taxation						(116,096)
Net profit for the preceeding cumulative quarter						402,191

A27. MATERIAL EVENT DURING AND SUBSEQUENT TO THE FINANCIAL YEAR

Other than as disclosed below, there were no material events during and subsequent to the balance sheet date that require disclosure or adjustments to the unaudited condensed interim financial statements:

On 27 September 2024, Lembaga Tabung Angkatan Tentera ('LTAT'), one of the substantial shareholder of the Bank, together with Boustead Holdings Berhad ('BHB'), a wholly-owned subsidiary of LTAT, had entered into a sale and purchase agreement with SG Assetfin Holdings Sdn Bhd ('SAH'), a wholly-owned special purpose vehicle of the State Financial Secretary, Sarawak ('SFS'). This agreement involves the divestment of 634,725,096 shares, representing a 26.44% equity interest of the Bank ('the Divestment').

On 27 November 2024, SFS became the largest shareholder of the Bank after acquiring a 6.87% stake from LTAT, a 20.08% stake from Boustead Holdings Berhad and the Sarawak government now owns the largest stake in the Bank. Consequently, LTAT's shareholdings in the Bank were reduced to 22.01%, from 28.88% as of 27 September 2024, while the Sarawak government total shareholdings increased to 31.25%, from 4.81%.

Other than the significant change in the Bank's shareholding structure upon completion of the Divestment, there is no financial impact on the Group and on the Bank during or subsequent to the financial year ended 31 December 2024.

Part A - Explanatory Notes pursuant to Malaysian Financial Reporting Standard ('MFRS') 134 and Policy Document on Financial Reporting issued by Bank Negara Malaysia

A28. CHANGES IN THE COMPOSITION OF THE GROUP

There were no significant changes in the composition of the Group during the financial year under review.

A29. 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 principal amounts of the commitments and contingencies of the Group and the Bank are as follows:

	The Group Principal Amount		The Bank Principal Amount	
	31/12/2024 RM'000	31/12/2023 RM'000	31/12/2024 RM'000	31/12/2023 RM'000
Direct credit substitutes *	547,957	528,245	395,893	370,153
Transaction-related contingent items	1,166,377	1,385,471	715,944	840,151
Short-term self-liquidating trade-related contingencies	3,695,873	4,620,093	43,616	100,039
Irrevocable commitments to extend credit				
- Maturity less than one year	10,816,768	7,383,227	4,553,519	4,480,382
- Maturity more than one year	2,640,367	2,826,847	1,827,307	1,924,957
Foreign exchange related contracts #				
- Less than one year	39,840,719	48,708,481	38,404,456	40,095,245
- One year to less than five years	110,334	326,889	-	-
Interest/profit rate related contracts #				
- Less than one year	2,119,000	2,577,284	1,514,000	1,907,284
- One year to less than five years	18,313,866	11,343,119	13,313,170	7,734,449
- Five years and above	868,367	757,264	765,342	640,039
Equity related contracts	94,098	16,910	-	-
Any commitments that are unconditionally cancelled at any time by the Bank without prior notice or that effectively provide for automatic cancellation due to deterioration in a borrowers' creditworthiness	-	1,624,905	-	-
Lending of 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	3,619,584	3,739,622	3,619,584
Unutilised credit card lines	1,986,666	1,712,631	1,592,949	1,429,339
	85,940,014	87,430,950	66,865,818	63,141,622

* Included in direct credit substitutes above are financial guarantee contracts of RM547,957,000 and RM395,893,000 at the Group and the Bank respectively (2023: RM528,245,000 and RM370,153,000 at the Group and the Bank respectively), of which fair value at the time of issuance is zero.

The fair value of these derivatives have been recognised as 'derivative financial instruments' in the statements of financial position and disclosed in Note A30 to the financial statements.

Part A - Explanatory Notes pursuant to Malaysian Financial Reporting Standard ('MFRS') 134 and Policy Document on Financial Reporting issued by Bank Negara Malaysia

A30. DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments measured at their fair values together with their corresponding contract/notional amounts and classified by remaining period to maturity/repricing date (whichever is earlier) as at reporting date are as follows:

	Contract/Notional Amount				Positive Fair Value				Negative Fair Value			
	Up To 1 Year RM'000	> 1 - 3 Years RM'000	> 3 Years RM'000	Total RM'000	Up To 1 Year RM'000	> 1 - 3 Years RM'000	> 3 Years RM'000	Total RM'000	Up To 1 Year RM'000	> 1 - 3 Years RM'000	> 3 Years RM'000	Total RM'000
The Group												
As at 31 December 2024												
<u>Trading derivatives</u>												
Foreign exchange derivatives:												
- Currency forwards	8,546,145	8,762	-	8,554,907	98,766	25	-	98,791	120,727	4	-	120,731
- Cross currency interest rate swaps	8,932	92,802	-	101,734	5	1,062	-	1,067	3	983	-	986
- Currency swaps	30,531,690	8,770	-	30,540,460	159,910	10	-	159,920	77,855	24	-	77,879
- Currency options	14,300	-	-	14,300	59	-	-	59	35	-	-	35
Interest/profit rate derivatives:												
- Interest/profit rate swaps	2,119,000	7,711,000	7,120,675	16,950,675	8,730	59,620	65,884	134,234	6,432	45,656	52,780	104,868
- Interest/profit rate options	-	-	529,422	529,422	-	-	1,125	1,125	-	-	1,125	1,125
Equity derivatives	94,098	-	-	94,098	-	-	-	-	17,197	-	-	17,197
<u>Hedging derivatives</u>												
Interest/profit rate derivatives:												
- Interest/profit rate swaps	-	2,039,761	2,046,087	4,085,848	-	28,493	26,681	55,174	-	26,140	16,975	43,115
	41,314,165	9,861,095	9,696,184	60,871,444	267,470	89,210	93,690	450,370	222,249	72,807	70,880	365,936
As at 31 December 2023												
<u>Trading derivatives</u>												
Foreign exchange derivatives:												
- Currency forwards	9,343,062	95,892	-	9,438,954	33,210	3,044	-	36,254	100,310	704	-	101,014
- Cross currency interest rate swaps	-	8,932	106,476	115,408	-	85	1,258	1,343	-	80	1,136	1,216
- Currency swaps	39,341,906	126,345	-	39,468,251	282,052	1,471	-	283,523	147,804	3,712	-	151,516
- Currency options	82,951	-	-	82,951	514	-	-	514	504	-	-	504
Interest/profit rate derivatives:												
- Interest/profit rate swaps	2,577,284	3,045,149	5,561,289	11,183,722	17,654	14,557	84,589	116,800	17,455	12,783	74,589	104,827
Equity derivatives	16,910	-	-	16,910	-	-	-	-	2,562	-	-	2,562
<u>Hedging derivatives</u>												
Interest/profit rate derivatives:												
- Interest/profit rate swaps	-	710,000	2,783,945	3,493,945	-	5,479	26,525	32,004	-	5,492	28,595	34,087
	51,362,113	3,986,318	8,451,710	63,800,141	333,430	24,636	112,372	470,438	268,635	22,771	104,320	395,726

Part A - Explanatory Notes pursuant to Malaysian Financial Reporting Standard ('MFRS') 134 and Policy Document on Financial Reporting issued by Bank Negara Malaysia

A30. DERIVATIVE FINANCIAL INSTRUMENTS (Cont.)

Derivative financial instruments measured at their fair values together with their corresponding contract/notional amounts and classified by remaining period to maturity/repricing date (whichever is earlier) as at reporting date are as follows: (cont.)

	<u>Contract/Notional Amount</u>				<u>Positive Fair Value</u>				<u>Negative Fair Value</u>			
	<u>Up To 1 Year</u>	<u>> 1 - 3 Years</u>	<u>> 3 Years</u>	<u>Total</u>	<u>Up To 1 Year</u>	<u>> 1 - 3 Years</u>	<u>> 3 Years</u>	<u>Total</u>	<u>Up To 1 Year</u>	<u>> 1 - 3 Years</u>	<u>> 3 Years</u>	<u>Total</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
The Bank												
As at 31 December 2024												
<u>Trading derivatives</u>												
Foreign exchange derivatives:												
- Currency forwards	7,444,470	-	-	7,444,470	82,110	-	-	82,110	112,910	-	-	112,910
- Currency swaps	30,950,582	-	-	30,950,582	169,049	-	-	169,049	79,490	-	-	79,490
- Currency options	14,300	-	-	14,300	59	-	-	59	35	-	-	35
Interest rate derivatives:												
- Interest rate swaps	1,514,000	5,638,000	4,957,239	12,109,239	7,977	52,696	53,260	113,933	6,162	39,931	43,175	89,268
- Interest rate options	-	-	529,422	529,422	-	-	1,125	1,125	-	-	1,125	1,125
<u>Hedging derivatives</u>												
Interest rate derivatives:												
- Interest rate swaps	-	1,498,551	1,720,011	3,218,562	-	22,013	24,309	46,322	-	21,126	12,657	33,783
	39,923,352	7,136,551	7,206,672	54,266,575	259,195	74,709	78,694	412,598	198,597	61,057	56,957	316,611
As at 31 December 2023												
<u>Trading derivatives</u>												
Foreign exchange derivatives:												
- Currency forwards	6,726,288	-	-	6,726,288	23,446	-	-	23,446	58,497	-	-	58,497
- Currency swaps	33,327,215	-	-	33,327,215	200,789	-	-	200,789	156,640	-	-	156,640
- Currency options	82,951	-	-	82,951	514	-	-	514	504	-	-	504
Interest rate derivatives:												
- Interest rate swaps	1,907,284	2,260,149	3,494,509	7,661,942	15,171	9,616	77,899	102,686	15,209	9,715	67,421	92,345
<u>Hedging derivatives</u>												
Interest rate derivatives:												
- Interest rate swaps	-	710,000	1,909,830	2,619,830	-	5,479	15,969	21,448	-	5,492	15,101	20,593
	42,043,738	2,970,149	5,404,339	50,418,226	239,920	15,095	93,868	348,883	230,850	15,207	82,522	328,579

Part A - Explanatory Notes pursuant to Malaysian Financial Reporting Standard ('MFRS') 134 and Policy Document on Financial Reporting issued by Bank Negara Malaysia

A30. DERIVATIVE FINANCIAL INSTRUMENTS (Cont.)

Foreign exchange and interest rate related contracts are subject to market risk, credit risk and liquidity risk.

Market risk

Market risk is the potential change in value caused by movement in market rates or prices. The contractual amounts stated above provide only a measure of involvement in these types of transactions and do not represent the amount subject to market risk. Exposure to market risk may be reduced through offsetting on and off-balance sheet positions. As at the reporting date, the notional amount of foreign exchange exposure which was not hedged and hence, exposed to market risk was RM232,265,000 (2023: RM204,702,000), while the notional amount of interest rate contract was RM4,983,696,000 (2023: RM1,720,527,000).

Credit risk

Credit risk arises from the possibility that a counter-party may be unable to meet the terms of a contract in which the commercial bank has a gain position. As at the reporting date, the amounts of foreign exchange and interest rate credit risk, measured in terms of the cost to replace the profitable contracts, was RM598,837,000 (2023: RM770,153,000) and RM590,778,000 (2023: RM333,642,000) respectively. This amount will increase or decrease over the life of the contracts, mainly as a function of maturity dates and market rates or prices.

Liquidity risk

Liquidity risk on derivatives is the risk that the derivative position cannot be closed out promptly. The exposure to liquidity risk is mitigated by entering into transactions where the underlying financial instruments are widely traded and also easily closed out through alternative markets.

Cash Requirement of the Derivatives

Cash requirements of the derivatives may arise from margin requirements to post cash collateral with counterparties as the fair value moves beyond the agreed upon threshold limits in the counterparties' favour, or upon downgrade in the Bank's credit ratings. As at the reporting date, there is no requirement for the Group to post any additional cash collateral on its derivative contracts.

Related Accounting Policies

The related accounting policies for off-balance sheet financial instruments applied in the condensed interim financial statements are consistent with those applied in the annual financial statements for the year ended 31 December 2023.

Part A - Explanatory Notes pursuant to Malaysian Financial Reporting Standard ('MFRS') 134 and Policy Document on Financial Reporting issued by Bank Negara Malaysia

A31. CAPITAL ADEQUACY

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 Bank is currently adopting the Standardised Approach for Credit Risk and Market Risk and the Basic Indicator Approach for Operational Risk. In line with the transitional arrangements under the BNM CAFIB (Capital Components), the minimum capital adequacy requirement for Common Equity Tier 1 Capital Ratio ('CET 1') and Tier 1 Capital Ratio are 7.000% (2023: 7.000%) and 8.500% (2023: 8.500%) respectively for year 2024. The minimum regulatory capital adequacy requirement is 10.500% (2023: 10.500%) for total capital ratio.

The Group and the Bank have opted to apply BNM's transitional arrangements for the financial years spanning from 1 January 2020 to 31 December 2023. Under this transitional arrangement, financial institutions are permitted to add-back the amount of loss allowance measured at an amount equal to 12-month ECL and Lifetime ECL to the extent they are ascribed to non-credit impaired exposures (which is Stage 1 and Stage 2 provisions) to their CET 1 capital. This strategic move aligns with the ongoing shift toward sustainable financial practices and prudent capital management. For the financial year beginning 1 January 2024, this transitional arrangements is no longer applicable.

	The Group		The Bank	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
	RM'000	RM'000	RM'000	RM'000
a) The components of CET 1, Tier 1 and Tier 2 capital:				
<u>CET 1</u>				
Paid-up share capital	5,488,544	5,371,044	5,488,544	5,371,044
Retained profits	5,465,488	5,226,324	4,126,004	4,073,235
Unrealised gains on FVOCI instruments	170,624	169,540	207,027	204,573
Other disclosed reserves	3,493	4,146	17,241	4,146
	11,128,149	10,771,054	9,838,816	9,652,998
Less: Regulatory adjustments:				
- Goodwill and other intangibles	(762,096)	(660,680)	(314,681)	(214,275)
- Deferred tax assets	(114,938)	(138,283)	(43,840)	(72,072)
- 55% of cumulative unrealised gains on FVOCI instruments	(93,843)	(93,247)	(113,865)	(112,515)
- Investment in subsidiaries, joint ventures and associates	(830,917)	(841,260)	(3,981,229)	(3,871,402)
- Other CET 1 transitional adjustment	-	326,618	-	175,370
Total CET 1 Capital	9,326,355	9,364,202	5,385,201	5,558,104
<u>Additional Tier 1 Capital</u>				
Additional Tier 1 Capital	1,000,000	1,000,000	500,000	500,000
Total Tier 1 Capital	10,326,355	10,364,202	5,885,201	6,058,104
<u>Tier 2 Capital</u>				
Subordinated MTNs	1,000,000	1,000,000	500,000	500,000
Expected loss provisions #	713,314	594,530	380,792	346,186
Total Tier 2 Capital	1,713,314	1,594,530	880,792	846,186
Total Capital	12,039,669	11,958,732	6,765,993	6,904,290
b) The breakdown of risk-weighted assets:				
Credit risk	63,843,561	59,600,642	40,161,190	39,013,653
Market risk	2,839,765	1,828,658	2,005,594	1,230,139
Operational risk	3,877,820	4,029,830	2,175,932	2,063,846
Total risk-weighted assets	70,561,146	65,459,130	44,342,716	42,307,638
c) Capital adequacy ratios:				
<u>With transitional arrangements</u>				
CET 1 capital ratio	*N/A	14.305%	*N/A	13.137%
Tier 1 capital ratio	*N/A	15.833%	*N/A	14.319%
Total capital ratio	*N/A	18.269%	*N/A	16.319%
CET 1 capital ratio (net of proposed dividends) ^{Note 1}	*N/A	14.259%	*N/A	13.066%
Tier 1 capital ratio (net of proposed dividends) ^{Note 1}	*N/A	15.787%	*N/A	14.247%
Total capital ratio (net of proposed dividends) ^{Note 1}	*N/A	18.223%	*N/A	16.247%

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

* N/A - Not applicable since the transitional arrangement has ended on 31 December 2023.

Part A - Explanatory Notes pursuant to Malaysian Financial Reporting Standard ('MFRS') 134 and Policy Document on Financial Reporting issued by Bank Negara Malaysia

A31. CAPITAL ADEQUACY (Cont.)

c) Capital adequacy ratios (cont.):	The Group		The Bank	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
<u>Without transitional arrangements</u>				
CET 1 capital ratio	13.217%	13.806%	12.145%	12.723%
Tier 1 capital ratio	14.635%	15.334%	13.272%	13.905%
Total capital ratio	17.063%	18.000%	15.258%	16.239%
CET 1 capital ratio (net of proposed dividends) ^{Note 1}	13.217%	13.760%	12.145%	12.651%
Tier 1 capital ratio (net of proposed dividends) ^{Note 1}	14.635%	15.288%	13.272%	13.833%
Total capital ratio (net of proposed dividends) ^{Note 1}	17.063%	17.954%	15.258%	16.167%

Note 1:

Under the Dividend Reinvestment Plan (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 2024, RIA assets included in the Total Capital Ratio calculation amounted to RM3,259,649,000 (2023: RM3,572,126,000).

The capital adequacy ratios of Affin Islamic Bank Berhad are as follows:

	Economic Entity		The Bank	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
<u>With transitional arrangements</u>				
CET 1 capital ratio	*N/A	12.733%	*N/A	12.733%
Tier 1 capital ratio	*N/A	15.100%	*N/A	15.100%
Total capital ratio	*N/A	18.473%	*N/A	18.473%
<u>Without transitional arrangements</u>				
CET 1 capital ratio	11.732%	12.076%	11.732%	12.076%
Tier 1 capital ratio	13.801%	14.443%	13.801%	14.443%
Total capital ratio	17.046%	17.985%	17.046%	17.985%

The capital adequacy ratios of Affin Hwang Investment Bank Berhad are as follows:

	The Group		The Bank	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
<u>With transitional arrangements</u>				
CET 1 capital ratio	*N/A	36.670%	*N/A	41.849%
Tier 1 capital ratio	*N/A	36.670%	*N/A	41.849%
Total capital ratio	*N/A	37.330%	*N/A	42.603%
<u>Without transitional arrangements</u>				
CET 1 capital ratio	35.273%	36.394%	36.701%	41.532%
Tier 1 capital ratio	35.273%	36.394%	36.701%	41.532%
Total capital ratio	35.944%	37.054%	37.400%	42.286%

* N/A - Not applicable since the transitional arrangement has ended on 31 December 2023.

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A32. FAIR VALUE MEASUREMENTS

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

- (a) Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities
(b) 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.
(c) Level 3 - valuations derived from valuation techniques in which one or more significant inputs are not based on observable market data.

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
The Group				
31 December 2024				
Financial Assets				
Financial assets at FVTPL:				
- Money market instruments	-	1,176,079	-	1,176,079
- Corporate Bonds/Sukuk	-	101,593	-	101,593
- Shares and unit trusts	147,674	-	136,991	284,665
	<u>147,674</u>	<u>1,277,672</u>	<u>136,991</u>	<u>1,562,337</u>
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
	<u>-</u>	<u>13,634,206</u>	<u>267,251</u>	<u>13,901,457</u>
	<u>147,674</u>	<u>15,362,248</u>	<u>404,242</u>	<u>15,914,164</u>
Financial Liabilities				
Derivative financial instruments	-	365,936	-	365,936
Other liabilities - structured warrants	76	-	-	76
	<u>76</u>	<u>365,936</u>	<u>-</u>	<u>366,012</u>
31 December 2023				
Financial Assets				
Financial assets at FVTPL:				
- Money market instruments	-	364,073	-	364,073
- Corporate Bonds/Sukuk	-	36,679	-	36,679
- Shares and unit trusts	90,380	-	115,602	205,982
	<u>90,380</u>	<u>400,752</u>	<u>115,602</u>	<u>606,734</u>
Derivative financial instruments	-	470,438	-	470,438
Financial investments at FVOCI:				
- Money market instruments	-	5,338,623	-	5,338,623
- Shares	-	-	245,640	245,640
- Corporate Bonds/Sukuk	-	4,443,504	-	4,443,504
	<u>-</u>	<u>9,782,127</u>	<u>245,640</u>	<u>10,027,767</u>
	<u>90,380</u>	<u>10,653,317</u>	<u>361,242</u>	<u>11,104,939</u>
Financial Liabilities				
Derivative financial instruments	-	395,726	-	395,726
Other liabilities - equities trading	981	-	-	981
	<u>981</u>	<u>395,726</u>	<u>-</u>	<u>396,707</u>

Part A - Explanatory Notes pursuant to Malaysian Financial Reporting Standard ('MFRS') 134 and Policy Document on Financial Reporting issued by Bank Negara Malaysia

A32. FAIR VALUE MEASUREMENTS (Cont.)

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
The Bank				
31 December 2024				
Financial Assets				
Financial assets at FVTPL:				
- Money market instruments	-	1,688,352	-	1,688,352
- Corporate Bonds/Sukuk	-	27,493	-	27,493
- Unquoted shares	-	-	136,991	136,991
	-	1,715,845	136,991	1,852,836
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
	-	5,804,950	241,057	6,046,007
	-	7,933,393	378,048	8,311,441
Financial Liabilities				
Derivative financial instruments	-	316,611	-	316,611
31 December 2023				
Financial Assets				
Financial assets at FVTPL:				
- Money market instruments	-	1,166,691	-	1,166,691
- Corporate Bonds/Sukuk	-	20,223	-	20,223
- Unquoted shares	-	-	115,602	115,602
	-	1,186,914	115,602	1,302,516
Derivative financial instruments	-	348,883	-	348,883
Financial investments at FVOCI:				
- Money market instruments	-	1,960,917	-	1,960,917
- Unquoted shares	-	-	220,875	220,875
- Corporate Bonds/Sukuk	-	1,797,427	-	1,797,427
	-	3,758,344	220,875	3,979,219
	-	5,294,141	336,477	5,630,618
Financial Liabilities				
Derivative financial instruments	-	328,579	-	328,579

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.

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.

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A32. FAIR VALUE MEASUREMENTS (Cont.)

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's 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's 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 (2023: RM Nil).

The following table presents the changes in Level 3 instruments for the financial year ended:

	The Group		The Bank	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
	RM'000	RM'000	RM'000	RM'000
At beginning of the financial year	361,242	341,313	336,477	317,388
Total gains recognised in other comprehensive income	43,000	19,929	41,571	19,089
At end of the financial year	404,242	361,242	378,048	336,477

Effect of changes in significant unobservable assumptions to reasonably possible alternative

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.

A33. CREDIT EXPOSURES ARISING FROM CREDIT 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	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
(i) The aggregate value of outstanding credit exposures with connected parties (RM'000)	5,387,892	6,603,913	3,502,766	4,796,082
(ii) The percentage of outstanding credit exposures to connected parties as proportion of total credit exposures	5%	6%	6%	8%
(iii) The percentage of outstanding credit exposures with connected parties which is impaired or in default	Nil	Nil	Nil	Nil

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A34. OPERATIONS OF ISLAMIC BANKING - AFFIN ISLAMIC BANK BERHAD

(i) Unaudited Statements of Financial Position

	Economic Entity	
	31/12/2024 RM'000	31/12/2023 RM'000
ASSETS		
Cash and short-term funds	2,442,382	3,161,757
Deposits and placements with banks and other financial institutions	-	400,526
Financial assets at fair value through profit or loss ('FVPTL')	451,582	-
Derivative financial instruments	25,387	18,907
Financial investments at fair value through other comprehensive income ('FVOCI')	3,940,222	1,674,282
Financial investments at amortised cost ('AC')	4,594,961	4,568,010
Financing and other financing	33,009,886	28,760,767
Other assets	174,366	135,546
Amount due from holding company	-	288,431
Amount due from joint ventures	4,639	32
Taxation recoverable	9,042	43,746
Deferred tax assets	39,640	39,040
Statutory deposits with Bank Negara Malaysia	539,000	485,000
Property and equipment	1,090	782
Right-of-use assets	133	238
Intangible assets	1,004	863
TOTAL ASSETS	45,233,334	39,577,927
LIABILITIES AND ISLAMIC BANKING CAPITAL FUNDS		
Deposits from customers	28,762,862	25,360,547
Investment accounts of customers	757,600	359
Deposits and placements of banks and other financial institutions	4,164,774	4,172,179
Investment accounts due to designated financial institutions	3,262,300	3,579,578
Derivative financial instruments	21,357	23,539
Recourse obligation on financing sold to Cagamas Berhad	2,125,431	1,115,041
Other liabilities	256,624	319,188
Amount due to holding company	546,064	-
Lease liabilities	162	271
Subordinated and Senior Sukuk	2,368,791	2,363,770
TOTAL LIABILITIES	42,265,965	36,934,472
ISLAMIC BANKING CAPITAL FUNDS		
Share capital	1,310,000	1,210,000
Reserves	1,657,369	1,433,455
Total Islamic Banking Capital Funds	2,967,369	2,643,455
TOTAL LIABILITIES AND ISLAMIC BANKING CAPITAL FUNDS	45,233,334	39,577,927
COMMITMENTS AND CONTINGENCIES	12,635,865	11,396,972

Part A - Explanatory Notes pursuant to Malaysian Financial Reporting Standard ('MFRS') 134 and Policy Document on Financial Reporting issued by Bank Negara Malaysia

A34. OPERATIONS OF ISLAMIC BANKING - AFFIN ISLAMIC BANK BERHAD (Cont.)

(ii) Unaudited Income Statements

	Economic Entity			
	Individual Quarter Ended		Cumulative Quarter Ended	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds and others	461,165	372,692	1,693,968	1,442,523
Income derived from investment of investment accounts	47,689	42,662	189,534	161,804
Income derived from investment of shareholders' funds	41,362	34,113	156,686	131,768
Write-back of/(allowance for) impairment losses on financing and other financing	23,814	24,153	(7,199)	2,583
Allowance for impairment losses on other assets	-	(4,649)	(6,948)	(4,649)
Total distributable income	574,030	468,971	2,026,041	1,734,029
Income attributable to the depositors and others	(313,401)	(260,675)	(1,171,114)	(993,739)
Income attributable to the investment accounts holders	(41,463)	(38,943)	(170,090)	(147,889)
Total net income	219,166	169,353	684,837	592,401
Other operating expenses	(96,490)	(68,356)	(356,120)	(270,081)
Profit before zakat and taxation	122,676	100,997	328,717	322,320
Zakat	(2,014)	(1,971)	(5,370)	(4,600)
Profit before taxation	120,662	99,026	323,347	317,720
Taxation	(34,119)	(25,897)	(87,305)	(83,244)
Net profit for the financial year	86,543	73,129	236,042	234,476

(iii) Unaudited Statements of Comprehensive Income

	Economic Entity			
	Individual Quarter Ended		Cumulative Quarter Ended	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
	RM'000	RM'000	RM'000	RM'000
Net profit for the financial year	86,543	73,129	236,042	234,476
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	(35,366)	18,799	(11,347)	16,136
- Net credit impairment loss change in financial investments at FVOCI	36	(1,012)	387	42
- Net loss on financial investments measured at FVOCI reclassified to profit or loss on disposal (debt instruments)	(1,916)	(464)	(6,627)	(464)
- Deferred tax on financial investments at FVOCI	10,491	(4,901)	4,672	(4,262)
Other comprehensive (loss)/income for the financial year, net of tax	(26,755)	12,422	(12,915)	11,452
Total comprehensive income for the financial year	59,788	85,551	223,127	245,928

Part A - Explanatory Notes pursuant to Malaysian Financial Reporting Standard ('MFRS') 134 and Policy Document on Financial Reporting issued by Bank Negara Malaysia

A34. OPERATIONS OF ISLAMIC BANKING - AFFIN ISLAMIC BANK BERHAD (Cont.)

(iv) Unaudited Condensed Statement of Changes in Equity

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

	Attributable to Equity Holder of the Bank					Total equity RM'000
	Non-distributable			Distributable		
	Share capital RM'000	FVOCI revaluation reserves RM'000	Regulatory reserves RM'000	Other reserves RM'000	Retained profits RM'000	
Economic Entity						
At 1 January 2023	1,210,000	-	46,469	-	1,140,844	2,397,313
Net profit for the financial year	-	-	-	-	234,476	234,476
Other comprehensive income (net of tax):						
- Financial investments at FVOCI	-	11,452	-	-	-	11,452
Total comprehensive income for the financial year	-	11,452	-	-	234,476	245,928
Share grant scheme granted	-	-	-	214	-	214
At 31 December 2023	1,210,000	11,452	46,469	214	1,375,320	2,643,455

Part A - Explanatory Notes pursuant to Malaysian Financial Reporting Standard ('MFRS') 134 and Policy Document on Financial Reporting issued by Bank Negara Malaysia

A34. OPERATIONS OF ISLAMIC BANKING - AFFIN ISLAMIC BANK BERHAD (Cont.)

	Economic Entity	
	31/12/2024	31/12/2023
	RM'000	RM'000
(v) Financing and other financing		
By type		
Cash Line-i	856,320	891,940
Term financing:		
- Housing financing	10,342,543	10,145,796
- Hire purchase receivables	7,882,486	5,943,398
- Syndicated financing	1,151,080	1,523,392
- Others term financing	10,405,745	8,791,847
Bills receivables	136,133	270,729
Trust receipts	22,354	14,487
Claims on customers under acceptance credits	1,239,055	1,008,939
Staff financing (of which RM Nil to Directors)	140,107	124,027
Credit/charge cards receivables	94,064	77,780
Revolving financing	1,135,577	397,810
Gross financing and other financing	33,405,464	29,190,145
Less: ECL	(395,578)	(429,378)
Total net financing and other financing	33,009,886	28,760,767
(vi) Movements of impaired financing		
At beginning of the financial year	220,978	357,422
Classified as impaired	474,586	323,439
Reclassified as non-impaired	(239,033)	(357,881)
Amount recovered	(81,586)	(51,218)
Amount written-off	(69,095)	(50,784)
At end of the financial year	305,850	220,978
Ratio of gross impaired financing and other financing to gross financing and other financing (exclude RIA)*	0.98%	0.86%

(*) For the Bank, RIA excluded in the ratio calculation amounting to RM3,259,649,000 (2023: RM3,572,126,000) with impaired financing amounting to RM11,382,000 (2023: RM Nil).

The outstanding contractual amounts of such assets written-off during the financial year for the Bank is RM69,095,000 (2023: RM50,784,000).

Part A - Explanatory Notes pursuant to Malaysian Financial Reporting Standard ('MFRS') 134 and Policy Document on Financial Reporting issued by Bank Negara Malaysia

A34. OPERATIONS OF ISLAMIC BANKING - AFFIN ISLAMIC BANK BERHAD (Cont.)

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

Economic Entity	12-Month	Lifetime ECL	Lifetime ECL	Total
	ECL	not credit	credit	
31/12/2024	Stage 1	Stage 2	Stage 3	RM'000
At beginning of the financial year	RM'000	RM'000	RM'000	RM'000
Total transfer between stages due to change in credit risk:	52,663	294,440	82,275	429,378
- Transfer to 12-month ECL (Stage 1)	(108,497)	137,310	(28,813)	-
- Transfer to Lifetime ECL not credit impaired (Stage 2)	35,659	(27,627)	(8,032)	-
- Transfer to Lifetime ECL credit impaired (Stage 3)	(142,421)	192,763	(50,342)	-
	(1,735)	(27,826)	29,561	-
Financing derecognised (other than write-off)	(16,489)	(188,402)	(5,221)	(210,112)
New financing originated or purchased	170,247	-	-	170,247
Changes due to change in credit risk	(33,573)	(26,447)	112,396	52,376
Write-off	-	-	(55,319)	(55,319)
Other adjustments	29	2	8,977	9,008
At end of the financial year	64,380	216,903	114,295	395,578
Economic Entity				
31/12/2023				
At beginning of the financial year	65,218	302,452	87,445	455,115
Total transfer between stages due to change in credit risk:	(168,533)	204,749	(36,216)	-
- Transfer to 12-month ECL (Stage 1)	21,720	(19,994)	(1,726)	-
- Transfer to Lifetime ECL not credit impaired (Stage 2)	(190,123)	244,851	(54,728)	-
- Transfer to Lifetime ECL credit impaired (Stage 3)	(130)	(20,108)	20,238	-
Financing derecognised (other than write-off)	(22,024)	(13,709)	(2,189)	(37,922)
New financing originated or purchased	216,912	-	-	216,912
Changes due to change in credit risk	(38,912)	(199,052)	66,833	(171,131)
Write-off	-	-	(43,096)	(43,096)
Other adjustments	2	-	9,498	9,500
At end of the financial year	52,663	294,440	82,275	429,378

(viii) Deposits from customers

	Economic Entity	
	31/12/2024	31/12/2023
	RM'000	RM'000
<u>Qard</u>		
Demand deposits	6,879,112	5,181,358
Savings deposits	786,248	809,322
	7,665,360	5,990,680
<u>Mudarabah</u>		
General investment deposits	27,660	28,557
<u>Tawarruq</u>		
Murabahah term deposits	17,947,587	16,371,873
Commodity Murabahah	576,349	601,655
Savings deposits	1,373,544	1,111,106
Demand deposit	1,172,362	1,256,676
	21,069,842	19,341,310
Total deposits from customers	28,762,862	25,360,547

Part A - Explanatory Notes pursuant to Malaysian Financial Reporting Standard ('MFRS') 134 and Policy Document on Financial Reporting issued by Bank Negara Malaysia

A35. LIQUIDITY RISK

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:

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
As at 31 December 2024							
Assets							
Cash and short-term funds	2,852,881	-	-	-	-	-	2,852,881
Deposits and placements with banks and other financial institutions	-	100,545	201,696	-	-	-	302,241
Financial assets at FVTPL	8,985	103,966	4,950	545,321	614,450	284,665	1,562,337
Derivative financial instruments	52,397	90,895	124,177	167,888	15,013	-	450,370
Financial investments at FVOCI	10,138	335,871	647,274	3,161,856	5,538,851	4,207,467	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	4,344,583	2,543,332	2,422,330	10,368,209	50,355,233	858,398	70,892,085
Amount due from clients and brokers	513,907	-	-	-	-	-	513,907
Other assets	229,792	2,909	136,980	11,937	3,843	104,551	490,012
Amount due from joint ventures	4,639	-	-	-	-	-	4,639
Statutory deposits with BNM	1,524,530	-	-	-	-	-	1,524,530
Other non-financial assets ⁽¹⁾	388,564	281	43,928	31,463	-	3,193,999	3,658,235
Total assets	9,930,416	3,311,134	4,265,266	24,478,034	61,198,621	8,658,636	111,842,107
Liabilities							
Deposits from customers	32,171,360	15,522,288	25,874,720	175,151	-	-	73,743,519
Investment accounts of customers	375	755,114	2,111	-	-	-	757,600
Deposits and placements with banks and other financial institutions	2,837,386	2,320,302	3,360,105	100,618	-	-	8,618,411
Obligation on securities sold under repurchase agreements	2,555,636	2,488,118	523,664	-	-	-	5,567,418
Derivative financial instruments	98,014	76,452	47,783	130,094	13,593	-	365,936
Bills and acceptances payable	32,341	-	-	-	-	-	32,341
Recourse obligation on loans/ financing sold to Cagamas Berhad	-	7,461	33,972	5,086,562	-	-	5,127,995
Amount due to clients and brokers	370,282	-	-	-	-	-	370,282
Lease liabilities	2,242	1,996	6,688	54,421	57	-	65,404
Other liabilities	317,200	25,402	1,035,583	226,644	16,788	-	1,621,617
Borrowings and Sukuk	10,888	-	12,616	2,741,376	1,000,000	-	3,764,880
Other non-financial liabilities ⁽²⁾	161,887	570	41,283	1,670	-	2	205,412
Total liabilities	38,557,611	21,197,703	30,938,525	8,516,536	1,030,438	2	100,240,815
Net liquidity gap	(28,627,195)	(17,886,569)	(26,673,259)	15,961,498	60,168,183	8,658,634	

⁽¹⁾ Other non-financial assets include tax recoverable, deferred tax assets, investment in associates, property and equipment, investment property, right-of-use assets, intangible assets, prepayments and foreclosed properties.

⁽²⁾ Other non-financial liabilities include provision for taxation, defined contribution plan and accrued employee benefits.

Part A - Explanatory Notes pursuant to Malaysian Financial Reporting Standard ('MFRS') 134 and Policy Document on Financial Reporting issued by Bank Negara Malaysia

A35. LIQUIDITY RISK (Cont.)

Liquidity risk for assets and liabilities based on remaining contractual maturities (Cont.)

The table below provides analysis of assets and liabilities into relevant maturity tenures based on remaining contractual maturities: (Cont.)

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
As at 31 December 2023							
Assets							
Cash and short-term funds	5,642,363	-	-	-	-	-	5,642,363
Deposits and placements with banks and other financial institutions	-	632,284	208,308	-	-	-	840,592
Financial assets at FVTPL	324	361	60,303	260,085	79,679	205,982	606,734
Derivative financial instruments	296,102	77,760	23,904	66,664	6,008	-	470,438
Financial investments at FVOCI	10,094	96,207	682,379	2,000,110	1,626,109	5,612,868	10,027,767
Financial investments at AC	200,071	71,017	577,416	9,438,768	6,317,630	-	16,604,902
Loans, advances and financing	4,251,378	2,350,701	2,215,013	9,914,753	46,450,476	42,676	65,224,997
Amount due from clients and brokers	398,876	-	-	-	-	-	398,876
Other assets	542,147	740	81,898	10,662	2,766	3,244	641,457
Amount due from joint ventures	32	-	-	-	-	-	32
Statutory deposits with BNM	1,395,600	-	-	-	-	-	1,395,600
Other non-financial assets ⁽¹⁾	113,187	281	41,905	33,532	-	3,205,022	3,393,927
Total assets	12,850,174	3,229,351	3,891,126	21,724,574	54,482,668	9,069,792	105,247,685
Liabilities							
Deposits from customers	31,969,632	13,105,574	25,410,778	323,319	24,808	-	70,834,111
Investment accounts of customers	346	-	-	13	-	-	359
Deposits and placements with banks and other financial institutions	5,321,610	2,274,981	1,454,091	-	-	-	9,050,682
Obligation on securities sold under repurchase agreements	2,220,193	2,191,757	505,960	-	-	-	4,917,910
Derivative financial instruments	131,873	107,497	87,726	63,467	5,163	-	395,726
Bills and acceptances payable	40,686	-	-	-	-	-	40,686
Recourse obligation on loans/ financing sold to Cagamas Berhad	-	462,506	15,273	3,496,712	-	-	3,974,491
Amount due to clients and brokers	214,162	-	-	-	-	-	214,162
Lease liabilities	2,679	1,014	8,266	33,762	-	-	45,721
Other liabilities	330,035	15,680	578,810	243,251	22,055	-	1,189,831
Borrowings and Sukuk	10,890	-	14,238	2,284,601	994,672	-	3,304,401
Other non-financial liabilities ⁽²⁾	137,364	3,816	29,609	-	-	1	170,790
Total liabilities	40,379,470	18,162,825	28,104,751	6,445,125	1,046,698	1	94,138,870
Net liquidity gap	(27,529,296)	(14,933,474)	(24,213,625)	15,279,449	53,435,970	9,069,791	

⁽¹⁾ Other non-financial assets include tax recoverable, deferred tax assets, investment in associates, property and equipment, right-of-use assets, intangible assets, prepayments and foreclosed properties.

⁽²⁾ Other non-financial liabilities include provision for taxation, defined contribution plan and accrued employee benefits.

Part A - Explanatory Notes pursuant to Malaysian Financial Reporting Standard ('MFRS') 134 and Policy Document on Financial Reporting issued by Bank Negara Malaysia

A35. LIQUIDITY RISK (Cont.)

Liquidity risk for assets and liabilities based on remaining contractual maturities (Cont.)

The table below provides analysis of assets and liabilities into relevant maturity tenures based on remaining contractual maturities: (Cont.)

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
As at 31 December 2024							
Assets							
Cash and short-term funds	1,960,558	-	-	-	-	-	1,960,558
Deposits and placements with banks and other financial institutions	-	402,598	201,696	-	-	-	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	63,133	80,260	115,802	139,816	13,587	-	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	1,144,769	1,545,670	1,335,330	6,777,557	24,836,688	-	35,640,014
Other assets	241,119	-	36,865	8,200	3,717	-	289,901
Amount due from subsidiaries	756,357	-	-	-	-	-	756,357
Statutory deposits with BNM	867,000	-	-	-	-	-	867,000
Other non-financial assets ⁽¹⁾	40,334	281	42,499	29,651	-	6,041,199	6,153,964
Total assets	5,445,821	2,867,714	3,379,424	17,289,649	32,466,551	6,428,803	67,877,962
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	110,988	65,492	22,118	107,344	10,669	-	316,611
Bills and acceptances payable	32,341	-	-	-	-	-	32,341
Lease liabilities	1,437	458	4,425	50,874	57	-	57,251
Recourse obligation on loans sold to Cagamas Berhad	-	-	17,020	2,985,544	-	-	3,002,564
Other liabilities	24,780	-	745,820	198,596	11,703	-	980,899
Amount due to subsidiaries	175,656	-	-	-	-	-	175,656
Borrowings and Sukuk	10,888	4,957	3,736	986,648	500,000	-	1,506,229
Other non-financial liabilities ⁽²⁾	154,846	-	-	-	-	-	154,846
Total liabilities	22,539,611	13,674,645	16,477,689	4,489,209	522,429	-	57,703,583
Net liquidity gap	(17,093,790)	(10,806,931)	(13,098,265)	12,800,440	31,944,122	6,428,803	

(1) Other non-financial assets include tax recoverable, deferred tax assets, investment in subsidiaries, investment in associates, property and equipment, investment property, right-of-use assets, intangible assets, prepayments and foreclosed properties.

(2) Other non-financial liabilities include defined contribution plan and accrued employee benefits.

Part A - Explanatory Notes pursuant to Malaysian Financial Reporting Standard ('MFRS') 134 and Policy Document on Financial Reporting issued by Bank Negara Malaysia

A35. LIQUIDITY RISK (Cont.)

Liquidity risk for assets and liabilities based on remaining contractual maturities (Cont.)

The table below provides analysis of assets and liabilities into relevant maturity tenures based on remaining contractual maturities: (Cont.)

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
As at 31 December 2023							
Assets							
Cash and short-term funds	3,545,685	-	-	-	-	-	3,545,685
Deposits and placements with banks and other financial institutions	-	1,135,538	7,905	-	-	-	1,143,443
Investment accounts due from designated financial institutions	371,615	20,000	247,395	1,243,244	1,783,196	-	3,665,450
Financial assets at FVTPL	100,193	150,861	60,303	795,878	79,679	115,602	1,302,516
Derivative financial instruments	222,438	34,924	44,090	43,048	4,383	-	348,883
Financial investments at FVOCI	-	-	-	-	-	3,979,219	3,979,219
Financial investments at AC	200,071	55,776	653,131	6,755,830	3,515,611	-	11,180,419
Loans, advances and financing	1,494,135	1,560,106	1,618,878	6,340,258	23,497,073	-	34,510,450
Other assets	408,840	-	42,880	5,878	2,709	-	460,307
Amount due from subsidiaries	22,126	-	-	-	-	-	22,126
Statutory deposits with BNM	780,000	-	-	-	-	-	780,000
Other non-financial assets ⁽¹⁾	74,144	281	38,893	29,651	-	5,646,227	5,789,196
Total assets	7,219,247	2,957,486	2,713,475	15,213,787	28,882,651	9,741,048	66,727,694
Liabilities							
Deposits from customers	17,564,109	8,063,818	15,902,349	251,835	-	-	41,782,111
Deposits and placements of banks and other financial institutions	3,461,987	1,697,185	535,845	-	-	-	5,695,017
Obligation on securities sold under repurchase agreements	1,683,918	1,914,076	505,960	-	-	-	4,103,954
Derivative financial instruments	111,921	65,682	105,324	41,789	3,863	-	328,579
Bills and acceptances payable	40,686	-	-	-	-	-	40,686
Lease liabilities	2,308	291	4,580	31,099	-	-	38,278
Recourse obligation on loans sold to Cagamas Berhad	-	455,037	10,946	2,393,467	-	-	2,859,450
Other liabilities	-	-	310,326	199,442	15,068	-	524,836
Amount due to subsidiaries	292,935	-	-	-	-	-	292,935
Borrowings and Sukuk	10,890	-	468	500,000	494,672	-	1,006,030
Other non-financial liabilities ⁽²⁾	132,257	-	-	-	-	-	132,257
Total liabilities	23,301,011	12,196,089	17,375,798	3,417,632	513,603	-	56,804,133
Net liquidity gap	(16,081,764)	(9,238,603)	(14,662,323)	11,796,155	28,369,048	9,741,048	

(1) Other non-financial assets include tax recoverable, deferred tax assets, investment in subsidiaries, investment in associates, property and equipment, right-of-use assets, intangible assets, prepayments and foreclosed properties.

(2) Other non-financial liabilities include defined contribution plan and accrued employee benefits.

Part B - Explanatory Notes pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad

BI. REVIEW OF PERFORMANCE OF THE COMPANY AND ITS PRINCIPAL SUBSIDIARIES

Table 1: Financial review for individual and cumulative quarter ended 31 December 2024 against preceding year's corresponding quarter

	Individual Quarter Ended		Changes		Cumulative Quarter Ended		Changes	
	31/12/2024 RM'000	31/12/2023 RM'000	RM'000	%	31/12/2024 RM'000	31/12/2023 RM'000	RM'000	%
Net Income	557,671	486,193	71,478	14.7	2,169,747	1,985,783	183,964	9.3
Operating Profit	174,023	71,468	102,555	143.5	653,007	486,421	166,586	34.2
Profit Before Zakat and Tax	208,361	70,519	137,842	195.5	707,736	522,887	184,849	35.4
Profit Before Tax	206,347	68,548	137,799	201.0	701,029	518,287	182,742	35.3
Profit After Tax	135,096	39,535	95,561	241.7	509,703	402,191	107,512	26.7

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

The Group reported a Profit Before Taxation ('PBT') of RM701.0 million for the financial year ended 31 December 2024, representing an increase of RM182.7 million or 35.3% compared to the RM518.3 million recorded in the previous financial year. The increase in PBT was primarily attributed to a higher income by RM184.0 million, as well as a higher write-back of credit impairment losses by RM229.6 million during the financial year. The increase was offset with higher operating expenses by RM246.9 million during the financial year.

Gross loans and financing marked a year-over-year growth of 8.1%, reaching a value of RM72.0 billion, as compared to RM66.7 million as of 31 December 2023. Customer deposits increased by 4.1% to RM73.7 billion, while the Current Account and Savings Account ('CASA') ratio continued to improve to 30.4% as of 31 December 2024, as compared to 26.7% as of 31 December 2023.

As of the end of the financial year on 31 December 2024, the CET 1 Capital Ratio, Tier 1 Capital Ratio and Total Capital Ratio stood at 13.2%, 14.6% and 17.1%, respectively.

Commercial Banking

ABB recorded a PBT of RM319.4 million for the financial year ended 31 December 2024. This represented an increase of RM59.0 million or 22.6% in comparison to the PBT of RM260.5 million reported in the previous financial year. The increase in PBT was mainly due to a higher write-back of impairment losses by RM197.3 million, offset with higher operating expenses by RM111.5 million during the financial year.

For the financial year ended 31 December 2024, AIBB recorded a PBT of RM323.3 million. This represented an increase of 1.8%, or RM5.6 million, in comparison to the PBT of RM317.7 million reported in the previous financial year. The result was mainly attributable to a higher income by RM92.4 million, offset by higher operating expenses by RM86.0 million during the financial year.

Investment Banking

For the financial year ended 31 December 2024, AHIBB Group recorded a PBT of RM150.6 million, compared to RM92.5 million recorded in the previous financial year. The increase in PBT by RM58.1 million or 62.8% was primarily due to a higher income and a higher write-back for impairment losses of RM68.3 million and RM26.8 million respectively, offset by a rise in operating expenses by RM35.7 million during the financial year.

Insurance

For the financial year ended 31 December 2024, the Group's insurance division reported a share of profit amounting to RM54.7 million, representing an increase of RM18.3 million or 50.1% as compared to the previous financial year. The increase was mainly due to a better underwriting results during the financial year.

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

For the current quarter ended 31 December 2024, the Group recorded a PBT of RM206.3 million, an increase of RM137.8 million from the PBT of RM68.5 million recorded in the same quarter of the preceding year.

The increase in PBT was primarily attributed to higher interest income and income from Islamic banking business by RM48.5 million and RM41.7 million respectively, higher net gains on financial instruments of RM52.4 million, as well as a higher write-back of impairment losses by RM96.1 million and a higher share of results of associates by RM35.3 million. The increase was offset with higher operating expenses of RM65.1 million and net foreign exchange losses by RM86.1 million during the period.

Commercial Banking

ABB recorded a PBT of RM106.0 million for the quarter ended 31 December 2024, an improvement by RM166.7 million compared to a Loss Before Taxation ("LBT") of RM60.7 million in the same quarter of the preceding year. The increase in PBT was mainly due to a higher write-back in allowances for impairment losses by RM97.9 million, higher net gains on financial instruments by RM52.4 million and a higher net interest income by RM41.8 million. The increase was offset by higher operating expenses by RM16.4 million.

AIBB recorded a PBT of RM120.7 million for the quarter ended 31 December 2024, an increase of RM21.6 million compared to the same quarter in the preceding year. The increase was mainly due to a higher net income by RM49.8 million, offset by higher overhead expenses by RM28.1 million.

Part B - Explanatory Notes pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad

B1. REVIEW OF PERFORMANCE OF THE COMPANY AND ITS PRINCIPAL SUBSIDIARIES (Cont.)

ii. Analysis of financial performance of current quarter vs. previous year's corresponding quarter (Cont.)

Investment Banking

AHIBB Group reported a PBT of RM27.2 million for the quarter ended 31 December 2024, a decrease by RM11.0 million from the RM38.2 million reported in the same quarter in the preceding year. The decrease was primarily attributed to an increase in overhead expenses by RM16.6 million and a lower write-back of impairment losses by RM14.9 million, offset by a higher net income of RM20.4 million.

Insurance

The Group's share of profit after tax for its insurance segment increased by RM35.3 million to RM34.3 million in the current quarter, compared to a loss of RM0.9 million in the previous corresponding quarter. The improvement was mainly due to better underwriting results.

B2. COMMENTS ON PERFORMANCE OF CURRENT QUARTER AGAINST IMMEDIATE PRECEDING QUARTER'S RESULTS

	Current Financial Quarter	Preceding Financial Quarter	Changes	
	31/12/2024 RM'000	30/9/2024 RM'000	RM'000	%
Net income	557,671	612,768	(55,097)	(9.0)
Operating Profit	174,023	195,694	(21,671)	(11.1)
Profit Before Zakat and Tax	208,361	203,639	4,722	2.3
Profit Before Tax	206,347	201,626	4,721	2.3
Profit After Tax	135,096	145,817	(10,721)	(7.4)

For the current financial quarter, the Group's PBT reported at RM206.3 million, an increase of RM4.7 million or 2.3% compared to RM201.6 million recorded in the immediate preceding quarter ended 30 September 2024. The higher PBT was mainly due to a higher write-back of impairment losses by RM43.0 million and a higher share of results from associates by RM26.4 million. The increase was offset by a lower net income of RM55.1 million and higher overhead expenses by RM9.6 million.

B3. ECONOMIC AND BUSINESS OUTLOOK FOR 2025

Malaysia's Gross Domestic Product ('GDP') growth is projected to strengthen to 5.2% in 2025, an improvement from the 5.0% anticipated for 2024, supported by key economic drivers. Sustained low unemployment rates, coupled with income and wage growth, are expected to bolster private consumption, which constitutes a significant component of GDP. Additionally, economic expansion will be underpinned by steady domestic and foreign investment flows, as well as stable trade performance.

The Malaysian Ringgit is forecasted to appreciate in 2025, reflecting robust economic fundamentals and the anticipated monetary easing in advanced economies. BNM is expected to maintain the Overnight Policy Rate ('OPR') at 3.0%, ensuring monetary policy continuity that supports economic growth.

While the planned removal of petrol subsidies may impact private consumption if not effectively managed, these challenges are expected to be mitigated through prudent policy adjustments and measures to support affected segments of the population.

On the global front, heightened geopolitical conflicts, US-China trade tensions, and potential supply chain disruptions remain key risks. Nevertheless, Malaysia's diversified economy and adaptive strategies position it to navigate these uncertainties effectively.

The expected economic expansion provides the banking sector with opportunities arising from increased demand for loans/financing and financial services. While deposit competition may lead to margin compression, this impact is anticipated to be offset by higher credit growth and improved asset quality. Malaysian banks remain well-capitalized, supported by adequate impairment buffers to cushion against moderate credit stress.

AFFIN Group is focused on fulfilling the Group's AX28 Transformation Plan which will see the Group and the Bank playing a significant role in contributing to the Group and the Bank profitability through its growth in loans/financing and current account. Unrivalled Customer Service, Digital Leadership and Responsible Banking with Impact will continue to be the guiding principles in the Group and the Bank's strategies moving forward.

B4. VARIANCE OF ACTUAL PROFIT FROM FORECAST PROFIT

There was no profit forecast or profit guarantee issued by the Group and the Bank.

Part B - Explanatory Notes pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad

B5. TAXATION

	Individual Quarter Ended		Cumulative Quarter Ended	
	31/12/2024 RM'000	31/12/2023 RM'000	31/12/2024 RM'000	31/12/2023 RM'000
The Group				
Malaysian income tax				
Current tax expense	30,057	21,162	157,349	90,882
Under/(over) provision in prior financial year	3,200	1	7,273	(37,239)
Deferred tax credit:				
- Relating to originating and reversal of temporary differences	37,994	7,850	26,704	62,453
	71,251	29,013	191,326	116,096

For the current period, the Group's effective tax rate was higher than the statutory tax rate, mainly due to certain expenses not deductible for tax purposes, net of certain income not subject to tax or subject to lower tax rate.

For the preceding year's corresponding period, the Group's effective tax rate was lower than the statutory tax rate, mainly due to certain income not subject to tax or subject to lower tax rate, net of certain expenses not deductible for tax purposes.

	Individual Quarter Ended		Cumulative Quarter Ended	
	31/12/2024 RM'000	31/12/2023 RM'000	31/12/2024 RM'000	31/12/2023 RM'000
The Bank				
Malaysian income tax				
Current tax expense/(credit)	1,948	(1,170)	25,998	2,786
Under/(over) provision in prior financial year	-	-	6,150	(38,479)
Deferred tax expense/(credit):				
- Relating to originating and reversal of temporary differences	28,462	(5,290)	34,372	44,854
	30,410	(6,460)	66,520	9,161

For the current period, the Bank's effective tax rate was higher than the statutory tax rate, mainly due to certain expenses not deductible for tax purposes, net of certain income not subject to tax or subject to lower tax rate.

For the preceding year's corresponding period, the Bank's effective tax rate was lower than the statutory tax rate, mainly due to certain income not subject to tax or subject to lower tax rate, net of certain expenses not deductible for tax purposes.

B6. STATUS OF CORPORATE PROPOSALS

There were no corporate proposal reported during the financial year under review other than the following:

(a) Proposed Bonus Issue

The Bank had on 25 February 2025 announced a proposed share reward to the shareholders in the form of a bonus issue of up to 133,360,363 new ordinary shares in the Bank ('Bonus Shares') on the basis of 1 Bonus Share for every 18 existing ordinary shares held in the Bank ('Proposed Bonus Issue').

The Proposed Bonus Issue is subject to the approvals of Bursa Malaysia Securities Berhad for the listing of and quotation for the Bonus Shares and shareholders of the Bank at an annual general meeting to be convened.

Part B - Explanatory Notes pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad

B7. DEPOSITS, LEASE LIABILITIES AND BORROWINGS

	The Group		The Bank	
	31/12/2024 RM'000	31/12/2023 RM'000	31/12/2024 RM'000	31/12/2023 RM'000
(i) Deposits from Customers				
<u>By Types of Deposit:</u>				
Demand Deposits	16,251,930	13,592,568	8,214,689	7,259,773
Savings Deposits	6,131,696	5,321,126	3,971,904	3,400,698
Fixed Deposits	49,863,800	50,613,977	28,032,644	30,436,648
Commodity Murabahah Deposits	576,349	601,655	-	-
Money Market Deposits	225,506	273,597	225,506	273,597
Negotiable Instruments of Deposits ('NID')	660,075	411,394	660,075	411,395
Others	34,163	19,794	-	-
	73,743,519	70,834,111	41,104,818	41,782,111
<u>By Maturity structure of fixed deposits, NID and others:</u>				
Due within six months	35,843,215	36,909,085	20,073,937	21,751,922
Six months to one year	14,539,671	13,815,130	8,458,579	8,865,763
One year to three years	172,748	294,052	158,113	228,643
Three years to five years	2,404	2,001	2,090	1,715
Five years and above	-	24,897	-	-
	50,558,038	51,045,165	28,692,719	30,848,043
<u>By Types of Customer:</u>				
Government and statutory bodies	14,465,811	10,092,396	5,272,370	1,857,667
Business enterprises	17,972,061	21,272,651	8,298,197	12,194,550
Individuals	34,038,820	32,748,571	24,475,521	24,081,177
Domestic Banking institutions	829,164	423,641	839,178	524,354
Domestic non-Banking financial institutions	4,427,691	4,486,579	829,242	1,862,856
Foreign entities	879,551	619,851	615,290	483,323
Others	1,130,421	1,190,422	775,020	778,184
	73,743,519	70,834,111	41,104,818	41,782,111
(ii) Deposits and Placement of Banks and Other Financial Institutions				
<u>By Types of Institution:</u>				
Licensed banks	2,953,794	4,416,132	3,339,215	4,513,756
Licensed investment banks	194,972	1,241,807	44,960	885,122
Other financial institutions	5,469,645	3,392,743	1,799,414	296,139
	8,618,411	9,050,682	5,183,589	5,695,017
<u>By Maturity structure of deposits:</u>				
Due within six months	7,419,943	9,013,954	5,092,622	5,659,790
Six months to one year	644,047	36,728	90,967	35,227
One year to three years	554,421	-	-	-
	8,618,411	9,050,682	5,183,589	5,695,017
(iii) Lease Liabilities				
At beginning of financial year	45,721	49,233	38,278	45,440
Additions	50,512	20,728	45,898	10,273
Interest/Profit expense	2,258	457	1,922	249
Lease payments	(33,087)	(24,697)	(28,847)	(17,684)
At end of the financial year	65,404	45,721	57,251	38,278

Part B - Explanatory Notes pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad

B7. DEPOSITS, LEASE LIABILITIES AND BORROWINGS (Cont.)

	The Group		The Bank	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
	RM'000	RM'000	RM'000	RM'000
(iv) Borrowings and Sukuk				
(a) Tier-2 Subordinated Medium Term Notes ('MTN')	510,890	510,890	510,890	510,890
(b) Additional Tier-1 Capital Securities ('AT1CS')	500,703	500,468	500,703	500,468
(c) Additional Tier-1 Sukuk Wakalah ('AT1S')	505,808	505,808	-	-
(d) MTN Tier-2 Sukuk Murabahah	470,099	505,113	-	-
(e) Senior Sukuk/MTN	1,790,732	1,287,450	503,032	-
(f) Commercial Paper ('CP')	-	-	4,956	-
	3,778,232	3,309,729	1,519,581	1,011,358
Fair value changes arising from fair value hedges	(13,352)	(5,328)	(13,352)	(5,328)
	3,764,880	3,304,401	1,506,229	1,006,030

(a) Tier-2 Subordinated Medium Term Notes ('Subordinated MTNs')

ABB 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%. The Subordinated MTNs were issued for the purpose of general banking business and working capital requirements of the ABB.

(b) Additional Tier-1 Capital Securities ('AT1CS')

ABB 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%. 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%. The second series AT1CS was issued for the purpose of general banking business and working capital requirements of the ABB.

(c) Additional Tier 1 Sukuk Wakalah ('AT1S')

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

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

(d) MTN Tier-2 Sukuk Murabahah

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

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

(e) Senior Sukuk/MTN

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

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

On 8 May 2024, ABB had issued another tranche of Senior MTN of RM500.0 million out of its MTN Programme. The MTN is issued for a tenure of 5 years from the issue date, at a coupon rate of 4.10%. The Senior MTN was issued for the purpose of general banking business and working capital requirements of ABB.

(f) Commercial Paper ('CP')

ABB, AIBB and AHIBB had on 27 September 2024, each issued CP or Islamic CP ('ICP') of RM5.0 million for a tenure of 6 months from the issue date, at a discount/profit rate of 3.70%. The CP and ICP were issued for the purpose of general banking business and working capital requirements of their respective institutions. ABB had subscribed to the ICP and CP issued by AIBB and AHIBB respectively, while AHIBB had subscribed to the CP issued by ABB.

Part B - Explanatory Notes pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad

B8. MATERIAL LITIGATION

There is no material litigation during the financial year ended 31 December 2024.

B9. DIVIDENDS

No dividend has been proposed for the quarter under review.

B10. EARNINGS/(LOSSES) PER SHARE

(a) Basic

The basic earnings/(losses) per ordinary share for the Group and the Bank have been calculated by dividing the net profit/(loss) attributable to the equity holders of the Group and the Bank by the weighted average number of ordinary shares in issue during the financial period.

The Group	Individual Quarter Ended		Cumulative Quarter Ended	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
Net profit attributable to the equity holders of the Bank (RM'000)	135,096	39,535	509,703	402,191
Weighted average number of ordinary shares in issue ('000)	2,400,487	2,295,695	2,376,438	2,295,695
Basic earnings per share (sen)	5.63	1.72	21.45	17.52
<hr/>				
The Bank	Individual Quarter Ended		Cumulative Quarter Ended	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
Net profit/(loss) attributable to the equity holders of the Bank (RM'000)	75,556	(54,229)	252,926	251,322
Weighted average number of ordinary shares in issue ('000)	2,400,487	2,295,695	2,376,438	2,295,695
Basic earnings/(losses) per share (sen)	3.15	(2.36)	10.64	10.95

(b) Diluted

During the financial period ended 31 December 2024, diluted EPS is calculated by dividing the net profit/(loss) 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 period and the weighted average number of ordinary shares that would be issued on conversion of dilutive potential ordinary shares.

The Group	Individual Quarter Ended		Cumulative Quarter Ended	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
Net profit attributable to equity holders of the Bank (RM'000)	135,096	39,535	509,703	402,191
Weighted average number of ordinary shares in issue ('000)				
– during the period	2,400,487	2,295,695	2,376,438	2,295,695
– effect of dilutive of potential ordinary shares ¹	26,037	15,425	26,037	15,425
Weighted average number of potential ordinary shares	2,426,524	2,311,120	2,402,475	2,311,120
Diluted earnings per share (sen)	5.57	1.71	21.22	17.40
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The Bank	Individual Quarter Ended		Cumulative Quarter Ended	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
Net profit/(loss) attributable to equity holders of the Bank (RM'000)	75,556	(54,229)	252,926	251,322
Weighted average number of ordinary shares in issue ('000)				
– during the period	2,400,487	2,295,695	2,376,438	2,295,695
– effect of dilutive of potential ordinary shares ¹	26,037	10,858	26,037	10,858
Weighted average number of potential ordinary shares	2,426,524	2,306,553	2,402,475	2,306,553
Diluted earnings/(losses) per share (sen)	3.11	(2.35)	10.53	10.90

¹ 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.