ADVANCING SUSTAINABLE FINANCE

OUR APPROACH

Under our focus area of sustainable financing, we are driving the transition to a sustainable economy by providing sustainable products and financing to our customers. Our commitment to sustainability is reflected in our goal to achieve 25% sustainable financing against our total loan/financing portfolio by 2028.

By integrating robust systemic risk management practices, adhering to responsible financial principles, and actively addressing climate change challenges, our comprehensive approach enables us to mitigate risks, seize opportunities, and contribute to a more resilient and sustainable future.

FY2024 KEY HIGHLIGHTS

Since we started this initiative in 2022, **we have reached 10.56% of our sustainable finance composition goal. This translates to an outstanding amount of RM7.6 billion in sustainable finance, against our total outstanding loan/financing portfolio in 2024**. This encompasses both social and environmental financing portfolios.

RESPONSIBLE FINANCIAL SERVICES

Responsible financial services are not only critical for ensuring the resilience and sustainable growth of global and regional financial ecosystems, they also present significant opportunities for growth and innovation. By integrating responsible practices into our core business strategy, we can unlock new, underserved market segments and cultivate deeper, more meaningful customer partnerships, leading to shared value creation.

Frameworks & Policies

Robust frameworks, policies, and guidelines are essential for effective controls in sustainable financial services. Hence, we are committed to aligning our practices with evolving international sustainable finance standards, complying with current regulations, and adopting industry best practices. Our approach to facilitating sustainable financial services is guided by the following policies and frameworks:

a) **Sustainable Finance Framework**
This guides our business in identifying activities that promote sustainable development and the transition to a low-carbon economy. It encompasses various subcategories such as green finance, transition finance and social finance, and includes how we measure or define metrics.

b) **Sustainability & Climate Disclosure Policy**
This policy ensures that we comply with regulatory requirements for disclosing material sustainability-related information, implement efficient procedures to ensure timely, accurate, clear, and complete disclosure, and continuously improve the quality of disclosed information.

Partnership with Industry Experts

We are committed to actively collaborating with industry peers to integrate sustainability across all aspects of our business. This commitment involves fostering open communication, facilitating knowledge sharing, and engaging in joint efforts to establish industry-wide standards and best practices.

Furthermore, we harness industry-leading practices and tools by leveraging external resources and expertise. This collaborative approach not only enables us to implement the most effective sustainability measures, but also allows us to advocate for best practices while enhancing the capabilities of our customers.

A selection of the industry-focused events we contributed to in 2024 are showcased below:

AFFIN ESG Conference 2024: Charting the Path to Sustainability, hosted by Affin Hwang Investment Bank (AHIB) in Q2 2024.

The panel collectively urged businesses and policymakers to integrate zero-waste principles into their operations and strategies, reinforcing the session's call to action for a sustainable and waste-free future.

Platinum Sponsor of the SIDC Sustainable and Responsible Investment Conference (SRI), 20 June 2024.

The conference emphasised the need for global unity in prioritising sustainable investments for human wellbeing and the planet amidst escalating environmental challenges. Specifically, the conference delved into the challenges of limiting global warming to 1.5°C, highlighting the need for immediate action to achieve this goal.

Market maker and participating dealer for the world's first Waqf exchange traded fund (ETF) to be listed on Bursa Malaysia.

This pioneering Waqf ETF offers investors the opportunity to achieve dual impact investing goals. It aims to distribute income annually, with half allocated as Waqf assets and the remaining half paid to unit holders.

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CLIMATE CHANGE

AFFIN recognises the financial sector's role in the transition to a low-carbon economy. As part of our efforts to achieve Net Zero Carbon by 2050, we are proactively directing capital towards sustainable activities and contributing to Malaysia's decarbonisation goals.

We further recognise that both physical risks (e.g., extreme weather events) and transitional risks (e.g., policy changes, technological shifts) associated with climate change can significantly impact our operations and financial performance. To address these challenges, we have enhanced our Sustainability Framework, explicitly incorporating climate change and systemic risk management as material sustainability matters to guide our efforts to tackle climate change effectively.

Hence, to drive emissions reductions and achieve our Net Zero targets, we have identified and established key strategic pillars under the AFFIN Climate Change Strategy. These pillars will be supported by our GHG and Net Zero Carbon Roadmap by 2050, which we will develop in 2025. This roadmap is essential for providing a clear pathway towards our climate goals and ensuring accountability in our progress.

AFFIN Climate Change Strategy

Interim target

Final target

1

Reducing 30% of operational emission

- Implementation of renewable energy and energy-saving initiatives, as well as promotion of behavioural changes toward sustainable practices
- Procurement of Renewable Energy Certificate (REC) through Green Energy Tariff (GET)

2

Reducing our financed emissions

- Engagement with clients to support their decarbonisation journey
- Provide sustainable/transition financing to top carbon – emitting clients
- Manage exposure to new and existing high carbon emitting clients

3

Financing the transition and increasing sustainable financing position

- Manage overall exposure to carbon-intensive sectors
- Increase portfolio exposure to climate supporting clients, activities and technologies
- Increase sustainable products/services

For details on the interim targets, please refer to the section on Environmental Management at page 249.

Our Scope 3 Financed Emissions

We continuously seek to decrease our financed emissions to facilitate a just climate transition. As a financial institution, the majority of our GHG emission fall within Category 15 (Financed Emissions) of Scope 3. This category of emissions is attributed to the business activities of our clients/investees, which we finance and invest in, and their respective value chains.

We marked a significant milestone on our sustainability journey by measuring and reporting our generated GHG emissions for for Category 15 of Scope 3 for the first time. of Scope 3 for the first time, In addition, we have also measured and reported our avoided emissions for selected project financing accounts where the estimated annual power production data is available. These initiatves represent major steps forward in our efforts to understand and manage our full environmental footprint, including the emissions associated with our value chain.

In 2024, we initiated the measurement of our first baseline for Financed Emissions, encompassing our 2023 on-balance sheet financing and investments for all clients across three primary business entities — ABB, AIBB, and AHIBB. The scope of our 2023 Financed Emissions included seven asset classes prescribed by the Partnership for Carbon Accounting Financials (PCAF): listed equity and corporate bonds, business loans and unlisted equity, project finance, commercial real estate, mortgages, motor vehicle loans, and sovereign debt. In estimating our Financed Emissions, we referred to the Global GHG Accounting and Reporting Standard for Financed Emissions developed by PCAF (PCAF Standard Part A – Financed Emissions).

With this, we have established a Scope 3 financed emissions inventory, which informs our upcoming GHG and Net Zero Carbon Roadmap, which will include interim and long-term targets.

Measurement Standard

Our financed emissions inventory is measured and calculated in accordance with PCAF Standard Part A – Financed Emissions, which provides comprehensive methodological guidance for measuring and disclosing these emissions. The specific calculation details vary by asset class and sector, with PCAF providing guidance on how to aggregate emissions intensities.

Understanding our Financed Emissions

Our calculations for financed emissions inventory prioritises the reported emissions of our clients to ensure the highest data accuracy. When self-reported data is unavailable, we use proxies such as physical activity data or revenues to estimate clients' emissions in accordance with the PCAF Standard. If both the client's physical activity and/or financial data are absent, we apply an appropriate technique to estimate the emissions.

Our Financed Emissions Inventory

Asset Class (AC)		In-Scope Exposure* (RM'mil) (a)	In-Scope 1 & 2** Absolute Emissions** (tCO_2e) (b)	In-Scope 1 & 2** Emissions Intensity (tCO_2e/RM'mil) (formula: b/a)	Weighted Data Quality Score
AC1: Listed Equity and Corporate Bonds		12,058	276,262	22.91	4.62
AC2: Business Loans and Unlisted equity		18,013	1,141,432	63.37	5.00
AC3: Project Finance		1,176	55,374	47.08	4.40
AC4: Commercial Real Estate		5,326	133,078	24.98	4.38
AC5: Mortgage		19,976	271,483	13.59	4.62
AC6: Motor Vehicle Loans		14,785	692,161	46.82	3.42
AC7: Sovereign Debt	Excluding LULUCF	14,501	861,343	59.40	2.00
	Including LULUCF		1,038,663	71.63	
Total Excluding LULUCF		85,835	3,431,133	39.97	
Total Including LULUCF			3,608,453	42.04	

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

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

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

The figures provided have been reviewed by Group Internal Audit

The asset classes which contribute most to AFFIN's total financed emissions (covering only scope 1 and 2 of our client's emissions) are Asset Class 2: Unlisted Equiry and Business Loans, Asset Class 7: Sovereign Debt and Asset Class 6: Motor Vehicle Loans. The top three AFFIN sectors that contribute most to AFFIN's financed emissions from Asset Class 1, 2 and 3 are palm oil, energy supply and oil & gas.

To strategically manage our projected emissions trajectory from the high-emitting portfolio, we are engaging clients to understand their strategies and provide support for their transition to low-carbon practices. We are also focusing on transition finance, leveraging government policies and incentives to further facilitate sustainable transformation.

Limitations of Data and Methodology of Scope 3 Financed Emissions

1. We measure and estimate our financed emissions using the GHG Accounting and Reporting Standard for the Financial Industry, developed by PCAF. Our estimates and methods depend on the data available for the sectors we analyse. We are dedicated to constantly improving our estimates and refining our methods. Additionally, we aim to improve how we collect actual emissions data from clients and investees.
2. We aim to improve our data quality scores in each measurement exercise and expect these scores to keep improving as companies enhance their disclosures due to growing regulatory and stakeholder expectations. However, there will likely be annual fluctuations and differences between sectors because of changes in data availability and quality.

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3. Due to the variable timing of financial/emissions data publication by some of our clients and investees, our disclosed financed emissions inventory will be 12-months behind our current reporting period.
4. Most of our clients have not yet measured or disclosed their GHG emissions, especially Scope 3 emissions. When client-reported data is missing, we use emission proxies based on company production and revenue figures. Although we try to minimise the use of non-company-specific data, we use industry averages when specific data is unavailable. We will improve our estimates as data availability and quality get better.
5. The methods and data we use to assess financed emissions and set targets are always evolving. We expect ongoing updates in industry guidance, market practices, and regulations. We aim to refine our analysis using the appropriate data sources and the industry methods as they become available.
6. We know that the factors used to calculate our financed emissions can change due to variations in drawn amounts or market fluctuations, as well as regularly updates to PCAF guidance and emission factors. We commit to be as transparent as possible about what causes changes in our portfolio's financed emissions.
7. We classify our clients by sector with help from experts, and this process will keep improving as our data and sector classification methods get better. This could lead to inconsistencies or changes in our financed emissions.

Disclaimer: We have made every effort to provide our stakeholders with a complete, timely, and accurate overview of the Group's financed emission baseline. However, the Scope 3 financed emissions data presented may have significant uncertainties, challenges, and risks (e.g., inconsistent interpretations and definitions, complex calculations and estimates, data availability and reliability, double counting) that could affect its usefulness, accuracy, and completeness. Readers should exercise caution and conduct their own independent assessment when interpreting and analysing the data points.

SYSTEMIC RISK MANAGEMENT

Mitigating risks is essential for building a strong and resilient organisation. We take a proactive approach to risk management, addressing both immediate and long-term threats to safeguard our business and ensure long-term stability. This includes identifying and assessing potential risks such as credit risk, market risk, operational risk, and strategic risk, and developing appropriate mitigation strategies. By anticipating and preparing for these challenges, we strengthen our resilience and protect our stakeholders' interests.

In addition, our approach to systemic risk management now includes non-financial risks like climate risk, encompassing a holistic approach to identify and mitigate complex, interconnected risks. In 2024, we started conducting climate risk stress testing to enhance our resilience to climate related risks. For this inaugural exercise, our purpose is to facilitate the Bank's capacity building in addressing climate change. By assessing the potential impacts of climate change on our assets, liabilities, and operations, we aim to identify and manage climate-related risks effectively.

Our Initiatives

Lead the Change: ESG Journey With SME Colony

a. **SME Carbon Footprint Calculator**
Inspired by the Low Carbon Operating System (LCOS) calculator developed by Malaysia Green Technology Corporation (MGTC), our carbon footprint calculator enables SMEs to assess their environmental impact and identify opportunities for reduction.

b. **ESG Self-Assessment Form**
Aligned with Bank Negara's Climate Change Principal Taxonomy (CCPT), our self-assessment tool helps SMEs evaluate their ESG performance across environmental, social, and governance dimensions and recommends green financing products depending on the customer's assessment.

Compliance with Climate Regulatory Requirements

We are committed to staying informed on emerging sustainability and climate-related requirements, ensuring seamless integration with our current risk management framework to support our long-term goals. This includes adhering to key guidelines such as Bank Negara's CCPT guidance, Climate Risk Management and Scenario Analysis (CRMSA) policy document, and the Climate Risk Stress Testing (CRST) Methodology Paper.

Integration into Risk Management

Since 2023, climate-related risks have been integrated into the enterprise-wide Group Risk Management Framework (GRMF), providing guiding principles to better identify, assess, monitor, manage, and mitigate risks. This ensures that we remain resilient while supporting the transition to a low-carbon economy. To complement this, a Climate Risk and Scenario Analysis Policy is currently being developed to outline a more detailed approach for embedding climate-related risks into the overall risk management process.

Recognising the importance of managing sustainability risks and opportunities in building resilience against climate change, we have also introduced the Group Credit Policy on Sustainable Financing (GCPSF). This policy defines our approach to managing sustainability aspects in the lending/financing and investment activities that we undertake.

Climate-related risks can significantly impact other major risk types. Acknowledging this, we have incorporated climate-related risk considerations into our risk management process and enhanced relevant risk policies. We have also strengthened our capabilities to assess the impact of climate-related risks on existing risk types through qualitative approaches. Looking ahead, we will be exploring a more comprehensive approach by leveraging climate risk stress testing results.

Risk Identification and Assessment

In 2024, we have taken several steps to enhance the CCPT methodology and assessment tool, designed to assist Business Units to better understand their clients' business operations and its impact on climate change, as well as remedial actions taken to reduce their negative impact. The enhancement of the CCPT assessment undertaken includes Guiding Principle (GP) incorporation of the CCPT GP3 & GP 4 Due Diligence Questionnaire into the existing assessment criteria to better guide Business Units in classifying our lending/financing and investment transactions.

During the year, we prioritised and completed the CCPT GP3 & GP4 Due Diligence Questionnaire for all reportable exposures from SME accounts in high carbon-emitting sectors, such as agriculture, manufacturing, energy, transport, construction, and waste management. As a responsible financial institution, we are committed to supporting our clients' long-term climate change mitigation and adaptation efforts, as well as helping reduce GHG emissions through our financing activities. Additionally, we conducted a climate risk assessment as part of our annual Material Risk Assessment (MRA) exercise. With the future creation of a climate data repository, it will further improve our ability to manage climate risks, make better-informed decisions and embark on robust risk management strategies.

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Scenario Analysis and Stress Testing

We use scenario analysis and stress testing as essential tools for evaluating the impact of climate-related risks on assets and business operations. These methodologies enhance our accuracy of estimating climate risk stress impacts and bolster resilience against evolving climate-related challenges. By leveraging such testing, we identify potential gaps in data, methodologies, and systems while formulating solutions to address these challenges.

In 2024, various climate risk stress testing models were developed, achieving significant progress in our scenario analysis capabilities. These models are designed to assess the potential impacts of various climate change scenarios on our operations and portfolios.

- **Transition Risk Assessment:** We employed a scenario transmission model to conduct sector-specific, bottom-up assessments for non-retail portfolios. This model delivers valuable insights into potential losses from transition risks under different climate scenarios.
- **Physical Risk Assessment:** For physical risk modelling, flood hazards were selected as a focus area. This model analyses how such hazards could impact asset and collateral values while identifying potential business and operational disruptions.
- **Macroeconomic Impact:** A top-down model was also developed to evaluate the influence of climate-sensitised macroeconomic variables across our portfolios.

The outcomes of these stress tests provide us with a forward-looking perspective on portfolio exposures to transition and physical risks. These insights enable us to manage risks more effectively and inform the development of customer and portfolio transition strategies, aligned with our objective of achieving Net Zero Carbon by 2050.

	Data Collection	Model Implementation		Final Results
Transition Risk	Identify and collect financial information for customers	Project changes in key financial drivers by utilising Network for Greening the Financial System (NGFS) variables	Translate the impact on financials to change in rating and Probability of Default (PD)	Extrapolate the PD impact to the remaining portfolios with similar characteristics Compute the climate-adjusted Expected Credit Loss (ECL) at portfolio and entity level based on the stressed PD and LGD.
Physical Risk	Identify location of collaterals and business operations	Compute the expected collateral damage by mapping the location to expected damage	Translate the collateral damage to stressed Loss Given Default (LGD)	

Overview of climate risk stress testing approach

Scenario Transmission Model

Key financial drivers
- Volume
- Unit cost
- Price
- Capital expenditure
- Impairment

Financial Statement Model

Reconstruct the company's financials:
- Income statement
- Balance sheet
- Cash flow statement

Forecast the financial statement at counterparty level

Scorecard Model

Input stressed financials into the scorecard to project stressed rating and PD

Overview of transition risk modelling framework

Risk Appetite

In ensuring effective management of climate-related risk, the Board approved a qualitative Risk Appetite Statement (RAS) in 2023. This has been embedded into our Group Risk Appetite Framework, which sets out the strategic direction towards managing climate-related risk.

Following the completion of our climate risk stress testing models, sectors with high transition risk impact were identified. To effectively manage transition risk, climate related considerations have been included in the setting of sectoral limits, with these being regularly reviewed to align with our broader sustainability goals.

Moving forward, we will be adopting a phased deployment approach in setting more refined climate risk metrics, considering the evolvement of climate strategies and climate risk management requirements.

CUSTOMER CENTRICITY

Customer satisfaction is paramount to AFFIN's success. We prioritise building strong, long-term relationships with our customers by ensuring fair and transparent interactions in all our dealings. This includes clear communication about our products and services, honest and ethical practices, and readily accessible channels for customer feedback. We are also focusing on enhancing the entire customer journey, from initial contact and onboarding to ongoing service and support, constantly seeking ways to improve and personalise the experience.

One of our AX28 Strategic Objectives is to deliver "Unrivalled Customer Service," which requires understanding and meeting our customers' needs. This is especially important as customer experience (CX) becomes a growing focus in the Malaysian banking industry. To meet evolving customer needs, we have launched new initiatives as well as spearheaded various other initiatives in collaboration with departments and business units at the Group CX Management level.

Measuring Customer Experience

Customer Satisfaction Metrics

Continued in house exercise of measuring Net Promoter Score (NPS) for all AFFIN entities. In 2024, they have achieved above their respective targets

- AFFIN Bank/AFFIN Islamic Bank: **+48,** with a **6%** growth in Promoters
- AFFIN Hwang Investment Bank: **+46** with an **8%** growth in Promoters
- AFFIN Moneybrokers: **+23** with a **13%** growth in Promoters

Achieved customer satisfaction (CSAT) score growth of **3%** in the top 2 boxes of the survey (i.e. number of respondents who rated 5 – completely satisfied, and 4 – satisfied)

Customer Centricity Survey

The Customer Centricity Survey had the aim of measuring the level of CX maturity in AFFIN against a framework of four core competencies, namely Purposeful Leadership, Compelling Brand Values, Employee Engagement, and Customer Connectedness. It assesses the comprehension and adaptation of a customer-centric culture within AFFIN.

Bank-wide engagement and improvements have been implemented in response to the survey results, leading to an increase in the Bank's CX Maturity Index in 2024 by 1%, going from 79% to 80%.

This reflects the concerted effort of the department and highlights the importance of prioritising and sustaining a customer-centric culture within the Bank.

The outcome of our CX metrics is a positive indicator for us, as we continue to strive in improving the lives of our customers through our service and offerings.

ADVANCING SUSTAINABLE FINANCE

AFFIN C.A.R.E.S

AFFIN C.A.R.E.S remains a central theme in our initiatives, supporting our promise to customers through 5 key attributes: Customer Focus, Accountability, Responsiveness, Empathy, Simplicity. This is embedded and prioritised in all initiatives and interactions with customers.

1 C.A.R.E.S. Recognition

- Since its launch in 2023, the C.A.R.E.S. Recognition programme has seen a tremendous uptick in customer compliments, with a year-on-year (y-o-y) increase of 300%.
- Employees exhibiting the C.A.R.E.S. attributes are awarded with a special custom-made pin and certificate in recognition for their dedication to delivering unrivalled customer service.


"During credit card activation, the SMS activation service was not working. I could not use IVR and hear the phone well, as I am Deaf. Although Ee Mun, tried to get HQ to call me. Yet she was being patient to assist me on seeking for assistance with activating my credit card via text or video call through credit card department. Thankfully Zhafran, her colleague, came to assist me to communicate via WhatsApp text to get the necessary done. Their assistance is truly appreciated to consider the need of Deaf for accessibilities support"

Customer Compliment to Zhafran Zulaiman & Wong Ee Mun | Card Business & PJ SS2 Branch

"Your proactive approach to client feedback reflects the essence of what it means to prioritise client needs and enhance the overall client experience. It is evident that Affin Hwang Investment Bank values its clients and is committed to delivering excellence in service. I am truly impressed with the level of professionalism and dedication exhibited by your team, and I am confident that our partnership will continue to thrive as a result of such exemplary service"

Customer Compliment to Ms. Low Wen Dy and Mr. Lim Say Hean | Affin Hwang Investment Bank, Penang Branch


2 Jelajah CX

- This programme aims at elevating sales and service excellence among our employee through essential elements from the C.A.R.E.S. Playbook in achieving unrivalled customer service.
- In 2024, 140 participants joined the programme, consisting of Senior Regional Directors, Regional Operations Managers, and Assistant Branch Managers.
- The modules were developed in-house and comprised of topics that are critical to branch frontliners:
  - **Navigating Unrivalled Customer Service:** Emphasising the delivery of unrivalled customer service through the key tenets of Positive First Impression, 6 Levels of Service, and Grooming.
  - **First Time Wins: C.A.R.E.S. Principles in Action:** Reinforcing the C.A.R.E.S. values through application in real-life case scenarios.
  - **Unlocking Potential: Customer Profiling for Lifelong Value:** Providing critical tools to help frontliners deliver priority service for the right customer persona and segment proposition.
  - **Building a Future Ready C.A.R.E.S. Service Culture:** Delving into service gaps and providing analysis from real cases and application of all module learnings.


3 Branch Hygiene PowerApps

- The need to manage branch hygiene issues led to the in-house development of the Branch Hygiene App. This app streamlines and digitalises the escalation of hygiene issues to relevant departments, with service level tracking and monitoring.
- This initiative, aligned with our key C.A.R.E.S. theme, ensures adherence to and consistency with branch standards, providing AFFIN customers a conducive and comfortable environment for their banking transactions.
- Since its launch in July 2024, we received positive feedback by employees with an internal satisfaction score of 94%. Feedback also indicates that branch employees are delighted with the user-friendly features which has allowed for faster incident reporting and quicker turnaround time from stakeholders to rectify the issues.

4 GMC Field Day: Jom Sarapan with AFFIN

- **Jom Sarapan with AFFIN** recently brought a delightful start to the mornings of staff and customers at two AFFIN branches. Held on November 7 at AFFIN Ampang Jaya and November 14 at AFFIN Taman Tun Dr Ismail (TTDI), the program aimed to immerse GMC members in the daily operations of the branches and celebrate the contributions of our frontline team.
- **Customer Open Day**
  The Ampang Jaya staff invited their customers for a special breakfast while showcasing some of AFFIN's products to generate more deposits and increase its fee income through cross-selling of bancassurance products. Additionally, the Spin the Wheel Activity provided an exciting opportunity for customers to win various prizes.

ADVANCING SUSTAINABLE FINANCE

Customer Journey Mapping

- We completed six customer journey mappings to establish and digitally enhance the customer onboarding process, improve user experience, and introduce new systems to further elevate customer satisfaction.
- The process involved collaborating with our stakeholders and conducting two focus group sessions with AFFIN customers to explore their preferences and feedback, identify their pain points, address concerns, and implement process improvements.

Customer Complaints Management

Complaints Resolution Turnaround Time (TAT):

- We recorded significant improvements in TAT:
  - ABB/AIBB: Duration was reduced from 9.6 working days in 1H2024 to 4.6 wokring days in 2H2024.
  - AHIBB: Duration was reduced from 7.2 working days in 1H2024 to 5.2 working days in 2H2024.
- Post project synergy: 74% reduction in TAT for AHIBB from 26 working days in 2022 to 6.7 working days in 2024.

Repeat Complaints

- We achieved a total reduction of repeat complaints by 28%, primarily attributed to the significant reduction of technical and system related complaints within 3 months.

First Contact Resolution (FCR):

- We recorded a year-over-year improvement of 57% in FCR from 28% in 2023 to 44% in 2024. This was achieved through the establishment of the FCR for Complaints Feedback & Resolution Management (CFM) Unit. With this, employees are qualified to provide immediate solutions via upskilling through training, knowledge sharing, and process improvements.

Centralisation of Complaints Management

- The centralisation of complaints in our Case Management System (CMS) has significantly improved complaints management. This includes several improvements such as enhancements to the Complaints Performance Dashboard, integrating complaint lodgement and escalation to key business units, and refining the processing flow of complaints form. These changes have led to better information recording, reduced manual escalation errors, and established a comprehensive process for fraud disputes.

As a result, although there has been a 26% increase in reported complaints, we recorded an improvement in the complaints resolution SLA from 66.73% in June 2024 to 88% by December 2024, attributable to better compliance in handling fraud disputes by frontline staff.

ENVIRONMENTALLY RESPONSIBLE OPERATION

OUR APPROACH

At AFFIN, we are committed to minimising our environmental footprint. We strive to reduce our carbon, conserve natural resources, and minimise waste generation. By adopting effective environmental practices, we aim to minimise waste, lower energy consumption, and meet regulatory requirements, all while contributing to the preservation of natural resources. Beyond compliance, we also believe that strong environmental management enhances a company's reputation, attracts environmentally-conscious consumers, and can lead to cost savings. In today's world, where sustainability is increasingly valued, proactive environmental efforts not only supports long-term growth but also demonstrates our commitment to creating a positive impact on both the environment and society.

2024 KEY HIGHLIGHTS

Successfully reduced operational emissions (Scope 1 and 2) by **38.3%** in 2024 compared to our 2022 baseline, surpassing our initial target

Reduced our total emissions by **28.2%**, due to the procurement of Renewable Energy Certificates (REC)

As one of our key commitments to fight climate change, in 2023, we set an interim target to guide our efforts and measure our performance. Hence, the target of achieving a 30% reduction in operational emissions (Scope 1 and 2) by 2030 in comparison to a 2022 baseline was set.

Moving forward to 2024, our efforts in managing our emissions resulted in us surpassing our initial target for operational emission reduction. The result, which was essentially aided by the purchase of Renewable Energy Certificates (RECs), provided us with positive encouragement to further commit to continuously improve and accelerate our decarbonisation efforts. In addition, we are also focused at evaluating the best approach to create a positive value in sustainability for our stakeholders and the planet.

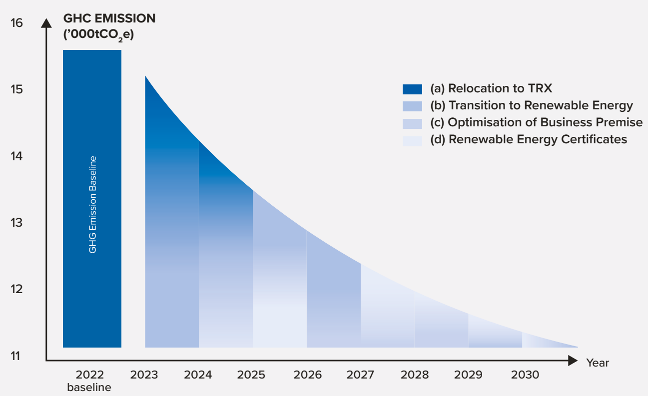
As we look towards maintaining our achievement, we have since embarked on developing a new roadmap for reducing operational emissions. which is aligned with our expansion plans notably for Sarawak, Penang and Johor.

ENVIRONMENTAL MANAGEMENT

Integrating sound environmental practices into our operations is essential for long-term sustainability. We are committed to implementing environmentally sustainable practices across our entire business, while empowering both internal and external stakeholders to actively participate in these efforts. We believe that by working together, we can achieve greater impact and create a more sustainable future.

Operational Emissions Reduction Approach

Our target of reducing our operational emissions (Scope 1 and 2) to 30% by 2030 remained a critical component within our long term objective of achieving Net Zero Carbon by 2050. To achieve this goal, we have developed various comprehensive strategies to reduce net emission from our operations. For 2024, we have made key progress in reducing emissions and we are developing a new roadmap for further reducing our operational emissions.



AFFIN Reduction of Operational Emission Roadmap

ENVIRONMENTALLY RESPONSIBLE OPERATION

As a result of these initiatives in 2024, we have seen a Group-wide **reduction in operational emissions of 38.3%** compared to 2022 baseline.

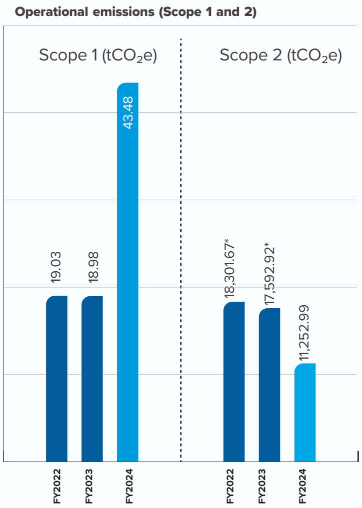
Utilising renewable energy certificates

To accelerate our commitment to mitigating the environmental impact of our operations, we've prioritised the efficient management of both direct (Scope 1) and indirect (Scope 2) greenhouse gas (GHG) emissions. A key initiative in this effort was the purchase of 6,682,589 kWh of Renewable Energy Certificates (RECs). This purchase resulted in a significant reduction of GHG emissions by 5,172.32 tCO_2e, equivalent to 28.2% of our 2022 Group baseline GHG emissions for Scope 1 and 2. This demonstrates our proactive approach to reducing our carbon footprint and contributing to a more sustainable future.

Operational emissions (Scope 1 and 2)

Year	FY2022	FY2023	FY2024
Scope 1 (tCO_2e)	19.03	18.98	43.38
Scope 2 (tCO_2e)	18,301.67*	17,592.92*	11,252.99

* *Note: The figures for 2022 and 2023 have been restated to reflect the latest Grid Emission Factor*

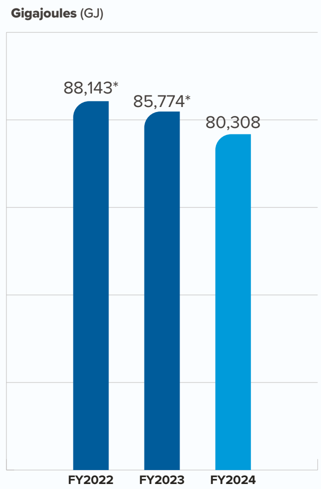


Reducing Energy Consumption

To date, the bank has recorded a significant 8.9% reduction of energy consumption compared to the 2022 baseline. This reduction was achieved through a combination of energy efficiency upgrades implemented in Menara AFFIN TRX, with the largest contribution resulting from the complete cessation of operations at Menara Affin Raja Chulan and Menara Boustead. By continuing to focus on improving energy efficiencies in our practices and infrastructure, we aimed to better manage our energy consumption, while further reducing any redundancy.

Year	FY2022	FY2023	FY2024
Gigajoules (GJ)	88,143*	85,774*	80,308

* *Note: The figures for 2022 and 2023 have been restated to reflect improvements in the coverage and quality of available data*

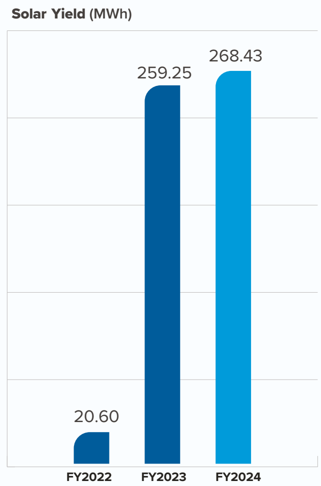


Adopting Renewable Energy

In an effort to mitigate our reliance on non-renewable energy sources, we have embarked on utilising green energy source, with the installation of solar panels at twelve (12) of our branches. With the current installations, our solar yield accounts to 1% of our total annual electricity consumption which resulted to estimated 207.76 tCO_2e emission avoided. With that, these installations allow us to reduce our Group-wide carbon emissions while providing us with greater control over our electricity consumption. Aiming towards expanding on that goal, we are planning to install an additional sixteen (16) solar-powered branches during 2025.

Solar Yield

Year	FY2022	FY2023	FY2024
MWh	20.60	259.25	268.43



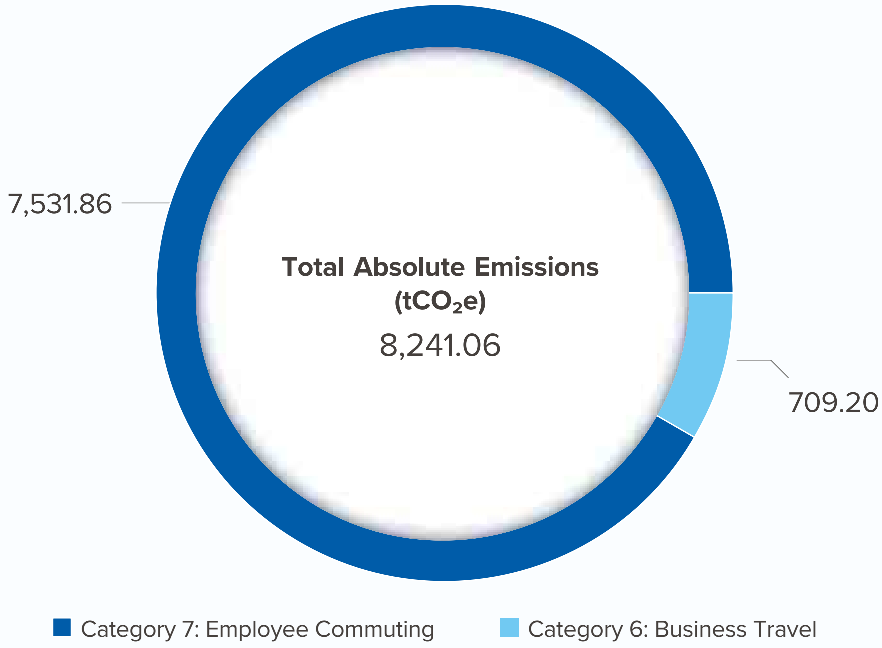
Enterprise Emissions: Category 6 (Business Travel) and Category 7 (Employee Commuting)

In 2024, we have initiated the measurement of GHG emissions for Category 6 (Business Travel) and Category 7 (Employee Commuting) for the first time. Category 6 encompasses emissions resulting from employees' business travel in vehicles that are owned or operated by external parties. Meanwhile, Category 7 covers emissions from employees commuting between their residence and workplaces. This measurement allows us to establish our baseline for tracking our progress in reducing our carbon footprint from Categories 6 and 7. Understanding the emissions associated with these activities is crucial for developing targeted strategies to minimise their impact. By quantifying these emissions, we can identify opportunities for improvement, such as promoting virtual meetings to reduce business travel, encouraging the use of public transportation or cycling for employee commutes, and implementing policies that support remote work options. This data-driven approach will enable us to implement effective measures to reduce our emissions in these areas and contribute to our broader sustainability goals.

Furthermore, this initial step in measuring Scope 3 emissions lays the groundwork for expanding our measurement and reporting to other relevant categories of Scope 3 in the future, providing a more comprehensive understanding of our environmental impact and enabling us to pursue further emissions reductions.

EMISSIONS MANAGEMENT			
Bursa C11(c) Scope 3 emissions in tonnes of tCO_2e			
Category	**FY2022 (tCO_2e)**	**FY2023 (tCO_2e)**	**FY2024 (tCO_2e)**
Category 6: Business Travel	n/a	658.43	709.20
Category 7: Employee Commuting	n/a	7,245.90	7,531.86
Overall Total of Scope 3 Emissions	**n/a**	**7,904.33**	**8,241.06**

2024 Scope 3 Category



Note: The figures have been reviewed by Group Internal Audit

ENVIRONMENTALLY RESPONSIBLE OPERATION

Reduction of Paper Consumption

Reducing our paper consumption has been a crucial step in enhancing operational efficiency, minimising waste, lowering costs, and supporting our environmental goals. In today's increasingly paperless world, cutting down on paper use not only benefits the environment but also enhances a company's reputation as a responsible and forward-thinking organisation.

The following initiatives were implemented in FY2024 to reduce our paper consumption:

REDUCING A4 PAPER PRINTING (ONE FLOOR ONE PRINTER & DUAL MONITOR)	
About the initiative	Initiatives by Business Process Management department aims to reduce the number of multi-function printers at Menara Affin TRX by promoting paperless practices. In doing so, we can lower our carbon footprint, support our ESG goals of reducing greenhouse gas emissions, promote sustainability, and enhance employee productivity. There are two sub-units of the project: **1. One Floor One Printer Initiative (reduced from 49 to 40 Multi-function printers (MFPs))** **2. Dual Monitor Initiative (148 dual monitor was given to Business Units)**
Quantitative Result	• **Cost Savings:** – Printing cost: Reduced by **78%** from RM30,614.40 (2023) to RM6,754.71 (2024) – Energy cost: Reduced by **20%** from RM3,255 (2023) to RM2,604 (2024) • **Carbon Footprint Saving:** – Paper: Total reduction of **2.87 tCO_2e** from year 2023 to 2024 – Energy Consumption: Total reduction of **2.71 tCO_2e** from the year 2023 to 2024 • **ESG Paper Savings:** – About 800,000 A4 papers (1,600 reams) were saved by this initiative
Qualitative Result	• **Efficient.** – Transitioning to digital documents and workflows not only streamlines processes but also supports our sustainability and ESG goals by reducing paper waste and energy consumption. This shift has led to increased productivity, better collaboration, and a more sustainable operational model.

STOP SIBS PHYSICAL STATEMENT FOR NON-INDIVIDUAL CURRENT ACCOUNT/CURRENT ACCOUNT ISLAMIC

About the initiative

As of March FY2024, the Bank has discontinued the issuance of physical statements for non-individual customers. In FY2023, the annual cost reached RM2.4 million, with projections indicating a 25% increase due to rising mailing fees imposed by Pos Malaysia.

To ensure continued access to account information, alternative options have been provided for non-individual current account holders:

1. **Email Statements**
2. **Downloadable Statements via Internet Banking (AFFINMAX)**
3. **Secured File Transfer (SharePoint) for Large Corporate Customers**

These digital alternatives enhance efficiency, reduce costs, and align with our sustainability commitments.

Quantitative Result

- **Cost Savings** – Reduced statement printing and mailing costs, resulting in savings of approximately MYR 1.3 million.
- **Paper Savings** – Saved approximately 14 million A4 sheets of paper.
- **Turnaround Time (TAT) & Productivity** – Razer Merchant processes around 1 million pages of statements per month. By transitioning from the Branch Statement Delivery (BSD) system to this vendor, we achieved a 70% improvement in system capacity. Previously, statement processing took 14 days under the BSD system; with Razer Merchant, it now only takes 3 days.

Qualitative Result

- **Improved Processing Capacity** – Our system can now process up to 999,999-page statements, a significant increase from the previous limit of 9,999 pages, enabling us to better support five key customers.
- **Enhanced Accessibility** – We offer easy, convenient, and fast access to e-Statements via Email Statements, AffinMax, and SharePoint.
- **Elimination of Blank Pages** – We have stopped printing blank pages in Current Account Statements and Consolidated Statements for all customer segments (Individual & Non-Individual).

REVISED ENHANCED CUSTOMER DUE DILIGENCE FORM

About the initiative

- This initiative aims to standardise the Enhanced Customer Due Diligence (ECDD) form, which was last reviewed in 2020, to identify high-risk customers for Money Laundering/Terrorism Financing (ML/TF) while excluding the Transaction Monitoring fields during onboarding. As a result, the form has been streamlined from four pages to two, reducing paper usage, lowering costs, and supporting our sustainability efforts.

Quantitative Result

- **Cost Savings** – Reduction in paper printing costs.
- **Paper Savings** – Approximately 14 million A4 sheets saved through this initiative.

Qualitative Result

- **Customer Experience** – Enhanced customer experience by reducing redundant fields from 20–34 fields to just 18. This streamlining makes the onboarding process more straightforward, minimising confusion and potential errors.
- **Environmental Impact** – Reduced paper usage as printed documents are no longer required, aligning with the Bank's overall paper reduction goals.

ENVIRONMENTALLY RESPONSIBLE OPERATION

TO DISCONTINUE THE CERTIFIED TRUE COPY (CTC) / ORIGINAL SIGHTED (OS) ON ALL FINANCING SUPPORTING DOCUMENT PAGES FOR COMMUNITY BANKING FINANCING ONBOARDING PRODUCTS.

About the initiative	• This initiative — a Business Process Improvement collaboration between Business and Governance — focuses on digitising the CTC/OS process. By transitioning from 10 to 60 physical signatures and stamps on printed documents (ranging from 10 to 60 pages) to just two digital signatures (Maker and Checker) on a PDF checklist, we have significantly reduced paper usage and streamlined the approval process
Quantitative Result	• **Cost Savings –** Estimated reduction in operational costs related to document printing by approximately 15–20%. • **ESG & Paper Savings –** Saved approximately 14 million sheets of paper annually, contributing to a reduced carbon footprint. • **Turnaround Time (TAT) & Productivity –** Improved document processing efficiency, reducing turnaround time for loan/financing approvals by approximately 20–30%.
Qualitative Result	• **Operational Efficiency –** Significantly reduces the risk of human errors (e.g., incomplete stamping) and enhances the efficiency of the verification process. • **Customer Experience –** Simplifies the onboarding process, minimising confusion and potential errors. • **Environmental Impact –** Reduces paper usage by eliminating the need for printed documents, aligning with the bank's sustainability goals.

SUSTAINABLE PROCUREMENT PRACTICES

Encouraging Sustainable Practices among our Suppliers

We strive to support the local business ecosystem through our procurement practices and commit to appointing local suppliers wherever it is practicable to our business.

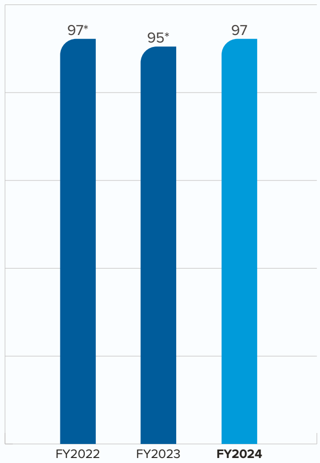
To ensure alignment with our overall sustainability goals, we've implemented a process requiring our potential suppliers to disclose information about their sustainability practices. This transparency is crucial for making informed vendor selection decisions. By understanding our suppliers' environmental and social performance, we can partner with those who are committed to sustainable operations and contribute to a more responsible supply chain.

Supply Chain Management

FY2022 Percentage	FY2023 Percentage	FY2024 Percentage
97*	95*	97

* *The figures for 2022 and 2023 have been restated to reflect improvements in the coverage and quality of available data*

Supply Chain Management



Promoting Environmental Responsibility through Partnership with Industry Players

Promoting environmental responsibility through partnerships with key stakeholders is a powerful way to drive sustainability across sectors. By collaborating with like-minded organisations, we can share resources, knowledge, and best practices to implement more effective environmental initiatives. These partnerships not only strengthen individual business efforts but also create a collective impact, encouraging innovation, reducing environmental footprints, and fostering a shared commitment to a sustainable future.

Further to this, the following are some initiatives which we have collaborated and embarked in 2024 with key industry partners:

AFFIN X DHL Express 'Gogreen Plus' Program On **Sustainable Aviation Fuel**

Description

DHL Express has signed **AFFIN** Group into its **GoGreen Plus program** that promotes **sustainable aviation** fuel (SAF). The service supports the **AFFIN** Group's target to reduce the carbon emissions associated with its time-definite international shipments by 70 percent.

Impact

- We achieved a total reduction of 1.61 tCO_2e for Well-to-Wheel (WTW) emissions.

Note: Well-to-Wheel describes the full lifecycle, encompassing all relevant emissions and energy consumption.

AFFIN Group partners with Auto Bavaria to expand Malaysia's EV charging infrastructure

Description

AFFIN Group has teamed up with Auto Bavaria to expand Malaysia's electric vehicle (EV) charging infrastructure, marking a key milestone in the nation's shift towards sustainable mobility. Seven (7) alternating current (AC) chargers and one (1) direct current (DC) charger have been installed at EV charging stations located at Menara Affin in the Tun Razak Exchange (TRX), Malaysia's International Financial Centre.

Impact

Promote green vehicles and EV ownership easier and more achievable, contributing to a broader shift towards sustainability.

ENVIRONMENTALLY RESPONSIBLE OPERATION

DIGITAL INNOVATION

At AFFIN, we embrace technological innovation as a catalyst for growth and transformation. By leveraging data analytics and artificial intelligence, we are able to deliver personalised financial solutions that meet the evolving needs of our customers. This data-driven approach enables us to provide insightful recommendations and empower our customers to make informed decisions.

We are committed to enhancing the digital experience for our customers by streamlining processes and improving operational efficiency. By investing in cutting-edge digital technologies, we ensure our customers can access our services seamlessly and securely.

Enriching Customers Through Digital Innovation

We are dedicated to providing a comprehensive range of financial products, services and assistance tailored to meet the diverse needs of businesses, from large corporations to SMEs and microenterprises. As we recognise the vital role that these businesses play in driving economic growth, the Bank is committed to empowering them with the tools, knowledge, and support they need to thrive in the digital age.

By leveraging on the latest technology and offering digital solutions, AFFIN aims to be a trusted partner for businesses of all sizes, helping them navigate the complexities of the modern business landscape.

Digitally Enabling Businesses

This is aligned with our strategic pillar to become Digital Leadership:

Initiative

Rollout of RPP phase 2 services for AFFINMAX & Affin Always

Description

RPP Phase 2 services (DuitNow Request, DuitNow Online Banking/Wallets and DuitNow AutoDebit) are now available on both corporate internet banking (AFFINMAX) and retail internet banking (Affin Always) platforms. This rollout expands the Bank's digital payment and collection module offerings for customers. The Bank is committed to creating a future-ready banking ecosystem in line with our sustainability objective to increase adoption of digital banking.

Initiative

Secured Authentication via Digital Token for Financial (FT) & Non-Financial Transaction (NFT) for both AFFINMAX & Affin Always

Description

The migration from SMS OTP to Multi Factor Authentication (MFA) via Digital Token enhances the security and significantly reduced the Bank's costs. From July 2024, average monthly SMS expenses dropped from RM300k to RM30k, resulting in cost savings of approximately RM1.62 million.

Initiative

Integration to LHDN HITS API

Description

The Bank has integrated AFFINMAX systems with the LHDN HITS API, enabling seamless and efficient tax payment submission to the Inland Revenue Board of Malaysia (LHDN). This integration ensures compliance and enhances operational efficiency.

Initiative

AFFINMAX API Management

Description

AFFINMAX API Management enables fast and secure integration between AFFINMAX and the software systems of third-party providers (TPPs) or direct providers (DPs), allowing customers and businesses to make payments, check account balances, and initiate transactions directly from their own applications. This API readiness ensures faster turnaround time (TAT) for onboarding TPPs/DPs, thus enhancing overall operational efficiency.

Initiative

AFFINMAX Foreign Telegraphic Transfer (FTT) with Special Rate

Description

Customers can now perform Foreign Telegraphic Transfers (FTT) using board rate, special rate, or contract rate in AFFINMAX. This enhancement streamlines the process by allowing customers to choose the most suitable rate for their foreign remittance transactions without the need to physically visit the branch to perform the transaction physically. This initiative supports the Bank's sustainability objectives by reducing reliance on physical branch interactions and promoting the adoption of digital banking.

Initiative

Implementation of Build in Mobile SDK (Software Development Kit) for AFFINMAX Mobile App

Description

Developing the Bank's own Software Development Kit (SDK) for AFFINMAX Mobile removes dependency on third-party providers and allows for greater customisation and control. This initiative supports the Bank's sustainability objectives by fostering innovation and improving the resilience of digital infrastructure.

Initiative

AFFINMAX Mobile UIUX Enhancements

Description

Enhancing the user interface (UI) and user experience (UX) of the AFFINMAX mobile app ensures a more intuitive, user-friendly, and engaging banking experience. These improvements encourage the adoption of digital banking and contribute to the Bank's overall environmental sustainability goals.

Initiative

AFFIN Term Investment Account-i (AFFIN TIA-i) on RIB

Description

The introduction of the AFFIN Term Investment Account-i (AFFIN TIA-i) on the Retail Internet Banking (RIB) platform offers customers a convenient way to manage their investments online. This initiative provides a seamless and secure digital solution for placement, withdrawal and managing AFFIN Term Investment Account-i (AFFIN TIA-i), enhancing customer experience and accessibility.

Robotic Process Automation (RPA)

In 2024, we expanded on our use of RPA to streamline repetitive tasks and reduce manual intervention. By integrating RPA into our workflows, we achieved faster processing times, minimised errors, and freed up our employees to focus on more strategic activities. This automation led to a notable increase in productivity and operational efficiency.

Additionally, we have leveraged on our existing automation tools such as Power BI, Power Automate, and Power Apps and Salesforce internal development. These tools were instrumental in creating custom automation solutions tailored to our specific needs. All developments were carried out internally by our dedicated talent resources, showcasing our team's expertise and commitment to innovation.

We also embedded an "automation-first" attitude across the organisation, encouraging everyone to identify and automate processes wherever possible. This cultural shift not only enhanced our operational efficiency but also fostered a mindset of continuous improvement and innovation among our employees.

Customer relationship management (CRM) system

Energy Efficiency	Our centralised CRMs enhanced internal communication and collaboration by centralising information. This centralisation minimises the need for physical meetings and travel, thus further decreasing carbon emissions.
Sustainable Targeted Approach	Our CRM systems also enable businesses to create personalised and targeted marketing campaigns that meet individual customer preferences. This strategy minimises waste by reaching the right audience with the right message, thereby reducing unnecessary resource expenditure.

DATA GOVERNANCE AND DATA ANALYTICS

Data Governance (DG) was established in 2018 to develop a framework and oversee governance of our data sources and repository. Data Analytics (DA) was created to lead the Big Data Analytics (BDA) Project, which contributed to the creation of the Enterprise Data Hub (EDH).

ENVIRONMENTALLY RESPONSIBLE OPERATION

Over the last 2 years, the project shown achievement through these metrices where the data monetisation value calculated based on revenue generation, cost saving and cost avoidance.

2023 – 2024 Key Achievements

Key Metrics	2023	2024
Data Monetisation Value:	RM1.744M	RM9.515M
No. of Leads Campaign:	21	18
Total No. of Leads Delivered:	1.8M	698k
Avg. Conversion Rate:	1.5%	2.0%
Analytics Request Completed:	211 requests	179 requests
No. of Data Sources go into EDH:	2 sources	8 sources
No. of EDH Users:	21 users	124 users
Active EDH Users:	Not measured	58%
No. of Metadata Users:	75 users	126 users
No. of Data Quality Rules:	287 rules	289 rules
No. of Data Quality Cases Reported:	155 cases	116 cases
TAT Data Quality cases resolved in 1-month:	127 (81%)	99 (85%)

What We Did Well

1. DA & DG integration.
2. Leverage others (IT, BU & Vendors)
3. Continuous growth while developing
4. Courage & resilience

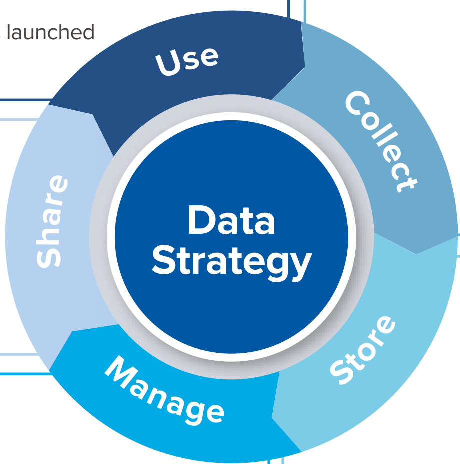
What Could Be Better

1. Capacity continuity
2. Integrating earlier
3. Drive & influence
4. Address stability

Along the way the AFFIN Data Strategy that we have put in place since 2021 are also bearing the fruits with latest progress and led to how the building blocks had evolved.

- Google Looker Studio & Qlik Sense for users to access to EDH Data
- 25 Dashboards/Reports Created
- 2 Machine Learning Use Case Models launched

- Email data completeness up to 71% (2023: <50%)
- Data Quality: CIF Data Error Rate 0.34% (2023: 0.6%)



- Affin Enterprise Metadata launched in January 2024
- Implemented control over data sharing & whitelisting

- Enterprise Data Hub (Google Cloud Platform) completed in December 2024 with data from 8 major source systems
- Data Purging Exercise ongoing to ensure efficient use of storage

- AHIB Integrated into Group Data Governance Framework
- Clear Guidance on email and document classification of data

SHAPING OUR PEOPLE THROUGH CULTURE

OUR APPROACH

We recognise that our employees are among our most valuable assets, essential to the sustainability of our business. This recognition has led to the inclusion of **'People and Culture'** as a key focus area within our Sustainability Framework.

Under this focus area, we strive to promote sustainable human resource practices, enhance employee skills and well-being, and cultivate an inclusive workplace environment. With that, we prioritise constructive teamwork, talent retention, and treating all employees with dignity and respect, irrespective of their background or gender.

Outlined below are our 2024 efforts, commitments and achievements in making AFFIN a excellent place to work. In overall, these are aligned with our overarching goal of **Responsible Banking with Impact**, highlighting the importance of a strong internal foundation to drive meaningful contributions toward a sustainable future.

Key Highlights in 2024

276
Employees Certified with Professional Industry Certificates

Zero
confirmed incidents of corruption

26%
Women in Top Senior Management

ETHICS & INTEGRITY

Our organisation's long-term success is built on core values of compliance, integrity, trust, and professionalism. These principles are not merely aspirational; they are the bedrock of our operations. As a financial institution, we prioritise strict adherence to laws and regulations to maintain ethical conduct and the trust of our stakeholders. Non-compliance poses significant risks, including legal consequences, reputational damage, and threats to our financial stability and sustainability.

Zero – Tolerance Against Bribery and Corruption

We are committed to responsible and transparent business practices, maintaining a zero-tolerance policy against bribery and corruption. As adherence to all applicable laws and guidelines is paramount, our comprehensive training programmes equip our workforce to uphold the highest ethical standards and avoid from any illegal conducts. Thus, this builds trust among our stakeholders in the face of evolving regulatory requirements and risks of misconduct.

Most employees fulfil the mandatory e-learning training requirement during the final quarter of the year. This trend resulted in increased total training hours by the end of FY2024.

Year	2022	2023	2024
Total hours of training by employee Category (Hours)	238,374*	305,987*	315,155

** The figures for 2022 and 2023 have been restated to reflect improvements in the coverage and quality of available data*

SHAPING OUR PEOPLE THROUGH CULTURE

Description

Code of Ethics

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

PRINCIPLE 1: COMPETENCE	PRINCIPLE 2: INTEGRITY	PRINCIPLE 3: FAIRNESS	PRINCIPLE 4: CONFIDENTIALITY	PRINCIPLE 5: OBJECTIVITY
As AFFINBanker I will develop and maintain the relevant knowledge, skills and behaviour to ensure that the activities are conducted professionally and proficiently. This includes acting with diligence, as well as obtaining, and regularly updating, the appropriate qualifications, training, expertise and practical experience	As AFFINBanker I will be honest and open in all the dealings. This includes behaving in an accountable and trustworthy manner, and avoiding any acts that might damage the reputation of, or bring discredit to the Bank at any time.	As AFFINBanker I will act responsibly and embrace a culture of fairness and transparency. This includes treating those with whom I have professional relationships with respect and ensuring that I consider the impact of the decisions and actions towards all stakeholders.	As AFFINBanker I will protect the confidentiality and sensitivity of information provided to me. This includes using it for its intended purposes only and not divulging information to any unauthorised persons, including third parties, without the necessary consent from those involved unless disclosure is required by law or regulation.	As AFFINBanker I will not allow any conflict of interest, bias or undue influence of others to override the business and professional judgment. I will declare, to those concerned, all matters that could impair the objectivity.

Embedding Good Practices

In 2024, we proactively addressed compliance and ethical conduct by training our employees on critical regulations, including the Personal Data Protection Act (PDPA), the Anti-Money Laundering Act (AMLA), and anti-bribery practices. Our established policies, including a No Gift Policy and guidelines for Dealing with Third Parties, further protect against potential breaches of guidelines, rules and regulations.

Policy	Description
Gifts, Entertainment, Travel, Donation and Sponsorship	AFFIN Bank Group has implemented a "No-Gift Policy" for its staff. This policy prohibits the solicitation or acceptance of gifts from third parties with business interests related to the bank. Additionally, both giving and receiving of gifts, entertainment, travel, donations, and sponsorships to influence business decisions are strictly forbidden. Staff members are required to comply with all relevant internal policies, procedures, and legal regulations across all locations where AFFIN Bank Group operates in Malaysia.
Dealing with Third Parties	AFFIN Bank Group is committed to combating bribery and corruption. In all business dealings, including interactions with customers, contractors, vendors, suppliers, solicitors, agents, consultants, joint venture partners, and government intermediaries, third parties are expected to avoid any corrupt behaviour and strictly comply with anti-corruption laws and regulations.

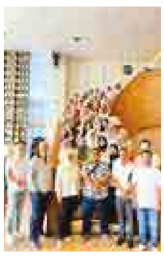
Initiative by Integrity and Governance Unit as below:

1 Collaboration with the Malaysian Anti-Corruption Academy (MACA)

AFFIN's Integrity and Governance Unit (IGU) and MACA joined forces to deliver the Certified Integrity Officer (CeIO) Programme on 25 July 2024. The Programme brought together 60 participants from various industries, providing a platform to share AFFIN's integrity and anti-corruption practices. This collaborative effort contributes to strengthening the nation's commitment to good governance and fostering a more ethical business environment.

2 National Integrity Month

AFFIN reinforced its commitment to integrity during National Integrity Month in November 2024. Led by the Integrity and Governance Unit (IGU), initiatives included prominently displaying the Group's zero-tolerance policy against corruption at Menara Affin @ TRX and conducting "White"-themed anti-bribery and corruption training. These efforts highlight AFFIN's dedication to fostering accountability and upholding the highest ethical standards across all operations.



TALENT MANAGEMENT

At AFFIN, we believe our people are our greatest asset and attracting and retaining top talent is key to our success. Our strategy includes proactive hiring, investment in employee development, and fostering a high-performance culture. We empower employees to drive improvement, ensuring a diverse and agile workforce that supports innovation and leadership. Continuous upskilling enhances adaptability, job satisfaction, and talent retention, helping AFFIN maintain a competitive edge and industry leadership.

Initiatives by Talent & Development Department

High Performers Leadership Development Programme (HPLDP) 2024

AFFIN Group, in collaboration with the Australian Institute of Management (AIM) and the Association of Development Finance Institutions of Malaysia (ADFIM), has launched the High Performers Leadership Programme in Perth. This Programme reflects our commitment to continuous learning by developing high-potential employees into leaders who will drive AFFIN's sustainable growth and positive community impact.

Impact

- Exposed our Senior Leaders to international leadership training/global best practices to enhance leadership and decision-making capabilities.

Project Mathematics and English Program (PROME) in collaboration with UUM and Sekolah Menengah Sri Rampai

Impact

- The collaboration has involved approximately 50 students from Sekolah Menengah Sri Rampai, Setapak and they have been mentored by trainees from the Affin Management Program, who provided guidance and support throughout the programme.

AFFIN Management Programme 2024

The AFFIN Management Programme (AMP), an 18-month graduate programme, develops future-ready leaders through experiential learning and a comprehensive 360-degree development approach.

Impact

- In 2023, one cohort successfully graduated and was deployed to their respective divisions, while another is on track for completion in 2025. We have selected 24 trainees to join AMP 2024, offering them numerous benefits that will significantly enhance their professional growth and leadership capabilities.

SHAPING OUR PEOPLE THROUGH CULTURE

AFFIN Talent Summit 2024

Impact

- AFFIN Bank Group demonstrated its commitment to talent development by hosting the AFFIN Talent Summit on May 2024, as a platform for high-potential employees to connect and engage. This event is aimed to improve employee engagement and cultivate transformational leaders capable of realising AFFIN's vision of becoming 'The Most Creative Financial Company in Malaysia.'

AFFIN-UNIMAS APPRENTICESHIP PROGRAMME 2024

Impact

- The AFFIN-UNIMAS Apprenticeship Programme offers a unique blended learning experience, combining 70% practical training with 30% classroom instruction. This bachelor degree-equivalent Programme develops highly skilled professionals ready to contribute to the banking, finance, and management sectors.

Lan Berambeh Anak Sarawak

Impact

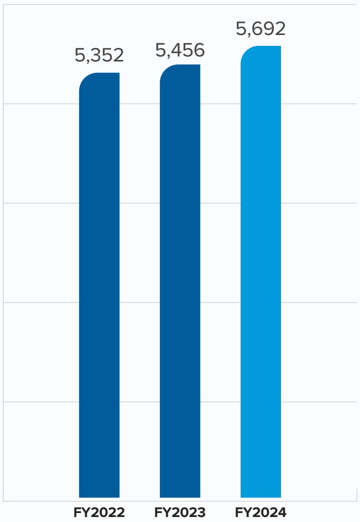
- AFFIN Bank's participation in Lan Berambeh Anak Sarawak 2024 supports its commitment to the Sarawak community.
- As a strategic partner, AFFIN announced six "Anak Sarawak" as AMP 2024 management trainees, a significant contribution to the Kenyalang Career Initiative and a demonstration of AFFIN's investment in local talent.

The total employee count has seen a notable increase, rising from 5,456 in 2023 to 5,692 in 2024. This growth reflects the company's expansion efforts and the need to support its evolving business operations.

Year	FY2022	FY2023	FY2024
Total Number Employee	5,352	5,456	5,692

Year	FY2022	FY2023	FY2024
Male	2,237	2,251	2,370
Female	3,115	3,205	3,322

Total Number Employee



Total Number Employee (Male and Female)

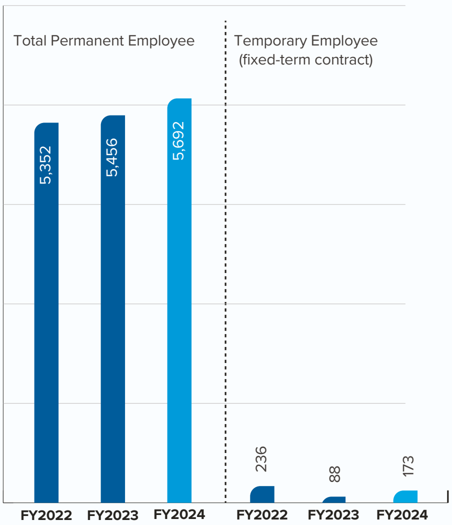
There is an increase in temporary employees in 2024, primarily among non-management and sales personnel, driven by business requirements.

Year	FY2022	FY2023	FY2024
Temporary Employee (fixed-term contract)	236	88	173

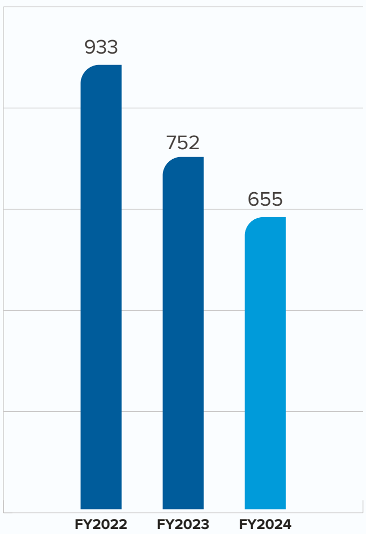
The number of employee turnover decreased from 752 in 2023 to 655 in 2024.

Year	FY2022	FY2023	FY2024
Overall Total Number of Employee Turnover	933	752	655

Permanent Employee and Temporary Employee



Total Number of Employee Turnover



SHAPING OUR PEOPLE THROUGH CULTURE

FAIR EMPLOYMENT PRACTICES

As a responsible financial service provider, we prioritise creating a safe and supportive workplace that promotes employee well-being, performance, and rights. A safe environment ensures physical and psychological safety, while a conducive environment offers the resources and support needed for employees to thrive. This leads to higher productivity, job satisfaction, and engagement. By fostering a positive work culture, we empower our employees to reach their full potential, contributing to both individual and organisational success.

Initiatives by Group People Office

Group People Office Open Day

AFFIN Group's annual People Office Open Days create a supportive and engaging environment for employees and their families.

This year's week-long initiative included valuable sessions for employees' children, focusing on both academic success (SPM exam preparation) and future career readiness (resume writing, mock interviews). These programmes demonstrate AFFIN's belief that a thriving organisation is built on the holistic well-being of its people.

Impact

- Approximately 40 staff's children attended the program, which offered them a unique opportunity to enhance their academic performance and prepare for their future careers

Employee Well-Being

Recognising the importance of holistic well-being, AFFIN Group supports its employees through after-work activities like sports clubs and the development of a state-of-the-art on-site gym.

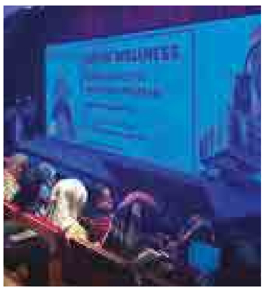
Impact

- By providing easy access to fitness facilities and promoting healthy work-life balance, AFFIN aims to enhance employee physical and mental health, increase productivity, strengthen company culture, and improve overall job satisfaction.

Launch of AFFIN Wellness x Naluri

AFFIN has partnered with Naluri to provide employees with comprehensive wellness support. Naluri's comprehensive Programme combines cutting-edge technology and expert guidance to deliver personalised digital coaching, mental health check-ups, nutrition and diet counselling, with fitness and exercise guidance.

Besides, Affin Wellness is built on four key pillars, i.e., Mental, Physical, Social, and Financial Wellness, designed to improve employee well-being and productivity.



Impact

- The program fosters long-term employee resilience by prioritising mental, physical, social, and financial wellness, leading to a healthier and more engaged workforce

Initiatives by Group People Office

International Women's Day

AFFIN celebrates International Women's Day to recognise the significant contributions of women to the workforce and our society.

By acknowledging the diverse talents and perspectives that women bring to the organisation, we strive to create a fair and inclusive workplace where everyone has equitable opportunities to succeed.

Impact

- Strengthens AFFIN's commitment to gender equality by recognising and empowering women in leadership roles, fostering a more diverse and inclusive workforce.

Employee Engagement: LENSES 3.0

The AFFIN's Lenses 3.0 initiative has significantly benefited from the 18 focus group sessions, which involved a total of 519 employees.

By measuring employee engagement across key dimensions, AFFIN has implemented targeted improvements from July 2024, creating a supportive environment where employees can thrive.

AFFIN EDUCATION EXCELLENCE AWARD

AFFIN Bank proudly recognised the academic achievements of 39 employees' children at its annual Education Excellence Award Ceremony. The recipients demonstrated exceptional performance in SPM, STPM, IGCSE/'O' Level, and A Level examinations.

Impact

- This event showcases AFFIN's commitment to supporting the educational pursuits of its employees' families and nurturing a culture of excellence within our extended community.

SHAPING OUR PEOPLE THROUGH CULTURE

Safeguarding Our Employees

Our employees are the foundation of our business, and protecting their health and safety is a key investment that fosters loyalty, retention, and growth. To minimise risks, we follow a comprehensive Occupational Safety and Health (OSH) Policy that outlines processes to identify and eliminate hazards. We continuously assess our workplaces and update safety measures to align with industry best practices. Additionally, we invest in OSH training to equip employees with the knowledge and skills to proactively ensure a safe working environment.

Work-related Fatalities

FY2022	FY2023	FY2024
0	0	0

Supported by our comprehensive OSH policies and practices, we maintained our record of zero work-related fatalities in 2024

Training on Health & Safety Standards

In 2024, we have continuously made stride at improving our delivery of health and safety trainings for our employees. From our increased emphasis on workplace safety, the percentage of employees trained in these critical standards has tripled in 2024.

Common Indicators	FY2022	FY2023	FY2024
Number of employees trained on health and safety standards	160*	140*	539

Note: The figures for 2022 and 2023 have been restated to reflect improvements in the coverage and quality of available.

OSH Coordinator (representative) training for all branches.

Bomb threat management and evacuation exercise at Menara Affin, TRX.

Collective Bargaining Agreement

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

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

56% of total employees covered by collective bargaining agreements (UNION)

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

Grievance Mechanism

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

Employee Well-being

Our employees are provided access to a wide range of benefits, including

Type of Benefit	Coverage
Healthcare	• Outpatient and Hospitalisation treatment • Dental benefit • Spectacles benefit
Leave	**1. Education Leave** Allows employee to take leave to attend examinations, study and other education-related purposes **2. Pilgrimage Leave** All employees are entitled to take leave for Hajj and Umrah for 30 days and 7 days respectively for Muslim employees, and 7 days for Non-Muslims employees to perform pilgrimage **3. Parental Leave** Complies with Employment Act (Amendment) 2022 and allows the following parental leave for employees with newborns: – 98 days of maternity leave for female employees – 7 days of paternity leave for male employees **4. CSR Leave** All employees are entitled with CSR leave for participating in Corporate Social Responsibility (CSR) initiatives.
Staff Welfare Funds	**Death** Demise of staff – RM1,500.00 Demise of dependents – RM1,000.00 Demise of Parents – RM700.00 **Natural Disaster Relief** Up to RM2,000.00 (case to case basis)

Education Excellence Award

EXAMINATIONS	RESULT	QUANTUM (RM)
SPM	A+	200
	A	150
	A-	100
IGCSE / 'O' Level	A+	200
	A	150
'A' Level	3'A's	2,000
	4'A's & above	2,500

SHAPING OUR PEOPLE THROUGH CULTURE

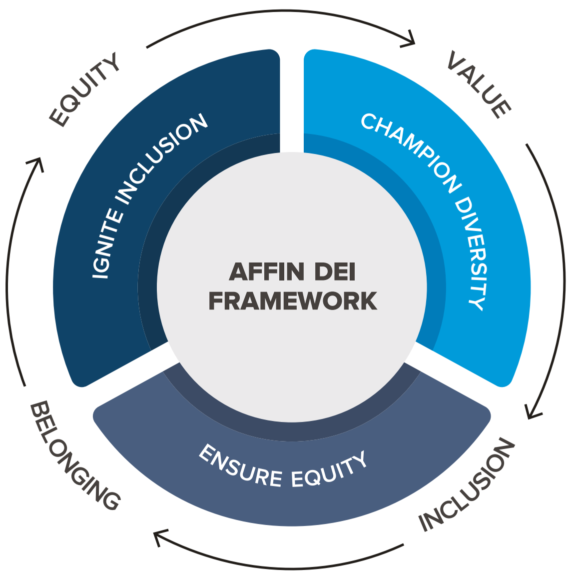
DIVERSITY, EQUITY AND INCLUSION

OUR WORKFORCE DEMONSTRATES A HEALTHY DISTRIBUTION ACROSS AGE GROUPS, REFLECTING A BLEND OF EXPERIENCE AND NEW PERSPECTIVES.

AFFIN is committed to diversity, equity, and inclusion (DEI) as key drivers of sustainable growth and innovation. A diverse and inclusive workforce fosters creativity, adaptability, and new perspectives. By embedding DEI principles into our culture, we ensure every employee feels valued and empowered. This culture of inclusion drives innovation, helping us better understand our customers and respond to market trends. Ultimately, it allows us to thrive in a dynamic, evolving market.

Establishment of Diversity, Equity and Inclusion (DEI) Framework

AFFIN's DEI framework cultivates an inclusive and equitable workplace where diversity is celebrated and every individual is empowered to thrive. Integrated through Vibe@AFFIN initiatives, these principles promote sustainable performance and organisational resilience.



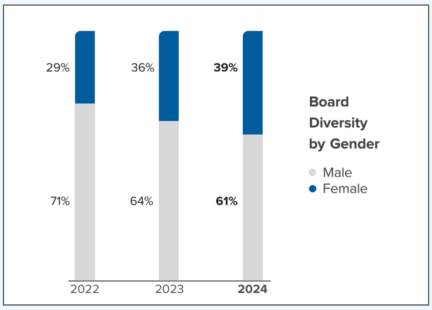
Diversity is a cornerstone of our identity as an organisation. We strive to nurture workplaces that celebrate differences and value all employees equitably regardless of their age, gender, race, religion, background, or other characteristics, with this commitment extending from our rank-and-file employees to the Board.

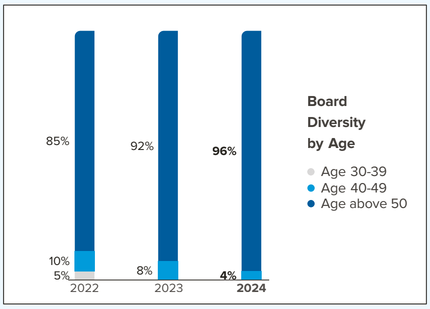
As we move forward in advancing diversity at the employee and Board levels, we remain guided by relevant regulations and industry standards including the Financial Services Industry Act 2013 (FSIA), Bank Negara Malaysia's (BNM) Prudential Guidelines on Corporate Governance and the National Human Resources Policy 2006, each of which detail expectations of Malaysian companies in promoting equal opportunity and eliminating workplace discrimination.

Diversity at the Highest Level

Over the past two years, we have seen a positive increase in women's representation on the Boards of AFFIN companies, rising from 29% in 2022 to 39% in 2024. Most of our Board members are in the "Above 50" age category, bringing stability and experience. This age diversity is complemented by a mix of skills, backgrounds, and experiences, leading to more effective decision-making at the highest level.

Composition of Directors by Gender and Age

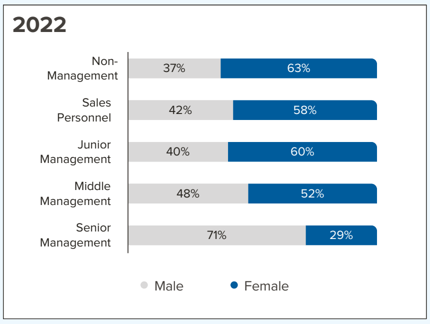


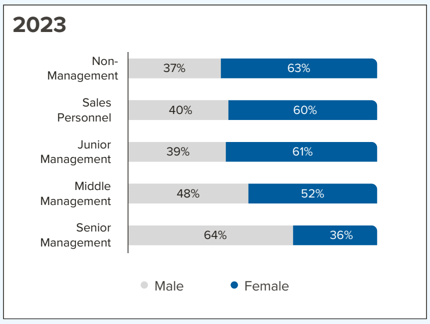


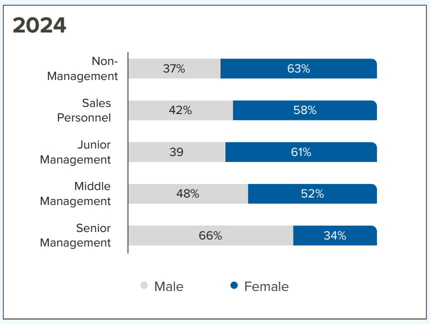
Diversity Transcends at the Working Level

At the Senior Management level, female representation has modestly risen from 29% in 2022 to 34% in 2024. Women represent the majority at the Middle Management level, making up around 52% of the workforce in 2024. At the Junior Management level, women account for approximately 60% of employees, with a similar distribution observed among Non-management staff and sales personnel.

Composition of Employees by Employment Type

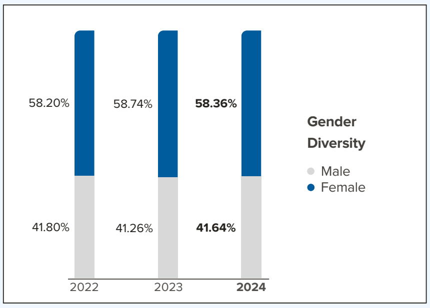






Gender Diversity

Our gender diversity statistics are a testament to our commitment to promoting a diverse and inclusive work environmen



EMPOWER THE COMMUNITY

Our vision under this focus area is to remain steadfast in empowering the local community through various programmes which focused on enhancing community well-being, educational access, environmental sustainability, disaster relief and healthcare.

In alignment with our Responsible Banking with Impact strategic objective, we work hand in hand with local communities and other stakeholders to implement impactful initiatives for our local communities. Our initiatives are designed to address the specific needs of local communities, ensuring that we create positive social and environmental impacts alongside our commercial activities.

KEY HIGHLIGHTS

In 2024, we continue to engage in various community development and outreach programmes:

Contributed a value of RM7.63 million, enriching the lives of approximately 116,833 beneficiaries across various demographics.

The AFFIN-MyREF Hijrahpreneur Skills Programme reported in a 200.21% average income increase for 10 Asnaf individuals throughout the programme.

This section highlights AFFIN's commitment to reaching out and sharing prosperity with the communities we serve through impactful Corporate Social Responsibility (CSR) activities. Such activities are also designed to improve the livelihoods of families and individuals within the local communities.

Under the **'Support the Community'** focus area, we have identified two key material matters: **Community Empowerment** and **Financial Inclusion**. These priorities are essential for empowering communities by enhancing their financial literacy and driving economic growth.

COMMUNITY EMPOWERMENT

By addressing these critical areas, we strive to make a meaningful contribution to the people that we serve in the community.

Promoting Environmental Responsibility

AFFIN is committed to assist local communities with sustainable development, aiming to promote environmental stewardship and encourage sustainable living practices. Managing environmental impacts through effective waste management, water consumption and biodiversity conservation are some of the key elements of environmental stewardship in our aspiration towards a circular economy.

This is in line with the strategies and aspirations outlined by **the Twelfth Malaysia Plan (RMK-12)**, that push for sustainability and circular economy in Malaysia.

An example of action taken by the Bank under this ambition, is with our sponsorship of the Interceptor 002's operation in supporting the Klang River cleanup initiative. This initiative is part of the **Selangor Maritime Gateway** project and is a collaboration with **Landasan Lumayan Sdn Bhd**, a subsidiary of ***Menteri Besar Selangor (Incorporated)***.

Impact

- Water quality improved by 69% of the days in a year, reaching Class III or better.
- A total of 557.34 metric tons of floating garbage was collected in 2024.
- Improve the overall condition of Klang River and its tributaries.

As of December 2024, the Interceptor 002, which has been moored at Pangkalan Batu Urban Park, has collected 2,600 metric tons of waste since November 2019.

The Klang river's improved Water Quality Index (currently at Class 3) demonstrates our shared commitment to its restoration and the Selangor government's vision for it as a new community water source.

Educating the community on recycling best practices.

AFFIN and KLEAN are partnering to boost the recycling practice in Malaysia by using an AI-powered reverse vending machine system. Users earn points for each recyclable material/item deposited via the **Klean Recycling App**, which can be redeemed for rewards from partners such as Grab, Touch 'n Go, and Amanah Saham.

Impact

- Increased accessibility of recycling
- Encourage broader public to recycle by making it convenient, thus reducing litter headed to waste
- Hastening the recycling process
- Estimated CO_2 reduction of 130 tonnes (tCO_2e)

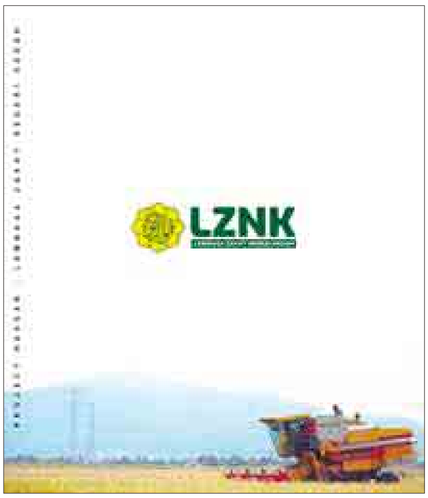
Empowering Health and Wealth

AFFIN is committed to ensuring that underserved communities receive the support and resources they need for a better quality of life. A cornerstone of our community value creation lies in enhancing access to education, socio-economic opportunities, and healthcare.

In September 2024, we collaborated with Johor Deaf Sports Association (JSDeaf) for **Bahasa Isyarat Malaysia (BIM) Run, Ride & Walk 2024**, in conjunction with the International Month of the Deaf and Sign Language, which is celebrated every year in September in most countries around the world.

Impact

- Amount Contributed: RM50,000
- Attracted approximately 1,500 participants, including members of the deaf community, individuals with disabilities, and able-bodied participants



In October 2024, we entered into another significant collaboration between ***Lembaga Zakat Negeri Kedah***, **MIFC Leadership Council (MLC), the Association of Islamic Banking and Financial Institutions Malaysia (AIBIM), and INCEIF University** that aims to improve the socio-economic conditions of the asnaf among farmers in Kedah via ***Projek Hassan***.

Projek Hassan was established in line with the Malaysian Government's policy on food security, which is primarily focused on increasing domestic food production. Guided by the policy, assistances are provided in the form of incentives, financial assistance to farmers and agricultural entrepreneurs, and the development of necessary infrastructure such as factories, markets, warehouses, and a more efficient logistics system.

Impact

- Amount Contributed: RM731,250
- Sponsored one unit of crane loader and one unit of rice purchasing centre

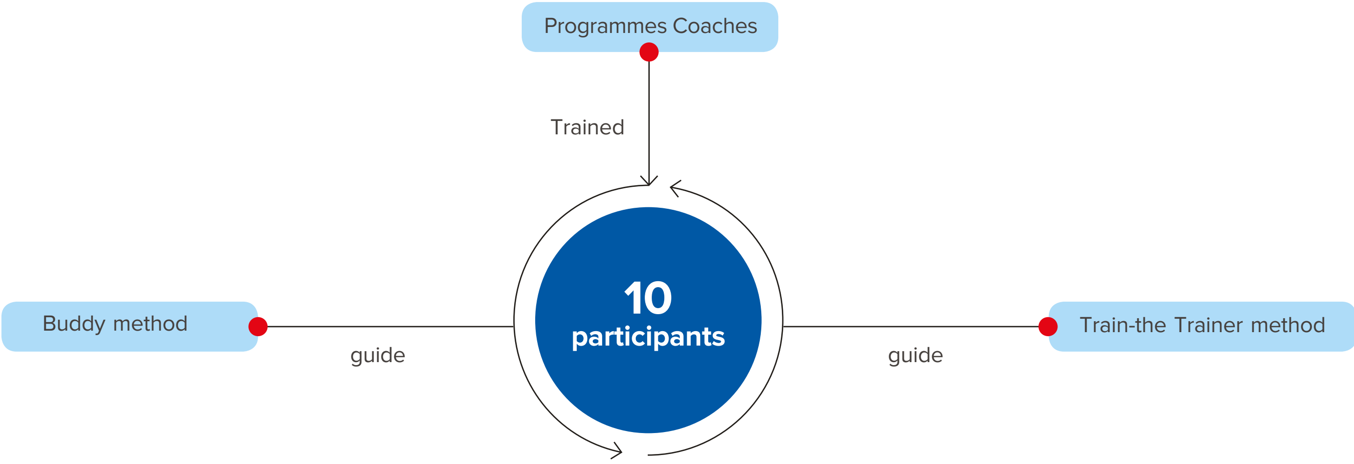
EMPOWER THE COMMUNITY

FINANCIAL INCLUSION

Financial inclusion goes beyond merely providing basic assistance to underserved communities, it focuses on empowering individuals and businesses to attain long-term economic growth and stability. Besides, it involves equipping them with the tools and resources necessary to create a brighter future and improve social status.

Where Care and Banking Converge – Asnafpreneur Development Programme

Under this programme, we fund eligible *asnaf* entrepreneurs to participate in our business up-skilling Programme **(AFFIN-MyREF Hijrahpreneur Skills Programme)**, which employs a dual training strategy. The "train-the-trainer" component provides skills training to 10 participants via programme coaches, while the "buddy" component fosters learning through mutual guidance and support among participants.



This is in line with **BNM's Financial Inclusion Framework (FIS) 2023-2026 Strategy Paper** which encourages information-sharing and strategic collaboration between financial institutions and relevant stakeholders to expand capacity building efforts and widen outreach to vulnerable segments.

Impact

- Overall, all participants showed an average increase in total income of 200.21% throughout the programme.

In May 2024, AFFIN has launched the iTEKAD Perwira-i Programme to support military veterans in establishing sustainable income streams. This initiative, in collaboration with the Malaysian Research and Education Foundation (MyREF) provides seed capital, micro financing, and structured training to low-income individuals. The launch event was officiated by the Minister of Defence, Dato' Seri Mohamed Khaled bin Nordin, and attended by AFFIN ISLAMIC's Chairman, Tuan Haji Musa Abdul Malek.

Impact

- Over seven months, participants will receive training in financial literacy, business management, and soft skills development.
- The goal is to equip veterans with comprehensive skills to enhance their post-service lives and become successful business owners.

Financial Literacy for All

We are committed to empowering individuals by enhancing financial literacy within our local communities. With our efforts focused on youth, underprivileged, and underserved populations, we strive to create an environment which allows for financial stability, growth and freedom.

Celik Kewangan Bersama Warga Akademi Tentera Udara Ipoh (ATU)

This initiative sought to empower 500 Air Force Academy members to manage their finances responsibly by providing them with a comprehensive understanding of financial assistance repayment, including various PTPTN repayment plans, thereby reducing the likelihood of financial challenges in the future.

MSU Sustainability Symposium 2024: Green Skills

The Management and Science University (MSU) Sustainability Symposium 2024, centered on “Green Skills,” featured Affin Islamic as a panellist to discuss on how to align sustainability with financial prosperity, while engaging with both industry experts and MSU university students during the event.

Melaka International Halal Festival 2024

We were engaged alongwith industry experts as speaker in Melaka International Halal Festival 2024 titled ‘The Role of Affin Islamic in Community Empowerment’.

The session highlighted Affin Islamic’s commitment to not just providing financial services, but also actively contributing to the socio-economic well-being of the communities.

PERFORMANCE DATA

As a publicly listed company on Bursa Malaysia, we are dedicated to transparent reporting of our sustainability initiatives. Our disclosures highlight key sustainability indicators, showcasing how we manage critical aspects of our operations to drive sustainable outcomes.

Our sustainability reporting encompasses the last three financial years, unless stated otherwise, and provides insights into our performance in addressing sustainability issues. Below are the key components of our disclosures:

1. **Indicators**
   We report on a set of prescribed common indicators identified as material to our organisation. These indicators align with Bursa Malaysia's enhanced Sustainability Reporting Guide, ensuring relevance and consistency.
2. **Data**
   Except were noted otherwise, we present a minimum of three years of historical data for each reported indicator. This enables stakeholders to track our progress over time. The data provided reflects the reasonable and reliable information available at the time of reporting.
3. **Internal Assurance**
   All indicators undergo internal review by our Group Internal Audit.

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

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

THE ESG PERFORMANCE DATA TABLE

ANTI-CORRUPTION									
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category									
Category	FY2022			FY2023			FY2024		
	Numbers	Total Numbers	%	Numbers	Total Numbers	%	Numbers	Total Numbers	%
Top Management	9	20	45.00	19	21	90.48	**13**	**19**	**68.42**
Senior Management	96	144	66.67	151	160	94.38	**172**	**187**	**91.98**
Middle Management	766	904	84.73	848	913	92.88	**892**	**944**	**94.49**
Junior Management	2,113	2,447	86.35	2,459	2,594	94.80	**2,536**	**2,660**	**95.34**
Non-Management	1,080	1,270	85.04	1,013	1,106	91.59	**811**	**1,091**	**74.34**
Sales Personnel	498	567	87.83	525	662	79.31	**703**	**791**	**88.87**
Overall Total Number of Employees	**4,562**	**5,352**	**85.24**	**5,015**	**5,456**	**91.92**	**5,127**	**5,692**	**90.07**

Notes:
- The figures for 2022 and 2023 have been restated to account for improvements in the coverage and quality of available data.
- AHIBB is not part of the training record for FY2022.

ANTI-CORRUPTION						
Bursa C1(b) Percentage of operations assessed for corruption-related risks						
Assessed for corruption-related risks	FY2022		FY2023		FY2024	
	Number of Operations	%	Number of Operations	%	Number of Operations	%
	4	100	8	100	**3**	**100**
Total	**4**	**100**	**8**	**100**	**3**	**100**

Note:
- The figures for 2022 and 2023 excludes AHIBB.
- No incident at AHIBB in 2024.

ANTI-CORRUPTION			
Bursa C1(c) Confirmed incidents of corruption and action taken			
Confirmed incidents of corruption and action taken	FY2022	FY2023	FY2024
	Numbers	Numbers	Numbers
	0	0	**0**
Total	**0**	**0**	**0**

Note: The figure refer to the confirmed cases reported to the MACC.

COMMUNITY INVESTMENT			
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer			
Indicator	FY2022	FY2023	FY2024
	(RM 'mil)	(RM 'mil)	(RM 'mil)
Total amount invested in the community where the target beneficiaries are external to the listed issuer	3.68	4.81	**7.63**
Total	**3.68**	**4.81**	**7.63**

Note:
- The figures for 2022 and 2023 have been restated to reflect improvements in the coverage and quality of available data.
- The figures for 2022 refer to Zakat distributed only.
- The figures for 2023 exclude AHIBB.

COMMUNITY INVESTMENT			
Bursa C2(b) Total number of beneficiaries of the investment in communities			
Indicator	FY2022	FY2023	FY2024
	Unit Number	Unit Number	Unit Number
Bursa C2(b) Total number of beneficiaries of the investment in communities	67,183	83,283	**116,833**
Total	**67,183**	**83,283**	**116,833**

Note:
- The figures for 2022 and 2023 have been restated to reflect improvements in the coverage and quality of available data.
- The figures for 2022 refers to Zakat distributed.
- The figures for 2023 exclude AHIBB.

PERFORMANCE DATA

DIVERSITY, EQUITY & INCLUSION							
Bursa C3(a) Percentage of employees by gender by employee category							
Employee Category	**Gender**	**FY2022**		**FY2023**		**FY2024**	
		Numbers	**% Split**	**Numbers**	**% Split**	**Numbers**	**% Split**
Top Management	Male	15	75.00	16	76.19	**14**	**73.68**
	Female	5	25.00	5	23.81	**5**	**26.32**
	Total	20	100	21	100	**19**	**100**
Senior Management	Male	102	70.83	103	64.38	**123**	**65.78**
	Female	42	29.17	57	35.63	**64**	**34.22**
	Total	144	100	160	100	**187**	**100**
Middle Management	Male	433	48.00	442	48.00	**455**	**48.20**
	Female	471	52.00	471	52.00	**489**	**51.80**
	Total	904	100	913	100	**944**	**100**
Junior Management	Male	981	40.00	1,013	39.00	**1,044**	**39.25**
	Female	1,466	60.00	1,581	61.00	**1,616**	**60.75**
	Total	2,447	100	2,594	100	**2,660**	**100**
Sales Personnel	Male	239	42.00	263	40.00	**332**	**41.97**
	Female	328	58.00	399	60.00	**459**	**58.03**
	Total	567	100	662	100	**791**	**100**
Non-management	Male	467	37.00	414	37.00	**402**	**36.85**
	Female	803	63.00	692	63.00	**689**	**63.15**
	Total	1,270	100	1,106	100	**1,091**	**100**
Overall Total Number of Employees		**5,352**		**5,456**		**5,692**	

Note: The job categories for 2022 and 2023 were divided into top and senior management categories.

DIVERSITY, EQUITY & INCLUSION							
Bursa C3(a) Percentage of employees by age group by employee category							
Employee Category	Age Group	FY2022		FY2023		FY2024	
		Numbers	% Split	Numbers	% Split	Numbers	% Split
Top Management	Under 30 years	–	–	–	–	–	–
	30-39 years	–	–	–	–	–	–
	40-49 years	5	25.00	6	28.57	**4**	**21.05**
	50-59 years	11	55.00	13	61.90	**13**	**68.42**
	>=60 years	4	20.00	2	9.52	**2**	**10.53**
	Total	20	100	21	100	**19**	**100**
Senior Management	30 years	–	–	–	–	–	–
	30-39 years	10	6.94	11	6.88	**20**	**10.70**
	40-49 years	52	36.11	56	35.00	**74**	**39.57**
	50-59 years	77	53.47	88	55.00	**87**	**46.52**
	>=60 years	5	3.47	5	3.13	**6**	**3.21**
	Total	144	100	160	100	**187**	**100**
Middle Management	30 years	3	0.33	3	0.33	**7**	**0.74**
	30-39 years	238	26.33	240	26.29	**234**	**24.79**
	40-49 years	362	40.04	368	40.31	**391**	**41.42**
	50-59 years	292	32.30	297	32.53	**309**	**32.73**
	>=60 years	9	1.00	5	0.55	**3**	**0.32**
	Total	904	100	913	100	**944**	**100**
Junior Management	30 years	543	22.19	555	21.40	**543**	**20.41**
	30-39 years	795	32.49	838	32.31	**880**	**33.08**
	40-49 years	700	28.61	718	27.68	**708**	**26.62**
	50-59 years	406	16.59	480	18.50	**516**	**19.40**
	>=60 years	3	0.12	3	0.12	**13**	**0.49**
	Total	2,447	100	2,594	100	**2,660**	**100**
Sales Personnel	30 years	202	35.63	206	31.12	**220**	**27.81**
	30-39 years	314	55.38	390	58.91	**483**	**61.06**
	40-49 years	49	8.64	62	9.37	**81**	**10.24**
	50-59 years	2	0.35	4	0.60	**7**	**0.88**
	>=60 years	–	–	–	–	–	–
	Total	567	100	662	100	**791**	**100**
Non-Management	30 years	162	12.76	112	10.13	**127**	**11.64**
	30-39 years	257	20.24	250	22.60	**261**	**23.92**
	40-49 years	593	46.69	459	41.50	**409**	**37.49**
	50-59 years	254	20.00	276	24.95	**288**	**26.40**
	>=60 years	4	0.31	9	0.81	**6**	**0.55**
	Total	1,270	100	1,106	100	**1,091**	**100**
Overall Total Number of Employees		**5,352**		**5,456**		**5,692**	

Note: The job categories for 2022 and 2023 were divided into top and senior management categories.

PERFORMANCE DATA

DIVERSITY, EQUITY & INCLUSION						
Bursa C3(b) Percentage of Directors by gender group						
Gender	**FY2022**		**FY2023**		**FY2024**	
	Unit Number	**Percentage**	**Unit Number**	**Percentage**	**Unit Number**	**Percentage**
Male	15	71.43	16	64.00	**14**	**60.87**
Female	6	28.57	9	36.00	**9**	**39.13**
Overall Total Number of Directors	**21**		**25**		**23**	

Note: The figures for 2022 have been restated to reflect improvements in the coverage and quality of available data.

DIVERSITY, EQUITY & INCLUSION						
Bursa C3(b) Percentage of Directors by age group						
Age Group	**FY2022**		**FY2023**		**FY2024**	
	Unit Number	**Percentage**	**Unit Number**	**Percentage**	**Unit Number**	**Percentage**
70-75 years	2	9.52	4	16.00	**4**	**17.39**
60-69 years	12	57.14	14	56.00	**14**	**60.87**
50-59 years	4	19.05	5	20.00	**4**	**17.39**
40-49 years	2	9.52	2	8.00	**1**	**4.35**
30-39 years	1	4.76	–	–	**–**	**–**
Overall Total Number of Directors	**21**		**25**		**23**	

Note: The figures for 2022, have been restated to reflect improvements in the coverage and quality of available data.

ENERGY MANAGEMENT		
Bursa C4 a (i) Total energy consumption		
FY2022	**FY2023**	**FY2024**
(MWh)	**(MWh)**	**(MWh)**
24,407	23,749	**22,131**
(L)	**(L)**	**(L)**
8,144	8,008	**18,346**
Bursa C4 a (ii) Total energy consumption		
FY2022	**FY2023**	**FY2024**
(gigajoules)	**(gigajoules)**	**(gigajoules)**
88,143	85,774	**80,308**

Notes:
- The figures includes renewable and non-renewable energy
  - *(Total nRE fuel consumed + electricity purchased + self-generated electricity)*
- The data accounts for headquarters and branches.
- The figures for 2022 and 2023 have been restated to reflect improvements in the coverage and quality of available data.

HEALTH AND SAFETY		
Bursa C5(a) Number of work-related fatalities		
FY2022 (Unit Number)	**FY2023 (Unit Number)**	**FY2024 (Unit Number)**
0	0	**0**
0	0	**0**

Notes:
- The data excludes workers who are not employees of AFFIN.

HEALTH AND SAFETY								
Bursa C5(b) Lost Time Incident Rate (LTIR)								
FY2022			**FY2023**			**FY2024**		
Number of hours worked	**Number of incidents**	**Rate**	**Number of hours worked**	**Number of incidents**	**Rate**	**Number of hours worked**	**Number of incidents**	**Rate**
9,692,200	3	0.06	10,770,864	3	0.06	**11,501,824**	**4**	**0.07**

Notes:
- The figures for 2023 have been restated to reflect improvements in the coverage and quality of available data.

HEALTH AND SAFETY		
Bursa C5(c) Number of employees trained on health and safety standards		
FY2022	**FY2023**	**FY2024**
Number	**Number**	**Number**
160	140	**539**

Notes:
- The figures exclude workers who are not employees of AFFIN.
- The figures for 2022 and 2023 have been restated to reflect improvements in the coverage and quality of available data
- AHIBB was excluded from the data for FY2022.

PERFORMANCE DATA

LABOUR PRACTICES AND STANDARD			
Bursa C6(a) Total hours of training by employee category			
Employee Category	**FY2022**	**FY2023**	**FY2024**
	Hours	**Hours**	**Hours**
Top Management	322	681	**619**
Senior Management	4,943	7,679	**8,147**
Middle Management	40,999	53,895	**55,455**
Junior Management	113,077	149,366	**158,052**
Non-Management	53,432	56,624	**44,201**
Sale Personnel	25,601	37,742	**48,681**
Overall Total Number of Training Hours	**238,374**	**305,987**	**315,155**

Notes:
- The figures for 2022 and 2023 have been restated to reflect improvements in the coverage and quality of available data.
- The numbers 2022 excludes AHIBB.

LABOUR PRACTICES AND STANDARD						
Bursa C6(b) Percentage of employees that are contractors or temporary staff						
Employee Category	**FY2022**		**FY2023**		**FY2024**	
	Unit Number	**Percentage**	**Unit Number**	**Percentage**	**Unit Number**	**Percentage**
Top Management	19	0.36	19	0.35	**18**	**0.32**
Senior Management	10	0.19	7	0.13	**7**	**0.12**
Middle Management	15	0.28	11	0.20	**8**	**0.14**
Junior Management	66	1.23	31	0.57	**77**	**1.35**
Sales Personnel	122	2.28	16	0.29	**4**	**0.07**
Non-Management	4	0.07	4	0.07	**59**	**1.04**
Total	236	4.41	88	1.61	**173**	**3.04**
Overall Total Number of Employees	**5,352**		**5,456**		**5,692**	

Notes:
- The job categories for 2022 and 2023 were devided into top and senior management categories.

LABOUR PRACTICES AND STANDARD						
Bursa C6(c) Total number of employee turnover by employee category						
Employee Category	**FY2022**		**FY2023**		**FY2024**	
	Unit Number	**Percentage**	**Unit Number**	**Percentage**	**Unit Number**	**Percentage**
Top Management	5	0.54	3	0.40	**3**	**0.46**
Senior Management	49	5.25	19	2.53	**25**	**3.82**
Middle Management	196	21.01	163	21.68	**134**	**20.46**
Junior Management	405	43.41	274	36.44	**272**	**41.53**
Sales Personnel	185	19.83	251	33.38	**184**	**28.09**
Non-Management	93	9.97	42	5.59	**37**	**5.65**
Overall Total Number of Employee Turnover	**933**		**752**		**655**	

Note: The job categories for 2022 and 2023 were divided into top and senior management categories.

LABOUR PRACTICES AND STANDARD		
Bursa C6(d) Number of substantiated complaints concerning human rights violations		
FY2022 (unit number)	**FY2023 (unit number)**	**FY2024 (unit number)**
1	0	**0**

SUPPLY CHAIN MANAGEMENT		
Bursa C7(a) Proportion of spending on local suppliers		
FY2022 Percentage	**FY2023 Percentage**	**FY2024 Percentage**
97	95	**97**

Note:
- The figures represent the actual payments made during the year.
- The figures for 2022 and 2023 have been restated to reflect improvements in the coverage and quality of available data.

PERFORMANCE DATA

DATA PRIVACY AND SECURITY		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy or losses of customer data		
FY2022	**FY2023**	**FY2024**
Unit Number	**Unit Number**	**Unit Number**
1	4	**13**

Note:
- The figures for 2023 have been restated to reflect improvements in the coverage and quality of available data.

WATER MANAGEMENT		
Bursa C9(a) Total volume of water used		
FY2022	**FY2023**	**FY2024**
Megalitres	**Megalitres**	**Megalitres**
177	193	**173**

Note:
- The figures for 2022 and 2023 have been restated to reflect improvements in the coverage and quality of available data.

WASTE MANAGEMENT			
Bursa C10(a) Total waste generated			
Category	**FY2022 (tCO_2e)**	**FY2023 (tCO_2e)**	**FY2024 (tCO_2e)**
Total waste diverted from disposal	n/a	n/a	**5.68**
Total waste directed to disposal	n/a	n/a	**82.04**

Note:
- n/a = Not available as we first initiate the measurement of our waste in 2024 onwards.
- The figures reflect Menara AFFIN TRX operations only.

EMISSIONS MANAGEMENT			
Bursa C11(a) Scope 1 emissions in tonnes of tCO_2e			
Category	**FY2022 (tCO_2e)**	**FY2023 (tCO_2e)**	**FY2024 (tCO_2e)**
Facilities' Generators	0.76	2.51	**1.31**
Own Vehicles	18.27	16.47	**42.17**
Overall Total of Scope 1 Emissions	**19.03**	**18.98**	**43.48**

Notes:
- The figures covers our facilities' generators and own vehicles.
- Default emission factors for petrol were obtained from US EPA 2021AR5, which stands at 2.3228 kg tCO_2e per liter, MGTC.
- Default emission factors for diesel were obtained from US EPA 2021AR5, which stands at 2.7325 kg tCO_2e per liter, MGTC.

EMISSIONS MANAGEMENT			
Bursa C11(b) Scope 2 emissions in tonnes of tCO_2e			
Category	**FY2022 (tCO_2e)**	**FY2023 (tCO_2e)**	**FY2024 (tCO_2e)**
Purchased Electricity	18,301.67	17,592.92	11,252.99
Overall Total of Scope 2 Emissions	**18,301.67**	**17,592.92**	**11,252.99**

Notes:
- The figures for 2022 and 2023 have been restated to reflect the latest Grid Emission.
- Our calculation methodology is based on the GHG Protocol Corporate Accounting and Reporting Standard.
- Default emission factors for grid electricity were obtained from the Malaysia Energy Information Hub in 2022 as follows:
  i. Peninsular: 0.774 Gg tCO_2e/GWh
  ii. Sabah: 0.525 Gg tCO_2e/GWh
  iii. Sarawak: 0.199 Gg tCO_2e/GWh
- The data accounts for headquarters, branches, and data centres.

EMISSIONS MANAGEMENT			
Bursa C11(c) Scope 3 emissions in tonnes of tCO_2e			
Category	**FY2022 (tCO_2e)**	**FY2023 (tCO_2e)**	**FY2024 (tCO_2e)**
Category 6: Business Travel	n/a	658.43	**709.20**
Category 7: Employee Commuting	n/a	7,245.90	**7,531.86**
Overall Total of Scope 3 Emissions	**n/a**	**7,904.33**	**8,241.06**

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

BURSA MALAYSIA ESG PERFORMANCE DATA: SUSTAINABILITY PERFORMANCE TABLE

Indicator	Measurement Unit	2022	2023	2024
Bursa (Anti-corruption)				
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category				
Top Management	Percentage	45.00 *	90.48 *	68.42
Senior Management	Percentage	66.67 *	94.38 *	91.98
Middle Management	Percentage	84.73 *	92.88 *	94.49
Junior Management	Percentage	86.35 *	94.80 *	95.34
Non-Management	Percentage	85.04 *	91.59 *	74.34
Sales Personnel	Percentage	87.83 *	79.31 *	88.87
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00	100.00	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0	0
Bursa (Community/Society)				
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	3,678,390.60 *	4,812,927.88 *	7,631,389.30
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	67,183 *	83,283 *	116,833

Internal assurance External assurance No assurance (*)Restated

Indicator	Measurement Unit	2022	2023	2024
Bursa (Diversity)				
Bursa C3(a) Percentage of employees by gender and age group, for each employee category				
Age Group by Employee Category				
Top Management Under 30	Percentage	0.00	0.00	0.00
Top Management Between 30-39	Percentage	0.00	0.00	0.00
Top Management Between 40-49	Percentage	25.00 *	28.57 *	21.05
Top Management Between 50-59	Percentage	55.00 *	61.90 *	68.42
Top Management 60 and above	Percentage	20.00 *	9.52 *	10.53
Senior Management Under 30	Percentage	0.00	0.00	0.00
Senior Management Between 30-39	Percentage	6.94 *	6.88 *	10.70
Senior Management Between 40-49	Percentage	36.11 *	35.00 *	39.57
Senior Management Between 50-59	Percentage	53.47 *	55.00 *	46.52
Senior Management 60 and above	Percentage	3.47 *	3.13 *	3.21
Middle Management Under 30	Percentage	0.33 *	0.33 *	0.74

Internal assurance External assurance No assurance (*)Restated

Indicator	Measurement Unit	2022	2023	2024
Middle Management Between 30-39	Percentage	26.33 *	26.29 *	24.79
Middle Management Between 40-49	Percentage	40.04 *	40.31 *	41.42
Middle Management Between 50-59	Percentage	32.30 *	32.53 *	32.73
Middle Management 60 and above	Percentage	1.00 *	0.55 *	0.32
Junior Management Under 30	Percentage	22.19 *	21.40 *	20.41
Junior Management Between 30-39	Percentage	32.49 *	32.31 *	33.08
Junior Management Between 40-49	Percentage	28.61 *	27.68 *	26.62
Junior Management Between 50-59	Percentage	16.59 *	18.50 *	19.40
Junior Management 60 and above	Percentage	0.12 *	0.12 *	0.49
Sales Personnel Under 30	Percentage	35.63 *	31.12 *	27.81
Sales Personnel Between 30-39	Percentage	55.38 *	58.91 *	61.06
Sales Personnel Between 40-49	Percentage	8.64 *	9.37 *	10.24
Sales Personnel Between 50-59	Percentage	0.35 *	0.60 *	0.88
Sales Personnel 60 and above	Percentage	0.00	0.00	0.00
Non Management Under 30	Percentage	12.76 *	10.13 *	11.64

Internal assurance External assurance No assurance (*)Restated

Indicator	Measurement Unit	2022	2023	2024
Non Management Between 30-39	Percentage	20.24 *	22.60 *	23.92
Non Management Between 40-49	Percentage	46.69 *	41.50 *	37.49
Non Management Between 50-59	Percentage	20.00 *	24.95 *	26.40
Non Management 60 and above	Percentage	0.31 *	0.81 *	0.55
Gender Group by Employee Category				
Top Management Male	Percentage	75.00 *	76.19 *	73.68
Top Management Female	Percentage	25.00 *	23.81 *	26.32
Senior Management Male	Percentage	70.83 *	64.38 *	65.78
Senior Management Female	Percentage	29.17 *	35.63 *	34.22
Middle Management Male	Percentage	48.00 *	48.00 *	48.20
Middle Management Female	Percentage	52.00 *	52.00 *	51.80
Junior Management Male	Percentage	40.00	39.00	39.25
Junior Management Female	Percentage	60.00	61.00	60.75
Sales Personnel Male	Percentage	42.00	40.00	41.97
Sales Personnel Female	Percentage	58.00	60.00	58.03

Internal assurance External assurance No assurance (*)Restated

BURSA MALAYSIA ESG PERFORMANCE DATA: SUSTAINABILITY PERFORMANCE TABLE

Indicator	Measurement Unit	2022	2023	2024
Non Management Male	Percentage	37.00 *	37.00 *	36.85
Non Management Female	Percentage	63.00 *	63.00 *	63.15
Bursa C3(b) Percentage of directors by gender and age group				
Male	Percentage	71.43 *	64.00	60.87
Female	Percentage	28.57 *	36.00	39.13
70-75 years	Percentage	9.52 *	16.00	17.39
60-69 years	Percentage	57.14 *	56.00	60.87
50-59 years	Percentage	19.05 *	20.00	17.39
40-49 years	Percentage	9.52 *	8.00	4.35
30-39 years	Percentage	4.76 *	0.00	0.00
Bursa (Energy management)				
Bursa C4(a) Total energy consumption	Megawatt	24,407.00 *	23,749.00 *	22,131.00
Bursa (Health and safety)				
Bursa C5(a) Number of work-related fatalities	Number	0	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.06	0.06 *	0.07
Bursa C5(c) Number of employees trained on health and safety standards	Number	160 *	140 *	539
Bursa (Labour practices and standards)				

Internal assurance External assurance No assurance (*)Restated

Indicator	Measurement Unit	2022	2023	2024
Bursa C6(a) Total hours of training by employee category				
Top Management	Hours	322 *	681 *	619
Senior Management	Hours	4,943 *	7,679 *	8,147
Middle Management	Hours	40,999 *	53,895 *	55,455
Junior Management	Hours	113,077 *	149,366 *	158,052
Non Management	Hours	53,432 *	56,624 *	44,201
Sales Personnel	Hours	25,601 *	37,742 *	48,681
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	4.41 *	1.61	3.04
Bursa C6(c) Total number of employee turnover by employee category				
Top Management	Number	5 *	3 *	3
Senior Management	Number	49 *	19 *	25
Middle Management	Number	196	163	134
Junior Management	Number	405	274	272
Sales Personnel	Number	185	251	184
Non Management	Number	93 *	42 *	37
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	1	0	0
Bursa (Supply chain management)				

Internal assurance External assurance No assurance (*)Restated

Indicator	Measurement Unit	2022	2023	2024
Bursa C7(a) Proportion of spending on local suppliers	Percentage	97.00 *	95.00 *	97.00
Bursa (Data privacy and security)				
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	1	4 *	13
Bursa (Water)				
Bursa C9(a) Total volume of water used	Megalitres	177.000000 *	193.000000 *	173.000000
Bursa (Waste management)				
Bursa C10(a) Total waste generated	Metric tonnes	-	-	87.72
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	-	-	5.68
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	-	-	82.04
Bursa (Emissions management)				
Bursa C11(a) Scope 1 emissions in tonnes of CO2e	Metric tonnes	19.03	18.98	43.48
Bursa C11(b) Scope 2 emissions in tonnes of CO2e	Metric tonnes	18,301.67 *	17,592.92 *	11,252.99

Internal assurance External assurance No assurance (*)Restated

Indicator	Measurement Unit	2022	2023	2024
Bursa C11(c) Scope 3 emissions in tonnes of CO2e (at least for the categories of business travel and employee commuting)	Metric tonnes	-	7,904.33 *	8,241.06

Internal assurance External assurance No assurance (*)Restated

GRI CONTENT INDEX

AFFIN has reported in accordance with the GRI Standards for the period 1 January 2024 to 31 December 2024.

GRI Disclosure	Disclosure Description	Page Number(s), URL or Direct Answer
GRI 2: General Disclosures 2021		
The organisation and its reporting practices		
2-1	Organisational details	About Us, pages 4 - 5
2-2	Entities included in the organisation's sustainability reporting	Introduction, page 202
2-3	Reporting period, frequency, and contact point	Introduction, page 202
2-4	Restatements of information	Performance Data, pages 274 - 284
2-5	External assurance	Statement of Assurance, page 293
Activities and Workers		
2-6	Activities, value chain, and other business relationships	Our Presence | Our Products & Services, page 5 Group Corporate Structure, page 12
2-7	Employees	Performance Data, pages 276 - 278 Bursa Malaysia ESG Platform: Sustainability Performance Table, pages 284 & 285
2-8	Workers who are not employees	Performance Data, pages 276-278 Bursa Malaysia ESG Platform: Sustainability Performance Table, pages 284 & 285
Governance		
2-9	Governance structure and composition	Sustainability Governance, pages 211 & 212
2-10	Nomination and selection of the highest governance body	Corporate Governance Overview Statement, page 170
2-11	Chair of the highest governance body	Corporate Governance Overview Statement, page 160
2-12	Role of the highest governance body in overseeing the management of impacts	Sustainability Governance, pages 211 & 212
2-13	Delegation of responsibility for managing impacts	Sustainability Governance, pages 211 & 212
2-14	Role of the highest governance body in sustainability reporting	Sustainability Governance, pages 211 & 212
2-15	Conflicts of interest	• Refer statement in page 24 under Upholding Excellence In Governance • Refer statement page 43 - 48 • Refer page 184
2-16	Communication of critical concerns	• Refer page 48 • Refer page 175 under Board of Conduct • Refer page 178 under Code of Ethics, Conduct and Whistleblowing Policy
2-17	Collective knowledge of the highest governance body	• Refer page 211 • Refer CG Report (Training attended) – page 176
2-18	Evaluation of the performance of the highest governance body	• Refer Page 210 - 211 for Sustainability Commitment and Governance Structure
2-19	Remuneration policies	Corporate Governance Overview Statement, pages 176 & 177
2-20	Process to determine the remuneration	Corporate Governance Overview Statement, pages 176 & 177
2-21	Annual total compensation ratio	Corporate Governance Overview Statement, pages 176 & 177
Strategy, Policies, and Practices		
2-22	Statement on Sustainable Development Strategy	Affin's Sustainability Leadership, pages 206 & 207
2-23	Policy commitments	Advancing Sustainable Finance, page 238 Shaping Our People Through Culture, pages 259, 260 & 268
2-24	Embedding policy commitments	• Refer Page 211 for Governance Structure • Refer Page 238 for the establishment of the policies • Refer Part B of CG report for the list of training attended
2-25	Processes to remediate negative impacts	• Page 178 for whistleblowing
2-26	Mechanisms for seeking advice and raising concerns	Grievance Mechanism, page 267

GRI Disclosure	Disclosure Description	Page Number(s), URL or Direct Answer
2-27	Compliance with laws and regulations	Group Compliance Framework, page 193
2-28	Membership associations	Affin's Sustainability Journey In A Snapshot, page 205
Stakeholder Engagement		
2-29	Approach to Stakeholder Engagement	Affin's Sustainability Approach, pages 212 - 215
2-30	Collective bargaining agreements	Shaping Our People Through Culture, page 267
GRI 3: Material Topics 2021		
3-1	Process to determine material topics	Affin's Sustainability Approach, pages 216 - 218 & 220
3-2	List of material topics	Affin's Sustainability Approach, pages 218 & 219
MATERIAL TOPICS		
Indirect Economic Impacts		
GRI 3: Material Topics 2021		
3-3	Management of material topics	Empower The Community, page 270
GRI 203: Indirect Economic Impacts 2016		
203-1	Infrastructure investments and services supported	Empower The Community, pages 270 & 271
203-2	Significant indirect economic impacts	Empower The Community, pages 270 & 271
Procurement Practices		
GRI 3: Material Topics 2021		
3-3	Management of material topics	Affin's Sustainability Approach, page 226 Environmentally Responsible Operation, page 254
GRI 204: Procurement Practices 2016		
204-1	Proportion of spending on local suppliers	Environmentally Responsible Operation, page 254 Performance Data, page 281 Bursa Malaysia ESG Platform: Sustainability Performance Table, page 287
Anti-Corruption		
GRI 3: Material Topics 2021		
3-3	Management of material topics	Affin's Sustainability Approach, page 230 Shaping Our People Through Culture, page 259
GRI 2025: Anti-Corruption 2016		
205-1	Operations assessed for risks related to corruption	Performance Data, page 275 Bursa Malaysia ESG Platform: Sustainability Performance Table, page 284
205-2	Communication and training about anti-corruption policies and procedures	Shaping Our People Through Culture, pages 259 & 260 Performance Data, page 274 Bursa Malaysia ESG Platform: Sustainability Performance Table, page 284
205-3	Confirmed incidents of corruption and action taken	Performance Data, page 275 Bursa Malaysia ESG Platform: Sustainability Performance Table, page 284
Energy		
GRI 3: Material Topics 2021		
3-3	Management of material topics	Affin's Sustainability Approach, page 229 Environmentally Responsible Operation, page 249
GRI 302: Energy 2016		
302-1	Energy consumption within the organisation	Environmentally Responsible Operation, pages 249 & 250 Performance Data, page 278
Emissions		
GRI 3: Material Topics 2021		

GRI CONTENT INDEX

GRI Disclosure	Disclosure Description	Page Number(s), URL or Direct Answer
3-3	Management of material topics	Affin's Sustainability Approach, page 223 Advancing Sustainable Finance, page 240 Environmentally Responsible Operation, page 249
GRI 305: Emissions 2016		
305-1	Direct (Scope 1) GHG emissions	Environmentally Responsible Operation, page 249 Performance Data, page 283 Bursa Malaysia ESG Platform: Sustainability Performance Table, page 287
305-2	Energy indirect (Scope 2) GHG emissions	Environmentally Responsible Operation, page 249 Performance Data, page 283 Bursa Malaysia ESG Platform: Sustainability Performance Table, page 287
305-3	Other indirect (Scope 3) GHG emissions	Environmentally Responsible Operation, page 251 Performance Data, page 283 Bursa Malaysia ESG Platform: Sustainability Performance Table, page 287
305-4	GHG emissions intensity	Advancing Sustainable Finance, page 241
305-5	Reduction of GHG emissions	Environmentally Responsible Operation, page 249
Water		
GRI 3: Material Topics 2021		
3-3	Management of material topics	Affin's Sustainability Approach, page 229 Environmentally Responsible Operation, page 249
GRI 303: Water and Effluents 2018		
303-5	Water Consumption	Performance Data, page 282
Waste		
GRI 3: Material Topics 2021		
3-3	Management of material topics	Affin's Sustainability Approach, page 229 Environmentally Responsible Operation, pages 249 & 252
GRI 306: Waste 2020		
306-3	Waste generated	Bursa Malaysia ESG Platform: Sustainability Performance Table, page 287
306-4	Waste diverted from disposal	Performance Data, page 283 Bursa Malaysia ESG Platform: Sustainability Performance Table, page 287
Employment		
GRI 3: Material Topics 2021		
3-3	Management of material topics	Affin's Sustainability Approach, page 232 Shaping Our People Through Culture, pages 259, 261 & 264
GRI 401: Employment 2016		
401-1	New employee hires and employee turnover	Shaping Our People Through Culture, page 263 Performance Data, page 281
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Shaping Our People Through Culture, page 267
Occupational Health and Safety		
GRI 3: Material Topics 2021		
3-3	Management of material topics	Shaping Our People Through Culture, page 266
GRI 403: Occupational Health and Safety 2018		

GRI Disclosure	Disclosure Description	Page Number(s), URL or Direct Answer
403-5	Worker training on occupational health and safety	Shaping Our People Through Culture, page 266 Performance Data, page 279
403-9	Work-related injuries	Performance Data, page 279
Training and Education		
GRI 3: Material Topics 2021		
3-3	Management of material topics	Affin's Sustainability Approach, page 231 Shaping Our People Through Culture, page 261
GRI 404: Training and Education 2016		
404-1	Average hours of training per year per employee	= Overall Total Number of Training Hours/Total numbers of employee = 315,155 / 5,692 = 55.4
404-2	Programmes for upgrading employee skills and transition assistance programmes	Shaping Our People Through Culture, page 261
Diversity & Equal Opportunity		
GRI 3: Material Topics 2021		
3-3	Management of material topics	Affin's Sustainability Approach, page 233 Shaping Our People Through Culture, page 268
GRI 405: Diversity and Equal Opportunity 2016		
405-1	Diversity of governance bodies and employees	Shaping Our People Through Culture, page 269 Performance Data, pages 276 - 278 Bursa Malaysia ESG Platform: Sustainability Performance Table, pages 284 & 285
Local Communities		
GRI 3: Material Topics 2021		
3-3	Management of material topics	Affin's Sustainability Approach, pages 234 & 235 Empower The Community, page 270
GRI 413: Local Communities 2016		
413-1	Operations with local community engagement, impact assessments and development programmes	Empower The Community, pages 270 - 273 Performance Data, page 275 Bursa Malaysia ESG Platform: Sustainability Performance Table, page 284
Customer Privacy		
GRI 3: Material Topics 2021		
3-3	Management of material topics	Affin's Sustainability Approach, page 228
GRI 418: Customer Privacy 2018		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Performance Data, page 282 Bursa Malaysia ESG Platform: Sustainability Performance Table, page 287

TCFD INDEX

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD) GUIDE FOR MALAYSIAN FINANCIAL INSTITUTIONS

GOVERNANCE		
Item	**Recommendation**	**Reference**
G1	Board Oversight of Sustainability and Climate-related Matters	211 - 212
G2	Sustainability Governance Structure Including Climate-Related Matters at the Management Level	211 - 212
G3	Sustainability and Climate-related Board Credentials	42
G4	Sustainability and Climate-Related Training	Part B of CG Report
G5	Sustainability and Climate-related Discussions in Board Meetings	162
G6	Sustainability Climate-linked Remuneration	212

STRATEGY		
Item	**Recommendation**	**Reference**
S1	Identification of Climate-related Risks and Opportunities	223
S2	Impact of Climate-related Risks and Opportunities	223
S3	Strategy and Risk Appetite on Climate Change Related Risks and Sustainability Measures	223

RISK MANAGEMENT		
Item	**Recommendation**	**Reference**
R1	Process for Identifying and Assessing Climate-related Risks	242 - 244
R2	Process for Managing Climate related Risks	242 - 244
R3	Process for Integrating (i) Process for Identifying and Assessing Climate-related Risks and (ii) Process for Managing Climate-related Risks; into Overall Risk Management	242 - 244

METRIC AND TARGETS		
Item	**Recommendation**	**Reference**
M1	Key Climate-related Metrics	250, 251 & 283
M2	Key Climate-related Targets	249

STATEMENT OF ASSURANCE

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

Subject Matter

1. Percentage of employees who have received training on anti-corruption by employee category
2. Percentage of operations assessed for corruption-related risks
3. Confirmed incidents of corruption and action taken
4. Total amount invested in the community where the target beneficiaries are external to the listed issuer
5. Total number of beneficiaries of the investment in communities
6. Percentage of employees by gender and age group by employee category
7. Percentage of Directors by gender and age group
8. Total energy consumption
9. Number of work-related fatalities
10. Lost Time Incident Rate (LTIR)
11. Number of employees trained on health and safety standards
12. Total hours of training by employee category
13. Percentage of employees that are contractors or temporary staff
14. Total number of employee turnover by employee category
15. Number of substantiated complaints concerning human rights violations
16. Proportion of spending on local suppliers
17. Number of substantiated complaints concerning breaches of customer privacy or losses of customer data
18. Total volume of water used
19. Total waste generated
20. Scope 1 emissions in tonnes of tCO_2e
21. Scope 2 emissions in tonnes of tCO_2e
22. Scope 3 emissions in tonnes of tCO_2e
    1. Category 6: Business Travel
    2. Category 7: Employee Commuting
    3. Category 15: Investment

Scope

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

a) Malaysia

GLOSSARY

Term		Definition
Asset Class	Listed Equity and Corporate Bonds (AC 1)	- Common and preferred stock traded on a market, held by the Group All types of corporate bonds, including available-for-sale and held-to-maturity, traded on a market, held by the Group
	Business Loans and Unlisted Equity (AC2)	- Loans/financing extended to non-individual clients of Group Corporate Banking and Group Enterprise Banking for general corporate purposes, i.e., with unknown use of proceeds Equity investments in organisations that are not traded on a market
	Project Finance (AC3)	Loans/financing extended to projects designated for specific purposes, i.e., with known use of proceeds
	Commercial Real Estate(AC4)	Loans/financing extended to individuals and small and medium-sized enterprises (SMEs) for specific corporate purposes, namely the purchase and refinancing of commercial real estate
	Mortgages (AC5)	Loans/financing extended to individual customers for specific consumer purposes, namely the purchase and refinancing of residential property
	Motor Vehicle Loans (AC6)	Loans/financing extended to individual and non-individual customers for specific corporate or consumer purposes, namely the financing of motor vehicles
	Sovereign Debt (AC7)	Sovereign bonds issued in domestic or foreign currencies
CCPT		Climate Change & Principle based Taxonomy
CRMSA		Climate Risk Management & Scenario Analysis
GRI		Global Reporting Initiative
ECL		Expected Credit Loss
Group-wide		The "Group" term covers: 1. AFFIN Bank Berhad (ABB) 2. AFFIN Islamic Bank Berhad (AIBB) 3. AFFIN Hwang Investment Bank Berhad (AHIBB)
GHG		Greenhouse Gas Greenhouse gas emissions result from human activities which contribute to climate change such as gas released from burning fossil fuels, deforestation, industrial processes etc.
LCTF		Low Carbon Transition Facility
LGD		Loss Given Default
LULUCF		Land Use, Land-Use Change, and Forestry
Materiality		Refers to the importance of specific issues within an organisation. It focuses on the significance of certain aspects in relation to their potential impact on investor decision

Term	Definition
Materiality Assessment	Materiality Assessment is a process that evaluates the perceived information of both financial and non-financial information about an organisation. The primary objective is to identify which information/ topic that is material to the stakeholders
Materiality Matrix	The final output of materiality assessment is the materiality matrix. The matrix provides a graphical representation of the assessment results, forming a two-dimensional coordinate system: - The horizontal x-axis indicates the material that matters for an organisation - The vertical y-axis indicates the material that matters to stakeholders
MGTC	Malaysia Green Technology Corporation
Net Zero Carbon	Means “Total emissions produced (such as carbon dioxide) are offset by an equal amount of emissions removed (such as through carbon capture or natural process)”
NGFS	Network for Greening the Financial System
NPS	Net Promoter Score is a customer loyalty and satisfaction measurement. It gauges how likely customers are to recommend a product or service to others
Offset	Means “compensate for something else”
Operational Emissions	Refers to Scope 1 and Scope 2 emissions
PD	Probability of Default
Scope 1	Direct emissions owned or controlled by the company such as: - Fuel burned by company-owned vehicles - On site combustion processes (e.g., generators, boiler etc.) These emissions are directly attributable to the company’s operations and activities
Scope 2	Indirect emissions from purchased energy such as: - Purchase and use of electricity, steam, heating and cooling by the company These emissions occur from sources not owned or controlled by the company but are a consequence of its activities
Scope 3	Broader indirect emissions across the entire value chain such as: - Supply chain emissions: Emissions from raw material extraction, manufacturing and transportation - Product use emissions: Emissions generated when customers use the company’s products or services - End-of-life emissions: Emissions related to disposal or recycling of products These emissions often constitute a significant portion of a company’s total carbon footprint
TCFD	Task Force on Climate related Financial Disclosure
TOR	Terms of Reference
Sector	This exercise covers all sectors available in our financing and investment portfolio using the PCAF EXIOBASE classification

financial statements

DIRECTORS' REPORT
for the financial year ended 31 December 2024

The Directors hereby submit their report together with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2024.

PRINCIPAL ACTIVITIES

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

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

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

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

FINANCIAL RESULTS

	The Group	The Bank
	RM'000	RM'000
Profit before zakat and taxation	707,736	319,446
Zakat	(6,707)	-
Profit before taxation	701,029	319,446
Taxation	(191,326)	(66,520)
Net profit for the financial year	509,703	252,926

DIVIDENDS

The dividends on ordinary shares paid or declared by the Bank since 31 December 2023 is as follows:

In respect of the financial year ended 31 December 2023:	
Single-tier final dividend of 5.76 sen per share paid on 11 June 2024	135,157

No dividend has been proposed by the Board of Directors for the financial year ended 31 December 2024. However, 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.

RESERVES AND PROVISIONS

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

DIRECTORS' REPORT
for the financial year ended 31 December 2024

SIGNIFICANT EVENTS DURING THE CURRENT AND PRECEDING FINANCIAL YEAR

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

SIGNIFICANT EVENTS SUBSEQUENT TO THE FINANCIAL YEAR

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

DIRECTORS

The Directors of the Bank in office since the date of the last report and at the date of the report are:

Dato' Agil Natt
Chairman/Independent Non-Executive Director

Dato' Abdul Aziz bin Abu Bakar
Independent Non-Executive Director

Dato' Mohd Hata bin Robani
Independent Non-Executive Director

Dato' Rozalila binti Abdul Rahman
Independent Non-Executive Director

Marzida binti Mohd Noor
Independent Non-Executive Director

Gregory Jerome Gerald Fernandes
Independent Non-Executive Director

Chan Wai Yu
Independent Non-Executive Director

Ignatius Chan Tze Ching
Non-Independent Non-Executive Director

Peter Yuen Wai Hung
Non-Independent Non-Executive Director (resigned w.e.f. 28 February 2025)

Mohammad Ashraf bin Md Radzi
Non-Independent Non-Executive Director

Emeliana Dallan Rice-Oxley
Non-Independent Non-Executive Director

DIRECTORS' REPORT
for the financial year ended 31 December 2024

DIRECTORS (CONTINUED)

The Directors of the Bank's subsidiaries who have held office during the financial year and during the period from the end of the financial year to the date of this report (not including those Directors listed above) are:

Affin Islamic Bank Berhad
Musa bin Abdul Malek
Suffian bin Baharuddin
Datuk Mohd Farid bin Mohd Adnan
Tan Ler Chin, Cindy
Muhammad Fitri bin Othman (resigned w.e.f. 1 September 2024)
Dali Kumar @ Dali bin Sardar
Dr. Sharbanom binti Abu Bakar
Haizad Rizal bin A Aziz (appointed w.e.f. 15 February 2025)

PAB Properties Sdn Bhd
Nazri bin Othman (resigned w.e.f. 27 May 2024)
Mohammad Fairuz bin Mohd Radi (appointed w.e.f. 27 May 2024)
Nimma Safira binti Khalid

Affin Business Services Sdn Bhd
Risham Akashah bin Kamaruzaman
Joanne May Rodrigues
Abdul Malek bin Mohamed Said (resigned w.e.f. 5 November 2024)
Irwin bin Mohd Eusoff (appointed w.e.f. 5 November 2024)

ABB Nominee (Asing) Sdn Bhd and ABB Nominee (Tempatan) Sdn Bhd
Nimma Safira binti Khalid
Joanne May Rodrigues

Affin Hwang Investment Bank Berhad
Tunku Afwida binti Tunku A.Malek
Eugene Hon Kah Weng
Hasli bin Hashim
Dato' Abdul Wahab bin Abu Bakar
Kong Yuen Ling
Datuk Wan Razly Abdullah bin Wan Ali (completion of Directorship Tenure w.e.f. 2 April 2024)
Ong Guat Kee, Tracy

Affin Hwang Nominees (Asing) Sdn Bhd and Affin Hwang Nominees (Tempatan) Sdn Bhd
Liao Pieng Sin
Ng Meng Wah (resigned w.e.f. 2 October 2024)
Anita binti Talib (resigned w.e.f. 2 October 2024)
Kan Chew Gan (resigned w.e.f. 2 October 2024)
Yeong Sook Kwan
Ang Swee Lean
Premtilaka a/l N.Amarasingham (appointed w.e.f. 4 October 2024)
Chung Pei Ching (appointed w.e.f. 4 October 2024)

AHC Global Sdn Bhd and AHC Associates Sdn Bhd
Ng Meng Wah (resigned w.e.f. 2 October 2024)
Ong Teng Chong, Andy
Ahmad Gazzara Czillich (appointed w.e.f. 1 October 2024)

Affin Hwang Trustee Berhad
Feizal Zawry bin Mohamed
Ng Meng Wah (resigned w.e.f. 16 October 2024)
Ong Teng Chong, Andy

DIRECTORS' REPORT
for the financial year ended 31 December 2024

DIRECTORS (CONTINUED)

The Directors of the Bank's subsidiaries who have held office during the financial year and during the period from the end of the financial year to the date of this report (not including those Directors listed above) are (continued):

Affin Moneybrokers Sdn Bhd
Admiral Tan Sri Dato' Seri Panglima Dr. Ahmad Kamarulzaman Hj Ahmad Badaruddin (R)
Chandra a/l K.V. Sreedharan Nair (resigned w.e.f. 29 February 2024)
Norhazlizawati binti Mohd Razali
Adzamimah binti Adzmi

In accordance with Article 118 of the Bank's Constitution, the following Directors retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-election:

1. Dato' Mohd Hata bin Robani
2. Dato' Abdul Aziz bin Abu Bakar
3. Mohammad Ashraf bin Md Radzi

In accordance with Article 124 of the Bank's Constitution, none of the Directors retire at the forthcoming Annual General Meeting and being eligible, offer themselves for re-election.

The Directors' names of the subsidiaries and their remuneration details are set out in the subsidiaries' statutory accounts and the said names and details are deemed incorporated herein by such reference and made a part hereof.

RESPONSIBILITY STATEMENT BY BOARD OF DIRECTORS

In the course of preparing the annual financial statements of the Group and of the Bank, the Directors are collectively responsible in ensuring that these financial statements are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

It is the responsibility of the Directors to ensure that the financial reporting of the Group and of the Bank present a true and fair view of the state of affairs of the Group and of the Bank as at 31 December 2024 and of the financial results and cash flows of the Group and of the Bank for the financial year then ended.

The financial statements are prepared on the going concern basis and the Directors have ensured that proper accounting records are kept, applied the appropriate accounting policies on a consistent basis and made accounting estimates that are reasonable and fair so as to enable the preparation of the financial statements of the Group and of the Bank with reasonable accuracy.

The Directors have also taken the necessary steps to ensure that appropriate systems are in place for the assets of the Group and of the Bank to be properly safeguarded for the prevention and detection of fraud and other irregularities. The systems, by their nature, can only provide reasonable and not absolute assurance against material misstatements, whether due to fraud or error.

The Statement by Directors pursuant to Section 251(2) of the Companies Act 2016 is set out on page 482 of the financial statements.

DIRECTORS' REPORT
for the financial year ended 31 December 2024

DIRECTORS' INTERESTS

The Directors in office at the end of the financial year did not hold any interest in shares in the Bank or its related companies during the financial year.

LONG TERM INCENTIVE PLAN ('LTIP')

The Group implemented a Long Term Incentive Plan ('LTIP') in the form of an employees' Share Grant Scheme ('SGS') on 1 August 2023, which was approved by the shareholders at the Annual General Meeting held on 25 May 2023. The SGS is governed by the SGS By-Laws and is administered by the Group Board Nomination & Remuneration Committee ('SGS Committee').

The SGS is a performance share unit scheme where vesting is subject to performance conditions and the SGS Committee may, at any time within the duration of the SGS, grant an SGS award to eligible employees, subject to the terms and conditions of the SGS By-Laws. The SGS shares may be settled through issuance and transfer of new shares, or other modes of settlement as provided by the SGS By-Laws.

The SGS primarily serves as an incentive plan to reward eligible employees and to align their interest with the corporate goals and objectives of the Group. Eligible employees refer to employees of the Group (excluding dormant subsidiary companies) who fulfil the eligibility criteria and have been selected to participate in the SGS by the Bank's Board of Directors, on the recommendations of the SGS Committee, subject to terms and conditions of the SGS By-Laws.

Any offer awarded to a person who is a director or chief executive of the Bank or a person connected to a director, major shareholder or chief executive of the Bank, and the related allotment of shares must be approved by shareholders at a general meeting. The SGS will not be extended to any non-executive directors of any company within the Group.

The maximum number of shares which may be made available under the SGS shall not in aggregate exceed 5% of the Bank's total number of issued shares (excluding treasury shares, if any) at any point in time during the duration of the SGS. Details of SGS are set out in Note 59 to the financial statements.

President & Group CEO who has been awarded with SGS during the financial year is listed below:

	No of SGS Awarded (Units '000)
Datuk Wan Razly Abdullah bin Wan Ali *(completion of Directorship Tenure w.e.f. 2 April 2024)*	1,350
Other directors	2,275

DIRECTORS' BENEFITS

During and at the end of the financial year, no other arrangements subsisted to which the Bank or any of its subsidiaries is a party with the object or objects of enabling Directors of the Bank or any of its subsidiaries to acquire benefits by means of the acquisition of shares in, or debenture of, the Bank or any other body corporate.

Since the end of the previous financial year, no Director of the Bank has received or become entitled to receive a benefit (other than the fees and other emoluments shown in the Note 42 to the financial statements) by reason of a contract made by the Bank or by a related corporation with the Director or with a firm of which he is a member or with a company in which he has a substantial financial interest.

DIRECTORS' REPORT
for the financial year ended 31 December 2024

OTHER STATUTORY INFORMATION

Statutory information regarding the Group and the Bank

(a) As at the end of the financial year

Before the financial statements of the Group and the Bank were prepared, the Directors took reasonable steps:
- to ascertain that proper action had been taken in relation to the writing off of bad debts and financing and the making of allowance for doubtful debts and financing and satisfied themselves that all known bad debts and financing had been written-off and that adequate allowance had been made for doubtful debts; and
- to ensure that any current assets, which were unlikely to be realised in the ordinary course of business including the values of current assets as shown in the accounting records of the Group and of the Bank had been written down to an amount which the current assets might be expected so to realise.

(b) From the end of the financial year to the date of this report

The Directors are not aware of any circumstances:
- which would render the amounts written-off for bad debts and financing or the amount of the allowance for doubtful debts and financing inadequate to any substantial extent;
- which would render the values attributed to current assets in the financial statements of the Group and of the Bank misleading; and
- which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Bank misleading or inappropriate.

(c) As at the date of this report
- there are no charges on the assets of the Group and of the Bank which have arisen since the end of the financial year which secures the liabilities of any other person; and
- there are no contingent liabilities in the Group and in the Bank which have arisen since the end of the financial year other than in the ordinary course of banking business or activities of the Group.

(d) No contingent or other liability of any company in the Group has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may affect the ability of the Bank and its subsidiaries to meet their obligations when they fall due.

(e) At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Group and of the Bank which would render any amount stated in the respective financial statements misleading.

(f) In the opinion of the Directors:
- the results of the operations of the Group and of the Bank during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature except the item disclosed on Note 57; and
- there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Bank for the financial year in which this report is made.

DIRECTORS' REPORT
for the financial year ended 31 December 2024

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. Bank Negara Malaysia ('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-capitalised, supported by adequate impairment buffers to cushion against moderate credit stress.

BUSINESS STRATEGY MOVING FORWARD

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.

RATING BY EXTERNAL RATING AGENCY

The Bank has been rated by the following external rating agency:

Name of rating agency:	RAM Rating Services Berhad ('RAM')
Date of rating:	21 May 2024
Rating classifications:	
Long term:	AA_3
Short term:	P1

RAM has reaffirmed the Bank's long-term and short-term financial institution ratings, at AA_3 and P1, respectively, with stable outlook.

'AA' rating is defined by RAM as an entity which has a strong capacity to meets its financial obligations and is resilient against adverse changes in circumstances, economic condition and/or operating environment. The subscript 3 in this category indicates the lower end of its generic rating in the AA category.

A 'P1' rating is defined by RAM as obligations which are supported by superior ability with regards to timely payment of obligations.

DIRECTORS' REPORT
for the financial year ended 31 December 2024

ZAKAT OBLIGATION

The Bank's subsidiaries, Affin Islamic Bank Berhad ('AFFIN ISLAMIC') and Affin Hwang Investment Bank ('AHIB') are obliged to pay zakat to comply with the principles of Shariah. AFFIN ISLAMIC does not pay zakat on behalf of its depositors.

SUBSIDIARIES

Details of subsidiaries are set out in Note 16 to the financial statements.

DIRECTORS' REMUNERATION

The remuneration in aggregate for Directors of the Group and the Bank for the financial year are as follows:

	The Group	The Bank
	RM'000	RM'000
Directors of the Group and the Bank		
Director fees	3,382	3,382
Directors' other emoluments	183	183
Directors of the Bank's Subsidiaries		
Director fees	4,525	
Directors' other emoluments	328	

There was no amount paid to or receivable by any third party for services provided by Directors of the Bank and its subsidiaries.

During the financial year, Directors and Officers of the Group and the Bank are covered under the Directors' & Officers' Liability Insurance/Takaful in respect of liabilities arising from acts committed in their capacity as, inter alia, Directors and Officers of the Group and the Bank subject to the terms of the policy. The total amount of Directors' & Officers' Liability Insurance/Takaful effected for the Directors & Officers of the holding company was RM40.0 million. The total amount of premium paid by the Group and the Bank was RM1,373,697 (2023: RM1,537,334) and RM214,336 (2023: RM210,367) respectively.

There were no professional fees paid to Directors or any firms, of which the Directors are members, for services rendered and no amount was paid to or receivable by any third party for services provided by Directors.

The Bank maintained on a group basis, a Directors and Officers Liability Insurance against any Legal Liability incurred by the Directors in the discharge of their duties while holding office for the Bank. The Directors shall not be indemnified by such insurance for any deliberate negligence, fraud, intentional breach of law or breach of trust proven against them.

Details of Directors' remuneration and total amount of indemnity given are set out in Note 42 to the financial statements.

ISSUANCE OF SHARES

During the financial year ended 31 December 2024, the Bank had increased its issued ordinary shares from 2,346.5 million to 2,400.5 million via issuance of 54.0 million new ordinary shares amounting to RM117.5 million arising from the Dividend Reinvestment Plan ('DRP') relating to electable portion of the final dividend of 5.76 sen per ordinary share, in respect of the financial year ended 31 December 2023, as disclosed in Note 33 to the financial statements.

DIRECTORS' REPORT
for the financial year ended 31 December 2024

AUDITORS' REMUNERATION

Auditors' remuneration of the Group and the Bank are RM4,528,000 (2023: RM3,442,000) and RM3,203,000 (2023: RM1,872,000) respectively. Details of auditors' remuneration are set out in Note 41 to the financial statements.

AUDITORS

The auditors, PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146), have expressed their willingness to continue in office.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

DATO' AGIL NATT
Independent Non-Executive Director (Chairman)

GREGORY JEROME GERALD FERNANDES
Independent Non-Executive Director

Kuala Lumpur
12 March 2025

STATEMENTS OF FINANCIAL POSITION

as at 31 December 2024

	Note	The Group 2024 RM'000	The Group 2023 RM'000	The Bank 2024 RM'000	The Bank 2023 RM'000
ASSETS					
Cash and short-term funds	2	**2,852,881**	5,642,363	**1,960,558**	3,545,685
Reverse repurchase agreements with financial institutions		**–**	–	**8,033**	–
Deposits and placements with banks and other financial institutions	3	**302,241**	840,592	**604,294**	1,143,443
Investment accounts due from designated financial institutions	4	**–**	–	**3,248,280**	3,665,450
Financial assets at fair value through profit or loss ('FVTPL')	5	**1,562,337**	606,734	**1,852,836**	1,302,516
Derivative financial instruments	6	**450,370**	470,438	**412,598**	348,883
Financial investments at fair value through other comprehensive income ('FVOCI')	7	**13,901,457**	10,027,767	**6,046,007**	3,979,219
Financial investments at amortised cost ('AC')	8	**15,689,413**	16,604,902	**10,038,120**	11,180,419
Loans, advances and financing	9	**70,892,085**	65,224,997	**35,640,014**	34,510,450
Amount due from client and brokers	10	**513,907**	398,876	**–**	–
Other assets	11	**663,742**	702,252	**384,312**	500,681
Amount due from subsidiaries	12	**–**	–	**756,357**	22,126
Amount due from joint ventures	13	**4,639**	32	**–**	–
Tax recoverable		**217,929**	255,645	**188,728**	178,043
Deferred tax assets	14	**114,938**	138,283	**43,840**	72,072
Statutory deposits with Bank Negara Malaysia	15	**1,524,530**	1,395,600	**867,000**	780,000
Investment in subsidiaries	16	**–**	–	**3,304,950**	3,204,123
Investment in joint ventures	17	**–**	–	**–**	–
Investment in associates	18	**830,917**	841,260	**676,279**	667,279
Property and equipment	19	**1,361,772**	1,383,137	**1,298,483**	1,368,091
Investment property	20	**124,988**	–	**171,859**	–
Right-of-use assets	21	**71,865**	54,127	**60,733**	44,938
Intangible assets	22	**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	23	**73,743,519**	70,834,111	**41,104,818**	41,782,111
Investment accounts of customers	24	**757,600**	359	**–**	–
Deposits and placements of banks and other financial institutions	25	**8,618,411**	9,050,682	**5,183,589**	5,695,017
Obligation on securities sold under repurchase agreements	26	**5,567,418**	4,917,910	**5,188,779**	4,103,954
Derivative financial instruments	6	**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	27	**5,127,995**	3,974,491	**3,002,564**	2,859,450
Amount due to client and brokers	28	**370,282**	214,162	**–**	–
Lease liabilities	29	**65,404**	45,721	**57,251**	38,278
Other liabilities	30	**1,827,022**	1,360,615	**1,135,745**	657,093
Amount due to subsidiaries	31	**–**	–	**175,656**	292,935
Provision for taxation		**7**	6	**–**	–
Borrowings and Sukuk	32	**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
Share capital	33	**5,488,544**	5,371,044	**5,488,544**	5,371,044
Reserves	34	**6,112,748**	5,737,771	**4,685,835**	4,552,517
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	49	**85,186,497**	87,430,950	**66,865,818**	63,141,622

The accounting policies and notes form an integral part of these financial statements.

INCOME STATEMENTS

for the financial year ended 31 December 2024

	Note	The Group		The Bank	
		2024 RM'000	2023 RM'000	**2024 RM'000**	2023 RM'000
Interest income	35	**3,001,707**	2,649,698	**2,699,242**	2,389,999
Interest expense	36	**(2,175,302)**	(1,866,817)	**(1,971,666)**	(1,671,175)
Net interest income		**826,405**	782,881	**727,576**	718,824
Income from Islamic banking business	37	**691,149**	595,643	**–**	–
		1,517,554	1,378,524	**727,576**	718,824
Fee and commission income	38(a)	**345,162**	261,508	**165,748**	166,963
Fee and commission expense	38(b)	**(47,254)**	(10,930)	**(17,216)**	(10,930)
Net fee and commission income	38	**297,908**	250,578	**148,532**	156,033
Net gains on financial instruments	39	**212,091**	168,084	**135,414**	87,881
Other income	40	**142,194**	188,597	**311,455**	383,057
Other operating income		**652,193**	607,259	**595,401**	626,971
Net income		**2,169,747**	1,985,783	**1,322,977**	1,345,795
Other operating expenses	41	**(1,668,108)**	(1,421,157)	**(1,108,392)**	(992,855)
Operating profit before allowances		**501,639**	564,626	**214,585**	352,940
Write-back of/(allowances for) credit impairment losses	43	**170,181**	(75,005)	**114,151**	(92,457)
Allowances for impairment losses on other assets	44	**(18,813)**	(3,200)	**(9,290)**	–
Operating profit		**653,007**	486,421	**319,446**	260,483
Share of results of associates	18	**54,729**	36,466	**–**	–
Profit before zakat and taxation		**707,736**	522,887	**319,446**	260,483
Zakat		**(6,707)**	(4,600)	**–**	–
Profit before taxation		**701,029**	518,287	**319,446**	260,483
Taxation	46	**(191,326)**	(116,096)	**(66,520)**	(9,161)
Net profit after zakat and taxation		**509,703**	402,191	**252,926**	251,322
Attributable to:					
Equity holders of the Bank		**509,703**	402,191	**252,926**	251,322
Earnings per share attributable to equity holders of the Bank (sen):					
- Basic	47	**21.4**	17.4	**10.6**	10.9
- Diluted	47	**21.2**	17.3	**10.6**	10.8

The accounting policies and notes form an integral part of these financial statements.

STATEMENTS OF COMPREHENSIVE INCOME

for the financial year ended 31 December 2024

		The Group		The Bank	
	Note	**2024 RM'000**	2023 RM'000	**2024 RM'000**	2023 RM'000
Net profit after zakat and taxation		**509,703**	402,191	**252,926**	251,322
Other comprehensive (loss)/income:					
Items that may be reclassified subsequently to profit or loss:					
Net fair value change in financial investments at FVOCI (debt instruments)		**9,678**	136,232	**(9,756)**	35,304
Net credit impairment loss change in financial investments at FVOCI (debt instruments)		**(20,415)**	2,747	**613**	407
Net loss on financial investments measured at FVOCI reclassified to profit or loss on disposal (debt instruments)		**(21,084)**	(4,642)	**(14,725)**	(2,454)
Deferred tax on financial investments at FVOCI	14	**3,359**	(33,237)	**6,140**	(9,038)
Share of other comprehensive (loss)/income of associates	18	**(5,813)**	8,908	**-**	-
Items that may not be reclassified subsequently to profit or loss:					
Net fair value change in financial investments designated at FVOCI (equity instruments)		**21,611**	14,726	**20,182**	13,882
Other comprehensive (loss)/income for the financial year, net of tax		**(12,664)**	124,734	**2,454**	38,101
Total comprehensive income for the financial year		**497,039**	526,925	**255,380**	289,423
Total comprehensive income for the financial year attributable to:					
Equity holders of the Bank		**497,039**	526,925	**255,380**	289,423

The accounting policies and notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

for the financial year ended 31 December 2024

The Group	Note	Share capital RM'000	Attributable to Equity Holders of the Bank FVOCI revaluation reserves RM'000	Regulatory reserves RM'000	Other reserves RM'000	Retained profits RM'000	Total equity RM'000
At 1 January 2024		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/(loss) of associates		-	7,935	-	(13,748)	-	(5,813)
Total comprehensive (loss)/income for the financial year		-	1,084	-	(13,748)	509,703	497,039
Issuance of new shares	33	117,500	-	-	-	-	117,500
Share grant scheme granted		-	-	-	13,095	-	13,095
Transfer to regulatory reserves		-	-	135,382	-	(135,382)	-
Dividends	48	-	-	-	-	(135,157)	(135,157)
At 31 December 2024		5,488,544	170,624	473,143	3,493	5,465,488	11,601,292

The accounting policies and notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

for the financial year ended 31 December 2024

The Group	Note	Share capital RM'000	FVOCI revaluation reserves RM'000	Regulatory reserves RM'000	Other reserves RM'000	Retained profits RM'000	Total equity RM'000
			← Attributable to Equity Holders of the Bank →				
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	33	125,597	-	-	-	-	125,597
Share grant scheme granted		-	-	-	4,146	-	4,146
Transfer from regulatory reserves		-	-	(142,038)	-	142,038	-
Dividends	48	-	-	-	-	(176,681)	(176,681)
At 31 December 2023		5,371,044	169,540	337,761	4,146	5,226,324	11,108,815

The accounting policies and notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY
for the financial year ended 31 December 2024

		Non-distributable				Distributable	
The Bank	**Note**	**Share capital RM'000**	**FVOCI revaluation reserves RM'000**	**Regulatory reserves RM'000**	**Other reserves RM'000**	**Retained profits RM'000**	**Total equity RM'000**
At 1 January 2024		**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	33	**117,500**	-	-	-	-	**117,500**
Share grant scheme granted		-	-	-	**13,095**	-	**13,095**
Transfer to regulatory reserves		-	-	**65,000**	-	**(65,000)**	-
Dividends	48	-	-	-	-	**(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	
The Bank	**Note**	Share capital RM'000	FVOCI revaluation reserves RM'000	Regulatory reserves RM'000	Other reserves RM'000	Retained profits RM'000	Total equity RM'000
At 1 January 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	33	125,597	-	-	-	-	125,597
Share grant scheme granted		-	-	-	4,146	-	4,146
Transfer from regulatory reserves		-	-	(146,057)	-	146,057	-
Dividends	48	-	-	-	-	(176,681)	(176,681)
At 31 December 2023		5,371,044	204,573	270,563	4,146	4,073,235	9,923,561

The accounting policies and notes form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS

for the financial year ended 31 December 2024

	Note	The Group 2024 RM'000	The Group 2023 RM'000	The Bank 2024 RM'000	The Bank 2023 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:					
Interest income:					
- financial investments at FVOCI	35	**(390,979)**	(197,510)	**(249,580)**	(72,966)
- financial investments at AC	35	**(369,904)**	(393,869)	**(379,244)**	(397,581)
Dividend income:					
- financial assets at FVTPL	39	**(4,388)**	(3,201)	**(2,038)**	(1,826)
- financial investments at FVOCI	39	**(1,340)**	(922)	**(1,190)**	(732)
- subsidiaries	40	**–**	–	**(76,369)**	(151,295)
- associates	40	**–**	–	**(64,800)**	–
Gain on sale/redemption:					
- financial assets at FVTPL	39	**(55,078)**	(44,892)	**(7,491)**	(14,774)
- financial investments at FVOCI	39	**(14,457)**	(4,669)	**(14,725)**	(2,454)
- financial investments at AC	39	**(6,796)**	(62)	**(5,040)**	(62)
- derivatives	39	**6,948**	(15,494)	**(1,317)**	(5,843)
Unrealised (gain)/loss on revaluation:					
- financial assets at FVTPL	39	**(13,120)**	(16,286)	**(3,963)**	(4,706)
- derivatives	39	**(28,298)**	757	**(31,893)**	(1,191)
- fair value hedges	39	**(988)**	963	**(988)**	1,686
- foreign exchange	40	**70,915**	(119,399)	**(49,661)**	(52,124)
Depreciation of property and equipment	19	**70,306**	59,741	**67,494**	56,574
Depreciation of right-of-use assets	21	**35,851**	27,535	**30,179**	24,003
Property and equipment written-off	19	**183**	3	**73**	5
Intangible assets written-off	22	**139**	–	**–**	–
Gain on sale of property and equipment	40	**(2,667)**	(1,043)	**(2,637)**	(1,032)
Amortisation of intangible assets	41	**20,016**	21,651	**19,122**	20,678
Gain on sale of foreclosed properties	40	**–**	(661)	**–**	(661)
Gain on disposal of associates	40	**–**	(25,000)	**–**	(56,317)
Share of results of associates		**(54,729)**	(36,466)	**–**	–
Expected credit losses made/(written-back) on:					
- loans, advances and financing	43	**(58,514)**	94,686	**(54,771)**	104,223
- amount due from client and brokers	43	**4**	(533)	**–**	–
- securities and placements	43	**(97,442)**	25,734	**(74,710)**	31,845
- loans/financing commitments and financial guarantee	43	**(32,318)**	10,209	**(3,358)**	520
Bad debt and financing written-off	43	**68,594**	10,302	**53,394**	6,189
Allowances for impairment losses on other assets		**18,813**	3,200	**9,290**	–
Interest/profit expense on borrowings and sukuk		**169,846**	150,545	**60,964**	56,836
Interest/profit expense on the lease liability	29	**2,258**	457	**1,922**	249
Profit expense - Recourse obligation on loans/financing sold to Cagamas Berhad	27	**162,784**	106,521	**105,237**	72,250
Share grant scheme granted		**13,095**	4,146	**9,502**	4,146
Zakat		**6,707**	4,600	**–**	–
Operating profit/(loss) before changes in working capital		**216,470**	179,330	**(347,152)**	(123,877)

The accounting policies and notes form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS
for the financial year ended 31 December 2024

	The Group		The Bank	
	2024 RM'000	2023 RM'000	**2024 RM'000**	2023 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES (continued)				
Decrease/(Increase) in operating assets:				
Cash and short-term funds and deposits and placements with banks and other financial institutions with original maturity of more than three months	**1,996,898**	(1,773,991)	**438,308**	(870,209)
Investment accounts due from designated financial institutions	**–**	–	**417,170**	(945,703)
Financial assets at FVTPL	**(887,405)**	(1,052)	**(538,865)**	(774,603)
Loans, advances and financing	**(5,677,168)**	(7,398,129)	**(1,128,187)**	(4,062,941)
Other assets	**184,272**	(221,343)	**261,636**	(194,040)
Amount due from client and brokers	**(115,035)**	7,058	**–**	–
Derivative financial instruments	**18,335**	(102,750)	**(32,952)**	(41,836)
Statutory deposits with Bank Negara Malaysia	**(128,930)**	(144,728)	**(87,000)**	(30,728)
Reverse repurchase agreements with financial institutions	**–**	–	**(8,033)**	–
Amount due to subsidiaries	**–**	–	**(848,705)**	(23,728)
Amount due to joint ventures	**(23,420)**	(2,777)	**–**	–
Increase/(Decrease) in operating liabilities:				
Deposits from customers	**2,909,408**	5,839,061	**(677,293)**	5,706,981
Investment accounts of customers	**757,241**	(500)	**–**	–
Deposits and placements of banks and other financial institutions	**(432,271)**	5,686,526	**(511,428)**	4,509,897
Obligation on securities sold under repurchase agreements	**649,508**	104,503	**1,084,825**	(709,453)
Bills and acceptances payable	**(8,345)**	5,215	**(8,345)**	5,215
Amount due to client and brokers	**156,120**	(124,705)	**–**	–
Other liabilities	**488,858**	(425,681)	**468,009**	(201,740)
Cash generated from operations	**104,536**	1,626,037	**(1,518,012)**	2,243,235
Zakat paid	**(6,127)**	(3,211)	**–**	–
Tax refund	**1,125**	54,091	**1,125**	44,917
Tax paid	**(188,179)**	(185,059)	**(43,958)**	(77,917)
Net cash (used in)/generated from operating activities	**(88,645)**	1,491,858	**(1,560,845)**	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:				
- 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**	–
Purchase 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)
Redemption/Disposal 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

The accounting policies and notes form an integral part of these financial statements.

STATEMENTS OF CASH FLOWS
for the financial year ended 31 December 2024

	Note	The Group 2024 RM'000	The Group 2023 RM'000	The Bank 2024 RM'000	The Bank 2023 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES (continued)					
Proceeds from disposal of:					
- property and equipment		**4.000**	1,313	**3,762**	1,227
- foreclosed properties		**10,592**	5,295	**–**	–
Purchase of property and equipment	19	**(289,726)**	(187,258)	**(284,950)**	(181,009)
Purchase of intangible assets	22	**(7,290)**	(2,130)	**(5,520)**	(1,767)
Investment in subsidiary	16	**–**	–	**(100,040)**	(224)
Investment in associate	18	**(9,000)**	(24,600)	**(9,000)**	(24,600)
Net cash used in investing activities		**(2,466,763)**	(5,444,212)	**(544,981)**	(2,253,396)
CASH FLOWS FROM FINANCING ACTIVITIES					
Repayment in borrowings	32	**–**	(1,200,000)	**–**	(500,000)
Drawdown in borrowings	32	**500,000**	2,035,000	**504,956**	500,000
Interest/profit payment on borrowings	32	**(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	27	**2,495,000**	2,872,012	**1,495,000**	1,772,013
Redemption of recourse obligation on loans/financing sold to Cagamas Berhad	27	**(1,350,008)**	–	**(1,350,008)**	–
Interest/profit payment from recourse obligation on loans/financing sold to Cagamas Berhad	27	**(148,866)**	(84,596)	**(103,943)**	(62,127)
Lease payments	29	**(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
Cash and cash equivalents comprise the following:					
Cash and short-term funds	2	**2,852,881**	5,642,363	**1,960,558**	3,545,685
Deposits and placements of banks and other financial institutions	3	**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 accounting policies and notes form an integral part of these financial statements.

SUMMARY OF MATERIAL ACCOUNTING POLICIES

for the financial year ended 31 December 2024

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the financial statements. These policies have been consistently applied to all the financial years presented, unless otherwise stated.

(A) BASIS OF PREPARATION

The financial statements of the Group and the Bank have been prepared in accordance with Malaysian Financial Reporting Standards ('MFRS'), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The financial statements incorporate those activities relating to Islamic banking business which have been undertaken by Affin ISLAMIC, a wholly owned subsidiary of the Bank. Islamic banking business refers generally to the acceptance of deposits and granting of financing under the Shariah principles.

The financial statements of the Group and the Bank have been prepared under the historical cost convention, unless otherwise indicated in the summary of material accounting policies.

The preparation of financial statements in conformity with MFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported financial year. It also requires Directors to exercise their judgement in the process of applying the Group's and Bank's accounting policies. Although these estimates and judgement are based on the Directors' best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are material to the financial statements are disclosed in Note AF.

(a) Standards, amendments to published standards and interpretations to existing standards that are applicable to the Group and the Bank and are effective

Below are the annual improvements and amendments to MFRS effective for the financial year beginning 1 January 2024:

- Amendments to MFRS 101 'Presentation of Financial Statements'
- Amendments to MFRS 16 'Lease Liability in a Sale and Leaseback'

The adoption of other amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(b) International Financial Reporting Interpretations Committee ('IFRIC') agenda decisions that are concluded and published

This agenda decision clarified that entities reporting segment information in their financial statements should disclose specified income and expense items for each reportable segment, provided these items are included in the segment profit measure reviewed by the chief operating decision maker ('CODM'), regardless of whether they are separately reviewed by the CODM. Additionally, entities should apply the requirements for materiality and aggregation under MFRS 101 when determining which additional material items of income and expense should be disclosed in segment reporting.

The Group and the Bank are in the midst of assessing the full impact of the above agenda decision on the financial information of the Group and the Bank.

SUMMARY OF MATERIAL ACCOUNTING POLICIES
for the financial year ended 31 December 2024

(A) BASIS OF PREPARATION (CONTINUED)

(c) Standards, amendments to published standards and interpretations to existing standards that are applicable to the Group and the Bank but not yet effective

A number of new standards and amendments to standards and interpretations are effective for the financial year beginning after 1 January 2024.

- MFRS 18 'Presentation and Disclosure in Financial Statements' (effective 1 January 2027) replaces MFRS 101 'Presentation of Financial Statements'.

  The new MFRS introduces a new structure of profit or loss statement.

  (a) Income and expenses are classified into 3 new main categories:
  i. Operating category which typically includes results from the main business activities;
  ii. Investing category that presents the results of investments in associates and joint ventures and other assets that generate a return largely independently of other resources; and
  iii. Financing category that presents income and expenses from financing liabilities.

  (b) Entities are required to present two new specified subtotals: 'Operating profit or loss' and 'Profit or loss before financing and income taxes'.

  Management-defined performance measures are disclosed in a single note and reconciled to the most similar specified subtotal in MFRS Accounting Standards.

  Changes to the guidance on aggregation and disaggregation which focus on grouping items based on their shared characteristics.

- Amendments to MFRS 9 and MFRS 7 'Amendments to the Classification and Measurement of Financial Instruments' (effective 1 January 2026) have:

  - require financial assets to be derecognised on the date the contractual rights to the cash flows expire and financial liabilities to be derecognised when obligation under the contract is discharged (i.e. the settlement date). In addition, there is an optional exception to derecognise financial liabilities before the settlement date for settlement using electronic payment systems (if specified criteria are met);
  - clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest ('SPPI') criterion;
  - add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
  - update the disclosures for equity instruments designated at fair value through other comprehensive income ('FVOCI').

SUMMARY OF MATERIAL ACCOUNTING POLICIES
for the financial year ended 31 December 2024

(A) BASIS OF PREPARATION (CONTINUED)

(c) Standards, amendments to published standards and interpretations to existing standards that are applicable to the Group and the Bank but not yet effective (continued)

- Amendments to MFRS 121 'Lack of Exchangeability' (effective 1 January 2025) have:

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

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

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

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

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

- Annual improvements to MFRS Accounting Standards for enhanced consistency (effective 1 January 2026) have:

  The annual improvements comprise the following amendments:

  - Amendments to MFRS 7 on gain or loss on derecognition – obsolete cross-referencing is removed.
  - Additionally, the implementation guidance is revised to address the inconsistency within MFRS 7 on disclosure of deferred difference between fair value and transaction price. The amendments also clarify that the credit risk guidance does not cover all MFRS 7 requirements.
  - Amendments to MFRS 9 clarify that the derecognition principle of MFRS 9 should be applied by lessees to account for extinguished lease liabilities.
  - In addition, the term 'transaction price' as defined in MFRS 15 has also been removed from MFRS 9.
  - Amendments to MFRS 10 resolve an inconsistency in determining whether a party is acting as a de facto agent.
  - Amendments to MFRS 107 replace the term 'cost method' which is not a defined term in MFRS.

  An entity shall apply those amendments for annual reporting periods beginning on or after 1 January 2026. Earlier application is permitted.

The adoption of the accounting standards, amendments to published standards and interpretations to existing standards above are not expected to give rise to any material impact to the Group and the Bank, except for the adoption of MFRS 18 and amendments to MFRS 9, of which the Group and the Bank are in the midst of assessing the financial and disclosures impact.

SUMMARY OF MATERIAL ACCOUNTING POLICIES
for the financial year ended 31 December 2024

(B) CONSOLIDATION

The consolidated financial statements include the financial statements of the Bank, subsidiaries, joint ventures and associates, made up to the end of the financial year.

(i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. To be considered a business, an acquisition would have to include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs. The acquisition would be classified as acquisition of assets if definition of business is not met.

The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement and fair value of any pre-existing equity interest in the subsidiary. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on the acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recognised as goodwill. If the total of the consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the income statement.

Acquisition related costs are expensed as incurred.

If the business combination is achieved in stages, the carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date, any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with MFRS 9 in profit or loss. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

The Group applies predecessor accounting to account for business combinations under common control. Under the predecessor accounting, assets and liabilities acquired are not restated to their respective fair values but at the carrying amounts from the consolidated financial statements of the substantial shareholder of the Group and adjusted to ensure uniform accounting policies of the Group. The difference between any consideration given and the aggregate carrying amounts of the assets and liabilities (as of the date of the transaction) of the acquired entity is recognised as an adjustment to equity. No additional goodwill is recognised.

Inter-company transactions, balances, unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the income statements, statements of comprehensive income, statement of changes in equity and statements of financial position respectively.

SUMMARY OF MATERIAL ACCOUNTING POLICIES

for the financial year ended 31 December 2024

(B) CONSOLIDATION (CONTINUED)

The consolidated financial statements include the financial statements of the Bank, subsidiaries, joint ventures and associates, made up to the end of the financial year (continued).

(ii) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in equity attributable to owners of the Group.

(iii) Obligation to purchase the subsidiary's shares from non-controlling interest

When there is an obligation to purchase the subsidiary's shares held by non-controlling interest, at initial recognition, a liability is to be recognised with a corresponding reduction to equity (other reserves) in the consolidated financial statements. The financial liability is recognised at the present value of the redemption amount and accreted through finance charges in the income statement over the contract period, up to the final redemption amount. Any adjustments to the redemption amount are recognised as finance charges in the income statements.

In the separate financial statements, subsidiary's shares are other entity's shares and not considered own equity instrument. The contractual obligation to buy the subsidiary's shares from the non-controlling interest meets the definition of financial liability and is accounted as disclosed in Note I.

(iv) Disposal of subsidiaries

When the Group ceases to consolidate because of a loss of control, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

Gains or losses on the disposal of subsidiaries include the carrying amount of goodwill relating to the subsidiaries sold.

SUMMARY OF MATERIAL ACCOUNTING POLICIES
for the financial year ended 31 December 2024

(B) CONSOLIDATION (CONTINUED)

The consolidated financial statements include the financial statements of the Bank, subsidiaries, joint ventures and associates, made up to the end of the financial year (continued).

(v) Joint arrangements

A joint arrangement is an arrangement of which there is contractually agreed sharing of control by the Group with one or more parties, where decisions about the relevant activities relating to the joint arrangement require unanimous consent of the parties sharing control. The classification of a joint arrangement as a joint operation or a joint venture depends upon the rights and obligations of the parties to the arrangement. A joint venture is a joint arrangement whereby the joint venturers have rights to the net assets of the arrangement. A joint operation is a joint arrangement whereby the joint operators have rights to the assets and obligations for the liabilities, relating to the arrangement.

Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated statement of financial position. Under the equity method, the investment in a joint venture is initially recognised at cost, and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the joint venture in profit or loss, and the Group's share of movements in other comprehensive income of the joint venture in other comprehensive income. Dividends received or receivable from a joint venture are recognised as a reduction in the carrying amount of the investment. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint venture, including any long-term interests that, in substance, form part of the Group's net investment in the joint venture, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the joint venture.

The Group determines at each reporting date whether there is any objective evidence that the investment in the joint venture is impaired. An impairment loss is recognised for the amount by which the carrying amount of the joint venture exceeds its recoverable amount.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interests in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

If an investment in a joint venture becomes an investment in an associate, the Group continues to apply the equity method and does not remeasure the retained interest. If the Group's ownership interest in a joint venture is reduced, but the investment continues to be classified either as an associate or a joint venture respectively, the Group shall reclassify to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

SUMMARY OF MATERIAL ACCOUNTING POLICIES

for the financial year ended 31 December 2024

(B) CONSOLIDATION (CONTINUED)

The consolidated financial statements include the financial statements of the Bank, subsidiaries, joint ventures and associates, made up to the end of the financial year (continued).

(vi) Associates

Associates are all entities over which the Group has significant influence but not control or joint control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment in an associate is initially recognised at cost, and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the associate in profit or loss, and the Group's share of movements in other comprehensive income of the associate in other comprehensive income. Dividends received or receivable from an associate are recognised as a reduction in the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interests in the associate, including any long-term interests that, in substance, form part of the Group's net investment in the associate, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate. The Group's investment in associates includes goodwill identified on acquisition.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. An impairment loss is recognised for the amount by which the carrying amount of the associate exceeds its recoverable amount.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

When the Group ceases to equity account its associate because of a loss of significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as a financial asset. In addition, any amount previously recognised in other comprehensive income in respect of the entity is accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

Dilution gains or losses arising in investments in associates are recognised in the profit or loss.

(C) INVESTMENTS IN SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES IN SEPARATE FINANCIAL STATEMENTS

In the Bank's separate financial statements, investments in subsidiaries, joint ventures and associates are carried at cost less accumulated impairment losses. On disposal of investments in subsidiaries and joint ventures, the difference between disposal proceeds and carrying amounts of the investments are recognised in profit or loss.

Investment in debt instruments issued by subsidiary companies at amortised cost are measured in accordance with Note H.

SUMMARY OF MATERIAL ACCOUNTING POLICIES
for the financial year ended 31 December 2024

(D) INTANGIBLE ASSETS

Goodwill

Goodwill arises from a business combination and represents the excess of the aggregate of fair value of consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of any previous equity interest in the acquiree over the fair value of the net identifiable assets acquired and liabilities assumed on the acquisition date. If the fair value of consideration transferred, the amount of non-controlling interest and the fair value of previously held interest in the acquiree are less than the fair value of the net identifiable assets of the acquiree, the resulting gain is recognised in the profit or loss.

Goodwill is not amortised but it is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired, and carried at cost less accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Cash Generating Units ('CGUs'), or groups of CGUs, that are expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

Identifiable intangible assets arising from business combination

Identifiable intangible assets arising from business combination are recognised at cost. The cost of an intangible asset acquired in a business combination is its fair value at the date of acquisition. The fair value of intangible assets are generally determined using income approach methodologies such as the discounted cash flow method. Intangible assets with a definite useful life are amortised using the straight-line method over their estimated useful economic life. Intangible assets within an indefinite useful life are not amortised. Generally, the identified intangible assets are reviewed for indications of impairment or changes in estimated future economic benefits. If such indications exist, the intangible assets are analysed to assess whether their carrying amount is fully recoverable. An impairment loss is recognised if the carrying amount exceeds the recoverable amount. Intangible assets with indefinite useful life are annually tested for impairment and whether there is an indication that the asset may be impaired.

The identifiable intangible assets arising from business combination consist of brand and customer relationship. Brand and customer relationship are amortised over their useful lives in a manner that reflects the pattern to which they contribute to future cash flows as follows:

Brand	- 3 years
Customer relationship	- 7 years

Computer software

Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group and the Bank are recognised as intangible assets when the following criteria are met:

(i) it is technically feasible to complete the software product so that it will be available for use;
(ii) management intends to complete the software product and use or sell it;
(iii) there is an ability to use or sell the software product;
(iv) it can be demonstrated how the software product will generate probable future economic benefits;
(v) adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
(vi) the expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Computer software development costs recognised as assets are amortised from the point at which the asset is ready for use over their estimated useful lives of five years.

SUMMARY OF MATERIAL ACCOUNTING POLICIES
for the financial year ended 31 December 2024

(E) IMPAIRMENT OF NON-FINANCIAL ASSETS

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

The impairment loss is charged to the income statement unless it reverses a previous revaluation in which case it is charged to the revaluation surplus. Impairment losses on goodwill are not reversed. In respect of other assets, any subsequent increase in recoverable amount is recognised in the income statement unless it reverses an impairment loss on a revalued asset in which case it is taken to revaluation surplus reserve.

(F) RECOGNITION OF INTEREST AND FINANCING INCOME AND EXPENSE

Interest and financing income and expense for all interest/profit-bearing financial instruments are recognised within 'interest income', 'interest expense' and 'income from Islamic banking business' respectively in the income statement using the effective interest/profit method. Interest/Profit income from financial assets at FVTPL is recognised as part of net gains and losses on financial instrument.

Interest/Profit income is calculated by applying effective interest/profit rate to the gross carrying amount of a financial assets except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest/profit rate is applied to the net carrying amount of the financial assets (after deduction of the loss allowance).

(G) RECOGNITION OF FEES AND OTHER INCOME

The Group and the Bank earns fee and commission income from a diverse range of products and services provided to its customers. Fee and commission income are recognised when the Group and the Bank has satisfied its performance obligation in providing the promised products and services to the customer, and are recognised based on contractual rates or amount agreed with customers, and net of expenses directly related to it. The Group and the Bank generally satisfies its performance obligation and recognises the fee and commission income on the following basis:

- Transaction-based fee and commission income is recognised on the completion of the transaction. Such fees include fees related to the completion of corporate finance transactions, brokerage income, arrangement fees and initial service charges. These fees constitute a single performance obligation.
- For a service that is provided over a period of time, fee and commission income is recognised on equal proportion basis over the period during which the related service is provided or credit risk is undertaken. This basis of recognition most appropriately reflects the nature and pattern of provision of these services to the customers over time. Fees for these services will be billed periodically over time. Such fees include portfolio management fees, financial guarantees fee, agency fees and initial service charges on close ended funds.

The Group and the Bank do not provide any significant credit terms to customers for the above products and services.

SUMMARY OF MATERIAL ACCOUNTING POLICIES
for the financial year ended 31 December 2024

(G) RECOGNITION OF FEES AND OTHER INCOME (CONTINUED)

Directly related expenses typically include brokerage fees paid, card-related expenses and sales commissions, but do not include expenses for services delivered over a period (such as service contracts) and other expenses that are not specifically related to fee and commission income transactions.

Other income recognition are as follows:

(a) Dividends are recognised when the right to receive payment is established. This applies even if they are paid out of pre-acquisition profits. However, the investment may need to be tested for impairment as a consequence.

Dividends that clearly represent a recovery of part of the cost of investment is recognised in other comprehensive income if it relates to an investment in equity instruments measured at FVOCI.

(b) Net gain or loss from disposal of FVTPL and debt instruments at FVOCI are recognised in profit or loss upon disposal of the securities, as the difference between net disposal proceeds and the carrying amount of the securities.

(c) Income from bancassurance/bancatakaful agreements are recognised based on time apportionment method throughout the exclusive services agreement period.

(d) Other income are recognised on an accrual basis.

(H) FINANCIAL ASSETS

(a) Classification

The Group and the Bank classify their financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income ('OCI') or through profit or loss); and
- those to be measured at amortised cost.

(b) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on settlement-date, the date on which the Group and the Bank settle the commitment to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group and the Bank have transferred substantially all the risks and rewards of ownership.

(c) Measurement

At initial recognition, the Group and the Bank measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payments for principal and interest/profit ('SPPI').

Debt instruments

Subsequent measurement of debt instruments depends on the Group's and the Bank's business model for managing the asset and the cash flows characteristics of the asset. The Group reclassifies debt investments when and only when its business model for managing those assets changes.

There are three measurement categories into which the Group and the Bank classify its debt instruments:

(i) Amortised cost ('AC')

Assets that are held for collection of contractual cash flows where those cash flows represent SPPI are measured at amortised cost. Interest/Profit income from these financial assets is included in 'interest income' and 'income from Islamic banking business' using the effective interest/profit rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in 'net gains and losses on financial instruments' together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the income statements.

SUMMARY OF MATERIAL ACCOUNTING POLICIES
for the financial year ended 31 December 2024

(H) FINANCIAL ASSETS (CONTINUED)

(c) Measurement (continued)

Debt instruments (continued)

(ii) Fair value through other comprehensive income ('FVOCI')

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent SPPI, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in 'net gains and losses on financial instruments'. Interest/profit income from these financial assets is included in 'interest income' and 'income from Islamic banking business' using the effective Interest/Profit rate method. Foreign exchange gains and losses are presented in 'net gains and losses on financial instruments' and impairment expenses are presented as separate line item in the income statement.

(iii) Fair value through profit or loss ('FVTPL')

Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. The Group and the Bank may also irrevocably designate financial assets at FVTPL if doing so significantly reduces or eliminates a mismatch created by assets and liabilities being measured on different bases. Fair value changes is recognised in profit or loss and presented net within 'net gains and losses on financial instruments' in the period which it arises.

Business model

The business model reflects how the Group and the Bank manage the assets in order to generate cash flows. That is, whether the Group's and the Bank's objectives are solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (i.e. financial assets at FVTPL purposes), then the financial assets are classified as part of 'other' business model and measured at FVTPL. Factors considered by the Group and the Bank in determining the business model for a group of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated. For example, the Group's and the Bank's business model for the mortgage loan book is to hold to collect contractual cash flows with no resulting derecognition by the Group and the Bank. Another example is the liquidity portfolio of assets, which is held by the Group and the Bank as part of liquidity management and is generally classified within the hold to collect and sell business model. For financial assets which are held by the Group and the Bank for the purposes of capital preservation and to generate returns on a longer term basis, they are generally classified within the hold to collect business model, and are measured at Amortised Cost. Securities are held principally for the purpose of selling in the near term or are part of a portfolio of financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. These securities are classified in the 'other' business model and measured at FVTPL.

SPPI

Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Group and the Bank assess whether the financial instruments' cash flows represent solely payments of principal and interest/profit (the 'SPPI test'). In making this assessment, the Group and the Bank consider whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

Equity instruments

The Group and the Bank subsequently measure all equity investments at fair value. Where the Group's and the Bank's management have elected to present fair value gains and losses on equity investments in FVOCI, cumulative gain or loss previously recognised in other comprehensive income is not subsequently reclassified to profit or loss, but may be transferred within equity following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's and the Bank's right to receive payments is established.

Changes in the fair value of equity instruments at FVTPL are recognised in 'net gains and losses on financial instruments' in the income statement.

SUMMARY OF MATERIAL ACCOUNTING POLICIES
for the financial year ended 31 December 2024

(H) FINANCIAL ASSETS (CONTINUED)

(d) Subsequent measurement – Impairment

Impairment for debt instruments and financial guarantee contracts

The Group and the Bank assess on a forward looking basis the expected credit losses ('ECL') associated with its debt instruments carried at amortised cost and at FVOCI and financial guarantee contracts issued. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

ECL represents a probability-weighted estimate of the difference between present value of cash flows according to contract and present value of cash flows the Group and the Bank expect to receive, over the remaining life of the financial instrument. For financial guarantee contracts, the ECL is the difference between the expected payments to reimburse the holder of the guaranteed debt instrument less any amounts that the Group and the Bank expect to receive from the holder, the debtor or any other party.

The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

(i) General 3-stage approach

At each reporting date, the Group measures ECL through loss allowance at an amount equal to 12 - Month ECL if credit risk on a financial instrument or a group of financial instruments has not increased significantly since initial recognition. For all other financial instruments, a loss allowance at an amount equal to lifetime ECL is required. Note 50 sets out the measurement details of ECL. The Group applies 3-stage approach on debt instruments measured at amortised cost and FVOCI, except for those that are under simplified approach, as explained below.

(ii) Simplified approach

The Group and the Bank apply MFRS 9 simplified approach to measure ECL which uses a lifetime ECL for amount due from client and brokers and other assets.

Significant increase in credit risk

The Group and the Bank consider the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group and the Bank compare the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportable forward-looking information.

The following indicators are incorporated:

- internal credit rating;
- external credit rating (as far as available);
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower/issuer's ability to meet its obligations;
- actual or expected significant changes in the operating results of the borrower;
- significant increases in credit risk on other financial instruments of the same debtor;
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements; and
- significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtor in the Group and changes in the operating results of the debtor.

Regardless of the analysis above, a significant increase in credit risk is presumed if a borrower/issuer is more than 30 days or 1 month past due in making a contractual payment.

SUMMARY OF MATERIAL ACCOUNTING POLICIES
for the financial year ended 31 December 2024

(H) FINANCIAL ASSETS (CONTINUED)

(d) Subsequent measurement – Impairment (continued)

Definition of default and credit-impaired financial assets

The Group and the Bank define a financial instrument as default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the mandatory and/or judgemental symptoms, which include amongst others, the following criteria:

(i) Mandatory symptoms:

- Failure to make contractual payment within 90 days or 3 months or when they fall due;
- Rescheduled and/or Restructured ('R&R') due to Impairment Symptoms or Corporate Debt Restructuring Committee ('CDRC');
- Internal rating deteriorated to Credit Grade 15 or worse;
- Rating downgrade to default grade 'D';
- Distressed restructuring or rescheduling of coupon and/or principal redemption resulting in an extended grace period to service coupon or even capitalise coupon;
- Primary repayment source is terminated indefinitely, or business model is deemed no longer viable, and no other alternative source of repayment is available;
- Cessation of business operations and business operation is unlikely able to resume;
- Borrower/Customer is adjudicated bankrupt;
- Winding-up order issued against the company;
- Receiver and manager appointed;
- Corporate Rescue Mechanism, implementation of Corporate Voluntary Arrangement ('CVA') or Order for Judicial Management ('JM') granted by Court;
- Classification by Bursa Malaysia as distressed company due to credit deterioration e.g. PN17, GN3 and failing to comply with the timeline for remedial action, and/or evidence of business failure; and
- Account classified as Fraud.

(ii) Judgemental symptoms:

- Other debts including Treasury Instruments default and/or transferred to Stage 3 (Cross Default).

The Group and the Bank first assess whether objective evidence of impairment exists for financial assets which are individually significant. If the Group and the Bank determine that objective evidence of impairment exists, i.e. credit impaired, for an individually assessed financial asset, a lifetime ECL will be recognised.

Financial assets which are individually significant but non-impaired and not individually significant are grouped on the basis of similar credit risk characteristics (such as credit quality, instrument type, credit risk ratings, credit utilisation, customer types and other relevant factors) for collective assessment.

Write-off policy

The Group and the Bank writes-off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery.

Indicators that there is no reasonable expectation of recovery include:

- ceasing enforcement activity; and
- where the Group's and the Bank's recoveries method are foreclosing on collateral and the value of the collateral is such that there is no reasonable expectation of recovering in full.

SUMMARY OF MATERIAL ACCOUNTING POLICIES
for the financial year ended 31 December 2024

(H) FINANCIAL ASSETS (CONTINUED)

(d) Subsequent measurement – Impairment (continued)

Modification of loans/financing

The Group and the Bank sometimes renegotiates or otherwise modifies the contractual cash flows of loans to customers. When this happens, the Group and the Bank assess whether or not the new terms are substantially different to the original terms. The Group and the Bank do this by considering, among others, the following factors:

- If the borrower is in financial difficulty, whether the modification merely reduces the contractual cash flows to amounts the borrower is expected to be able to pay.
- Whether any substantial new terms are introduced, such as a profit share/equity-based return that substantially affects the risk profile of the loan.
- Significant extension of the loan term when the borrower is not in financial difficulty.
- Significant change in the interest/profit rate.
- Change in the currency the loan/financing is denominated in.
- Insertion of collateral, other security or credit enhancements that significantly affect the credit risk associated with the loan/financing.

If the terms are substantially different, the Group and the Bank derecognise the original financial asset and recognise a 'new' asset at fair value and recalculate a new effective interest/profit rate for the asset. The date of renegotiation is consequently considered to be the date of initial recognition for impairment calculation purposes, including for the purpose of determining whether a significant increase in credit risk has occurred. However, the Group and the Bank also assess whether the new financial asset recognised is deemed to be credit-impaired at initial recognition, especially in circumstances where the renegotiation was driven by the debtor being unable to make the originally agreed payments. Differences in the carrying amount are also recognised in profit or loss as a gain or loss on derecognition.

If the terms are not substantially different, the renegotiation or modification does not result in derecognition, and the Group and the Bank recalculate the gross carrying amount based on the revised cash flows of the financial asset and recognise a modification gain or loss in profit or loss. The new gross carrying amount is recalculated by discounting the modified cash flows at the original effective interest/profit rate (or credit-adjusted effective interest/profit rate for purchased or originated credit-impaired financial assets).

Derecognition other than on a modification

Financial assets, or a portion thereof, are derecognised when the contractual rights to receive the cash flows from the assets have expired, or when they have been transferred and either

(i) the Group and the Bank transfer substantially all the risks and rewards of ownership; or
(ii) the Group and the Bank neither transfer nor retain substantially all the risks and rewards of ownership and the Group and the Bank have not retained control.

The Group and the Bank enter into transactions where it retains the contractual rights to receive cash flows from assets but assumes a contractual obligation to pay those cash flows to other entities and transfers substantially all of the risks and rewards. These transactions are accounted for as 'pass through' transfers that result in derecognition if the Group and the Bank:

(i) Have no obligation to make payments unless it collects equivalent amounts from the assets;
(ii) Are prohibited from selling or pledging the assets; and
(iii) Have obligation to remit any cash it collects from the assets without material delay.

Collateral (shares and sukuk) furnished by the Group and the Bank under standard repurchase agreements and securities lending and borrowing transactions are not derecognised because the Group and the Bank retain substantially all the risks and rewards on the basis of the predetermined repurchase price, and the criteria for derecognition are therefore not met. This also applies to certain securitisation transactions in which the Group and the Bank retain a subordinated residual interest/profit.

SUMMARY OF MATERIAL ACCOUNTING POLICIES

for the financial year ended 31 December 2024

(H) FINANCIAL ASSETS (CONTINUED)

(e) Regulatory reserve requirements

Pursuant to BNM Financial Reporting policy dated 29 April 2022, the Group and the Bank must maintain, in aggregate, loss allowance for non-credit-impaired exposures and regulatory reserves of no less than 1% of all credit exposures, net of loss allowance for credit-impaired exposures.

(f) Adoption of MFRS 17 'Insurance Contracts' for an associate

The Group's insurance associates have adopted MFRS 17 'Insurance Contracts,' issued by MASB, effective 1 January 2024, replacing MFRS 4. The implementation of MFRS 17 is retrospectively, leading to changes in the accounting policies for recognising, classifying, and measuring insurance assets and liabilities, without adjusting previously recognised amounts in the financial statements.

(g) Financing assistance scheme

Financing under a government scheme is recognised and measured in accordance with MFRS 9 'Financial Instruments', with the benefit at a below market and concession rate measured as the difference between the initial carrying amount or fair value of the financing and the amount received.

The benefit of government schemes that addresses identified costs or expenses incurred by the Group and the Bank are recognised in the profit or loss in the same financial year when the costs or expenses are recognised, when the required conditions are fulfilled in accordance with MFRS 120 'Accounting for Government Grants and Disclosure of Government Assistance'.

(h) IBOR modification

When the basis to determine the future contractual cash flows of the financial assets measured using as amortised cost or FVOCI are modified entirely as a result of IBOR reform, the Group applies the reliefs provided by the Phase 2 amendments related to IBOR reform to adjust the effective interest rate with no modification gain or loss is recognised.

In situations where some or all of a change in the basis for determining the contractual cash flows of financial assets classified as amortised cost or FVOCI does not meet the criteria of the Phase 2 amendments, the Group first applies the practical expedient to the changes required by IBOR reform, including updating the effective interest/profit rate. Any additional changes are accounted for as modification of financial assets in accordance with the requirement in MFRS 9 (that is, assessed for modification or derecognition, with the resulting modification gain/loss recognised immediately in profit or loss where the financial assets are not derecognised).

(I) FINANCIAL LIABILITIES

Financial liabilities are classified and subsequently measured at amortised cost, except for:

- Financial liabilities at fair value through profit or loss: this classification is applied to derivatives and other financial liabilities designated as such at initial recognition. Gains or losses on financial liabilities designated at fair value through profit or loss are presented partially in other comprehensive income (the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability, which is determined as the amount that is not attributable to changes in market conditions that give rise to market risk) and partially profit or loss (the remaining amount of change in the fair value of the liability). This is unless such a presentation would create, or enlarge, an accounting mismatch, in which case the gains and losses attributable to changes in the credit risk of the liability are also presented in profit or loss; and
- Financial guarantee contracts and loan commitments (see Note J).

Derecognition

Financial liabilities are derecognised when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires).

SUMMARY OF MATERIAL ACCOUNTING POLICIES
for the financial year ended 31 December 2024

(J) FINANCIAL GUARANTEE CONTRACTS AND LOAN/FINANCING COMMITMENTS

Financial guarantee contracts are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument. Such financial guarantees are given to banks, financial institutions and others on behalf of customers to secure loans, overdrafts and other banking facilities.

Loan/financing commitments provided by the Group and the Bank are measured as the amount of the loss allowance. The Group and the Bank have not provided any commitment to provide loans/financing at a below-market interest/profit rate, or that can be settled net in cash or by delivering or issuing another financial instrument.

For Loan/Financing commitments and financial guarantee contracts, the loss allowance is recognised as provision. However, for contracts that include both a loan/financing and undrawn commitment and the Group and the Bank cannot separately identify the expected credit losseses on the undrawn commitment component from those on the loan/financing component, the expected credit losses on the undrawn commitment are recognised together with the loss allowance for the loan/financing. To the extent that the combined expected credit losses exceed the gross carrying amount of the loan/financing, the expected credit losses are recognised as a provision.

Financial guarantee contracts are subsequently measured at the higher of the amount determined in accordance with the expected credit losses model under MFRS 9 ‘Financial Instruments’ and the amount initially recognised less cumulative amount of income recognised in accordance with the principles of MFRS 15 ‘Revenue from Contracts with Customers’, where appropriate.

(K) OFFSETTING FINANCIAL INSTRUMENTS

Financial assets and liabilities are offset and the net amount is presented in the statements of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the assets and settle the liability simultaneously.

The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy.

(L) PROPERTY AND EQUIPMENT AND DEPRECIATION

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. The cost of an item of property and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Cost also include borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset.

Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are recognised as expenses in profit or loss during the financial year in which they are incurred.

Buildings	50 years
Leasehold buildings	50 years or over the remaining lease period, whichever is shorter
Renovation and leasehold premises	5 to 10 years or the period of the lease, whichever is greater
Office equipment and furniture	3 to 10 years
Computer equipment and software	5 years
Motor vehicles	5 years

Depreciation on capital work in progress commences when the assets are ready for their intended use.

Residual value and useful lives of assets are reviewed, and adjusted if appropriate, at the end of each reporting period.

At the end of the reporting period, the Group and the Bank assess whether there is any indication of impairment or whenever events or changes in circumstances indicate the carrying amount may not be recoverable. A write down is made if the carrying amount exceeds the recoverable amount.

Gains and losses on disposal are determined by comparing proceeds with carrying amount and are recognised within other operating income in the income statement.

SUMMARY OF MATERIAL ACCOUNTING POLICIES
for the financial year ended 31 December 2024

(M) INVESTMENT PROPERTIES

Investment properties are properties which are held to earn rental income or for capital appreciation or both. Properties that are occupied by companies in the Group for conduct of business operations are accounted for as owner-occupied rather than as investment properties upon consolidation.

The Group and the Bank have adopted the cost method in measuring investment properties. Investment properties is measured initially at its cost. After initial recognition, investment properties are stated at cost less any accumulated depreciation and impairment losses.

Investment properties is depreciated on the straight-line basis to allocate the cost to their residual values over their estimated useful lives of 50 years.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and to the Bank, and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Transfers are made to or from investment property only when there is a change in use. If an item of owner-occupied property becomes an investment property because its use has changed, the carrying amount of the property does not change.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property is recognised in profit or loss.

(N) LEASES

Leases are recognised as right-of-use assets and a corresponding liability at the date on which the leased asset is available for use by the Group and the Bank (i.e. the commencement date).

Contracts may contain both lease and non-lease components. The Group and the Bank allocate the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of properties for which the Group and the Bank are lessees, it has elected the practical expedient provided in MFRS 16 not to separate lease and non-lease components. Both components are accounted for as a single lease component and payments for both components are included in the measurement of lease liability.

Lease term

In determining the lease term, the Group and the Bank consider all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not to be terminated).

The Group and the Bank reassess the lease term upon the occurrence of a significant event or change in circumstances that is within the control of the Group and the Bank and affects whether the Group and the Bank is reasonably certain to exercise an option not previously included in the determination of lease term, or not to exercise an option previously included in the determination of lease term. A revision in lease term results in remeasurement of the lease liabilities. See accounting policy below on reassessment of lease liabilities.

Right-of-use ('ROU') assets

ROU assets are initially measured at cost comprising the following:
- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentives received;
- Any initial direct costs; and
- Decommissioning or restoration costs.

The ROU assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

If the Group and the Bank is reasonably certain to exercise a purchase option, the ROU assets are depreciated over the underlying asset's useful life. In addition, the ROU assets are adjusted for certain remeasurement of the lease liabilities.

SUMMARY OF MATERIAL ACCOUNTING POLICIES
for the financial year ended 31 December 2024

(N) LEASES (CONTINUED)

Lease liabilities

Lease liabilities are initially measured at the present value of the lease payments that are not paid at that date. The lease payments include the following:

- Fixed payments (including in-substance fixed payments), less any lease incentive receivable;
- Variable lease payments depend on index or rate;
- The exercise price of a purchase options if the group is reasonably certain to exercise that option;
- Payments of penalties for terminating the lease, if the lease term reflects the Group and the Bank exercising that option; and
- The amount expected to be payable by the Group and the Bank under residual value guarantees.

Lease payments are discounted using the interest/profit rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group and the Bank, the lessee's incremental borrowing/financing is used. This is the rate that the individual lessee would have to pay to borrow/raise the funds necessary to obtain an asset of similar value to the ROU assets in a similar economic environment with similar term, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest/profit on the remaining balance of the liability for each period.

The Group and the Bank present the lease liabilities as a separate line item in the statements of financial position. Interest/Profit expense on the lease liability is presented within the interest/profit expense in the income statements.

The Group is also exposed to potential future increases in variable lease payments that depend on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is remeasured and adjusted against the ROU assets.

Reassessment of lease liabilities

The Group and the Bank are also exposed to potential future increase in variable lease payments that depend on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is remeasured and adjusted against the ROU assets.

Short-term leases and leases of low-value assets

Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office equipment. Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an operating expense in profit or loss.

SUMMARY OF MATERIAL ACCOUNTING POLICIES
for the financial year ended 31 December 2024

(O) FOREIGN CURRENCY TRANSLATIONS

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Ringgit Malaysia ('RM'), which is the Bank's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. However, exchange differences are deferred in other comprehensive income when they arose from qualifying cash flows or net investment hedge or are attributable to items that form part of the net investment in a foreign operation.

Changes in the fair value of monetary securities denominated in foreign currency classified as financial investment at FVOCI are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in the amortised cost are recognised in income statement, and other changes in the carrying amount are recognised in other comprehensive income.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit and loss, are reported as part of the fair value gain or loss. Translation differences on non-monetary financial assets such as equities classified as financial investment at FVOCI are included in other comprehensive income.

(P) DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING

Derivatives are initially recognised at fair values on the date on which derivative contracts are entered into and are subsequently remeasured at their fair values at the end of each reporting period. Fair values are obtained from quoted market prices in active markets, including recent market transactions, and valuation techniques, including discounted cash flows models and option pricing models, as appropriate. All derivatives are carried as assets when fair values are positive and as liabilities when fair values are negative. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in the income statement.

The best evidence of fair value of a derivative at initial recognition is the transaction price (i.e. the fair value of the consideration given or received) unless fair value of the instrument is evidenced by comparison with other observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on a valuation technique whose variables include only data from observable markets. When such evidence exists, the Group and the Bank recognised the fair value of derivatives in income statements immediately.

The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group and the Bank designated its derivatives as hedge of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge).

The Group and the Bank documents at the inception of the hedge relationship, the economic relationship between hedging instruments and hedged items including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The Group and the Bank also documented its risk management objective and strategy for undertaking its hedge transactions.

SUMMARY OF MATERIAL ACCOUNTING POLICIES
for the financial year ended 31 December 2024

(P) DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING (CONTINUED)

(a) Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in profit or loss, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to profit or loss over the period to maturity using a recalculated effective interest rate.

(b) Derivatives that do not qualify for hedge accounting

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in the income statement.

(Q) CURRENT AND DEFERRED INCOME TAXES

Current tax

Tax expense for the financial year comprises current and deferred income tax. The income tax expense or credit for the financial year is the tax payable on the current financial period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. Tax is recognised in income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Group's subsidiaries and branch operate and generate taxable income.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. This liability is measured using the single best estimate of the most likely outcome.

Deferred tax

Deferred tax is provided in full, using the liability method, on temporary differences arising between the amounts attributed to assets and liabilities for tax purposes and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses or unused tax credits can be utilised.

Deferred tax is determined using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax assets is realised or the deferred tax liability is settled.

Deferred tax liability is recognised for all temporary differences associated with investment in subsidiaries, associates and joint venture except where the timing of the reversal of the temporary differences can be controlled by the Group and it is probable that the temporary differences will not reverse in the foreseeable future. Generally, the investor or joint venture is unable to control the reversal of the temporary differences for joint ventures. Only where there is an agreement in place that gives the investor or joint venture the ability to control the reversal of the temporary differences, a deferred tax liability is not recognised.

Deferred income tax assets are recognised on deductible temporary differences arising from investment in subsidiaries, associates and joint venture only to the extent that it is probable the temporary differences will reverse in the future and there is sufficient taxable profit available against which the deductible temporary differences can be utilised.

Deferred and income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on net basis.

SUMMARY OF MATERIAL ACCOUNTING POLICIES
for the financial year ended 31 December 2024

(R) ZAKAT

This represents business zakat payable by the Group in compliance with Shariah principles and as approved by the Group's Shariah Committee.

(S) CASH AND CASH EQUIVALENTS

Cash and short-term funds consists of cash in hand, bank balances and deposits and placements maturing within one month which are held for the purpose of meeting short-term commitments and are readily convertible to known amount of cash without significant risk of changes in value.

For the purpose of the statements of cash flows, cash and cash equivalents comprise cash and short-term funds and deposits and placements with financial institutions, with original maturity 3 months or less.

(T) FORECLOSED PROPERTIES

Foreclosed properties are stated at the lower of their carrying amount and fair value less cost to sell.

(U) CONTINGENT ASSETS AND CONTINGENT LIABILITIES

The Group and the Bank do not recognise contingent assets and liabilities other than those arising from business combination, but disclose its existence in the financial statements. A contingent liability is possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group and the Bank or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in the extremely rare case where there is a liability that cannot be recognised because it cannot be measured reliably. However, contingent liabilities do not include financial guarantee contracts.

A contingent asset is a possible asset that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group and the Bank. The Group and the Bank do not recognise contingent assets but discloses its existence where inflows of economic benefits are probable, but not virtually certain.

(V) BILLS AND ACCEPTANCES PAYABLE

Bills and acceptances payable, which are financial liabilities, represent the Bank's own bills and acceptances rediscounted and outstanding in the market (Note I).

(W) PROVISIONS

Provisions are recognised by the Group and the Bank when all of the following conditions have been met:
- the Group and the Bank have a present legal or constructive obligation as a result of past events;
- it is probable that an outflow of resources to settle the obligation will be required; and
- a reliable estimate of the amount of obligation can be made.

Where the Group and the Bank expect a provision to be reimbursed (for example, under an insurance contract), the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as finance cost expense.

SUMMARY OF MATERIAL ACCOUNTING POLICIES

for the financial year ended 31 December 2024

(X) EMPLOYEE BENEFITS

Short-term employee benefits

Wages, salaries, paid annual leave and sick leave, bonuses and non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

Defined contribution plan

The defined contribution plan is a pension plan under which the Group pays fixed contributions to the National Pension Scheme, the Employees Provident Fund ('EPF') and will have no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

The Group's contribution to defined contribution plans are charged to the income statement in the financial year to which they relate. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Termination benefits

Termination benefits are payable whenever an employee's employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either terminate the employment of current employees according to a detailed formal plan without any possibility of withdrawal or to provide termination benefits as a result of an offer made to encourage voluntary redundancy.

Share-based payments

The settlement method of the Bank's stock option incentive scheme for key employees is dependent on an uncertain future event which is outside the control of the Bank or its employees. At each reporting date, the Bank assesses the probability of the outcome of the uncertain future event in giving rise to a liability in determining whether the stock option incentive scheme is treated as cash-settled or equity-settled. If obligation to settle in cash exists, the entity accounts for the transaction as a cash-settled share-based payment transaction. If there is no obligation to settle in cash or other assets, the transaction should be treated as an equity-settled share-based payment transaction.

An equity-settled share-based payment plan is where the Bank receives services from employees as consideration for equity instruments (stock options) of the Bank. The fair value of the stock options granted in exchange for services of the employees are recognised as an expense in the profit or loss over the vesting periods of the grant with a corresponding increase in equity. The total amount to be expensed over the vesting period is determined by reference to the fair value of the stock options granted, excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. At each reporting date, the Bank revises its estimates of the number of stock options that are expected to vest based on the non-market conditions and service conditions. It recognises the impact of the revision of original estimates, if any, in the profit or loss, with a corresponding adjustment to stock option reserves in equity.

If the terms of an equity-settled share-based payment plan is modified, at a minimum an expense is recognised as if the terms had not been modified. An additional expense is recognised for any modification that increase the total fair value of the share-based payment arrangement, or its otherwise beneficial to the employee, as measured at the date of modification.

A cash-settled share-based payment plan is initially recognised at the fair value of the liability at reporting date and is recognised as an expense in the profit or loss over the vesting periods of the grant with a corresponding increase in liability. The total amount to be expensed over the vesting period is determined by reference to the fair value of the stock options granted, excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The Bank re-measures the fair value of the liability at each reporting date and at the date of settlement, with any changes in fair value recognised in profit or loss. The Bank revises its estimate of the number of stock options that are expected to vest. It recognises the impact of the revision of original estimates, if any, in the profit or loss, with a corresponding adjustment to liability.

SUMMARY OF MATERIAL ACCOUNTING POLICIES

for the financial year ended 31 December 2024

(X) EMPLOYEE BENEFITS (CONTINUED)

Long Term Incentive Plan ('LTIP')

The Bank operates Long Term Incentive Plan ('LTIP') in the form of Share Grant Scheme ('SGS'), which is an equity-settled share-based payment arrangements with the Group's and the Bank's employees as compensation for services provided by the employees. Equity-settled share-based payment arrangements entitle the employees to receive equity instruments of the Bank.

In the consolidated financial statements of the Group, the cost of share-based payment arrangements with the employees is measured by reference to the fair value of equity instruments on the date they are granted and recognised as an expense over the vesting period, with a corresponding credit to the equity.

In the separate financial statements of the Bank, the SGS granted to the subsidiaries without recharge is accounted for as capital contribution to the subsidiary with a corresponding credit to equity, while the SGS granted to the subsidiaries with recharge is accounted for as amount due from subsidiaries with a corresponding credit to equity. The vesting period is the period during which all the specified vesting conditions of a share-based payment arrangement are to be satisfied.

Fair value is determined by using market prices or appropriate valuation models, taking into account the terms and conditions upon which the equity instruments were granted. Vesting conditions include service conditions and performance conditions; any other features of a share-based payment arrangement are non-vesting conditions. Market performance conditions and non-vesting conditions are taken into account when estimating the fair value of equity instruments at the date of grant, so that an award is treated as vesting irrespective of whether the market performance condition or non-vesting condition is satisfied, provided all other vesting conditions are satisfied.

Vesting conditions, other than market performance conditions, are not taken into account in the initial estimate of the fair value at the grant date. They are taken into account by adjusting the number of equity instruments included in the measurement of the transaction, so that the amount recognised for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest. On a cumulative basis, no expense is recognised for equity instruments that do not vest because of a failure to satisfy non-market performance or service conditions.

Where an award has been modified, as a minimum, the expense of the original award continues to be recognised as if it had not been modified. Where the effect of a modification is to increase the fair value of an award or increase the number of equity instruments, the incremental fair value of the award or incremental fair value of the extra equity instruments is recognised in addition to the expense of the original grant, measured at the date of modification, over the modified vesting period.

A cancellation that occurs during the vesting period is treated as an acceleration of vesting, and recognised immediately for the amount that would otherwise have been recognised for services over the remaining vesting period.

(Y) SALE AND REPURCHASE AGREEMENTS

Securities purchased under resale agreements are securities which the Group and the Bank have purchased with a commitment to resell at future dates. The commitment to resell the securities is reflected as an asset on the statements of financial position.

Conversely, obligations on securities sold under repurchase agreements are securities which the Group and the Bank have sold from its portfolio, with a commitment to repurchase at future dates. Such financing and the obligation to repurchase the securities is reflected as a liability on the statement of financial position.

The difference between sale and repurchase price as well as purchase and resale price are amortised as interest income and interest expense respectively on an effective yield method.

(Z) RESTRICTED INVESTMENT ACCOUNTS ('RIA')

These deposits are used to fund specific financing. The RIA is a contract based on the Shariah concept of Mudharabah between two parties, i.e. investor and entrepreneur to finance a business venture where the investor provides capital and the business venture is managed solely by the entrepreneur. The profit of the business venture will be shared-based on pre-agreed ratios between the capital provider and the Mudarib (manager or manager of funds), and losses shall be borne solely by capital provider.

SUMMARY OF MATERIAL ACCOUNTING POLICIES
for the financial year ended 31 December 2024

(AA) SHARE CAPITAL

Classification

Ordinary shares are classified as equity. Other shares are classified as equity and/or liability according to the substance of the contractual agreement of the particular instrument.

Share issue costs

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction net of tax, from the proceeds.

Dividend distribution

Liability is recognised for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Group, on or before the end of the reporting period but not distributed at the end of the reporting period.

Distributions to holders of an equity instrument are recognised directly in equity.

In declaring dividend, Dividend Reinvestment Plan ('DRP') is offered to the Shareholders. Where the Electable Portion is not reinvested by the Shareholders, the remaining portion of the dividend will be paid in cash.

Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Bank, excluding any costs of servicing equity other than ordinary shares; and
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year and excluding treasury shares.

Diluted earnings per share

Diluted earnings per share adjusts the figures in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares; and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(AB) BORROWINGS/FINANCING

Borrowings/Financing are recognised initially at fair value, net of transaction costs incurred.

Borrowings/Financing are subsequently carried at amortised cost; any difference between initial recognised amount and the redemption value is recognised in profit or loss over the period of the borrowings/financing using the effective interest/profit method.

General and specific borrowing/financing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing/financing costs eligible for capitalisation.

All borrowing/financing costs are recognised in profit or loss in the financial year in which they are incurred.

SUMMARY OF MATERIAL ACCOUNTING POLICIES
for the financial year ended 31 December 2024

(AC) SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker, who is the person or group that allocates resources to and assess the performance of the operating segments of an entity. The Group has determined the Chief Executive Officer ('CEO') of the respective operating segments as its chief operating decision-maker.

(AD) TRUST ACTIVITIES

The Group act as trustees in other fiduciary capabilities that result in holding or placing of assets on behalf of individuals, trust and other institutions. These assets and income arising thereon are excluded from the financial statements, as they are not assets of the Group.

(AE) AMOUNT DUE FROM CLIENT AND BROKERS

In accordance with the Rules of Bursa Securities, clients' accounts are classified as impaired accounts under the following circumstances:

Types	Criteria for classification of accounts as impaired
Contra losses	When an account remains outstanding for 16 calendar days or more from the date of contra transaction.
Overdue purchase contract	When an account remains outstanding from T+5 market days onwards (non-margin purchase) and T+9 market days onwards discretionary financing.

Bad debts are written-off when identified. Impairment allowances are made based on simplified approach (see Note H) for balances due from clients which are considered doubtful or which have been classified as impaired, after taking into consideration collateral held by the Group and deposits of and amounts due to dealer representative in accordance with the Rules of Bursa Malaysia Berhad.

(AF) CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Group's and the Bank's accounting policies.

This note provides an overview of the areas that involve a higher degree of judgement or complexity, and major sources of estimation uncertainty that have a significant risk of resulting in a material adjustment within the next financial year. Detailed information about each of these estimates and judgements is included in the related notes together with information about the basis of calculation for each affected line item in the financial statements.

Measurement of the expected credit losses ('ECL') allowance

The measurement of the expected credit losses allowance for financial assets measured at amortised cost and FVOCI is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (i.e. the likelihood of customers defaulting and the resulting losses). Explanation of the inputs, assumptions and estimation techniques used in measuring ECL is further detailed in Note 50, which also sets out key sensitivities of the ECL to changes in these elements.

SUMMARY OF MATERIAL ACCOUNTING POLICIES
for the financial year ended 31 December 2024

(AF) CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

Measurement of the expected credit losses ('ECL') allowance (continued)

A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- Determining criteria for significant increase in credit risk;
- Choosing appropriate models and assumptions for the measurement of ECL;
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL; and
- Establishing groups of similar financial assets for the purposes of measuring ECL.

ECL allowance overlays were taken to reflect the latest macro-economic outlook not captured in the modelled outcome and the potential impact on delinquencies and defaults in line with the Bank's annual credit plan. The overlays involved a significant level of judgement and reflect the management's views of possible severities of credit losses for ECL estimation purposes. The overlays were made at the account level.

Estimated impairment of goodwill

The Group performs an impairment review on an annual basis to ensure that the carrying value of the goodwill does not exceed its recoverable amounts from cash generating units to which the goodwill is allocated. The recoverable amount represents the present value of the estimated future cash flows expected to arise from continuing operations. Therefore, in arriving at the recoverable amount, management exercise judgement in estimating the future cash flows, growth rate and discount rate.

The recoverable amounts of the cash generating units to which goodwill is allocated were determined based on discounted cash flows valuation model. The calculations require the use of estimates as set out in Note 22 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2024

1 GENERAL INFORMATION

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

The Bank is a public limited liability company, incorporated and domiciled in Malaysia, and listed on the Main Market of Bursa Malaysia as at 31 December 2024.

There have been no other significant changes in the principal activities of the Group and the Bank during the financial year.

2 CASH AND SHORT-TERM FUNDS

	The Group		The Bank	
	2024 RM'000	2023 RM'000	**2024 RM'000**	2023 RM'000
Cash and bank balances with banks and other financial institutions	**1,242,970**	1,095,505	**674,225**	856,235
Money at call and deposit placements maturing within one month	**1,609,942**	4,546,878	**1,286,364**	2,689,465
Less: Expected credit losses	**(31)**	(20)	**(31)**	(15)
	2,852,881	5,642,363	**1,960,558**	3,545,685

Inclusive in cash and short-term funds of the Group and the Bank are accounts maintained for dealer's representatives amounting to RM62,890,455 (2023: RM64,818,024).

3 DEPOSITS AND PLACEMENTS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS

	The Group		The Bank	
	2024 RM'000	2023 RM'000	**2024 RM'000**	2023 RM'000
Licensed banks	**302,241**	810,449	**604,294**	1,113,299
Other financial institutions	**–**	30,144	**–**	30,144
Less: Expected credit losses	**–**	(1)	**–**	–
	302,241	840,592	**604,294**	1,143,443

4 INVESTMENT ACCOUNTS DUE FROM DESIGNATED FINANCIAL INSTITUTIONS

	The Bank	
	2024 RM'000	2023 RM'000
Licensed banks	**3,248,280**	3,665,450

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2024

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

	The Group		The Bank	
	2024 RM'000	2023 RM'000	**2024 RM'000**	2023 RM'000
At fair value				
Money market instruments:				
Malaysian Government treasury bills	**450,055**	79,679	**450,055**	79,679
Malaysian Government investment issues	**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
Quoted securities:				
Shares, warrants and REITs in Malaysia	**146,375**	89,123	**–**	–
Unit Trusts in Malaysia	**1,299**	1,257	**–**	–
	147,674	90,380	**–**	–
Unquoted securities:				
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

IBOR Reform

The Group and the Bank hold the following financial assets at FVTPL which are referenced to the current benchmark interest rates and have yet to transition to an alternative benchmark interest rate.

	The Group		The Bank	
	2024 RM'000	2023 RM'000	**2024 RM'000**	2023 RM'000
The Group				
Money market instruments:				
Negotiable Instruments of Deposit				
- Kuala Lumpur Interbank Offered Rate ('KLIBOR')	**244,576**	239,229	**244,576**	239,229

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2024

6 DERIVATIVE FINANCIAL INSTRUMENTS

	2024			2023		
	Contract/ Notional amount RM'000	**Assets RM'000**	**Liabilities RM'000**	Contract/ Notional amount RM'000	Assets RM'000	Liabilities RM'000
The Group						
At fair value						
Trading Derivatives						
Foreign exchange derivatives:						
- Currency forwards	**8,554,907**	**98,791**	**120,730**	9,438,954	36,254	101,014
- Cross currency interest rate swaps	**101,734**	**1,067**	**986**	115,408	1,343	1,216
- Currency swaps	**30,540,461**	**159,920**	**77,879**	39,468,251	283,523	151,516
- Currency options	**14,300**	**59**	**35**	82,951	514	504
Interest/profit rate derivatives:						
- Interest/profit rate swaps	**16,950,675**	**134,234**	**104,868**	11,183,722	116,800	104,827
- Interest/profit rate options	**529,422**	**1,125**	**1,125**	–	–	–
Equity derivatives	**94,098**	**–**	**17,197**	16,910	–	2,562
Hedging Derivatives						
Interest/profit rate derivatives:						
- Interest/profit rate swaps (a)	**4,085,848**	**55,174**	**43,116**	3,493,945	32,004	34,087
	60,871,445	**450,370**	**365,936**	63,800,141	470,438	395,726
The Bank						
At fair value						
Trading Derivatives						
Foreign exchange derivatives:						
- Currency forwards	**7,444,470**	**82,110**	**112,910**	6,726,288	23,446	58,497
- Currency swaps	**30,950,583**	**169,049**	**79,490**	33,327,215	200,789	156,640
- Currency options	**14,300**	**59**	**35**	82,951	514	504
Interest rate derivatives:						
- Interest rate swaps	**12,109,239**	**113,933**	**89,268**	7,661,942	102,686	92,345
- Interest rate options	**529,422**	**1,125**	**1,125**	–	–	–
Hedging Derivatives						
Interest rate derivatives:						
- Interest rate swaps (a)	**3,218,562**	**46,322**	**33,783**	2,619,830	21,448	20,593
	54,266,576	**412,598**	**316,611**	50,418,226	348,883	328,579

(a) Fair value hedges

The Group and the Bank's fair value hedges principally consist of interest/profit rate swaps that are used to protect against changes in the fair value of financial assets and financial liabilities due to movement in interest/profit rates. The Group and the Bank have undertaken fair value hedges on interest/profit rate risk of RM4,085.8 million (2023: RM3,493.9 million) at the Group and RM3,218.6 million (2023: RM2,619.8 million) at the Bank respectively on financial investments measured at AC/ FVOCI, borrowings and recourse obligation on loans/financing using interest/profit rate swaps. The total fair value net gain of the said profit/interest rate swaps related to these hedges amounted to RM1,420,000 (2023: net loss RM963,000) at the Group and RM988,000 (2023: net loss RM1,686,000) at the Bank.

The Group and the Bank's hedge accounting policy only allows for effective hedge relationships to be established. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessment to ensure that an economic relationship exists between the hedged item and hedging instrument. The hedge effectiveness is assessed by comparing changes in the fair value of the hedged items attributable to changes in the benchmark rate of interest with changes in the fair value of the interest rate swaps.

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2024

6 DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

(a) Fair value hedges (continued)

The Group and the Bank establishes the hedge ratio by matching the notional of the derivatives with the principal of the underlying being hedged. Ineffectiveness is recognised on hedge where the change in the designated component value of the hedging instrument exceeds on an absolute basis the change in value of the hedged item attributable to the hedged risk. In hedges of the above interest rate risk, this may arise if differences arise between the credit risk inherent within the hedged item and the hedging instrument. The Group uses collateral/credit enhancement to mitigate the risk. However, the remaining risk can result in hedge ineffectiveness.

The main source of ineffectiveness that are expected to affect the hedging relationship during the financial year are:

- The effect of the counterparty and the Group's own credit risk on the fair value of the interest rate swap, which is not reflected in the fair value of the hedged item attributable to the change in interest rate; and
- Differences in maturities and reset dates of the interest rate swaps and the fixed rate bonds or liabilities.

Included in the net non-interest income is the net loss arising from fair value hedges that were effective during the financial year are as follows:

	The Group		The Bank	
	2024 RM'000	2023 RM'000	**2024 RM'000**	2023 RM'000
Loss on hedging instruments	**(6,329)**	(2,809)	**(6,328)**	(4,684)
Gain on hedged items attributable to the hedged risks	**7,749**	1,846	**7,316**	2,998
	1,420	(963)	**988**	(1,686)

The following table sets out the notional amount of the hedging instrument, categorised by the maturity profile and average price used in fair value hedges:

		Maturity		
	Average fixed interest rate %	**Up to 12 months RM'000**	**> 1 - 5 years RM'000**	**Over 5 years RM'000**
The Group				
2024				
Interest/profit rate swaps:				
- USD interest/profit rates	**4.05**	**–**	**313,594**	**202,254**
- MYR interest/profit rates	**4.06**	**–**	**3,570,000**	**–**
2023				
Interest/profit rate swaps:				
- USD interest/profit rates	4.38	–	194,174	229,771
- MYR interest/profit rates	4.09	–	3,070,000	–
The Bank				
2024				
Interest rate swaps:				
- USD interest rates	**4.05**	**–**	**259,333**	**99,229**
- MYR interest rates	**4.17**	**–**	**2,860,000**	**–**
2023				
Interest rate swaps:				
- USD interest rates	4.39	–	147,284	112,546
- MYR interest rates	4.21	–	2,360,000	–

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2024

6 DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

(a) Fair value hedges (continued)

The amounts relating to items designated as hedging instruments are as follows:

	Risk	Hedge Type	Notional amount RM'000	Fair value assets RM'000	Fair value liabilities RM'000	Changes in fair value used to calculate hedge ineffectiveness RM'000
The Group						
2024						
Interest/profit rate swap	**Interest/profit rate**	**Fair value hedge**	**4,085,848**	**55,174**	**43,116**	**(6,329)**
2023						
Interest/profit rate swap	Interest/profit rate	Fair value hedge	3,493,945	32,004	34,087	(2,809)
The Bank						
2024						
Interest rate swaps	**Interest rate**	**Fair value hedge**	**3,218,562**	**46,322**	**33,783**	**(6,328)**
2023						
Interest rate swaps	Interest rate	Fair value hedge	2,619,830	21,448	20,593	(4,684)

The amounts relating to items designated as hedged items are as follows:

	Risk	Hedge Type	Carrying amount RM'000	Accumulated amount of fair value hedge adjustments on the hedged item included in the carrying amount of the hedged item RM'000	Change in value used for recognising hedge ineffectiveness RM'000
The Group					
2024					
Assets					
Financial investments at FVOCI	**Interest/profit rate**	**Fair value hedge**	**1,702,572**	**4,306**	**(2,591)**
Financial investments at AC	**Interest/profit rate**	**Fair value hedge**	**208,822**	**(5,672)**	**(3,090)**
Liabilities					
Recourse obligation on loans/ financing sold to Cagamas Berhad	**Interest/profit rate**	**Fair value hedge**	**(1,222,783)**	**(1,277)**	**5,406**
Borrowings and Sukuk	**Interest/profit rate**	**Fair value hedge**	**(1,540,310)**	**13,352**	**8,024**
2023					
Assets					
Financial investments at FVOCI	Interest/profit rate	Fair value hedge	1,698,161	6,897	4,809
Financial investments at AC	Interest/profit rate	Fair value hedge	196,213	(2,582)	312
Liabilities					
Recourse obligation on loans/ financing sold to Cagamas Berhad	Interest/profit rate	Fair value hedge	(1,233,506)	(6,683)	(4,595)
Borrowings and Sukuk	Interest/profit rate	Fair value hedge	(1,037,352)	1,320	1,320

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2024

6 DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

(a) Fair value hedges (continued)

The amounts relating to items designated as hedged items are as follows: (continued)

	Risk	Hedge Type	Carrying amount RM'000	Accumulated amount of fair value hedge adjustments on the hedged item included in the carrying amount of the hedged item RM'000	Change in value used for recognising hedge ineffectiveness RM'000
The Bank					
2024					
Assets					
Financial investments at FVOCI	**Interest rate**	**Fair value hedge**	**1,306,445**	**3,706**	**(1,103)**
Financial investments at AC	**Interest rate**	**Fair value hedge**	**201,132**	**(5,359)**	**(2,777)**
Liabilities					
Recourse obligation on loans/ financing sold to Cagamas Berhad	**Interest rate**	**Fair value hedge**	**(716,104)**	**(271)**	**3,172**
Borrowings and Sukuk	**Interest rate**	**Fair value hedge**	**(1,553,662)**	**13,352**	**8,024**
2023					
Assets					
Financial investments at FVOCI	Interest rate	Fair value hedge	1,312,604	4,809	4,809
Financial investments at AC	Interest rate	Fair value hedge	198,795	(2,582)	312
Liabilities					
Recourse obligation on loans/ financing sold to Cagamas Berhad	Interest rate	Fair value hedge	(719,237)	(3,443)	(3,443)
Borrowings and Sukuk	Interest rate	Fair value hedge	(1,038,672)	1,320	1,320

IBOR Reform

The Group and the Bank hold the following derivative financial instruments which are referenced to the current benchmark interest rates and have yet to transition to an alternative benchmark interest rate.

	The Group Contract/Notional Amount		The Bank Contract/Notional Amount	
	Assets RM'000	Liabilities RM'000	Assets RM'000	Liabilities RM'000
2024				
Interest rate derivatives:				
Interest rate swaps				
- KLIBOR	**70,093**	**31,487**	**64,193**	**29,828**
2023				
Interest rate derivatives:				
Interest rate swaps				
- KLIBOR	63,238	38,998	58,147	37,676

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2024

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

	The Group		The Bank	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
At fair value				
Money market instruments:				
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
Unquoted securities:				
Shares in Malaysia*	**267,251**	245,640	**241,057**	220,875
Commercial Paper	**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.

Included in the financial investments at FVOCI are Corporate bonds/Sukuk outside Malaysia, Malaysian Government Securities and Malaysian Government investment issues which are pledged as collateral for obligations on securities sold under repurchase agreements for the Group amounting to RM250,000,000 (2023: RM924,790,000), while for the Bank is Corporate bonds/Sukuk outside Malaysia and Malaysian Government Securities amounting to RM Nil (2023: RM65,890,000).

Debt instruments at FVOCI

Movements in expected credit losses for financial investments at FVOCI are as follows:

	12-Month ECL Stage 1 RM'000	Lifetime ECL not credit impaired Stage 2 RM'000	Lifetime ECL credit impaired Stage 3 RM'000	Total RM'000
The Group				
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			**–**	
– Foreign exchange and other movements	**(46)**	**–**	**–**	**(46)**
At end of the financial year	**1,255**	**19**	**–**	**1,274**
The Group				
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

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2024

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

Debt instruments at FVOCI (continued)

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

	12-Month ECL Stage 1 RM'000	Lifetime ECL not credit impaired Stage 2 RM'000	Lifetime ECL credit impaired Stage 3 RM'000	Total RM'000
The Bank				
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				
– Foreign exchange and other movements	**(37)**	**–**	**–**	**(37)**
At end of the financial year	**774**	**246**	**–**	**1,020**
The Bank				
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

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2024

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

Movements in the gross carrying amount of financial investments at FVOCI that contributed to changes in the ECL:

	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
The Group				
2024				
At beginning of the financial year	**9,582,738**	**199,389**	**–**	**9,782,127**
Financial assets derecognised (other than write-off)	**(7,273,020)**	**(105,041)**	**–**	**(7,378,061)**
New financial assets purchased	**11,381,241**	**30,177**	**–**	**11,411,418**
Changes in interest/profit accrual and accretion/amortisation	**(4,106)**	**(1,633)**	**–**	**(5,739)**
Other adjustments				
– Foreign exchange and other movements	**(161,543)**	**–**	**–**	**(161,543)**
– Changes in fair value	**(14,560)**	**564**	**–**	**(13,996)**
At end of the financial year	**13,510,750**	**123,456**	**–**	**13,634,206**
The Group				
2023				
At beginning of the financial year	3,450,924	100,662	–	3,551,586
Total transfer between stages due to change in credit risk:-	(103,024)	103,024	–	–
– Transfer to Lifetime ECL not credit impaired (Stage 2)	(103,024)	103,024	–	–
Financial assets derecognised (other than write-off)	(2,007,951)	–	–	(2,007,951)
New financial assets purchased	8,064,570	–		8,064,570
Changes in interest/profit accrual and accretion/amortisation	36,178	(5,000)	–	31,178
Other adjustments				
– Foreign exchange and other movements	4,258	–	–	4,258
– Changes in fair value	137,783	703	–	138,486
At end of the financial year	9,582,738	199,389	–	9,782,127

	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
The Bank				
2024				
At beginning of the financial year	**3,706,500**	**51,844**	**–**	**3,758,344**
Financial assets derecognised (other than write-off)	**(6,353,802)**	**–**	**–**	**(6,353,802)**
New financial assets purchased	**8,470,851**	**30,177**	**–**	**8,501,028**
Changes in interest accrual and accretion/amortisation	**23,703**	**153**	**–**	**23,856**
Other adjustments				
– Foreign exchange and other movements	**(98,892)**	**–**	**–**	**(98,892)**
– Changes in fair value	**(26,010)**	**426**	**–**	**(25,584)**
At end of the financial year	**5,722,350**	**82,600**	**–**	**5,804,950**
The Bank				
2023				
At beginning of the financial year	–	–	–	–
Total transfer between stages due to change in credit risk:-	(51,996)	51,996	–	–
– Transfer to Lifetime ECL not credit impaired (Stage 2)	(51,996)	51,996	–	–
Financial assets derecognised (other than write-off)	(1,214,973)	–	–	(1,214,973)
New financial assets purchased	4,890,483	–	–	4,890,483
Changes in interest accrual and accretion/amortisation	41,079	(1)	–	41,078
Other adjustments				
– Foreign exchange and other movements	4,098	–	–	4,098
– Changes in fair value	37,809	(151)	–	37,658
At end of the financial year	3,706,500	51,844	–	3,758,344

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2024

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

Equity instruments designated at FVOCI

The Group and the Bank designated certain equity instruments at FVOCI, which include equity instruments made for strategic and socio-economic purpose rather than with a view to perform subsequent sale.

	The Group		The Bank	
	2024 RM'000	2023 RM'000	**2024 RM'000**	2023 RM'000
Unquoted securities:				
Shares in Malaysia:				
Credit Guarantee Corporation	**41,321**	40,072	**41,321**	40,072
Cagamas Berhad	**24,813**	23,420	**–**	–
PayNet	**105,779**	87,937	**105,779**	87,937
TPPT Sdn Bhd	**93,209**	92,173	**93,209**	92,173
Malaysian Rating Corporation Berhad	**1,375**	1,339	**–**	–
Others *	**754**	699	**748**	693
	267,251	245,640	**241,057**	220,875

* Other socio-economic shares

The dividend income for equity investments designated at FVOCI held and disposed during the financial year are as follows:

	Carrying amount		Dividend income of equity investments held as at the end of the financial year		Dividend income of equity investments disposed during the financial year	
	2024 RM'000	2023 RM'000	**2024 RM'000**	2023 RM'000	**2024 RM'000**	2023 RM'000
The Group						
Unquoted securities	**267,251**	245,640	**1,340**	922	**–**	–
The Bank						
Unquoted securities	**241,057**	220,875	**1,190**	732	**–**	–

There have been no new acquisition or disposal of equity investments designated at FVOCI during the current and previous financial years.

IBOR Reform

The Group and the Bank hold the following financial instruments at FVOCI which are referenced to the current benchmark interest rates and have yet to transition to an alternative benchmark interest rate.

	The Group		The Bank	
	2024 RM'000	2023 RM'000	**2024 RM'000**	2023 RM'000
Unquoted securities:				
Corporate bonds/Sukuk outside Malaysia				
- Bank Bill Swap Rate ('BBSW')	**144,316**	36,251	**144,316**	36,251

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2024

8 FINANCIAL INVESTMENTS AT AMORTISED COST ('AC')

	The Group		The Bank	
	2024 RM'000	2023 RM'000	**2024 RM'000**	2023 RM'000
At amortised cost				
Money market instruments:				
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
	9,334,099	9,702,724	**6,613,245**	7,065,537
Unquoted securities:				
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	**–**	–
	6,379,465	7,009,341	**3,444,806**	4,207,375
Fair value changes arising from fair value hedges	**(5,672)**	(2,582)	**(5,359)**	(2,582)
	15,707,892	16,709,483	**10,052,692**	11,270,330
Less: Expected credit losses	**(18,479)**	(104,581)	**(14,572)**	(89,911)
	15,689,413	16,604,902	**10,038,120**	11,180,419

Included in the financial investments at AC are Corporate bonds/Sukuk outside Malaysia, Malaysian Government Securities and Malaysian Government investment issues which are pledged as collateral for obligations on securities sold under repurchase agreements for the Group amounting to RM3,931,600,733 (2023: RM3,476,712,000), while for the Bank is Corporate bonds/Sukuk outside Malaysia, Malaysian Government Securities and Malaysian Government investment issues amounting to RM3,791,600,733 (2023: RM3,466,712,000).

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2024

8 FINANCIAL INVESTMENTS AT AMORTISED COST ('AC') (CONTINUED)

Movements in expected credit losses for financial investments at AC are as follows:

	12-Month ECL Stage 1 RM'000	Lifetime ECL not credit impaired Stage 2 RM'000	Lifetime ECL credit impaired Stage 3 RM'000	Total RM'000
The Group				
2024				
At beginning of the financial year	**6,707**	**89,773**	**8,101**	**104,581**
Financial assets derecognised (other than write-off)	**(433)**	**(98,588)**	**–**	**(99,021)**
New financial assets purchased	**539**	**–**	**–**	**539**
Changes due to change in credit risk	**(2,658)**	**23,149**	**–**	**20,491**
Write-off	**–**	**–**	**(7,936)**	**(7,936)**
Other adjustments				
- Foreign exchange and other movements	**(10)**	**–**	**(165)**	**(175)**
At end of the financial year	**4,145**	**14,334**	**–**	**18,479**
The Group				
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				
- Foreign exchange and other movements	19	–	(395)	(376)
At end of the financial year	6,707	89,773	8,101	104,581

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2024

8 FINANCIAL INVESTMENTS AT AMORTISED COST ('AC') (CONTINUED)

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

	12-Month ECL Stage 1 RM'000	Lifetime ECL not credit impaired Stage 2 RM'000	Lifetime ECL credit impaired Stage 3 RM'000	Total RM'000
The Bank				
2024				
At beginning of the financial year	**143**	**89,768**	**–**	**89,911**
Financial assets derecognised (other than write-off)	**(17)**	**(98,588)**	**–**	**(98,605)**
New financial assets purchased	**28**	**–**	**–**	**28**
Changes due to change in credit risk	**94**	**23,153**	**–**	**23,247**
Other adjustments				
– Foreign exchange and other movements	**(9)**	**–**	**–**	**(9)**
At end of the financial year	**239**	**14,333**	**–**	**14,572**
The Bank				
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				
– Foreign exchange and other movements	19	–	–	19
At end of the financial year	143	89,768	–	89,911

Movements in the gross carrying amount of financial investments at AC that contributed to changes in the ECL:

	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
The Group				
2024				
At beginning of the financial year	**16,067,305**	**636,659**	**8,101**	**16,712,065**
Financial assets derecognised (other than write-off)	**(2,246,467)**	**(400,000)**	**–**	**(2,646,467)**
New financial assets purchased	**1,736,029**	**–**	**–**	**1,736,029**
Changes in interest/profit accrual and accretion/amortisation	**(81,988)**	**(7,189)**	**–**	**(89,177)**
Writ-off	**–**	**–**	**(7,936)**	**(7,936)**
Other adjustments				
– Foreign exchange and other movements	**9,215**	**–**	**(165)**	**9,050**
At end of the financial year	**15,484,094**	**229,470**	**–**	**15,713,564**
The Group				
2023				
At beginning of the financial year	16,310,291	611,424	15,560	16,937,275
Total transfer between stages due to change in credit risk:–	(25,439)	25,439	–	–
– Transfer to Lifetime ECL not credit impaired (Stage 2)	(25,439)	25,439	–	–
Financial assets derecognised (other than write-off)	(2,519,363)	–	(7,064)	(2,526,427)
New financial assets purchased	1,442,667	–	–	1,442,667
Changes in interest/profit accrual and accretion/amortisation	833,236	(204)	–	833,032
Other adjustments				
– Foreign exchange and other movements	25,913	–	(395)	25,518
At end of the financial year	16,067,305	636,659	8,101	16,712,065

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2024

8 FINANCIAL INVESTMENTS AT AMORTISED COST ('AC') (CONTINUED)

Movements in the gross carrying amount of financial investments at AC that contributed to changes in the ECL (continued):

	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
The Bank				
2024				
At beginning of the financial year	**10,636,134**	**636,778**	**–**	**11,272,912**
Financial assets derecognised (other than write-off)	**(2,303,308)**	**(400,000)**	**–**	**(2,703,308)**
New financial assets purchased	**1,542,808**	**–**	**–**	**1,542,808**
Changes in interest accrual and accretion/amortisation	**(61,180)**	**(7,183)**	**–**	**(68,363)**
Other adjustments				
- Foreign exchange and other movements	**14,002**	**–**	**–**	**14,002**
At end of the financial year	**9,828,456**	**229,595**	**–**	**10,058,051**
The Bank				
2023				
At beginning of the financial year	11,679,795	611,424	–	12,291,219
Total transfer between stages due to change in credit risk:-	(25,439)	25,439	–	–
- Transfer to Lifetime ECL not credit impaired (Stage 2)	(25,439)	25,439	–	–
Financial assets derecognised (other than write-off)	(1,755,335)	–	–	(1,755,335)
New financial assets purchased	771,878	–	–	771,878
Modifications to contractual cash flows of financial asset	(59,107)	(85)	–	(59,192)
Other adjustments				–
- Foreign exchange and other movements	24,342	–	–	24,342
At end of the financial year	10,636,134	636,778	–	11,272,912

IBOR Reform

The Group and the Bank hold the following financial instruments at AC which are referenced to the current benchmark interest rates and have yet to transition to an alternative benchmark interest rate.

	The Group		The Bank	
	2024 RM'000	2023 RM'000	**2024 RM'000**	2023 RM'000
Unquoted securities:				
Corporate bonds/Sukuk inside Malaysia				
- KLIBOR	**337,082**	100,037	**–**	–
Corporate bonds/Sukuk outside Malaysia				
- USD LIBOR	**–**	–	**–**	–
- BBSW	**100,855**	143,648	**100,855**	143,648
	437,937	243,685	**100,855**	143,648

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2024

9 LOANS, ADVANCES AND FINANCING

		The Group		The Bank	
		2024 RM'000	2023 RM'000	**2024 RM'000**	2023 RM'000
(i)	**By type**				
	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: Expected credit losses	**(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 RM57.7 million (2023: RM56.8 million) of term financing disbursed by AFFIN ISLAMIC to its joint venture company Affin–i Nadayu Sdn Bhd.

		The Group		The Bank	
		2024 RM'000	2023 RM'000	**2024 RM'000**	2023 RM'000
(ii)	**By maturity structure**				
	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
(iii)	**By type of customers**				
	Domestic banking institutions	**2,173**	7,287	**2,173**	7,287
	Domestic non-banking institutions				
	- Others	**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

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2024

9 LOANS, ADVANCES AND FINANCING (CONTINUED)

		The Group		The Bank	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
(iv)	**By interest/profit rate sensitivity**				
	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
	- Other variable rate	**16,139,981**	10,774,901	**7,834,205**	5,796,959
		72,044,655	66,662,869	**36,371,882**	35,468,241
(v)	**By economic sector**				
	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
(vi)	**By economic purposes**				
	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 property 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

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2024

9 LOANS, ADVANCES AND FINANCING (CONTINUED)

	The Group		The Bank	
	2024 RM'000	2023 RM'000	**2024 RM'000**	2024 RM'000
(vii) By geographical distribution				
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
(viii) Movements of impaired loans, advances and financing				
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, RIA included in the ratio calculation amounting to RM3,259.6 million (2023: RM3,572.1 million) with impaired financing amounting to RM11.4 million (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.

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2024

9 LOANS, ADVANCES AND FINANCING (CONTINUED)

		The Group		The Bank	
		2024 RM'000	2023 RM'000	**2024 RM'000**	2023 RM'000
(ix)	**Impaired loans by economic sector**				
	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
(x)	**Impaired loans by economic purposes**				
	Purchase of securities	**19,098**	18,305	**2**	16
	Purchase of transport vehicles	**76,865**	79,745	**38,537**	43,336
	Purchase of landed property 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
(xi)	**Impaired loans by geographical distribution**				
	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

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2024

9 LOANS, ADVANCES AND FINANCING (CONTINUED)

(xii) Movements in expected credit losses for loans, advances and financing

	12-Month ECL Stage 1 RM'000	Lifetime ECL not credit impaired Stage 2 RM'000	Lifetime ECL credit impaired Stage 3 RM'000	Total RM'000
The Group				
2024				
At beginning of the financial year	**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**

	12-Month ECL Stage 1 RM'000	Lifetime ECL not credit impaired Stage 2 RM'000	Lifetime ECL credit impaired Stage 3 RM'000	Total RM'000
The Group				
2023				
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

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2024

9 LOANS, ADVANCES AND FINANCING (CONTINUED)

(xii) Movements in expected credit losses for loans, advances and financing (continued)

	12-Month ECL Stage 1 RM'000	Lifetime ECL not credit impaired Stage 2 RM'000	Lifetime ECL credit impaired Stage 3 RM'000	Total RM'000
The Bank				
2024				
At beginning of the financial year	**95,645**	**392,797**	**469,349**	**957,791**
Total transfer between stages due to change in credit risk:-	**(8,601)**	**(5,896)**	**14,497**	**–**
– Transfer to 12-month ECL (Stage 1)	**75,619**	**(70,871)**	**(4,748)**	**–**
– Transfer to Lifetime ECL not credit impaired (Stage 2)	**(55,819)**	**109,686**	**(53,867)**	**–**
– Transfer to Lifetime ECL credit impaired (Stage 3)	**(28,401)**	**(44,711)**	**73,112**	**–**
Loans/financing derecognised (other than write-off)	**(44,492)**	**(123,972)**	**(42,443)**	**(210,907)**
New loans/financing originated or purchased	**117,434**	**–**	**–**	**117,434**
Changes due to change in credit risk	**(76,339)**	**23,717**	**91,322**	**38,700**
Write-off	**–**	**–**	**(196,304)**	**(196,304)**
Other adjustments	**(22)**	**24**	**25,152**	**25,154**
At end of the financial year	**83,625**	**286,670**	**361,573**	**731,868**

	12-Month ECL Stage 1 RM'000	Lifetime ECL not credit impaired Stage 2 RM'000	Lifetime ECL credit impaired Stage 3 RM'000	Total RM'000
The Bank				
2023				
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

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2024

9 LOANS, ADVANCES AND FINANCING (CONTINUED)

(xiii)Movements in the gross carrying amount of loans, advances and financing that contributed to changes in the ECL

	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
The Group				
2024				
At beginning of the financial year	**59,621,797**	**5,775,661**	**1,265,411**	**66,662,869**
Total transfer between stages due to change in credit risk:-	**(4,735,423)**	**4,045,258**	**690,165**	**–**
- Transfer to 12-month ECL (Stage 1)	**3,527,895**	**(3,485,697)**	**(42,198)**	**–**
- Transfer to Lifetime ECL not credit impaired (Stage 2)	**(8,171,865)**	**8,596,823**	**(424,958)**	**–**
- Transfer to Lifetime ECL credit impaired (Stage 3)	**(91,453)**	**(1,065,868)**	**1,157,321**	**–**
Loans/financing derecognised (other than write-off)	**(24,352,721)**	**(4,416,197)**	**(170,355)**	**(28,939,273)**
New loans/financing originated or purchased	**39,117,494**	**9,374**	**–**	**39,126,868**
Changes due to additional drawdown/partial settlements	**(3,695,875)**	**(642,887)**	**(61,147)**	**(4,399,909)**
Unwinding of modification loss during the year *(Note)*	**13,681**	**3,356**	**–**	**17,037**
Write-off	**–**	**–**	**(335,821)**	**(335,821)**
Other adjustments				
- Foreign exchange and other movements	**(96,843)**	**(25)**	**9,752**	**(87,116)**
At end of the financial year	**65,872,110**	**4,774,540**	**1,398,005**	**72,044,655**

Note: The amount of loans, advances and financing whose cash flows were modified in 2024 were RM1,156,443,000.

	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
The Group				
2023				
At beginning of the financial year	53,533,797	4,637,699	1,171,181	59,342,677
Total transfer between stages due to change in credit risk:-	(5,827,730)	5,484,437	343,293	–
– Transfer to 12-month ECL (Stage 1)	1,954,096	(1,940,731)	(13,365)	–
– Transfer to Lifetime ECL not credit impaired (Stage 2)	(7,714,617)	8,585,352	(870,735)	–
– Transfer to Lifetime ECL credit impaired (Stage 3)	(67,209)	(1,160,184)	1,227,393	–
Loans/financing derecognised (other than write-off)	(23,107,525)	(3,659,775)	(79,947)	(26,847,247)
New loans/financing originated or purchased	37,696,495	–	–	37,696,495
Changes due to additional drawdown/partial settlements	(2,682,634)	(705,648)	(64,170)	(3,452,452)
Unwinding of modification loss during the year *(Note)*	22,257	2,762	–	25,019
Write-off	–	–	(109,996)	(109,996)
Other adjustments				
- Foreign exchange and other movements	(12,863)	16,186	5,050	8,373
At end of the financial year	59,621,797	5,775,661	1,265,411	66,662,869

Note: The amount of loans, advances and financing whose cash flows were modified in 2023 were RM1,962,999,172.

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2024

9 LOANS, ADVANCES AND FINANCING (CONTINUED)

(xiii) Movements in the gross carrying amount of loans, advances and financing that contributed to changes in the ECL (continued)

	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
The Bank				
2024				
At beginning of the financial year	**31,252,134**	**3,242,962**	**973,145**	**35,468,241**
Total transfer between stages due to change in credit risk:-	**(1,249,162)**	**804,752**	**444,410**	**–**
- Transfer to 12-month ECL (Stage 1)	**1,826,861**	**(1,812,815)**	**(14,046)**	**–**
- Transfer to Lifetime ECL not credit impaired (Stage 2)	**(3,058,951)**	**3,271,698**	**(212,747)**	**–**
- Transfer to Lifetime ECL credit impaired (Stage 3)	**(17,072)**	**(654,131)**	**671,203**	**–**
Loans/financing derecognised (other than write-off)	**(11,160,988)**	**(936,277)**	**(57,622)**	**(12,154,887)**
New loans/financing originated or purchased	**14,825,541**	**–**	**–**	**14,825,541**
Changes due to additional drawdown/partial settlements	**(1,048,743)**	**(352,913)**	**(30,124)**	**(1,431,780)**
Unwinding of modification loss during the year *(Note)*	**7,494**	**1,503**	**–**	**8,997**
Write-off	**–**	**–**	**(266,726)**	**(266,726)**
Other adjustments				
- Foreign exchange and other movements	**(80,992)**	**(466)**	**3,954**	**(77,504)**
At end of the financial year	**32,545,284**	**2,759,561**	**1,067,037**	**36,371,882**

Note: The amount of loans, advances and financing whose cash flows were modified in 2024 were RM581,553,860.

	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
The Bank				
2023				
At beginning of the financial year	27,898,976	2,814,477	735,434	31,448,887
Total transfer between stages due to change in credit risk:-	(1,809,488)	1,430,591	378,897	–
- Transfer to 12-month ECL (Stage 1)	1,040,092	(1,032,896)	(7,196)	–
- Transfer to Lifetime ECL not credit impaired (Stage 2)	(2,789,386)	3,308,409	(519,023)	–
- Transfer to Lifetime ECL credit impaired (Stage 3)	(60,194)	(844,922)	905,116	–
Loans/financing derecognised (other than write-off)	(10,753,962)	(597,878)	(71,074)	(11,422,914)
New loans/financing originated or purchased	17,059,410	–	–	17,059,410
Changes due to additional drawdown/partial settlements	(1,158,936)	(420,403)	(13,586)	(1,592,925)
Unwinding of modification loss during the year *(Note)*	12,860	1,351	–	14,211
Write-off	–	–	(59,212)	(59,212)
Other adjustments				
- Foreign exchange and other movements	3,274	14,824	2,686	20,784
At end of the financial year	31,252,134	3,242,962	973,145	35,468,241

Note: The amount of loans, advances and financing whose cash flows were modified in 2023 were RM1,024,420,996.

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2024

9 LOANS, ADVANCES AND FINANCING (CONTINUED)

IBOR Reform

The Group and the Bank hold the following loans, advances and financing which are referenced to the current benchmark interest rates and have yet to transition to an alternative benchmark interest rate.

	The Group		The Bank	
	2024 RM'000	2023 RM'000	**2024 RM'000**	2023 RM'000
Gross loans, advances and financing:				
- KLIBOR	**376,719**	402,094	**194,221**	207,473
	376,719	402,094	**194,221**	207,473

10 AMOUNT DUE FROM CLIENT AND BROKERS

	The Group	
	2024 RM'000	2023 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: Expected credit losses (ii)	**(227)**	(223)
	513,907	398,876
(i) Movements of impaired amount due from client and brokers		
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 expected credit losses		
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

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2024

11 OTHER ASSETS

	The Group		The Bank	
	2024 RM'000	2023 RM'000	**2024 RM'000**	2023 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: Expected credit losses (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 expected credit losses				
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

12 AMOUNT DUE FROM SUBSIDIARIES

	The Bank	
	2024 RM'000	2023 RM'000
Amount due from subsidiaries	**756,357**	22,126

The advances to/amount due from subsidiaries are unsecured, bear no interest/profit rate and repayable on demand.

13 AMOUNT DUE FROM JOINT VENTURES

	The Group	
	2024 RM'000	2023 RM'000
Advances to joint ventures	**47,254**	52,499
Less: Expected credit losses (i)	**(42,615)**	(52,467)
	4,639	32
(i) Movements in expected credit losses		
At beginning of the financial year	**52,467**	47,818
Allowance made	**32**	4,649
Other adjustment	**(9,884)**	-
At end of the financial year	**42,615**	52,467

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

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2024

14 DEFERRED TAX ASSETS/(LIABILITIES)

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

	The Group		The Bank	
	2024 RM'000	2023 RM'000	**2024 RM'000**	2023 RM'000
Deferred tax assets	**114,938**	138,283	**43,840**	72,072
Deferred tax assets:				
– settled more than 12 months	**37,069**	50,773	**11,488**	21,395
– settled within 12 months	**237,517**	251,913	**172,840**	184,507
Deferred tax liabilities:				
– settled more than 12 months	**(145,735)**	(147,079)	**(140,488)**	(132,922)
– settled within 12 months	**(13,913)**	(17,324)	**–**	(908)
	114,938	138,283	**43,840**	72,072

	The Group		The Bank	
	2024 RM'000	2023 RM'000	**2024 RM'000**	2023 RM'000
At beginning of the financial year	**138,283**	233,973	**72,072**	125,964
Recognised in income statement (Note 46)	**(26,704)**	(62,453)	**(34,372)**	(44,854)
Recognised in equity	**3,359**	(33,237)	**6,140**	(9,038)
At end of the financial year	**114,938**	138,283	**43,840**	72,072

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2024

14 DEFERRED TAX ASSETS/(LIABILITIES) (CONTINUED)

The movements in deferred tax assets and liabilities during the financial year are as follows:

	Property and equipment RM'000	Right-of-use assets RM'000	Lease liabilities RM'000	Intangible assets RM'000	Loans, advances and financing RM'000	Other liabilities RM'000	Foreign exchange translation gain RM'000	Financial investment at AC RM'000	Financial investment at FVOCI RM'000	Total RM'000
The Group										
2024										
At beginning of financial year	**(45,789)**	**(8,820)**	**9,274**	**(10,701)**	**98,616**	**85,905**	**(20,406)**	**23,219**	**6,985**	**138,283**
Recognised in income statement	**(15,813)**	**(3,435)**	**4,118**	**(10,987)**	**(9,084)**	**16,755**	**14,335**	**(20,329)**	**(2,264)**	**(26,704)**
Recognised in equity	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**3,359**	**3,359**
At end of the financial year	**(61,602)**	**(12,255)**	**13,392**	**(21,688)**	**89,532**	**102,660**	**(6,071)**	**2,890**	**8,080**	**114,938**
2023										
At beginning of the financial year	(9,870)	(10,377)	11,069	(8,182)	107,127	88,906	(4,260)	19,550	40,010	233,973
Recognised in income statement	(35,919)	1,557	(1,795)	(2,519)	(8,511)	(3,001)	(16,146)	3,669	212	(62,453)
Recognised in equity	–	–	–	–	–	–	–	–	(33,237)	(33,237)
At end of the financial year	(45,789)	(8,820)	9,274	(10,701)	98,616	85,905	(20,406)	23,219	6,985	138,283

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2024

14 DEFERRED TAX ASSETS/(LIABILITIES) (CONTINUED)

The movements in deferred tax assets and liabilities during the financial year are as follows (continued):

	Property and equipment RM'000	Right-of-use assets RM'000	Lease liabilities RM'000	Intangible assets RM'000	Loans, advances and financing RM'000	Other liabilities RM'000	Financial investment at AC RM'000	Financial investment at FVOCI RM'000	Total RM'000
The Bank									
2024									
At beginning of the financial year	**(46,227)**	**(8,742)**	**9,187**	**(9,126)**	**59,130**	**55,927**	**20,920**	**(8,997)**	**72,072**
Recognised in income statement	**(15,818)**	**(3,836)**	**4,554**	**(10,940)**	**(3,718)**	**14,168**	**(18,910)**	**128**	**(34,372)**
Recognised in equity	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**6,140**	**6,140**
At end of the financial year	**(62,045)**	**(12,578)**	**13,741**	**(20,066)**	**55,412**	**70,095**	**2,010**	**(2,729)**	**43,840**
2023									
At beginning of the financial year	(10,042)	(10,309)	10,906	(6,463)	65,037	59,706	17,129	–	125,964
Recognised in income statement	(36,185)	1,567	(1,719)	(2,663)	(5,907)	(3,779)	3,791	41	(44,854)
Recognised in equity	–	–	–	–	–	–	–	(9,038)	(9,038)
At end of the financial year	(46,227)	(8,742)	9,187	(9,126)	59,130	55,927	20,920	(8,997)	72,072

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15 STATUTORY DEPOSITS WITH BANK NEGARA MALAYSIA

The non-interest/profit bearing statutory deposits are maintained with BNM in compliance with requirements of Section 26(2)(c) of the Central Bank of Malaysia Act 2009, the amount of which is determined at a set percentage of total eligible liabilities. The Statutory Reserve Requirement ('SRR') rate for banking industry is 2.0% of eligible liabilities.

16 INVESTMENT IN SUBSIDIARIES

	The Bank	
	2024 RM'000	2023 RM'000
Unquoted shares, at cost	**3,306,828**	3,206,788
Capital contribution to a subsidiary [@]	**1,001**	214
	3,307,829	3,207,002
Less: Allowance for impairment losses	**(2,879)**	(2,879)
	3,304,950	3,204,123

[@] Pertaining to the LTIP, implemented by the Bank since 2023, which is granted to the employees of Affin Islamic Bank Berhad.

Movements in cost of investment in subsidiaries		
At beginning of the financial year	**3,207,002**	3,206,778
Capital contribution to a subsidiary	**787**	214
Capital injection into Affin Business Services Sdn Bhd	**40**	10
Capital injection into Affin Islamic Bank Berhad	**100,000**	–
At end of the financial year	**3,307,829**	3,207,002
Movement in allowance for impairment losses		
At beginning/end of the financial year	**2,879**	2,879

The subsidiaries of the Bank, all of which are incorporated in Malaysia, are as follows:

Name	Principal Activities	Issued and Paid-up share capital RM'000	Percentage of equity held 2024 %	Percentage of equity held 2023 %
Affin Islamic Bank Berhad	Islamic banking business	**1,310,000**	**100**	100
Affin Moneybrokers Sdn Bhd	Money-broking	**1,000**	**100**	100
PAB Properties Sdn Bhd	Property management services	**8,000**	**100**	100
ABB Nominee (Tempatan) Sdn Bhd	Share nominee services	**40**	**100**	100
Affin Business Services Sdn Bhd	Information technology services	**40**	**100**	100
ABB Nominee (Asing) Sdn Bhd	Dormant	^	**100**	100
Affin Holdings Bhd	Investment holding	@	**100**	100
Affin Hwang Investment Bank Berhad ('AHIB')	Provision of investment banking services	**999,800**	**100**	100
Affin Hwang Trustee Berhad ('AHTB')	Trustee services	**6,500**	**100**	100
Affin Hwang Nominees (Asing) Sdn Bhd	Nominee services	**1,326**	**100**	100
Affin Hwang Nominees (Tempatan) Sdn Bhd	Nominee services	**1,331**	**100**	100
AHC Global Sdn Bhd	Investment holding	**1,332**	**100**	100
AHC Associates Sdn Bhd	Investment holding	**1,332**	**100**	*100*

^ Subsidiary with issued and paid-up share capital of RM2.00 each.

@ Subsidiary with issued and paid-up share capital of RM2.00 each and in member's voluntary winding-up.

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for the financial year ended 31 December 2024

17 INVESTMENT IN JOINT VENTURES

	The Group	
	2024 RM'000	2023 RM'000
At beginning/end of the financial year	**–**	–

The joint ventures, all of which are incorporated in Malaysia, are as follows:

Name	Principal Activities	Issued and Paid-up share capital RM'000	Percentage of equity held **2024 %**	Percentage of equity held 2023 %
Affin-i Nadayu Sdn Bhd #	Property development	1,000	**50**	50
KL South Development Sdn Bhd #	Property development	500	**30**	30

Shareholding held directly by Affin Islamic Bank Berhad.

The financial information of Affin-i Nadayu Sdn Bhd and KL South Development Sdn Bhd are not significant to the Group. As at 31 December 2024, the Bank's share of cumulative loss is RM27.8 million (2023: cumulative loss of RM25.9 million).

18 INVESTMENT IN ASSOCIATES

	The Group		The Bank	
	2024 RM'000	2023 RM'000	**2024 RM'000**	2023 RM'000
At beginning of the financial year	**841,260**	794,779	**667,279**	642,679
Share of profit for the financial year	**54,729**	36,466	**–**	–
Share of other comprehensive income/(loss) for the financial year	**(5,813)**	8,908	**–**	–
Acquisition of additional shares (a)	**9,000**	24,600	**9,000**	24,600
Other adjustment	**(3,459)**	–	**–**	–
Loss on dilution of interest arising from the Merger (b)	**–**	(23,493)	**–**	–
Dividend received during the financial year	**(64,800)**	–	**–**	–
At end of the financial year	**830,917**	841,260	**676,279**	667,279

The associates, all of which are incorporated in Malaysia, are as follows:

Name	Principal Activities		Issued and Paid-up share capital RM'000	Percentage of equity held **2024 %**	Percentage of equity held 2023 %
Generali Malaysia Holding Berhad ('GMHB') #	Investment holding company	57	**2,553,318**	**30.00**	–
Generali Life Insurance Malaysia Berhad *	Underwriting of life insurance business	(a)	**581,000**	**–**	30.00
Generali Insurance Malaysia Berhad *	Underwriting of general insurance business	(b)	**945,645**	**–**	47.00

The Share Swap was completed on 31 May 2023, since then GMHB became an associate of the Group.
* Shareholding held directly by the Bank in 2023

(a) During the financial year, the Bank subscribed RM9,000,000 (2023: RM24,600,000) new ordinary shares at RM1.00 each in GMHB.

(b) Generali Insurance Malaysia Berhad ('GIMB') (formerly known as AXA Affin General Insurance Berhad ('AAGI'))

On 1 April 2023, the merger of the general insurance business of GIMB and MPI Generali Insurance Berhad ('MPIG') has been completed. The consideration was satisfied by the issuance of new GIMB shares to Generali Asia A.V. and subsequently, the Bank's interest was diluted from 47% to 30%.

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2024

18 INVESTMENT IN ASSOCIATES (CONTINUED)

The summarised financial information of the material associates are as follows:

	2024	2023	
	GMHB RM'000	GIMB RM'000	GLIMB RM'000
Total assets	**9,682,545**	6,132,057	3,070,398
Total liabilities	**(7,011,981)**	(3,858,090)	(2,639,324)
Net assets	**2,670,564**	2,273,967	431,074
Capital commitment for property and equipment	**47,159**	9,057	–
The above amounts of assets and liabilities include the following:			
Cash and cash equivalent	**206,984**	149,485	44,015
Revenue	**2,342,059**	1,982,833	229,815
Profit/(loss) after taxation	**182,430**	139,511	(23,623)
Other comprehensive (loss)/income	**(19,377)**	10,509	18,140
Total comprehensive income/(loss)	**163,053**	150,020	(5,483)

Reconciliation of the summarised financial information to the carrying amount of the interest in associates recognised in the consolidated financial statements:

	2024	2023	
	GMHB RM'000	GIMB RM'000	GLIMB RM'000
Net assets			
At beginning of the financial year	**2,705,041**	1,365,547	354,557
Profit/(loss) for the financial year	**182,430**	139,511	(23,623)
Other comprehensive (loss)/income	**(19,377)**	10,509	18,140
Issuance of new shares	**30,000**	758,400	82,000
Other reserves movements	**(11,530)**	–	–
Dividend payout	**(216,000)**	–	–
At end of the financial year	**2,670,564**	2,273,967	431,074
Interest in associate:			
- in percentage (%)	**30.00**	30.00	30.00
- in thousand (RM'000)	**801,169**	682,190	129,322
- premium on acquisition	**29,748**	29,748	–
	830,917	711,938	129,322
Share of results of an associate	**54,729**	43,553	(7,087)
Share of other comprehensive (loss)/income of an associate	**(5,813)**	3,466	5,442

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2024

19 PROPERTY AND EQUIPMENT

	Freehold land RM'000	Buildings on freehold land RM'000	Buildings on leasehold land RM'000	Renovation RM'000	Office equipment and furniture RM'000	Computer equipment RM'000	Motor vehicles RM'000	Capital work in progress RM'000	Total RM'000
The Group									
2024									
Cost									
At beginning of the financial year	278,905	695,658	28,473	195,140	162,099	250,079	5,143	234,478	1,849,975
Additions	–	20,293	–	23,597	11,022	52,611	1,026	181,177	289,726
Disposals	–	(2,870)	–	–	–	(344)	(1,572)	–	(4,786)
Write-off	–	–	–	(96)	(516)	(785)	–	–	(1,397)
Reclassification to intangible assets (Note 22)	–	–	–	–	–	–	–	(114,281)	(114,281)
Reclassification to investment properties (Note 20)	–	(130,154)	–	–	–	–	–	–	(130,154)
Reclassification	–	–	–	3	–	42,073	–	(42,076)	–
At end of the financial year	278,905	582,927	28,473	218,644	172,605	343,634	4,597	259,298	1,889,083
Accumulated depreciation and impairment losses									
At beginning of the financial year	140	28,589	13,859	158,244	67,771	194,905	3,330	–	466,838
Charge	–	14,761	538	7,964	12,296	34,061	686	–	70,306
Disposal	–	(1,745)	–	–	–	(229)	(1,479)	–	(3,453)
Write-off	–	–	–	(94)	(448)	(672)	–	–	(1,214)
Reclassification to investment properties (Note 20)	–	(5,166)	–	–	–	–	–	–	(5,166)
At end of the financial year	140	36,439	14,397	166,114	79,619	228,065	2,537	–	527,311
Net book value at end of the financial year	278,765	546,488	14,076	52,530	92,986	115,569	2,060	259,298	1,361,772

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2024

19 PROPERTY AND EQUIPMENT (CONTINUED)

	Freehold land RM'000	Buildings on freehold land RM'000	Buildings on leasehold land RM'000	Renovation RM'000	Office equipment and furniture RM'000	Computer equipment RM'000	Motor vehicles RM'000	Capital work in progress RM'000	Total RM'000
The Group									
2023									
Cost									
At beginning of the financial year	278,905	683,233	26,967	172,704	135,870	233,785	4,167	182,781	1,718,412
Additions	–	–	1,929	22,768	27,455	11,030	1,136	122,940	187,258
Disposals	–	–	(423)	–	(7)	(157)	(160)	–	(747)
Write-off	–	–	–	(1,007)	(1,219)	(1,890)	–	–	(4,116)
Reclassification to intangible assets (Note 22)	–	–	–	–	–	–	–	(50,832)	(50,832)
Reclassification	–	12,425	–	675	–	7,311	–	(20,411)	–
At end of the financial year	278,905	695,658	28,473	195,140	162,099	250,079	5,143	234,478	1,849,975
Accumulated depreciation and impairment losses									
At beginning of the financial year	140	14,723	13,514	149,403	57,930	173,162	2,815	–	411,687
Charge	–	13,866	573	9,846	11,065	23,791	600	–	59,741
Disposal	–	–	(228)	–	(7)	(157)	(85)	–	(477)
Write-off	–	–	–	(1,005)	(1,217)	(1,891)	–	–	(4,113)
At end of the financial year	140	28,589	13,859	158,244	67,771	194,905	3,330	–	466,838
Net book value at end of the financial year	278,765	667,069	14,614	36,896	94,328	55,174	1,813	234,478	1,383,137

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2024

19 PROPERTY AND EQUIPMENT (CONTINUED)

	Freehold land RM'000	Buildings on freehold land RM'000	Buildings on leasehold land RM'000	Renovation RM'000	Office equipment and furniture RM'000	Computer equipment RM'000	Motor vehicles RM'000	Capital work in progress RM'000	Total RM'000
The Bank									
2024									
Cost									
At beginning of the financial year	276,397	694,359	27,565	165,565	153,005	199,862	2,758	233,542	1,753,053
Additions	–	20,293	–	21,528	10,854	50,725	1,026	180,524	284,950
Disposals	–	(2,870)	–	–	–	–	(511)	–	(3,381)
Write-off	–	–	–	(96)	(500)	(402)	–	–	(998)
Reclassification to intangible assets (Note 22)	–	–	–	–	–	–	–	(114,007)	(114,007)
Reclassification to investment properties (Note 20)	–	(178,962)	–	–	–	–	–	–	(178,962)
Reclassification	–	–	–	3	–	42,033	–	(42,036)	–
At end of the financial year	276,397	532,820	27,565	187,000	163,359	292,218	3,273	258,023	1,740,655
Accumulated depreciation and impairment losses									
At beginning of the financial year	–	27,546	13,130	133,649	59,311	149,809	1,517	–	384,962
Charge	–	14,735	520	7,575	12,083	32,071	510	–	67,494
Disposal	–	(1,745)	–	–	–	–	(511)	–	(2,256)
Write-off	–	–	–	(94)	(432)	(399)	–	–	(925)
Reclassification to investment properties (Note 20)	–	(7,103)	–	–	–	–	–	–	(7,103)
At end of the financial year	–	33,433	13,650	141,130	70,962	181,481	1,516	–	442,172
Net book value at end of the financial year	276,397	499,387	13,915	45,870	92,397	110,737	1,757	258,023	1,298,483

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2024

19 PROPERTY AND EQUIPMENT (CONTINUED)

	Freehold land RM'000	Buildings on freehold land RM'000	Buildings on leasehold land RM'000	Renovation RM'000	Office equipment and furniture RM'000	Computer equipment RM'000	Motor vehicles RM'000	Capital work in progress RM'000	Total RM'000
The Bank									
2023									
Cost									
At beginning of the financial year	276,397	681,934	26,059	147,149	125,816	184,545	1,757	181,536	1,625,193
Additions	–	–	1,929	18,500	27,364	9,830	1,001	122,385	181,009
Disposals	–	–	(423)	–	–	–	–	–	(423)
Write-off	–	–	–	(759)	(175)	(1,824)	–	–	(2,758)
Reclassification to intangible assets	–	–	–	–	–	–	–	(49,968)	(49,968)
Reclassification	–	12,425	–	675	–	7,311	–	(20,411)	–
At end of the financial year	276,397	694,359	27,565	165,565	153,005	199,862	2,758	233,542	1,753,053
Accumulated depreciation and impairment losses									
At beginning of the financial year	–	13,680	12,830	124,957	48,597	129,989	1,316	–	331,369
Charge	–	13,866	528	9,449	10,888	21,642	201	–	56,574
Disposal	–	–	(228)	–	–	–	–	–	(228)
Write-off	–	–	–	(757)	(174)	(1,822)	–	–	(2,753)
At end of the financial year	–	27,546	13,130	133,649	59,311	149,809	1,517	–	384,962
Net book value at end of the financial year	276,397	666,813	14,435	31,916	93,694	50,053	1,241	233,542	1,368,091

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20 INVESTMENT PROPERTIES

	The Group		The Bank	
	2024 RM'000	2023 RM'000	**2024 RM'000**	2023 RM'000
Cost				
At beginning of the financial year	**–**	–	**–**	–
Reclassification from property and equipment (Note 19)	**130,154**	–	**178,962**	–
At end of the financial year	**130,154**	–	**178,962**	–
Less: Accumulated depreciation				
At beginning of the financial year	**–**	–	**–**	–
Reclassification from property and equipment (Note 19)	**5,166**	–	**7,103**	–
At end of the financial year	**5,166**	–	**7,103**	–
Net book value at end of the financial year	**124,988**	–	**171,859**	–

21 RIGHT-OF-USE ASSETS

	Leasehold land RM'000	**Properties RM'000**	**Equipment RM'000**	**Total RM'000**
The Group				
2024				
Cost				
At beginning of the financial year	**15,181**	**149,069**	**17,196**	**181,446**
Additions	**–**	**50,186**	**5,289**	**55,475**
Termination of contracts	**–**	**(1,886)**	**–**	**(1,886)**
End of lease term	**–**	**(101,899)**	**–**	**(101,899)**
At end of the financial year	**15,181**	**95,470**	**22,485**	**133,136**
Less: Accumulated depreciation				
At beginning of the financial year	**5,099**	**115,448**	**6,772**	**127,319**
Charge	**197**	**31,158**	**4,496**	**35,851**
End of lease term	**–**	**(101,899)**	**–**	**(101,899)**
At end of the financial year	**5,296**	**44,707**	**11,268**	**61,271**
Net book value at end of the financial year	**9,885**	**50,763**	**11,217**	**71,865**

	Leasehold land RM'000	**Properties RM'000**	**Equipment RM'000**	**Total RM'000**
The Group				
2023				
Cost				
At beginning of the financial year	15,689	153,242	16,676	185,607
Additions	–	23,836	520	24,356
Termination of contracts	(508)	–	–	(508)
End of lease term	–	(28,009)	–	(28,009)
At end of the financial year	15,181	149,069	17,196	181,446
Less: Accumulated depreciation				
At beginning of the financial year	5,129	119,583	3,315	128,027
Charge	204	23,874	3,457	27,535
Termination of contracts	(234)	–	–	(234)
End of lease term	–	(28,009)	–	(28,009)
At end of the financial year	5,099	115,448	6,772	127,319
Net book value at end of the financial year	10,082	33,621	10,424	54,127

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2024

21 RIGHT-OF-USE ASSETS (CONTINUED)

	Leasehold land RM'000	Properties RM'000	Equipment RM'000	Total RM'000
The Bank				
2024				
Cost				
At beginning of the financial year	**13,292**	**134,937**	**15,560**	**163,789**
Additions	**–**	**42,571**	**5,289**	**47,860**
Termination of contracts	**–**	**(1,886)**	**–**	**(1,886)**
End of lease term	**–**	**(97,424)**	**–**	**(97,424)**
At end of the financial year	**13,292**	**78,198**	**20,849**	**112,339**
Less: Accumulated depreciation				
At beginning of the financial year	**4,775**	**107,798**	**6,278**	**118,851**
Charge	**189**	**25,821**	**4,169**	**30,179**
End of lease term	**–**	**(97,424)**	**–**	**(97,424)**
At end of the financial year	**4,964**	**36,195**	**10,447**	**51,606**
Net book value at end of the financial year	**8,328**	**42,003**	**10,402**	**60,733**

	Leasehold land RM'000	Properties RM'000	Equipment RM'000	Total RM'000
The Bank				
2023				
Cost				
At beginning of the financial year	13,799	137,363	15,041	166,203
Additions	–	16,758	519	17,277
Termination of contracts	(507)	–	–	(507)
End of lease term	–	(19,184)	–	(19,184)
At end of the financial year	13,292	134,937	15,560	163,789
Less: Accumulated depreciation				
At beginning of the financial year	4,812	106,300	3,154	114,266
Charge	197	20,682	3,124	24,003
Termination of contracts	(234)	–	–	(234)
End of lease term	–	(19,184)	–	(19,184)
At end of the financial year	4,775	107,798	6,278	118,851
Net book value at end of the financial year	8,517	27,139	9,282	44,938

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for the financial year ended 31 December 2024

22 INTANGIBLE ASSETS

	The Group		The Bank	
	2024 RM'000	2023 RM'000	**2024 RM'000**	2023 RM'000
Intangible assets (a)				
– Computer software	**180,727**	79,311	**177,358**	76,953
Goodwill on consolidation (b)	**581,369**	581,369	**137,323**	137,323
	762,096	660,680	**314,681**	214,276

(a) Intangible assets

	The Group		The Bank	
	2024 RM'000	2023 RM'000	**2024 RM'000**	2023 RM'000
Computer software				
Cost				
At beginning of the financial year	**367,468**	314,506	**336,719**	284,984
Additions	**7,290**	2,130	**5,520**	1,767
Write-off	**(161)**	–	**(5)**	–
Reclassification from property and equipment (Note 19)	**114,281**	50,832	**114,007**	49,968
At end of the financial year	**488,878**	367,468	**456,241**	336,719
Less: Accumulated amortisation				
At beginning of the financial year	**288,157**	266,506	**259,766**	239,088
Amortised	**20,016**	21,651	**19,122**	20,678
Write-off	**(22)**	–	**(5)**	–
At end of the financial year	**308,151**	288,157	**278,883**	259,766
Net book value at end of the financial year	**180,727**	79,311	**177,358**	76,953

(b) Goodwill on consolidation

	The Group		The Bank	
	2024 RM'000	2023 RM'000	**2024 RM'000**	2023 RM'000
Cost				
At beginning/end of the financial year	**646,013**	646,013	**137,323**	137,323
Less: Accumulated impairment losses				
At beginning/end of the financial year	**64,644**	64,644	**–**	–
Net book value at end of the financial year	**581,369**	581,369	**137,323**	137,323

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2024

22 INTANGIBLE ASSETS (CONTINUED)

(b) Goodwill on cosolidation (continued)

The carrying amount of the Group's and the Bank's goodwill (after impairment allowances) has been allocated to the following Group and the Bank's cash-generating units ('CGUs'):

	The Group		The Bank	
	2024 RM'000	2023 RM'000	**2024 RM'000**	2023 RM'000
CGU				
Business banking	**123,591**	123,591	**123,591**	123,591
Community banking	**13,732**	13,732	**13,732**	13,732
Investment banking - Advisory ('IB')	**–**	–	**–**	–
Investment banking - Treasury & Markets ('T&M')	**213,360**	213,360	**–**	–
Stock-broking ('SB')	**230,686**	230,686	**–**	–
	581,369	581,369	**137,323**	137,323

(i) Goodwill impairment assessment

Goodwill is tested for impairment annually or more frequently if events, or changes in circumstances indicate that it might be impaired. The recoverable amount of the CGUs are determined based on value-in-use ('VIU') calculations using the cash flow projections based on financial budgets or forecasts covering a five-year period. Cash flows beyond the fifth-year period are assumed to grow at 5.20% (2023: 4.50%) on a perpetual basis for all CGUs which is based on the forecast Gross Domestic Product ('GDP') growth rate of Malaysia.

In view of the uncertainty in the economic and global recession outlook, the VIU estimated during the financial year ended 31 December 2024 and 31 December 2023 was based on the discounted cash flow ('DCF') method with multiple cash flow projections taking into consideration the assumed probability of different future events and/or scenarios. Three scenarios have been adopted to represent the possible outcomes, namely the best case scenario, base case scenario and the worst case scenario, where probability weightage are assigned to these scenarios. Management believes that the probabilty weightage provides a reasonable assessment of the likelihood of the scenarios. The discount rates used are pre-tax and reflect specific risks relating to the relevant CGUs.

The discount rate and terminal growth rate used for the value in use calculation are as follows:

	Discount rate (%)		Terminal growth rate (%)	
	2024 %	2023 %	**2024 %**	2023 %
Business banking	**7.28**	8.58	**5.20**	4.50
Community banking	**7.27**	8.56	**5.20**	4.50
Investment banking - Advisory ('IB')	**8.01**	9.50	**5.20**	4.50
Investment banking - Treasury & Markets ('T&M')	**8.02**	9.49	**5.20**	4.50
Stock-broking ('SB')	**7.67**	9.23	**5.20**	4.50

There are no impairment losses recognised during the financial year 31 December 2024 and 31 December 2023.

(ii) Sensitivity to changes in assumptions

Management believes that no reasonably changes in any of the key assumption would cause the carrying value of the CGU to exceed its recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2024

23 DEPOSITS FROM CUSTOMERS

		The Group		The Bank	
		2024 RM'000	2023 RM'000	**2024 RM'000**	2023 RM'000
(i)	**By type of deposit**				
	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	**576,349**	601,655	**–**	–
	Money market deposits	**225,506**	273,597	**225,506**	273,597
	Negotiable Instruments of Deposit ('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
(ii)	**Maturity structure of fixed deposits, NID and others**				
	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
(iii)	**By type of customers**				
	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
	Other entities	**1,130,421**	1,190,422	**775,020**	778,184
		73,743,519	70,834,111	**41,104,818**	41,782,111

24 INVESTMENT ACCOUNTS OF CUSTOMERS

		The Group	
		2024 RM'000	2023 RM'000
(i)	**By type of deposit**		
	Mudharabah	**757,600**	359
(ii)	**Movement in investment accounts**		
	At beginning of the financial year	**359**	859
	New placement	**757,600**	–
	Redemption	**(357)**	(497)
	Finance expense on Restricted Investment Account ('RIA')	**3**	23
	Profit distributed	**(5)**	(26)
	At end of the financial year	**757,600**	359
	Of which TIA investment asset:		
	Personal financing	**757,600**	–

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2024

24 INVESTMENT ACCOUNTS OF CUSTOMERS (CONTINUED)

	The Group			
	Average PSR (%)		Average ROR (%)	
	2024	2023	**2024**	2023
(iii) Profit Sharing Ratio ('PSR') and Rate of Return ('ROR')				
Due within:				
One year to three years	**85**	85	**5.69**	5.58

25 DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	The Group		The Bank	
	2024 RM'000	2023 RM'000	**2024 RM'000**	2023 RM'000
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
Maturity structure of deposits				
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

26 OBLIGATIONS ON SECURITIES SOLD UNDER REPURCHASE AGREEMENTS

Obligations on securities sold under repurchase agreements are securities which the Group and the Bank have sold from its portfolio, with a commitment to repurchase at future dates. Such financing and the obligations to repurchase the securities are reflected as a liability on the statements of financial position.

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2024

27 RECOURSE OBLIGATION ON LOANS/FINANCING SOLD TO CAGAMAS BERHAD

	The Group		The Bank	
	2024 RM'000	2023 RM'000	**2024 RM'000**	2023 RM'000
Recourse obligation on loans/financing sold to Cagamas Berhad	**5,127,995**	3,974,491	**3,002,564**	2,859,450
Movements in recourse obligation on loans/financing sold to Cagamas Berhad:				
At beginning of the financial year	**3,974,491**	1,073,871	**2,859,450**	1,073,871
Additions	**2,495,000**	3,490,020	**1,495,000**	2,390,021
Redemption	**(1,350,008)**	(618,008)	**(1,350,008)**	(618,008)
Interest/Profit payment	**(148,866)**	(84,596)	**(103,943)**	(62,127)
Interest/Profit expense	**162,784**	106,521	**105,237**	72,250
Fair value changes arising from fair value hedges	**(5,406)**	6,683	**(3,172)**	3,443
At end of the financial year	**5,127,995**	3,974,491	**3,002,564**	2,859,450

This represents the proceeds received from housing loans/financing sold directly to Cagamas Berhad with recourse to the Group. Under this agreement, the Group undertakes to administer the loans/financing on behalf of Cagamas Berhad and to buy back any loans/financing which are regarded as defective based on the prudential criteria set by Cagamas Berhad. Such loans/financing transactions and the obligation to buy back the loans/financing are reflected as a financial liability on the statements of financial position and stated at amortised cost.

28 AMOUNT DUE TO CLIENT AND BROKERS

	The Group	
	2024 RM'000	2023 RM'000
Amount due to clients	**191,016**	174,921
Amount due to brokers	**179,266**	39,241
	370,282	214,162

Amount due to clients and brokers include amount payable under outstanding contracts from the stock and share broking activities. The credit terms of amounts due to clients and brokers range from 1 to 30 days (2023: 1 to 30 days).

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2024

29 LEASE LIABILITIES

	The Group		The Bank	
	2024 RM'000	2023 RM'000	**2024 RM'000**	2023 RM'000
At beginning of the 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 payment	**(33,087)**	(24,697)	**(28,847)**	(17,684)
At end of the financial year	**65,404**	45,721	**57,251**	38,278
Potential future rental payments relating to periods following the exercise date of extension options are summarised below:				
Lease liabilities recognised (discounted)	**65,404**	45,721	**57,251**	38,278
Potential future lease payments not included in lease liabilities (undiscounted):				
- Payable in 2025 to 2029	**160,611**	85,587	**136,410**	66,306
- Payable in 2030 to 2034	**18,925**	13,339	**18,859**	13,193
	179,536	98,926	**155,269**	79,499

The Group and the Bank have not included potential future rental payments after the exercise date of extension options because the Group and the Bank are not reasonably certain to extend the lease beyond the date.

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2024

30 OTHER LIABILITIES

	The Group		The Bank	
	2024 RM'000	2023 RM'000	**2024 RM'000**	2023 RM'000
Bank Negara Malaysia and Credit Guarantee Corporation 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	**–**	–
Collaterals pledged for securities lending and borrowings transactions	**202,696**	151,709	**–**	–
Amounts payable to commissioned and salaried dealer's representatives	**54,515**	58,775	**–**	–
Expected credit losses (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 RM160.8 million (2023: RM160.8 million). 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.

(c) Movement in expected credit losses:

	12-Month ECL Stage 1 RM'000	Lifetime ECL not credit impaired Stage 2 RM'000	Lifetime ECL credit impaired Stage 3 RM'000	Total RM'000
The Group				
2024				
At beginning of the financial year	**13,452**	**16,172**	**19,493**	**49,117**
Net remeasurement of loss allowance	**(8,044)**	**(8,489)**	**(15,528)**	**(32,061)**
New loan commitments and financial guarantees issued	**10,441**	**2,959**	**–**	**13,400**
Loan commitment and financial guarantees derecognised	**(5,801)**	**(6,191)**	**(1,665)**	**(13,657)**
At end of the financial year	**10,048**	**4,451**	**2,300**	**16,799**
2023				
At beginning of the financial year	15,821	3,876	19,211	38,908
Total transfer between stages due to change in credit risk:-	(52)	52	–	–
– Transfer to Lifetime ECL not credit impaired (Stage 2)	(52)	52	–	–
Net remeasurement of loss allowance	(6,711)	34,026	888	28,203
New loan commitments and financial guarantees issued	10,501	1,165	–	11,666
Loan commitment and financial guarantees derecognised	(6,107)	(22,947)	(606)	(29,660)
At end of the financial year	13,452	16,172	19,493	49,117

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2024

30 OTHER LIABILITIES (CONTINUED)

(c) Movement in expected credit losses (continued):

	12-Month ECL Stage 1 RM'000	Lifetime ECL not credit impaired Stage 2 RM'000	Lifetime ECL credit impaired Stage 3 RM'000	Total RM'000
The Bank				
2024				
At beginning of the financial year	**9,090**	**5,085**	**892**	**15,067**
Net remeasurement of loss allowance	**(5,574)**	**482**	**1,408**	**(3,684)**
New loan commitments and financial guarantees issued	**8,273**	**2,019**	**–**	**10,292**
Loan commitment and financial guarantees derecognised	**(4,476)**	**(4,403)**	**(1,087)**	**(9,966)**
At end of the financial year	**7,313**	**3,183**	**1,213**	**11,709**
2023				
At beginning of the financial year	11,079	2,915	554	14,548
Net remeasurement of loss allowance	(5,168)	1,952	1,084	(2,132)
New loan commitments and financial guarantees issued	6,951	2,153	–	9,104
Loan commitment and financial guarantees derecognised	(3,772)	(1,935)	(746)	(6,453)
At end of the financial year	9,090	5,085	892	15,067

31 AMOUNT DUE TO SUBSIDIARIES

The amount due to subsidiaries are relating to intercompany transactions which are unsecured, bear no interest/profit rate and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2024

32 BORROWINGS AND SUKUK

	The Group		The Bank	
	2024 RM'000	2023 RM'000	**2024 RM'000**	2023 RM'000
(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 MTN/Sukuk	**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 ('MTN')

The Bank had, on 26 July 2022, issued the 3rd series of the Subordinated MTNs amounting to RM500.0 million out of its approved BASEL III Compliant MTN Programme of up to RM6.0 billion in nominal value. The Subordinated MTNs were issued for a tenure of 10 years from the issue date on a 10-year non-callable 5-year basis, at a coupon rate of 5.00%. The Subordinated MTNs were issued for the purpose of general banking business and working capital requirements of the Bank.

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

The Bank had, on 31 July 2018, issued first series of AT1CS of RM500.0 million out of its approved BASEL III Compliant AT1CS Programme of up to RM3.0 billion in nominal value. The first series AT1CS was issued on perpetual non-callable 5-year basis, at a coupon rate of 5.80%. 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 Bank.

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

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

(d) MTN Tier-2 Sukuk Murabahah

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

(e) Senior MTN/Sukuk

AFFIN ISLAMIC had, on 16 December 2022, issued two Senior Sukuk of RM230.0 million for a tenure of 3 years from the issue date, at a profit rate of 4.55% 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 AFFIN ISLAMIC.

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2024

32 BORROWINGS AND SUKUK (CONTINUED)

(e) Senior MTN/Sukuk (continued)

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

On 8 May 2024, the Bank 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 the Bank.

(f) Commercial Paper ('CP')

The Bank, AFFIN ISLAMIC and AHIB had on 27 September 2024, each issued RM5.0 million of Commercial Paper ('CP') or Islamic Commercial Paper ('ICP') for a tenure of 181 days from the issue date, at a discount/profit rate of 3.70%. The CP and ICP were issued for the purpose of general banking business and working capital requirements of their respective institutions. The Bank subscribed to the CP issued by AFFIN ISLAMIC and AHIB, while AHIB subscribed to the CP issued by the Bank.

	At beginning of the financial year RM'000	Net Issuance/ (Redemption) RM'000	Interest/Profit expense RM'000	At end of the financial year RM'000
The Group				
2024				
Tier-2 Subordinated MTN	**510,890**	**(25,068)**	**25,068**	**510,890**
AT1CS	**500,468**	**(28,343)**	**28,578**	**500,703**
AT1S *	**505,808**	**(25,500)**	**25,500**	**505,808**
MTN Tier-2 Sukuk Murabahah *	**505,113**	**(58,379)**	**23,365**	**470,099**
Senior MTN/Sukuk *	**1,287,450**	**429,850**	**73,432**	**1,790,732**
	3,309,729	**292,560**	**175,943**	**3,778,232**
The Group				
2023				
Tier-2 Subordinated MTN	510,890	(25,000)	25,000	510,890
AT1CS	512,315	(43,683)	31,836	500,468
AT1S *	303,425	183,049	19,334	505,808
MTN Tier-2 Sukuk Murabahah *	455,768	11,442	37,903	505,113
Senior Sukuk *	751,541	499,437	36,472	1,287,450
	2,533,939	625,245	150,545	3,309,729

	At beginning of the financial year RM'000	Net Issuance/ (Redemption) RM'000	Interest expense RM'000	At end of the financial year RM'000
The Bank				
2024				
Tier-2 Subordinated MTN	**510,890**	**(25,068)**	**25,068**	**510,890**
AT1CS	**500,468**	**(28,343)**	**28,578**	**500,703**
Senior MTN	**–**	**489,665**	**13,367**	**503,032**
Commercial Paper ('CP')	**–**	**4,908**	**48**	**4,956**
	1,011,358	**441,162**	**67,061**	**1,519,581**
The Bank				
2023				
Tier-2 Subordinated MTN	510,890	(25,000)	25,000	510,890
AT1CS	512,315	(43,683)	31,836	500,468
	1,023,205	(68,683)	56,836	1,011,358

* inclusive of profit expense on ATIS, Senior Sukuk and Senior Sukuk Murabahah from Islamic banking business.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2024

33 SHARE CAPITAL

	The Group and The Bank			
	2024		2023	
	Number of ordinary shares '000	RM'000	Number of ordinary shares '000	RM'000
Ordinary shares issued and fully paid (no par value):				
At beginning of the financial year	**2,346,488**	**5,371,044**	2,273,889	5,245,447
Issued on 11 July 2023 (a)	–	–	72,599	125,597
Issued on 11 June 2024 (b)	**53,998**	**117,500**	–	–
At end of the financial year	**2,400,486**	**5,488,544**	2,346,488	5,371,044

(a) The Bank increased its issued ordinary shares from 2,273.9 million to 2,346.5 million via issuance of 72.6 million new ordinary shares amounting to RM125.6 million arising from the DRP relating to electable portion of the final dividend of 7.77 sen per ordinary share, in respect of the financial year ended 31 December 2022.

(b) The Bank increased its issued ordinary shares from 2,346.5 million to 2,400.5 million via issuance of 54.0 million new ordinary shares amounting to RM117.5 million arising from the DRP relating to electable portion of the final dividend of 5.76 sen per ordinary share, in respect of the financial year ended 31 December 2023.

34 RESERVES

	The Group		The Bank	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 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) Included in these other reserves are the Long Term Incentive Plan (LTIP), as disclosed in Note 59, and share of insurance finance reserve from the associates.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2024

35 INTEREST INCOME

	The Group		The Bank	
	2024 RM'000	2023 RM'000	**2024 RM'000**	2023 RM'000
Loans, advances and financing	**2,141,243**	1,953,143	**1,810,114**	1,690,598
Money at call and deposit placements with financial institutions	**91,104**	97,210	**257,901**	226,889
Reverse repurchase agreements with financial institutions	**445**	–	**551**	–
Financial investments at FVOCI	**390,979**	197,510	**249,580**	72,966
Financial investments at AC	**369,904**	393,869	**379,244**	397,581
Others	**8,032**	7,966	**1,852**	1,965
	3,001,707	2,649,698	**2,699,242**	2,389,999

36 INTEREST EXPENSE

	The Group		The Bank	
	2024 RM'000	2023 RM'000	**2024 RM'000**	**2023 RM'000**
Deposits from customers	**1,535,277**	1,414,709	**1,366,802**	1,261,478
Deposits and placements of banks and other financial institutions	**258,890**	171,035	**247,642**	154,244
Obligation on securities sold under repurchase agreements	**197,559**	139,026	**185,884**	123,032
Recourse obligation on loans/financing sold to Cagamas Berhad	**105,237**	72,250	**105,237**	72,250
Borrowings and Sukuk	**60,866**	56,836	**60,964**	56,836
Others	**17,473**	12,961	**5,137**	3,335
	2,175,302	1,866,817	**1,971,666**	1,671,175

37 INCOME FROM ISLAMIC BANKING BUSINESS

	The Group	
	2024 RM'000	2023 RM'000
Income derived from investment of depositors' funds and others	**1,693,968**	1,442,523
Income derived from investment of investment account funds	**189,534**	161,804
Income derived from investment of shareholders' funds	**156,686**	131,768
Total distributable income	**2,040,188**	1,736,095
Income attributable to depositors and others	**(1,349,039)**	(1,140,452)
	691,149	595,643

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2024

38 NET FEE AND COMMISSION INCOME

	The Group		The Bank	
	2024 RM'000	2023 RM'000	**2024 RM'000**	2023 RM'000
(a) Fee and commission income:				
Gross brokerage income	**125,858**	60,462	**–**	–
Corporate advisory fees	**11,645**	4,696	**–**	–
Commission	**48,791**	54,074	**48,532**	53,843
Service charges and fees	**103,404**	99,456	**103,044**	99,130
Guarantee fees	**14,367**	14,173	**13,211**	13,574
Arrangement fees	**3,226**	1,923	**–**	–
Other fee income	**37,871**	26,724	**961**	416
	345,162	261,508	**165,748**	166,963
(b) Fee and commission expenses:				
Commission and referral expense	**(47,254)**	(10,930)	**(17,216)**	(10,930)
Net fee and commision income	**297,908**	250,578	**148,532**	156,033

39 NET GAINS ON FINANCIAL INSTRUMENTS

	The Group		The Bank	
	2024 RM'000	2023 RM'000	**2024 RM'000**	2023 RM'000
Gain arising on financial assets at FVTPL:				
- net gain on disposal	**55,078**	44,892	**7,491**	14,774
- unrealised gain	**13,120**	16,286	**3,963**	4,706
- interest/profit income	**78,472**	78,302	**52,430**	53,048
- gross dividend income	**4,388**	3,201	**2,038**	1,826
	151,058	142,681	**65,922**	74,354
(Loss)/Gain on derivatives instruments:				
- realised (loss)/gain	**(6,948)**	15,494	**1,317**	5,843
- unrealised gain/(loss)	**28,298**	(757)	**31,893**	1,191
- interest/profit income	**16,102**	7,163	**14,339**	4,931
	37,452	21,900	**47,549**	11,965
Gain arising on financial investments at FVOCI:				
- net gain on disposal	**14,457**	4,205	**14,725**	2,454
- gross dividend income	**1,340**	922	**1,190**	732
	15,797	5,127	**15,915**	3,186
Gain arising on financial investments at AC:				
- net gain on sale/redemption	**6,796**	62	**5,040**	62
Unrealised gain/(loss) on fair value changes arising from fair value hedges	**988**	(1,686)	**988**	(1,686)
Net gains on financial instruments	**212,091**	168,084	**135,414**	87,881

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for the financial year ended 31 December 2024

40 OTHER INCOME

	The Group		The Bank	
	2024 RM'000	2023 RM'000	**2024 RM'000**	2023 RM'000
Foreign exchange gain/(loss):				
- realised	**209,417**	35,985	**86,457**	88,891
- unrealised	**(70,915)**	119,399	**49,661**	52,124
Rental income	**74**	227	**7,436**	3,018
Gain on sale of property and equipment	**2,667**	1,043	**2,637**	1,032
Gain on disposal of foreclosed properties	**–**	661	**–**	661
Other non-operating income	**951**	6,282	**24,095**	29,719
Gross dividend received from:				
- subsidiaries	**–**	–	**76,369**	151,295
- associates	**–**	–	**64,800**	–
Net gain on disposal/dilution of interest in associates	**–**	25,000	**–**	56,317
	142,194	188,597	**311,455**	383,057

41 OTHER OPERATING EXPENSES

	The Group		The Bank	
	2024 RM'000	2023 RM'000	**2024 RM'000**	2023 RM'000
Personnel costs	**1,065,014**	884,380	**677,491**	599,662
Establishment costs	**399,872**	346,136	**289,465**	260,166
Marketing expenses	**56,258**	48,498	**46,323**	40,070
Administrative and general expenses	**146,964**	142,143	**95,113**	92,957
	1,668,108	1,421,157	**1,108,392**	992,855
Personnel costs				
Wages, salaries and bonuses	**771,654**	673,049	**472,043**	460,106
Defined contribution plan ('EPF')	**133,864**	116,709	**84,049**	81,800
Voluntary separation scheme	**47,426**	963	**45,839**	610
Employee benefits share grant scheme ('SGS') [1]	**13,095**	4,146	**9,502**	2,922
Other personnel costs	**98,975**	89,513	**66,058**	54,224
	1,065,014	884,380	**677,491**	599,662
Establishment costs				
Equipment rental	**4,121**	2,888	**3,247**	1,930
Repair and maintenance	**159,094**	126,821	**95,023**	92,955
Depreciation of property and equipment	**70,306**	59,741	**67,494**	56,574
Depreciation of right-of-use assets	**35,851**	27,535	**30,179**	24,003
Amortisation of intangible assets	**20,016**	21,651	**19,122**	20,678
IT consultancy fees	**1,070**	967	**1,070**	605
Dataline rental	**36,922**	21,187	**27,139**	12,250
Security services	**21,150**	16,955	**14,973**	12,722
Electricity, water and sewerage	**16,838**	15,786	**10,590**	11,524
Insurance/Takaful and indemnities	**20,741**	25,724	**14,889**	19,118
Other establishment costs	**13,763**	26,881	**5,739**	7,807
	399,872	346,136	**289,465**	260,166

[1] The long term incentive plan ('LTIP') was implemented by the Group in August 2023. The LTIP awards ordinary shares of the Bank to eligible employees within the Group and its subsidiary companies. The eligibility of participation in the LTIP shall be at the discretion of SGS Committee, and the awarded shares will be vested by stages at predetermined dates subject to continuation employment and performance conditions. Kindly refer to Note 59.

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2024

41 OTHER OPERATING EXPENSES (CONTINUED)

	The Group		The Bank	
	2024 RM'000	2023 RM'000	**2024 RM'000**	2023 RM'000
Marketing expenses				
Business promotion and advertisement	**27,492**	22,572	**25,764**	20,735
Entertainment	**2,091**	1,654	**1,401**	985
Traveling and accommodation	**5,658**	4,612	**3,302**	3,142
Commission and brokerage expenses	**13,799**	13,170	**12,779**	11,892
Other marketing expenses	**7,218**	6,490	**3,077**	3,316
	56,258	48,498	**46,323**	40,070
Administration and general expenses				
Telecommunication expenses	**13,642**	9,172	**2,033**	2,236
Auditors' remuneration	**4,528**	3,442	**3,203**	1,872
Professional fees	**21,869**	22,328	**17,153**	7,185
Property and equipment written-off	**183**	3	**73**	5
Intangible assets written-off	**139**	–	**–**	–
Mail and courier charges	**2,634**	4,463	**2,530**	3,405
Stationery and consumables	**12,456**	12,269	**8,905**	8,679
Directors' fees and allowances	**8,418**	7,912	**3,565**	3,337
Donations	**2,097**	2,933	**1,478**	2,641
Settlement, clearing and bank charges	**37,536**	50,158	**33,053**	45,383
Stamp duties	**2,105**	225	**212**	170
Operational and litigation write-off expenses	**25**	1,678	**24**	1,678
Subscription fees	**11,574**	9,998	**3**	–
Other administration and general expenses	**29,758**	17,562	**22,881**	16,366
	146,964	142,143	**95,113**	92,957

Included in other operating expenses of the Group and the Bank are President/Group CEO and Directors' remuneration totalling RM11,694,000 (2023: RM15,360,000) and RM6,841,000 (2023: RM10,785,000) respectively.

The expenditure includes the following required statutory disclosures:

	The Group		The Bank	
	2024 RM'000	2023 RM'000	**2024 RM'000**	2023 RM'000
Directors' remuneration (Note 42)	**8,418**	7,912	**3,565**	3,337
Auditors' remuneration ^:				
(i) Statutory audit fees	**2,516**	2,333	**1,525**	1,370
(ii) Regulatory related fees	**231**	854	**122**	385
(iii) Tax fees	**208**	166	**38**	37
(iv) Non audit fees	**1,573**	89	**1,518**	80

^ There was no indemnity given to or insurance effected for the Group and the Bank during the financial year.

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2024

42 PRESIDENT/GROUP CHIEF EXECUTIVE OFFICER AND DIRECTORS' REMUNERATION

The President/Group CEO and Directors of the Bank who have held office during the financial year are as follows:

President/Group CEO

Datuk Wan Razly Abdullah bin Wan Ali
(completion of Directorship Tenure w.e.f. 2 April 2024)

Non-Executive Directors

Dato' Agil Natt (Chairman)
Dato' Abdul Aziz bin Abu Bakar
Dato' Mohd Hata bin Robani
Ignatius Chan Tze Ching
Dato' Rozalila binti Abdul Rahman
Peter Yuen Wai Hung
Gregory Jerome Gerald Fernandes
Marzida binti Mohd Noor
Chan Wai Yu
Mohammad Ashraf bin Md Radzi
Emeliana Dallan Rice-Oxley

The aggregate amount of remuneration for the Directors of the Group and the Bank for the financial year are as follows:

	The Group		The Bank	
	2024 RM'000	2023 RM'000	**2024 RM'000**	2023 RM'000
President/Group CEO				
Salaries	**2,268**	2,160	**2,268**	2,160
Bonuses	**–**	3,713	**–**	3,713
Defined contribution plan ('EPF')	**767**	1,326	**767**	1,326
Other employee benefits	**166**	166	**166**	166
Benefits-in-kind	**75**	83	**75**	83
President/Group CEO remuneration	**3,276**	7,448	**3,276**	7,448
Non-Executive Directors				
Fees and other emoluments	**3,382**	3,229	**3,382**	3,229
Benefits-in-kind	**183**	108	**183**	108
Directors' remuneration	**3,565**	3,337	**3,565**	3,337
Directors of subsidiaries	**4,853**	4,575	**–**	–
Total Directors' remuneration (Note 41)	**8,418**	7,912	**3,565**	3,337
President/Group CEO and Directors' remuneration	**11,694**	15,360	**6,841**	10,785

The Directors' remuneration in the current financial year represents remuneration for Directors of the Group, the Bank and its subsidiaries to comply with the requirements of the Companies Act 2016. The names of Directors of subsidiaries and their remuneration details are set out in the respective subsidiary's statutory accounts and the said information is deemed incorporated herein by such reference and made a part thereof.

Included in the Directors' emoluments are benefits-in-kind (based on estimated monetary value) receivable from the Bank and its subsidiaries of RM183,000 (2023: RM108,000) and RM183,000 (2023: RM108,000) respectively.

During the financial year, Directors and Officers of the Group and the Bank are covered under the Directors' & Officers' Liability Insurance/Takaful in respect of liabilities arising from acts committed in their capacity as, inter alia, Directors and Officers of the Group and the Bank subject to the terms of the policy. The total amount of Directors' & Officers' Liability Insurance/Takaful effected for the Directors & Officers of the holding company was RM40.0 million. The total amount of premium paid by the Group and the Bank was RM1,373,697 (2023: RM1,537,334) and RM214,336 (2023: RM210,367) respectively.

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2024

42 PRESIDENT/GROUP CHIEF EXECUTIVE OFFICER AND DIRECTORS' REMUNERATION (CONTINUED)

A summary of the total remuneration of the President/Group CEO and Directors are as follows:

	Salaries RM'000	Bonuses RM'000	Directors' fees RM'000	Other emoluments RM'000	Benefits-in-kind RM'000	Total RM'000
The Group						
2024						
President & Group CEO						
Datuk Wan Razly Abdullah bin Wan Ali *(completion of Directorship Tenure w.e.f. 2 April 2024)*	**2,268**	**–**	**–**	**933**	**75**	**3,276**
Total	**2,268**	**–**	**–**	**933**	**75**	**3,276**
Non-Executive Directors						
Dato' Agil Natt	**–**	**–**	**508**	**–**	**164**	**672**
Dato' Abdul Aziz bin Abu Bakar	**–**	**–**	**295**	**–**	**1**	**296**
Dato' Mohd Hata bin Robani	**–**	**–**	**410**	**–**	**10**	**420**
Ignatius Chan Tze Ching	**–**	**–**	**212**	**–**	**1**	**213**
Dato' Rozalila binti Abdul Rahman	**–**	**–**	**350**	**–**	**1**	**351**
Peter Yuen Wai Hung	**–**	**–**	**212**	**–**	**1**	**213**
Marzida binti Mohd Noor	**–**	**–**	**350**	**–**	**1**	**351**
Gregory Jerome Gerald Fernandes	**–**	**–**	**370**	**–**	**1**	**371**
Chan Wai Yu	**–**	**–**	**335**	**–**	**1**	**336**
Mohammad Ashraf bin Md Radzi	**–**	**–**	**60**	**–**	**1**	**61**
Emeliana Dallan Rice-Oxley	**–**	**–**	**280**	**–**	**1**	**281**
Total	**–**	**–**	**3,382**	**–**	**183**	**3,565**
Grand total	**2,268**	**–**	**3,382**	**933**	**258**	**6,841**

	Salaries RM'000	Bonuses RM'000	Directors' fees RM'000	Other emoluments RM'000	Benefits-in-kind RM'000	Total RM'000
The Group						
2023						
President & Group CEO						
Datuk Wan Razly Abdullah bin Wan Ali	2,160	3,713	–	1,492	83	7,448
Total	2,160	3,713	–	1,492	83	7,448
Non-Executive Directors						
Dato' Agil Natt	–	–	489	–	108	597
Dato' Abdul Aziz bin Abu Bakar	–	–	293	–	–	293
Dato' Mohd Hata bin Robani	–	–	365	–	–	365
Ignatius Chan Tze Ching	–	–	207	–	–	207
Dato' Rozalila binti Abdul Rahman	–	–	360	–	–	360
Peter Yuen Wai Hung	–	–	262	–	–	262
Marzida binti Mohd Noor	–	–	362	–	–	362
Gregory Jerome Gerald Fernandes	–	–	362	–	–	362
Chan Wai Yu	–	–	387	–	–	387
Mohammad Ashraf bin Md Radzi	–	–	82	–	–	82
Emeliana Dallan Rice-Oxley	–	–	60	–	–	60
Total	–	–	3,229	–	108	3,337
Grand total	2,160	3,713	3,229	1,492	191	10,785

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2024

42 PRESIDENT/GROUP CHIEF EXECUTIVE OFFICER AND DIRECTORS' REMUNERATION (CONTINUED)

A summary of the total remuneration of the President/Group CEO and Directors are as follows (continued):

	Salaries RM'000	Bonuses RM'000	Directors' fees RM'000	Other emoluments RM'000	Benefits-in-kind RM'000	Total RM'000
The Bank						
2024						
President & Group CEO						
Datuk Wan Razly Abdullah bin Wan Ali *(completion of Directorship Tenure w.e.f. 2 April 2024)*	2,268	–	–	933	75	3,276
Total	2,268	–	–	933	75	3,276
Non-Executive Directors						
Dato' Agil Natt	–	–	508	–	164	672
Dato' Abdul Aziz bin Abu Bakar	–	–	295	–	1	296
Dato' Mohd Hata bin Robani	–	–	410	–	10	420
Ignatius Chan Tze Ching	–	–	212	–	1	213
Dato' Rozalila binti Abdul Rahman	–	–	350	–	1	351
Peter Yuen Wai Hung	–	–	212	–	1	213
Marzida binti Mohd Noor	–	–	350	–	1	351
Gregory Jerome Gerald Fernandes	–	–	370	–	1	371
Chan Wai Yu	–	–	335	–	1	336
Mohammad Ashraf bin Md Radzi	–	–	60	–	1	61
Emeliana Dallan Rice-Oxley	–	–	280	–	1	281
Total	–	–	3,382	–	183	3,565
Grand total	2,268	–	3,382	933	258	6,841

	Salaries RM'000	Bonuses RM'000	Directors' fees RM'000	Other emoluments RM'000	Benefits-in-kind RM'000	Total RM'000
The Bank						
2023						
President & Group CEO						
Datuk Wan Razly Abdullah bin Wan Ali	2,160	3,713	–	1,492	83	7,448
Total	2,160	3,713	–	1,492	83	7,448
Non-Executive Directors						
Dato' Agil Natt	–	–	489	–	108	597
Dato' Abdul Aziz bin Abu Bakar	–	–	293	–	–	293
Dato' Mohd Hata bin Robani	–	–	365	–	–	365
Ignatius Chan Tze Ching	–	–	207	–	–	207
Dato' Rozalila binti Abdul Rahman	–	–	360	–	–	360
Peter Yuen Wai Hung	–	–	262	–	–	262
Marzida binti Mohd Noor	–	–	362	–	–	362
Gregory Jerome Gerald Fernandes	–	–	362	–	–	362
Chan Wai Yu	–	–	387	–	–	387
Mohammad Ashraf bin Md Radzi	–	–	82	–	–	82
Emeliana Dallan Rice-Oxley	–	–	60	–	–	60
Total	–	–	3,229	–	108	3,337
Grand total	2,160	3,713	3,229	1,492	191	10,785

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2024

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

	The Group		The Bank	
	2024 RM'000	2023 RM'000	**2024 RM'000**	2023 RM'000
Expected credit losses (written-back)/made on:				
- loans, advances and financing	**(58,514)**	94,686	**(54,771)**	104,223
- amount due from client and brokers	**4**	(533)	**–**	–
- securities and placements	**(97,442)**	25,734	**(74,710)**	31,845
- loans/financing commitments and financial guarantee	**(32,318)**	10,209	**(3,358)**	520
Bad debts and financing				
- recovered	**(50,505)**	(65,393)	**(34,706)**	(50,320)
- written-off	**68,594**	10,302	**53,394**	6,189
	(170,181)	75,005	**(114,151)**	92,457

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

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

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2024

45 SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES

Related parties that have transactions and their relationship with the Bank are as follows:

Related parties	Relationship
State Financial Secretary, Sarawak ('SFS')	Substantial shareholder, which is an Investment Corporation of the Government of Sarawak
Lembaga Tabung Angkatan Tentera ('LTAT')	Substantial shareholder, which is Government-Linked Investment Company of the Government of Malaysia
Bank of East Asia ('BEA')	Substantial shareholder
Subsidiaries of SFS	Subsidiary companies of the substantial shareholder
Subsidiaries of LTAT	Subsidiary companies of the substantial shareholder
Subsidiaries of Affin Bank Berhad as disclosed in Note 16	Subsidiaries
Joint ventures as disclosed in Note 17	Joint ventures
Associates as disclosed in Note 18	Associates
Key management personnel	The key management personnel of the Group and the Bank consist of: - Directors - President & Group CEO - Members of Senior Management team and the Company Secretary
Related parties of key management personnel (deemed as related to the Bank)	Close family members and dependents of key management personnel Entities that are controlled, jointly controlled or for which significant voting power in such entity resides with, directly or indirectly by key management personnel or its close family members

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group and the Bank either directly or indirectly. Key management personnel include the President & Group CEO of the Bank in office during the financial year and his remuneration for the financial year is disclosed in Note 42.

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2024

45 SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

The Group and the Bank do not have any individually or collectively significant transactions outside the ordinary course of business with the Government of Malaysia and government-related entities. In addition to related party disclosures mentioned elsewhere in the financial statements, set out below are other significant related party transactions and balances.

(a) Related parties transactions and balances

	Substantial shareholders		Other related companies		Joint ventures/ Associates		Companies in which certain Directors have substantial interest		Key management personnel	
	2024 RM'000	2023 RM'000	**2024 RM'000**	2023 RM'000	**2024 RM'000**	2023 RM'000	**2024 RM'000**	2023 RM'000	**2024 RM'000**	2023 RM'000
The Group										
Income										
Interest on NID purchased	**–**	–	**–**	5,900	**–**	–	**–**	–	**–**	–
Interest on loans, advances and financing	**–**	12	**27,761**	42,340	**–**	–	**213**	2,198	**278**	185
Interest/profit on corporate bonds/Sukuk	**–**	–	**33,044**	36,000	**–**	–	**–**	–	**–**	–
Commisision income	**–**	–	**–**	–	**14,459**	17,810	**–**	–	**–**	–
Interest on unquoted entities	**–**	–	**3,139**	–	**–**	–	**–**	–	**–**	–
Other income	**2,039**	570	**6,003**	3,028	**–**	–	**–**	–	**–**	–
	2,039	582	**69,947**	87,268	**14,459**	17,810	**213**	2,198	**278**	185
Expenditure										
Interest/profit on deposits and placements of banks and other financial institutions	**6,016**	851	**10,406**	6,847	**2,940**	246	**168**	570	**124**	21
Insurance premium	**–**	–	**–**	–	**2,749**	279	**–**	–	**–**	–
Rental	**–**	26	**4,098**	13,193	**–**	–	**–**	–	**–**	–
Other expenditure	**776**	707	**3,621**	1,380	**–**	1,414	**–**	–	**–**	–
	6,792	1,584	**18,125**	21,420	**5,689**	1,939	**168**	570	**124**	21

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2024

45 SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

(a) Related parties transactions and balances (continued)

	Substantial shareholders		Other related companies		Joint ventures/ Associates		Companies in which certain Directors have substantial interest		Key management personnel	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
The Group										
Amount due from										
Cash and short-term funds	–	–	–	100,379	–	–	–	–	–	–
Corporate bonds/Sukuk/NID	–	–	385,420	598,786	–	–	–	–	–	–
Loans, advances and financing	–	–	829,223	1,190,143	–	–	9,116	29,912	7,624	8,523
Intercompany balances	–	–	–	–	4,639	–	–	–	–	–
Unquoted equities	–	–	15,000	15,082	–	–	–	–	–	–
Other assets	10,350	–	1,152	1,152	–	–	–	–	–	–
	10,350	–	1,230,795	1,905,542	4,639	–	9,116	29,912	7,624	8,523
Amount due to										
Demand and savings deposits	435,012	28,641	192,774	277,247	11,020	–	2,080	1,477	2,804	24,585
Fixed deposits	2,164,014	–	643,420	352,709	75,557	–	38,323	297,580	5,406	8,471
Short-term deposits	–	33,719	–	–	–	–	–	–	–	–
Money market deposits	–	87,455	62,577	91,748	–	–	–	–	–	–
Other liabilities	–	–	203	90,013	–	–	–	–	–	–
	2,599,026	149,815	898,974	811,717	86,577	–	40,403	299,057	8,210	33,056
Commitments and contingencies	29,500	2,923,864	217,023	437,531	50,346	–	16,560	610	3,703	39

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2024

45 SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

(a) Related parties transactions and balances (continued)

	Substantial shareholders		Subsidiaries		Other related companies		Joint ventures/ Associates		Companies in which certain Directors have substantial interest		Key management personnel	
	2024 RM'000	2023 RM'000	**2024 RM'000**	2023 RM'000	**2024 RM'000**	2023 RM'000	**2024 RM'000**	2023 RM'000	**2024 RM'000**	2023 RM'000	**2024 RM'000**	2023 RM'000
The Bank												
Income												
Interest on deposits and placements with banks and other financial institutions	–	–	35,518	17,395	–	–	–	–	–	–	–	–
Profit on RIA	–	–	169,552	146,918	–	–	–	–	–	–	–	–
Interest on NID	–	–	34,755	28,617	–	–	–	–	–	–	–	–
Interest on loans, advances and financing	–	12	–	–	16,664	28,816	–	–	21	–	103	–
Interest on corporate bonds/Sukuk	–	–	–	–	28,922	36,000	–	–	–	–	–	–
Interest on borrowings	–	–	2,747	15,222	–	–	–	–	–	–	–	–
Rental Income	–	–	6,717	–	–	–	–	–	–	–	–	–
Other income	–	–	330,705	–	2,044	1,748	14,459	17,810	–	–	–	–
	–	12	579,994	208,152	47,630	66,564	14,459	17,810	21	–	103	–
Expenditure												
Interest on fixed deposits	5,030	20	120	216	680	28	–	246	–	–	118	11
Interest on NID	–	–	22,678	5,240	–	–	–	–	–	–	–	–
Interest on deposits and placements of banks and other financial institutions	–	–	–	648	–	–	–	–	–	–	–	–
Interest on money market deposits	–	33	13,481	1,885	1,423	327	115	–	–	–	–	–
Brokerage fees	–	–	731	656	–	–	–	–	–	–	–	–
Rental	–	26	451	1,024	1,344	9,212	–	–	–	–	–	–
Other expenditure	–	–	2,241	19,325	2,207	964	1,719	1,414	–	–	–	–
	5,030	79	39,702	28,994	5,654	10,531	1,834	1,660	–	–	118	11

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45 SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

(a) Related parties transactions and balances (continued)

	Substantial shareholders		Subsidiaries		Other related companies		Joint ventures/ Associates		Companies in which certain Directors have substantial interest		Key management personnel	
	2024 RM'000	2023 RM'000	**2024 RM'000**	2023 RM'000	**2024 RM'000**	2023 RM'000	**2024 RM'000**	2023 RM'000	**2024 RM'000**	2023 RM'000	**2024 RM'000**	2023 RM'000
The Bank												
Amount due from												
Restricted investment accounts	**–**	–	**3,248,280**	3,665,451	**–**	–	**–**	–	**–**	–	**–**	–
Negotiable instruments of deposit	**–**	–	**899,613**	804,231	**–**	–	**–**	–	**–**	–	**–**	–
Loans, advances and financing	**–**	–	**–**	–	**324,904**	502,471	**–**	–	**439**	–	**422**	4,079
Deposits and placements with banks and other financial institutions	**–**	–	**1,370,168**	1,331,334	**–**	–	**–**	–	**–**	–	**–**	–
Intercompany balance	**–**	–	**756,357**	–	**–**	–	**–**	–	**–**	–	**–**	–
Borrowings	**–**	–	**65,309**	65,252	**–**	–	**–**	–	**–**	–	**–**	–
Corporate Bonds/Sukuk	**–**	–	**9,918**	–	**324,176**	598,786	**–**	–	**–**	–	**–**	–
Unquoted equities	**–**	–	**–**	–	**15,000**	15,082	**–**	–	**–**	–	**–**	–
Security deposits	**–**	–	**8**	–	**–**	–	**–**	–	**–**	–	**–**	–
	–	–	**6,349,653**	5,866,268	**664,080**	1,116,339	**–**	–	**439**	–	**422**	4,079
Amount due to												
Demand and savings deposits	**398,928**	–	**57,798**	172,960	**93,763**	189,167	**11,020**	–	**–**	–	**1,509**	9,866
Fixed deposits	**1,550,000**	–	**152,497**	92,993	**37,074**	79,860	**–**	–	**–**	51,007	**4,493**	6,681
Negotiable instruments of deposit	**–**	–	**657,568**	400,576	**–**	–	**–**	–	**–**	–	**–**	–
Money market deposits	**–**	87,455	**322,229**	395,600	**62,577**	4,852	**–**	–	**–**	–	**–**	–
Security Deposits	**–**	–	**1,878**	–	**–**	–	**–**	–	**–**	–	**–**	–
Intercompany balances	**–**	–	**175,656**	315,062	**–**	–	**–**	–	**–**	–	**–**	–
	1,948,928	87,455	**1,367,626**	1,377,191	**193,414**	273,879	**11,020**	–	**–**	51,007	**6,002**	16,547
Commitments and contingencies	**28,000**	28,000	**2,677,976**	309,822	**114,941**	219,342	**50,336**	–	**–**	–	**2,164**	39

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2024

45 SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

(b) Key management personnel compensation

The remuneration of key management personnel of the Group and the Bank during the financial year are as follows:

	The Group		The Bank	
	2024 RM'000	2023 RM'000	**2024 RM'000**	2023 RM'000
Directors' fees, other emoluments and benefits				
Fees	**7,907**	6,630	**3,382**	3,229
Other emoluments	**–**	854	**–**	–
Benefits-in-kind	**511**	428	**183**	108
	8,418	7,912	**3,565**	3,337
Short-term employment benefits				
Salaries	**22,068**	17,898	**11,743**	11,632
Bonuses	**3,562**	10,839	**224**	9,123
Defined contribution plan ('EPF')	**6,662**	6,866	**3,979**	5,296
Other employee benefits	**2,956**	3,189	**1,686**	1,817
Benefits-in-kind	**622**	616	**445**	437
	35,870	39,408	**18,077**	28,305

Included in the above is the President/Group CEO and directors' remuneration as disclosed in Note 42.

46 TAXATION

	The Group		The Bank	
	2024 RM'000	2023 RM'000	**2024 RM'000**	2023 RM'000
Malaysian income tax				
Current tax	**157,349**	90,882	**25,998**	2,786
Under/(over) provision in prior financial year	**7,273**	(37,239)	**6,150**	(38,479)
Deferred tax (Note 14)	**26,704**	62,453	**34,372**	44,854
Tax expense for the financial year	**191,326**	116,096	**66,520**	9,161

	The Group		The Bank	
	2024 %	2023 %	**2024 %**	2023 %
Statutory tax rate in Malaysia	**24.00**	24.00	**24.00**	24.00
Tax effect in respect of:				
- Non-allowable expenses	**4.52**	5.92	**5.76**	9.60
- Non taxable income	**(2.11)**	(3.01)	**(10.86)**	(19.75)
- Under/(over) provision in prior financial year [+]	**1.03**	(7.06)	**1.93**	(14.77)
- Unutilised capital allowances for lease income	**–**	2.19	**–**	4.44
- Unrecognised tax losses of which temporary differences not recognised	**(0.01)**	(0.03)	**–**	–
- Tun Razak Exchange Marquee status incentive	**(0.39)**	–	**–**	–
Average effective tax rate	**27.04**	22.01	**20.83**	3.52

[+] The overprovision of tax in 2023 is mainly due to claims on capital allowances on TRX building.

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2024

47 EARNINGS PER SHARE

(a) BASIC EARNINGS PER SHARE

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

	The Group		The Bank	
	2024	2023	**2024**	2023
Net profit attributable to equity holders of the Bank (RM'000)	**509,703**	402,191	**252,926**	251,322
Weighted average number of ordinary shares in issue ('000)	**2,376,438**	2,308,498	**2,376,438**	2,308,498
Basic earnings per share (sen)	**21.4**	17.4	**10.6**	10.9

(b) DILUTED EARNINGS PER SHARE

During the financial year ended 31 December 2024, diluted EPS is calculated by dividing the net profit attributable to equity holders of the Bank, which require no adjustment for the effects of dilutive potential ordinary shares, by the weighted average number of ordinary shares in issue during the financial year and the weighted average number of ordinary shares that would be issued on conversion of dilutive potential ordinary shares.

	The Group		The Bank	
	2024	2023	**2024**	2023
The Group				
Net profit attributable to equity holders of the Bank (RM'000)	**509,703**	402,191	**252,926**	251,322
Weighted average number of ordinary shares in issue ('000)				
- during the year	**2,376,438**	2,308,498	**2,376,438**	2,308,498
- effect of dilutive of potential ordinary shares [1]	**26,037**	15,425	**19,526**	10,858
Weighted average number of potential shares for diluted EPS ('000)	**2,402,475**	2,323,923	**2,395,964**	2,319,356
Diluted earnings per share (sen)	**21.2**	17.3	**10.6**	10.8

[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.

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2024

48 DIVIDENDS

Dividends recognised as distribution to ordinary equity holders of the Bank:

	2024		2023	
	Dividend per share sen	Amount of dividend RM'000	Dividend per share sen	Amount of dividend RM'000
The Group and The Bank				
Ordinary shares				
Dividend for the financial year ended 31 December 2022:				
- Single-tier final dividend	–	–	7.77	176,681
Dividend for the financial year ended 31 December 2023:				
- Single-tier final dividend	**5.76**	**135,157**	–	–
	5.76	**135,157**	7.77	176,681

No dividend has been proposed by the Board of Directors for the financial year ended 31 December 2024. However, 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.

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2024

49 COMMITMENTS AND CONTINGENCIES

In the normal course of business, the Group and the Bank make various commitments and incur certain contingent liabilities with legal recourse to their customers. No material losses are anticipated as a result of these transactions. These commitments and contingencies are not secured over the assets of the Group and the Bank. The principal amount of commitments and contingencies constitute the following:

	The Group		The Bank	
	2024 RM'000	2023 RM'000	**2024 RM'000**	2023 RM'000
Direct credit substitutes*	**547,957**	528,245	**395,893**	370,153
Transaction-related contingent items	**1,166,378**	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:	**13,457,136**	11,834,979	**6,380,826**	6,405,339
– maturity less than one year	**10,816,768**	9,008,132	**4,553,519**	4,480,382
– maturity more than one year	**2,640,368**	2,826,847	**1,827,307**	1,924,957
Foreign exchange related contracts #:	**39,197,534**	49,035,370	**38,404,456**	40,095,245
– less than one year	**39,087,200**	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 #:	**21,301,233**	14,677,667	**15,592,512**	10,281,772
– 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
– more than five years	**868,367**	757,264	**765,342**	640,039
Equity related contracts:	**94,098**	16,910	**–**	–
Lending of the Banks' securities or the posting of securities as collateral by Banks, including instances where these arise out of repo-style transactions. (i.e. repurchase/reverse repurchase and securities lending/borrowing transactions)	**3,739,622**	3,619,584	**3,739,622**	3,619,584
Unutilised credit card lines	**1,986,666**	1,712,631	**1,592,949**	1,429,339
	85,186,497	87,430,950	**66,865,818**	63,141,622

* Included in direct credit substitutes above are financial guarantee contracts of RM548.0 million and RM395.9 million at the Group and the Bank respectively (2023: RM528.2 million and RM370.2 million 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 statement of financial position and disclosed in Note 6 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2024

50 FINANCIAL RISK MANAGEMENT

The Group has set up objectives and policies to manage the risks that arise in connection with financial instruments. The risk management policies of the Group are guided by specific objectives to ensure that comprehensive and adequate risk management procedures are established to mitigate the salient risk elements in the operations of the Group. The establishment of the overall financial risk management objectives is consistent and in tandem with the strategy to create and enhance shareholders' value, whilst guided by a prudent and robust framework of risk management policies. In achieving the objective of maximising returns to shareholders, the Board takes cognisance of the risk elements that the Group is confronted within its operations. In view of the multi-faceted risks inherent especially in the Group's operations in the banking sector, the Group places great emphasis on the importance of risk management and has put in place clear and comprehensive risk management mechanisms and strategies to identify, monitor, manage and control the relevant risk factors.

(i) Credit risk

Credit risk is the risk that a counterparty will fail to meet its contractual obligations which could result in a financial loss to the Group and the Bank. The Group's and the Bank's exposure to credit risks arises primarily from loans, advances and financing, amount due from client and brokers, share margin financing, corporate/inter-bank lending activities, securities borrowing and lending, bonds/sukuk investment, foreign exchange trading as well as equity and debt underwriting and from participation in securities settlements and payment transactions.

The management of credit risk is governed by a set of approved credit policies, guidelines and procedures to ensure that the overall lending objectives are in compliance with the internal and regulatory requirements. The risk management policies are subject to review by the Group Board Risk Management Committee ('GBRMC'), a sub-committee of the Board that reviews the adequacy of the Group's and the Bank's risk policies and framework. The Group's and the Bank's credit risk framework is further strengthened through an established process for the approval and review of proposals that comprises the Group Management Credit Committee ('GMCC') and the Group Board Credit Review and Recovery Committee ('GBCRRC'). The GMCC represents the approving authority for credit and underwriting proposals, whilst the GBCRRC is the committee that reviews proposals that exceed specified limits and criteria, as well as to consider whether to veto the approval of GMCC on the proposal or modify the terms of the proposal.

The Group and the Bank recognise that learning is a continuous journey and are committed to enhance the knowledge and skills set of its staff. They placed strong emphasis on creating and enhancing risk awareness in the organisation.

The Group and the Bank are supportive of credit officers in pursuing Professional Credit Certification ('PCC') programmes offered by the Asian Institute of Chartered Bankers ('AICB'). Upon attaining the Chartered Banker certification, credit officers are expected to demonstrate sound understanding of credit process and competence to undertake credit roles and responsibilities.

Credit risk evaluation

Credit evaluation is the process of analysing the creditworthiness of a prospective counterparty against the Group's and the Bank's underwriting criteria and the ability of the Group and the Bank to make a return commensurate to the level of risk undertaken. Apart from conducting a holistic risk assessment on the prospective counterparty, a critical element in the evaluation process is the assignment of a credit risk grade to the counterparty. This assists in the risk assessment and decision making process. A number of relevant qualitative and quantitative factors are taken into consideration in the identification and analysis of a counterparty's credit risk. Each counterparty is assigned a credit rating which considers factors such as competitive position, operating performance, cash flow financial strength and management strength. The Group and the Bank have developed internal rating models to support the assessment and quantification of credit risk.

All corporate lending/financing, underwritings and corporate debt securities investments/Sukuk are independently evaluated by the Group's and Bank's credit management function and approved by the relevant approving authorities based on the Authority Matrix approved by the Board.

For consumer mass market products, statistically developed application scorecards are used to assess the risks associated with the credit application as a decision support tool at loans, advances and financing origination. For share margin financing, the credit decisions are guided by an internally developed rating scorecard as well as other terms and conditions stipulated in the Group's and the Bank's Margin Financing Policy. The credit risk of share margin financing is largely mitigated by the holding of collateral in the form of marketable securities.

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2024

50 FINANCIAL RISK MANAGEMENT (CONTINUED)

(i) Credit risk (continued)

Risk limit control and mitigation policies

The Group and the Bank employ various policies and practices to control and mitigate credit risk.

Lending/Financing limits

The Group and the Bank establish internal limits and related lending/financing guidelines to manage large exposures and avoid undue concentration of credit risk in its credit portfolio. The limits include single customer groupings, connected parties and industry segments. These risks are monitored regularly and the limits are reviewed annually or sooner depending on changing market and economic conditions.

The credit risk exposure for derivatives due to potential exposure arising from market movements, and loan books are managed on an aggregated basis as part of the overall lending limits with customers.

Collateral

Credits are established against customer's capacity to pay rather than to rely solely on collateral. However, collateral may be taken to mitigate credit risk.

The main collateral types accepted and ascribed value by the Group and the Bank are:
- Mortgages over residential real estate;
- Charges over commercial real estate or vehicles financed;
- Charges over business assets such as business properties, equipment and fixed deposits;
- Charges over financial instruments such as marketable securities; and
- Debentures, personal guarantees and corporate guarantees.

Where relevant, the Group and the Bank undertake a valuation of the collateral obtained as part of the loan/financing origination process. This assessment is reviewed periodically.

Term loans/financing and lending to corporate entities are generally secured, revolving individual credit facilities are generally unsecured.

Collateral held as security for financial assets other than loans, advances and financing depends on the nature of the instrument. Debt securities, treasury and other eligible bills are generally unsecured, with the exception of asset-backed securities and similar instruments, which are secured by portfolios of financial instruments. Derivatives are also collateralised.

The Group's and the Bank's policies regarding obtaining collateral have not significantly changed during the reporting period and there has been no significant change in the overall quality of the collateral held by the Group and the Bank since the prior period.

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2024

50 FINANCIAL RISK MANAGEMENT (CONTINUED)

(i) Credit risk (continued)

Risk limit control and mitigation policies (continued)

Collateral (continued)

The Group and the Bank closely monitor collateral held for financial assets that are credit-impaired, as it becomes more likely that the Group and the Bank will realise the collateral to mitigate potential credit losses. Financial assets that are credit-impaired and related collateral held in order to mitigate potential losses are shown below:

	Gross loans, advances and financing RM'000	Expected credit losses RM'000	Net loans, advances and financing RM'000	Fair value of collateral held RM'000
The Group				
2024				
Community Banking				
- Overdraft/Cash Line-i	**12,403**	**(3,863)**	**8,540**	**28,809**
- Credit cards	**1,885**	**(1,179)**	**706**	**–**
- Term loans/financing	**99,844**	**(45,697)**	**54,147**	**105,395**
- Mortgages	**343,785**	**(90,371)**	**253,414**	**376,980**
- Hire purchase	**76,947**	**(42,960)**	**33,987**	**256,153**
Corporate Banking	**540,876**	**(164,494)**	**376,382**	**18,625,077**
Enterprise Banking	**322,265**	**(150,331)**	**171,934**	**1,633,131**
Total credit-impaired assets	**1,398,005**	**(498,895)**	**899,110**	**21,025,545**
The Group				
2023				
Community Banking				
- Overdraft/Cash Line-i	5,582	(1,819)	3,763	13,957
- Credit cards	4,163	(2,863)	1,300	–
- Term loans/financing	122,228	(46,761)	75,467	138,350
- Mortgages	210,871	(53,084)	157,787	229,108
- Hire purchase	79,868	(44,971)	34,897	263,239
Corporate Banking	526,965	(253,031)	273,934	1,479,926
Enterprise Banking	315,734	(181,418)	134,316	906,699
Total credit-impaired assets	1,265,411	(583,947)	681,464	3,031,279

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2024

50 FINANCIAL RISK MANAGEMENT (CONTINUED)

(i) Credit risk (continued)

Risk limit control and mitigation policies (continued)

Collateral (continued)

The Group and the Bank closely monitor collateral held for financial assets that are credit-impaired, as it becomes more likely that the Group and the Bank will realise the collateral to mitigate potential credit losses. Financial assets that are credit-impaired and related collateral held in order to mitigate potential losses are shown below (continued):

	Gross loans, advances and financing RM'000	Expected credit losses RM'000	Net loans, advances and financing RM'000	Fair value of collateral held RM'000
The Bank				
2024				
Community Banking				
- Overdraft	**12,122**	**(3,772)**	**8,350**	**28,239**
- Credit cards	**1,657**	**(1,037)**	**620**	**–**
- Term loans/financing	**39,378**	**(10,107)**	**29,271**	**42,510**
- Mortgages	**217,455**	**(58,705)**	**158,750**	**245,427**
- Hire purchase	**38,619**	**(20,237)**	**18,382**	**161,853**
Corporate Banking	**514,101**	**(154,598)**	**359,503**	**18,543,909**
Enterprise Banking	**243,705**	**(113,117)**	**130,588**	**1,379,702**
Total credit-impaired assets	**1,067,037**	**(361,573)**	**705,464**	**20,401,640**
The Bank				
2023				
Community Banking				
- Overdraft	5,487	(1,788)	3,699	13,957
- Credit cards	3,507	(2,412)	1,095	–
- Term loans/financing	32,427	(7,842)	24,585	32,139
- Mortgages	116,819	(29,374)	87,445	128,764
- Hire purchase	43,393	(24,444)	18,949	164,037
Corporate Banking	496,655	(245,257)	251,398	1,446,526
Enterprise Banking	274,857	(158,232)	116,625	753,820
Total credit-impaired assets	973,145	(469,349)	503,796	2,539,243

The financial effect of collateral held for loans, advances and financing of the Group and the Bank are 82.1% (2023: 82.4%) and 78.7% (2023: 79.5%) respectively. The financial effects of collateral for the other financial assets are insignificant.

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2024

50 FINANCIAL RISK MANAGEMENT (CONTINUED)

(i) Credit risk (continued)

Risk limit control and mitigation policies (continued)

Collateral (continued)

Collateral and other credit enhancements obtained

The Group and the Bank obtained assets by taking possession of collateral held as security or calling upon other credit enhancements.

	The Group		The Bank	
	2024 RM'000	2023 RM'000	**2024 RM'000**	2023 RM'000
Nature of assets				
Industrial and residential properties	**8,724**	19,316	**5,901**	5,901

Foreclosed properties are sold as soon as practicable, with the proceeds used to reduce the outstanding indebtedness. The carrying amount of foreclosed properties held by the Group and the Bank as at reporting date has been classified as 'Other assets' as disclosed in Note 11.

	The Group		The Bank	
	2024 RM'000	2023 RM'000	**2024 RM'000**	2023 RM'000
Derivatives	**5,165**	86,001	**–**	–

The Group mitigates the credit risk of derivatives by entering into master netting agreements and holding collateral in the form of cash.

	The Group		The Bank	
	2024 RM'000	2023 RM'000	**2024 RM'000**	2023 RM'000
Reverse repurchase agreements with financial institutions	**3,363**	–	**3,363**	–

The Group mitigates the credit risk of reverse repurchase agreements with financial institutions by holding collateral in the form of cash.

Credit related commitments

Commitment to extend credit represents unutilised portion of approved credit in the form of loans/financing, guarantees or letters of credit. Unutilised credits give rise to potential or contingent credit losses to the Group and the Bank in an amount equal to the total unutilised commitments. The Group and the Bank manage and mitigate the amount of potential and contingent losses arising from unutilised credit lines by imposing minimum specific credit standards on counterparties.

The Group and the Bank monitor the term to maturity of credit commitments as longer-term commitments generally have a greater degree of credit risk than short-term commitments.

NOTES TO THE FINANCIAL STATEMENTS
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50 FINANCIAL RISK MANAGEMENT (CONTINUED)

(i) Credit risk (continued)

Credit risk measurement

Credit risk grades

The Group and the Bank allocate a credit risk grade to each exposure. Credit risk grades are indicative of the risk of default and are generated using qualitative and quantitative factors which are supplemented by experienced credit judgement. These inputs vary depending on the nature of the exposure and the type of customer.

Credit risk grades are defined and calibrated such that the risk of default occurring increases exponentially as the credit risk deteriorates.

Determining whether credit risk has increased significantly

The criteria for determining whether credit risk has increased significantly vary by portfolio and include quantitative changes in probability of default ('PD') and qualitative factors, including a backstop based on delinquency.

The credit risk of a particular exposure is deemed to have increased significantly since initial recognition if, based on the Group's and the Bank's quantitative modelling, the remaining lifetime PD is determined to have increased by more than a predetermined percentage/range.

Using its expert credit judgement and, where possible, relevant historical experience, the Group and the Bank may determine that an exposure has undergone a significant increase in credit risk based on qualitative indicators that it considers are indicative of such and which effect may not otherwise be fully reflected in its quantitative analysis on a timely basis.

As a backstop, the Group and the Bank consider that a significant increase in credit risk is presumed if a borrower/issuer/customer is more than 30 days or 1 month past due. Days or months past due are determined by the number of days or month since the earliest elapsed due date in respect of which full payment has not been received. Due dates are determined without considering any grace period that might be available to the borrower.

The Group and the Bank monitor the effectiveness of the criteria used to identify significant increases in credit risk by regular reviews to confirm that:
- the criteria are capable of identifying significant increases in credit risk before an exposure is in default; and
- there is no unwarranted volatility in loss allowance from transfers between 12-month PD (Stage 1) and lifetime PD (Stage 2).

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2024

50 FINANCIAL RISK MANAGEMENT (CONTINUED)

(i) Credit risk (continued)

Credit risk measurement (continued)

Measurement of expected credit losses ('ECL')

The Group and the Bank use three categories on financial instruments at FVOCI and AC for recognising ECL.

Category	Definition	Basis for recognising
Performing accounts (Stage 1)	• Financial assets that do not have significant increase in credit risk since initial recognition of the asset and therefore, less likely to default; • Performing accounts with credit grade 13 or better; • Accounts past due less than or equal to 30 days or; • For early control accounts where one that has risk or potential weakness which if left unchecked, may result in significant deterioration of repayment prospect and transfer to Underperforming status (Stage 2) or worse.	12-Months ECL
Underperforming accounts (Stage 2)	• An account with significant increase in credit risk since initial recognition and if left uncorrected, may result in impairment of the account within the next 12 months; • Accounts past due more than 30 days or 1 month but up to 90 days or 3 months; • Account demonstrating critical level of risk and therefore, credit grade 14 and placed under Watchlist or; • Restructuring and rescheduling ('R&R') due to significant increase in credit risk.	Lifetime ECL – not credit impaired
Impaired accounts (Stage 3)	• Impaired credit; • Credit grade 15 or worse; • Accounts past due more than 90 days or 3 months or; • R&R which warrants a reclassification to Stage 3.	Lifetime ECL – credit impaired
Write-off	• Evidence indicating that there is no reasonable expectation of recovery based on unavailability of debtor's sources of income or; • Assets unable to generate sufficient future cash flows to repay the amount.	Asset is written-off

The Group and the Bank have not used the low credit risk exemption for any financial instrument for the financial year ended 31 December 2024.

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2024

50 FINANCIAL RISK MANAGEMENT (CONTINUED)

(i) Credit risk (continued)

Credit risk measurement (continued)

Measurement of expected credit losses ('ECL') (continued)

The key inputs into the measurement of ECL are the term structure of the following variables:
- probability of default ('PD');
- loss given default ('LGD'); and
- exposure at default ('EAD').

These parameters are generally derived from internally developed statistical models and other historical data. They are adjusted to reflect forward-looking information.

PD is the likelihood of a counterparty defaulting on its contractual obligations over a given time horizon and are estimates at a certain date, which are calculated based on statistical models. These statistical models are based on internally compiled data comprising both quantitative and qualitative factors. If a counterparty or exposure migrates between rating classes, this will lead to a change in the estimate of the associated PD. PDs are estimated considering the contractual maturities of exposures and estimated prepayment rates.

The Group and the Bank collect performance and default information relating to its credit risk exposures which are analysed by type of product and customer as well as by credit risk grading. For some portfolios, information from external credit assessment institutions are also used.

The Group and the Bank employ statistical models to analyse the data collected and generate estimates of the remaining lifetime PD of exposures and how these are expected to change as a result of the passage of time.

The lifetime PD is developed by applying a maturity profile to the current 12-month PD. The maturity profile is used to determine how defaults develop on a portfolio from the point of initial recognition throughout the lifetime of the loans/financing. The maturity profile is based on historical observed data and is assumed to be the same across all assets within a portfolio and credit grade band. This is supported by historical analysis.

LGD is the magnitude of loss in an event of a default. LGD parameters are estimated based on the history of recovery rates of claims against defaulted counterparties. The LGD models consider the structure, collateral, seniority of the claim, counterparty industry and recovery costs of any collateral that is integral to the financial asset. LGD estimates are recalibrated for different economic scenarios. They are calculated on a discounted cash flow basis using the original effective interest/profit rate as the discounting factor.

EAD represents the exposure outstanding in the event of a default. The Group and the Bank derived the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract including amortisation. The EAD of a financial asset is its gross carrying amount. For financing commitments and financial guarantees, the EAD includes the amount drawn, as well as potential future amounts that may be drawn under the contract, which are estimated based on historical observations and forward-looking forecasts. For some financial assets, EAD is determined by modelling the range of possible exposure outcomes at various points in time using scenario and statistical techniques.

The 12-month and lifetime EAD are determined based on the expected payment profile, which varies by product type.

ECL is determined by projecting the PD, LGD and EAD at each future point on a yearly basis on individual exposures, or collective segments, and discounting these monthly expected losses back to the reporting date. The discount rate used in the ECL calculation is the original interest/profit rate or an approximation thereof.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2024

50 FINANCIAL RISK MANAGEMENT (CONTINUED)

(i) Credit risk (continued)

Credit risk measurement (continued)

Measurement of expected credit losses ('ECL') (continued)

As described above, and subject to using a maximum of a 12-month PD for financial assets for which credit risk has not significantly increased, the Group and the Bank measure ECL considering the risk of default over the maximum contractual period (including any borrower's extension options) over which it is exposed to credit risk, even if, for risk management purposes, the Group and the Bank consider a longer period. The maximum contractual period extends to the date at which the Group and the Bank have the right to require repayment of an advance or terminate a loan commitment or guarantee.

Forward looking economic information is also included in determining the 12-month and lifetime PD, LGD and EAD.

Where modelling of a parameter is carried out on a collective basis, the financial instruments are grouped on the basis of shared risk characteristics which include:

- product/instrument type;
- past due status;
- credit risk grading;
- collateral type;
- date of initial recognition; and
- remaining term to maturity.

The groupings are subject to regular review to ensure that exposures within a particular group remain appropriately homogeneous.

There have been no significant changes in estimation techniques or significant assumptions made during the reporting period that have material impact to ECL.

Incorporation of forward-looking information

The Group and the Bank incorporate forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL. A 'base case' view of the future direction of relevant economic variables as well as a representative range of other possible forecast scenarios are formulated.

This process involves developing two or more additional economic scenarios and considering the relative probabilities of each outcome. External information includes economic data and forecasts published by governmental bodies and monetary authorities.

The base case represents a most-likely outcome and is aligned with information used by the Group and the Bank for other purposes such as strategic planning and budgeting. The other scenarios represent more optimistic and more pessimistic outcomes. Periodically, the Group and the Bank carry out stress testing which involves more extreme shocks to calibrate its determination of these other representative scenarios.

The Group and the Bank have identified and documented key drivers of credit risk and credit losses for each portfolio of financial instruments and, using an analysis of historical data, have estimated relationships between macro-economic variables and credit risk and credit losses.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2024

50 FINANCIAL RISK MANAGEMENT (CONTINUED)

(i) Credit risk (continued)

Credit risk measurement (continued)

Incorporation of forward-looking information (continued)

The Group and the Bank have also identified the key economic variables and carried out sensitivity assessment of ECL for loans, advances and financing, financing commitments and guarantees, treasury bonds and placements in relation to the changes in these key economic variables while all other variables remain constant. The sensitivity factors used are derived based on expected standard deviation determined for each key economic variable to assess the impact on the ECL of the Group and the Bank.

The economic scenario used for the expected credit losses ('ECL') estimate and the effect to the ECL estimate due to the changes in the macro-economic variables ('MEVs') by percentage are set out as below:

	2024 %	2023 %
Measurement variables - MEV change		
House Price Index	**0.43**	1.02
Private Consumption Expenditure	**12.26**	28.03
USD Dollar to Malaysian Ringgit Exchange Rate	**0.02**	1.25
Malaysia Economic Indicator Leading Index ('MEILI') 2015	**0.49**	0.55
Malaysia Debt Service Ratio	**0.82**	0.32
Current Account (as a percentage of Gross Domestic Product)	***N/A**	5.22
Unemployment Rate	**4.43**	2.39
Average Lending Rate	**10.26**	2.77

*N/A - Not applicable as a result of change in MEV made during the financial year.

	2024 (Write-back)/made		2023 (Write-back)/made	
	RM'000 +	RM'000 -	RM'000 +	RM'000 -
The Group				
Impact on expected credit losses	**657**	**809**	23	491
The Bank				
Impact on expected credit losses	**1,231**	**(108)**	1,373	(1,047)

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2024

50 FINANCIAL RISK MANAGEMENT (CONTINUED)

(i) Credit risk (continued)

Credit risk monitoring

Corporate credits and large individual accounts are subject to ongoing monitoring. This is to ensure that the credit grades remain appropriate and to detect any signs of weaknesses or deterioration in the credit quality. Appropriate remedial action is taken where evidence of deterioration exists.

The credit monitoring process is also to identify significant increase in credit risk as a means to pro-actively report and manage potentially deteriorating credit quality. Watchlist accounts are closely reviewed and monitored with appropriate corrective measures employed to prevent further credit deterioration into non-performing status. Watchlist accounts are either managed up or managed out within a period of twelve months.

The Group and the Bank have established MFRS 9 - Stage Transfer Policy to provide guidance in determining significant increases in credit risk of financial assets. There are 3 stages to differentiate the credit risk of financial assets in conjunction with MFRS 9 standards: Performing Accounts (Stage 1), Underperforming Accounts (Stage 2) and Impaired Accounts (Stage 3).

Active portfolio monitoring as well as exceptions reportings are in place to identify, analyse and manage the overall risk profile to mitigate adverse trends or specific areas of risk concerns.

The Group and the Bank conduct post-mortem reviews on newly impaired loans/financing to determine the key reason(s) and/or driver(s) leading to the account being classified as impaired. The findings are communicated at both management and Board levels as lessons learned which are used to assist in formulating appropriate remedial actions or measures to minimise potential or future credit loss from similar or repeat events.

In addition, post-approval independent credit review is undertaken by the Group and the Bank to ensure that credit decision-making is consistent with the overall credit risk appetite and strategy.

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2024

50 FINANCIAL RISK MANAGEMENT (CONTINUED)

(i) Credit risk (continued)

Maximum exposure to credit risk

For financial assets recognised on the statement of financial position, the exposure to credit risk equals their carrying amount. For financial guarantees granted, the maximum exposure to credit risk is the maximum amount that the Group and the Bank would have to pay if the guarantee was to be called upon. For loan commitments and other commitments, the maximum exposure to credit risk is the full amount of the undrawn credit facilities granted to customers.

All financial assets of the Group and the Bank are subject to credit risk except for cash in hand, equity securities held as financial assets at FVTPL or financial investments at FVOCI, as well as non-financial assets.

The exposure to credit risk of the Group and the Bank equals their carrying amount in the statement of financial position as at reporting date, except for the followings:

	The Group		The Bank	
	2024 RM'000	2023 RM'000	**2024 RM'000**	2023 RM'000
Maximum credit risk exposure				
Credit risk exposures of on-balance sheet assets:				
Cash and short-term funds *	**2,536,859**	5,359,108	**1,644,541**	3,262,435
Financial assets at FVTPL **	**1,277,672**	400,753	**1,715,845**	1,186,915
Financial investments at FVOCI #	**13,634,206**	9,782,127	**5,804,950**	3,758,344
Others @	**1,120,972**	1,040,365	**1,094,547**	482,433
	18,569,709	16,582,353	**10,259,883**	8,690,127
Credit risk exposure of off-balance sheet items:				
Financial guarantees	**547,957**	528,245	**395,893**	370,153
Loan commitments and other credit related commitments^	**20,306,053**	19,553,174	**8,733,335**	8,774,868
	20,854,010	20,081,419	**9,129,228**	9,145,021
Total maximum credit risk exposure	**39,423,719**	36,663,772	**19,389,111**	17,835,148

* Excluded cash in hand
** Excluded investment in exchange traded fund, shares, unit trusts and REITs
# Excluded investment in unquoted shares
@ Included amount due from joint ventures and subsidiaries, amount due from client and brokers and other assets (excluded prepayment and foreclosed properties)
^ The comparative balance of the commitment on Lending of the Banks' securities or the posting of securities as collateral by Banks have been excluded to conform to current year's presentation.

Whilst the Group's and the Bank's maximum exposure to credit risk is the carrying value of the assets, or in the case of off-balance sheet items, the amount guaranteed, committed or accepted, in most cases the likely exposure is far less due to collateral, credit enhancements and other actions taken to mitigate the credit exposure.

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2024

50 FINANCIAL RISK MANAGEMENT (CONTINUED)

(i) Credit risk (continued)

Credit risk concentrations

Credit risk is the risk of financial loss from the failure of customers to meet their contractual obligations. Exposure to credit risk is managed through portfolio management. The credit portfolio's risk profiles and exposures are reviewed and monitored regularly to ensure that an acceptable level of risk diversification is maintained. Exposure to credit risk is also managed in part by obtaining collateral, security, corporate and personal guarantees.

The credit risk concentrations of the Group and the Bank, by industry, are set out in the following tables:

	Short-term funds RM'000	Deposits and placements with banks and other financial institutions RM'000	Financial assets at FVTPL RM'000	Derivative financial instruments RM'000	Financial investments at FVOCI RM'000	Financial investments at AC RM'000	Loans, advances and financing RM'000	^ Others RM'000	Total on-balance sheet RM'000	Commitments and contingencies RM'000
The Group										
2024										
Agriculture	–	–	10,106	–	60,928	84,303	1,320,036	–	1,475,373	297,770
Mining and quarrying	–	–	2,259	–	342,604	15,290	98,424	–	458,577	225,984
Manufacturing	–	–	15,377	1,968	420,016	177,213	4,337,441	111	4,952,126	1,842,944
Electricity, gas and water supply	–	–	–	3,127	364,999	252,763	470,044	–	1,090,933	305,855
Construction	–	–	20,179	52	698,495	1,091,680	2,362,288	24	4,172,718	1,964,217
Real estate	–	–	35,194	3,040	644,119	544,245	4,400,390	509	5,627,497	645,816
Transport, storage and communication	–	–	–	649	825,561	772,477	3,225,304	–	4,823,991	868,824
Finance, insurance and business services	853,591	302,241	257,999	440,328	6,480,069	10,320,833	2,136,674	1,564	20,793,299	1,519,699
Government and government agencies	1,683,268	–	931,503	–	2,929,300	1,767,375	794,600	–	8,106,046	5,472,676
Wholesale, retail trade, hotel and restaurants	–	–	–	1,206	–	189,948	5,947,635	–	6,138,789	1,616,593
Others	–	–	5,055	–	868,115	464,044	45,799,249	1,118,764	48,255,227	6,093,632
Total assets	2,536,859	302,241	1,277,672	450,370	13,634,206	15,680,171	70,892,085	1,120,972	105,894,576	20,854,010

^ Others include amount due from joint ventures, amount due from client and brokers and other assets (excluded prepayment and foreclosed properties).

50 FINANCIAL RISK MANAGEMENT (CONTINUED)

(i) Credit risk (continued)

Credit risk concentrations (continued)

Credit risk is the risk of financial loss from the failure of customers to meet their contractual obligations. Exposure to credit risk is managed through portfolio management. The credit portfolio's risk profiles and exposures are reviewed and monitored regularly to ensure that an acceptable level of risk diversification is maintained. Exposure to credit risk is also managed in part by obtaining collateral, security, corporate and personal guarantees (continued).

The credit risk concentrations of the Group and the Bank, by industry, are set out in the following tables (continued):

	Short-term funds RM'000	Deposits and placements with banks and other financial institutions RM'000	Financial assets at FVTPL RM'000	Derivative financial instruments RM'000	Financial investments at FVOCI RM'000	Financial investments at AC RM'000	Loans, advances and financing RM'000	^ Others RM'000	Total on-balance sheet RM'000	Commitments and contingencies RM'000
The Group										
2023										
Agriculture	–	–	–	–	–	75,208	1,486,285	–	1,561,493	372,114
Mining and quarrying	–	–	–	–	–	15,291	381,515	–	396,806	260,640
Manufacturing	–	–	16,456	4,627	25,488	274,641	3,865,896	235	4,187,343	1,915,772
Electricity, gas and water supply	–	–	–	1,086	109,210	141,073	468,482	297	720,148	360,682
Construction	–	–	5,086	–	355,333	101,668	1,980,543	–	2,442,630	2,207,231
Real estate	–	–	–	22	100,972	218,457	4,740,278	699	5,060,428	920,215
Transport, storage and communication	–	–	–	3,514	453,815	776,176	2,355,418	185	3,589,108	685,985
Finance, insurance and business services	2,249,216	840,592	284,394	458,120	4,463,128	10,951,591	2,213,988	33,734	21,494,763	962,234
Government and government agencies	3,109,892	–	79,679	–	3,082,791	2,901,989	2,338,283	–	11,512,634	5,394,329
Wholesale, retail trade, hotel and restaurants	–	–	15,138	3,069	101,563	521,694	5,858,174	–	6,499,638	1,535,052
Others	–	–	–	–	1,089,827	614,780	39,536,135	1,005,215	42,245,957	5,467,165
Total assets	5,359,108	840,592	400,753	470,438	9,782,127	16,592,568	65,224,997	1,040,365	99,710,948	20,081,419

^ Others include amount due from joint ventures, amount due from client and brokers and other assets (excluded prepayment and foreclosed properties).

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2024

50 FINANCIAL RISK MANAGEMENT (CONTINUED)

(i) Credit risk (continued)

Credit risk concentrations (continued

Credit risk is the risk of financial loss from the failure of customers to meet their contractual obligations. Exposure to credit risk is managed through portfolio management. The credit portfolio's risk profiles and exposures are reviewed and monitored regularly to ensure that an acceptable level of risk diversification is maintained. Exposure to credit risk is also managed in part by obtaining collateral, security, corporate and personal guarantees (continued).

The credit risk concentrations of the Group and the Bank, by industry, are set out in the following tables (continued):

	Short-term funds RM'000	Deposits and placements with banks and other financial institutions RM'000	Investment accounts due from designated financial institutions RM'000	Financial assets at FVTPL RM'000	Derivative financial instruments RM'000	Financial investments at FVOCI RM'000	Financial investments at AC RM'000	Loans, advances and financing RM'000	^ Others RM'000	Total on-balance sheet RM'000	Commitments and contingencies RM'000
The Bank											
2024											
Agriculture	–	–	–	–	–	20,238	–	644,132	–	664,370	161,388
Mining and quarrying	–	–	–	2,259	–	157,436	5,097	40,907	–	205,699	51,196
Manufacturing	–	–	–	–	869	255,342	70,585	2,877,508	–	3,204,304	1,468,243
Electricity, gas and water supply	–	–	–	–	–	126,966	157,460	56,183	–	340,609	36,297
Construction	–	–	–	20,179	52	354,968	644,428	1,181,916	–	2,201,543	1,148,566
Real estate	–	–	–	–	3,040	219,544	101,233	3,201,432	–	3,525,249	494,571
Transport, storage and communication	–	–	–	–	649	304,708	433,204	2,081,718	–	2,820,279	580,311
Finance, insurance and business services	1,644,541	604,294	3,248,280	1,149,708	407,384	3,765,023	7,481,833	1,200,511	–	19,501,574	922,065
Government and government agencies	–	–	–	538,644	–	192,951	740,136	1,298	–	1,473,029	66,234
Wholesale, retail trade, hotel and restaurants	–	–	–	–	604	–	189,948	4,387,314	–	4,577,866	1,088,628
Others	–	–	–	5,055	–	407,774	204,640	19,967,095	1,094,547	21,679,111	3,111,729
Total assets	1,644,541	604,294	3,248,280	1,715,845	412,598	5,804,950	10,028,564	35,640,014	1,094,547	60,193,633	9,129,228

^ Others include amount due from subsidiaries and other assets (excluded prepayment and foreclosed properties).

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2024

50 FINANCIAL RISK MANAGEMENT (CONTINUED)

(i) Credit risk (continued)

Credit risk concentrations (continued)

Credit risk is the risk of financial loss from the failure of customers to meet their contractual obligations. Exposure to credit risk is managed through portfolio management. The credit portfolio's risk profiles and exposures are reviewed and monitored regularly to ensure that an acceptable level of risk diversification is maintained. Exposure to credit risk is also managed in part by obtaining collateral, security, corporate and personal guarantees (continued).

The credit risk concentrations of the Group and the Bank, by industry, are set out in the following tables (continued):

	Short-term funds RM'000	Deposits and placements with banks and other financial institutions RM'000	Investment accounts due from designated financial institutions RM'000	Financial assets at FVTPL RM'000	Derivative financial instruments RM'000	Financial investments at FVOCI RM'000	Financial investments at AC RM'000	Loans, advances and financing RM'000	^ Others RM'000	Total on-balance sheet RM'000	Commitments and contingencies RM'000
The Bank											
2023											
Agriculture	–	–	–	–	–	–	10,164	687,618	–	697,782	134,293
Mining and quarrying	–	–	–	–	–	–	5,097	274,801	–	279,898	68,763
Manufacturing	–	–	–	–	4,223	5,148	162,727	2,618,506	–	2,790,604	1,435,663
Electricity, gas and water supply	–	–	–	–	–	57,289	60,307	82,089	–	199,685	36,171
Construction	–	–	–	5,086	–	148,286	50,700	934,176	–	1,138,248	1,330,195
Real estate	–	–	–	–	22	15,189	35,313	3,443,096	–	3,493,620	679,664
Transport, storage and communication	–	–	–	–	3,514	40,955	435,780	1,477,817	–	1,958,066	429,244
Finance, insurance and business services	2,613,277	1,143,443	3,665,450	1,087,012	340,011	2,780,486	8,036,655	1,379,965	–	21,046,299	850,490
Government and government agencies	649,158	–	–	79,679	–	239,681	1,524,336	1,435,553	–	3,928,407	84,622
Wholesale, retail trade, hotel and restaurants	–	–	–	15,138	1,113	–	521,694	4,488,836	–	5,026,781	1,010,630
Others	–	–	–	–	–	471,310	325,312	17,687,993	482,433	18,967,048	3,085,286
Total assets	3,262,435	1,143,443	3,665,450	1,186,915	348,883	3,758,344	11,168,085	34,510,450	482,433	59,526,438	9,145,021

^ Others include amount due from subsidiaries and other assets (excluded prepayment and foreclosed properties).

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2024

50 FINANCIAL RISK MANAGEMENT (CONTINUED)

(i) Credit risk (continued)

Total loans, advances and financing - credit quality

All loans, advances and financing are categorised into 'neither past due nor impaired', 'past due but not impaired' and 'impaired'.

Past due loans refer to loans, advances and financing that are overdue by one day or more.

Loans, advances and financing are classified as impaired when they fulfil any of the following criteria:
i) the principal or interest/profit or both is past due more than 90 days or 3 months from the first day of default; or
ii) where the account is in arrears for less than 90 days or 3 months, there is evidence of impairment to indicate that the borrower/customer is 'unlikely to meet' its credit obligations.

Distribution of loans, advances and financing by credit quality

	12-Month ECL Stage 1 RM'000	Lifetime ECL not credit impaired Stage 2 RM'000	Lifetime ECL credit impaired Stage 3 RM'000	Total RM'000
The Group				
2024				
Neither past due nor impaired	**62,350,290**	**2,721,922**	**–**	**65,072,212**
Past due but not impaired	**3,521,820**	**2,052,618**	**–**	**5,574,438**
Impaired	**–**	**–**	**1,398,005**	**1,398,005**
Gross loans, advances and financing	**65,872,110**	**4,774,540**	**1,398,005**	**72,044,655**
Less: Expected credit losses	**(149,185)**	**(504,490)**	**(498,895)**	**(1,152,570)**
Net loans, advances and financing	**65,722,925**	**4,270,050**	**899,110**	**70,892,085**

	12-Month ECL Stage 1 RM'000	Lifetime ECL not credit impaired Stage 2 RM'000	Lifetime ECL credit impaired Stage 3 RM'000	Total RM'000
The Group				
2023				
Neither past due nor impaired	56,917,985	3,103,555	–	60,021,540
Past due but not impaired	2,703,812	2,672,106	–	5,375,918
Impaired	–	–	1,265,411	1,265,411
Gross loans, advances and financing	59,621,797	5,775,661	1,265,411	66,662,869
Less: Expected credit losses	(149,260)	(704,665)	(583,947)	(1,437,872)
Net loans, advances and financing	59,472,537	5,070,996	681,464	65,224,997

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2024

50 FINANCIAL RISK MANAGEMENT (CONTINUED)

(i) Credit risk (continued)

Total loans, advances and financing - credit quality (continued)

Distribution of loans, advances and financing by credit quality (continued)

	12-Month ECL Stage 1 RM'000	Lifetime ECL not credit impaired Stage 2 RM'000	Lifetime ECL credit impaired Stage 3 RM'000	Total RM'000
The Bank				
2024				
Neither past due nor impaired	**30,631,289**	**1,708,286**	**–**	**32,339,575**
Past due but not impaired	**1,913,995**	**1,051,275**	**–**	**2,965,270**
Impaired	**–**	**–**	**1,067,037**	**1,067,037**
Gross loans, advances and financing	**32,545,284**	**2,759,561**	**1,067,037**	**36,371,882**
Less: Expected credit losses	**(83,625)**	**(286,670)**	**(361,573)**	**(731,868)**
Net loans, advances and financing	**32,461,659**	**2,472,891**	**705,464**	**35,640,014**

	12-Month ECL Stage 1 RM'000	Lifetime ECL not credit impaired Stage 2 RM'000	Lifetime ECL credit impaired Stage 3 RM'000	Total RM'000
The Bank				
2023				
Neither past due nor impaired	29,969,670	1,802,538	–	31,772,208
Past due but not impaired	1,282,464	1,440,424	–	2,722,888
Impaired	–	–	973,145	973,145
Gross loans, advances and financing	31,252,134	3,242,962	973,145	35,468,241
Less: Expected credit losses	(95,645)	(392,797)	(469,349)	(957,791)
Net loans, advances and financing	31,156,489	2,850,165	503,796	34,510,450

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2024

50 FINANCIAL RISK MANAGEMENT (CONTINUED)

(i) Credit risk (continued)

Total loans, advances and financing - credit quality (continued)

Distribution of loans, advances and financing by credit quality (continued)

The following table contains an analysis of the credit risk exposure of financial instruments for which an ECL allowance is recognised. The gross carrying amount of financial assets below also represents the Group's and the Bank's maximum exposure to credit risk on these assets.

	12-Month ECL Stage 1 RM'000	Lifetime ECL not credit impaired Stage 2 RM'000	Lifetime ECL credit impaired Stage 3 RM'000	Total RM'000
The Group				
2024				
Credit grade				
Satisfactory	**15,579,363**	**2,003,372**	**–**	**17,582,735**
Special mention	**5,915,861**	**673,859**	**–**	**6,589,720**
Default/impaired	**–**	**–**	**1,398,005**	**1,398,005**
Unrated	**44,376,886**	**2,097,309**	**–**	**46,474,195**
Gross loans, advances and financing	**65,872,110**	**4,774,540**	**1,398,005**	**72,044,655**
Less: Expected credit losses	**(149,185)**	**(504,490)**	**(498,895)**	**(1,152,570)**
Net loans, advances and financing	**65,722,925**	**4,270,050**	**899,110**	**70,892,085**

	12-Month ECL Stage 1 RM'000	Lifetime ECL not credit impaired Stage 2 RM'000	Lifetime ECL credit impaired Stage 3 RM'000	Total RM'000
The Group				
2023				
Credit grade				
Satisfactory	17,139,593	2,776,422	–	19,916,015
Special mention	2,980,090	428,201	–	3,408,291
Default/impaired	–	–	1,265,411	1,265,411
Unrated	39,502,114	2,571,038	–	42,073,152
Gross loans, advances and financing	59,621,797	5,775,661	1,265,411	66,662,869
Less: Expected credit losses	(149,260)	(704,665)	(583,947)	(1,437,872)
Net loans, advances and financing	59,472,537	5,070,996	681,464	65,224,997

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NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2024

50 FINANCIAL RISK MANAGEMENT (CONTINUED)

(i) Credit risk (continued)

Total loans, advances and financing - credit quality (continued)

Distribution of loans, advances and financing by credit quality (continued)

The following table contains an analysis of the credit risk exposure of financial instruments for which an ECL allowance is recognised. The gross carrying amount of financial assets below also represents the Group's and the Bank's maximum exposure to credit risk on these assets (continued):

	12-Month ECL Stage 1 RM'000	Lifetime ECL not credit impaired Stage 2 RM'000	Lifetime ECL credit impaired Stage 3 RM'000	Total RM'000
The Bank				
2024				
Credit grade				
Satisfactory	**8,649,176**	**1,314,026**	**–**	**9,963,202**
Special mention	**3,206,817**	**395,546**	**–**	**3,602,363**
Default/impaired	**–**	**–**	**1,067,037**	**1,067,037**
Unrated	**20,689,291**	**1,049,989**	**–**	**21,739,280**
Gross loans, advances and financing	**32,545,284**	**2,759,561**	**1,067,037**	**36,371,882**
Less: Expected credit losses	**(83,625)**	**(286,670)**	**(361,573)**	**(731,868)**
Net loans, advances and financing	**32,461,659**	**2,472,891**	**705,464**	**35,640,014**

	12-Month ECL Stage 1 RM'000	Lifetime ECL not credit impaired Stage 2 RM'000	Lifetime ECL credit impaired Stage 3 RM'000	Total RM'000
The Bank				
2023				
Credit grade				
Satisfactory	9,393,060	1,708,806	–	11,101,866
Special mention	1,969,638	286,960	–	2,256,598
Default/impaired	–	–	973,145	973,145
Unrated	19,889,436	1,247,196	–	21,136,632
Gross loans, advances and financing	31,252,134	3,242,962	973,145	35,468,241
Less: Expected credit losses	(95,645)	(392,797)	(469,349)	(957,791)
Net loans, advances and financing	31,156,489	2,850,165	503,796	34,510,450

Satisfactory: Exposures demonstrate a strong capacity to meet financial commitments, with negligible or low probability of default and/or levels of expected loss.

Special mention: Exposures require varying degrees of special attention and default risk is of greater concern which are under the monitoring of Group Early Alert Committee ('GEAC').

Deposits and short-term funds, corporate bonds/Sukuk and treasury bills - credit quality

Most listed and some unlisted securities are rated by external rating agencies. The Group and the Bank mainly use external credit ratings provided by recognised External Credit Assessment Institutions ('ECAIs').

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2024

50 FINANCIAL RISK MANAGEMENT (CONTINUED)

(i) Credit risk (continued)

Deposits and short-term funds, corporate bonds/Sukuk and treasury bills - credit quality (continued)

The table below presents the deposits and short-term funds, corporate bonds/Sukuk, treasury bills and other eligible bills that neither past due nor impaired and impaired, analysed by rating:

	12-Month ECL Stage 1 RM'000	Lifetime ECL not credit impaired Stage 2 RM'000	Lifetime ECL credit impaired Stage 3 RM'000	Total RM'000
The Group				
2024				
Short-term funds, deposits and placements with banks and other financial institutions				
Sovereigns	1,683,268	–	–	1,683,268
AAA	201,384	–	–	201,384
AA- to AA+	569,274	–	–	569,274
A- to A+	257,267	–	–	257,267
Lower than A-	83,153	–	–	83,153
Unrated	44,785	–	–	44,785
Expected credit losses ('ECL')	(31)	–	–	(31)
	2,839,100	–	–	2,839,100
Financial investments at FVOCI				
Sovereigns	6,578,454	–	–	6,578,454
AAA	1,693,438	–	–	1,693,438
AA- to AA+	3,428,179	123,456	–	3,551,635
A- to A+	1,150,801	–	–	1,150,801
Lower than A-	634,388	–	–	634,388
Unrated	25,490	–	–	25,490
	13,510,750	123,456	–	13,634,206
Expected credit losses ('ECL') ^^	(1,255)	(19)	–	(1,274)
Financial investments at AC				
Sovereigns	12,404,762	–	–	12,404,762
AAA	777,824	–	–	777,824
AA- to AA+	1,292,721	50,392	–	1,343,113
A- to A+	221,605	–	–	221,605
Lower than A-	190,532	–	–	190,532
Unrated	556,530	204,281	–	760,811
Expected credit losses ('ECL')	(4,142)	(14,334)	–	(18,476)
	15,439,832	240,339	–	15,680,171
Amount due from joint ventures				
Unrated	–	47,254	–	47,254
Expected credit losses ('ECL')	–	(42,615)	–	(42,615)
	–	4,639	–	4,639

^^ The ECL is recognised in other comprehensive income instead of in the statement of financial position as the carrying amount of debt instruments at FVOCI are equivalent to their fair value.

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2024

50 FINANCIAL RISK MANAGEMENT (CONTINUED)

(i) Credit risk (continued)

Deposits and short-term funds, corporate bonds/Sukuk and treasury bills - credit quality (continued)

The table below presents the deposits and short-term funds, corporate bonds/Sukuk, treasury bills and other eligible bills that neither past due nor impaired and impaired, analysed by rating (continued):

	12-Month ECL Stage 1 RM'000	Lifetime ECL not credit impaired Stage 2 RM'000	Lifetime ECL credit impaired Stage 3 RM'000	Total RM'000
The Group				
2023				
Short-term funds, deposits and placements with banks and other financial institutions				
Sovereigns	3,109,897	–	–	3,109,897
AAA	960,039	–	–	960,039
AA- to AA+	1,663,397	–	–	1,663,397
A- to A+	340,032	–	–	340,032
Lower than A-	103,398	–	–	103,398
Unrated	22,958	–	–	22,958
Expected credit losses ('ECL')	(21)	–	–	(21)
	6,199,700	–	–	6,199,700
Financial investments at FVOCI				
Sovereigns	5,765,420	–	–	5,765,420
AAA	1,665,347	–	–	1,665,347
AA- to AA+	1,447,162	97,825	–	1,544,987
A- to A+	359,501	–	–	359,501
Lower than A-	310,229	–	–	310,229
Unrated	35,079	101,564	–	136,643
	9,582,738	199,389	–	9,782,127
Expected credit losses ('ECL') ^^	(533)	(21,156)	–	(21,689)
Financial investments at AC				
Sovereigns	13,014,574	–	–	13,014,574
AAA	1,025,221	–	–	1,025,221
AA- to AA+	1,177,744	50,404	–	1,228,148
A- to A+	308,937	–	–	308,937
Lower than A-	186,428	–	–	186,428
Unrated	314,283	611,457	8,101	933,841
Expected credit losses ('ECL')	(6,707)	(89,773)	(8,101)	(104,581)
	16,020,480	572,088	–	16,592,568
Amount due from joint ventures				
Unrated	–	52,499	–	52,499
Expected credit losses ('ECL')	–	(52,467)	–	(52,467)
	–	32	–	32

^^ The ECL is recognised in other comprehensive income instead of in the statement of financial position as the carrying amount of debt instruments at FVOCI are equivalent to their fair value.

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2024

50 FINANCIAL RISK MANAGEMENT (CONTINUED)

(i) Credit risk (continued)

Deposits and short-term funds, corporate bonds/Sukuk and treasury bills - credit quality (continued)

The table below presents the deposits and short-term funds, corporate bonds/Sukuk, treasury bills and other eligible bills that neither past due nor impaired and impaired, analysed by rating (continued):

	12-Month ECL Stage 1 RM'000	Lifetime ECL not credit impaired Stage 2 RM'000	Lifetime ECL credit impaired Stage 3 RM'000	Total RM'000
The Bank				
2024				
Short-term funds, deposits and placements with banks and other financial institutions				
Sovereigns	–	–	–	–
AAA	180,153	–	–	180,153
AA- to AA+	1,759,744	–	–	1,759,744
A- to A+	245,960	–	–	245,960
Lower than A-	18,224	–	–	18,224
Unrated	44,785	–	–	44,785
Expected credit losses ('ECL')	(31)	–	–	(31)
	2,248,835	–	–	2,248,835
Investment accounts due from designated financial institution				
AA- to AA+	3,248,280	–	–	3,248,280
Expected credit losses ('ECL')	–	–	–	–
	3,248,280	–	–	3,248,280
Financial investments at FVOCI				
Sovereigns	2,213,417	–	–	2,213,417
AAA	714,540	–	–	714,540
AA- to AA+	1,841,045	82,600	–	1,923,645
A- to A+	658,188	–	–	658,188
Lower than A-	295,160	–	–	295,160
Unrated	–	–	–	–
	5,722,350	82,600	–	5,804,950
Expected credit losses ('ECL')	(774)	(246)	–	(1,020)
Financial investments at AC				
Sovereigns	8,307,883	–	–	8,307,883
AAA	413,561	–	–	413,561
AA- to AA+	741,160	25,196	–	766,356
A- to A+	160,523	–	–	160,523
Lower than A-	190,532	–	–	190,532
Unrated	–	204,281	–	204,281
Expected credit losses ('ECL')	(239)	(14,333)	–	(14,572)
	9,813,420	215,144	–	10,028,564
Amount due from subsidiaries				
AA- to AA+	–	756,357	–	756,357

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2024

50 FINANCIAL RISK MANAGEMENT (CONTINUED)

(i) Credit risk (continued)

Deposits and short-term funds, corporate bonds/Sukuk and treasury bills - credit quality (continued)

The table below presents the deposits and short-term funds, corporate bonds/Sukuk, treasury bills and other eligible bills that neither past due nor impaired and impaired, analysed by rating (continued):

	12-Month ECL Stage 1 RM'000	Lifetime ECL not credit impaired Stage 2 RM'000	Lifetime ECL credit impaired Stage 3 RM'000	Total RM'000
The Bank				
2023				
Short-term funds, deposits and placements with banks and other financial institutions				
Sovereigns	649,158	–	–	649,158
AAA	424,068	–	–	424,068
AA- to AA+	3,105,855	–	–	3,105,855
A- to A+	166,718	–	–	166,718
Lower than A-	37,136	–	–	37,136
Unrated	22,958	–	–	22,958
Expected credit losses ('ECL')	(15)	–	–	(15)
	4,405,878	–	–	4,405,878
Investment accounts due from designated financial institution				
Unrated	3,665,451	–	–	3,665,451
Expected credit losses ('ECL')	(1)	–	–	(1)
	3,665,450	–	–	3,665,450
Financial investments at FVOCI				
Sovereigns	1,579,654	–	–	1,579,654
AAA	857,647	–	–	857,647
AA- to AA+	774,021	51,844	–	825,865
A- to A+	298,688	–	–	298,688
Lower than A-	196,490	–	–	196,490
Unrated	–	–	–	–
	3,706,500	51,844	–	3,758,344
Expected credit losses ('ECL')	(172)	(235)	–	(407)
Financial investments at AC				
Sovereigns	8,795,819	–	–	8,795,819
AAA	589,818	–	–	589,818
AA- to AA+	801,421	25,202	–	826,623
A- to A+	247,851	–	–	247,851
Lower than A-	186,428	–	–	186,428
Unrated	–	611,457	–	611,457
Expected credit losses ('ECL')	(143)	(89,768)	–	(89,911)
	10,621,194	546,891	–	11,168,085
Amount due from subsidiaries				
AA- to AA+	–	22,126	–	22,126

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2024

50 FINANCIAL RISK MANAGEMENT (CONTINUED)

(i) Credit risk (continued)

Other financial assets - credit quality

Other financial assets of the Group and the Bank are neither past due nor impaired and impaired are summarised as below:

Simplified approach

	Current RM'000	Current to less than 90 days past due RM'000	More than 90 days past due RM'000	Total RM'000	Provision for credit loss RM'000
The Group					
2024					
Amount due from client and brokers	**–**	**513,973**	**161**	**514,134**	**(227)**
Other assets	**580,461**	**26,598**	**4,867**	**611,926**	**(4,861)**
2023					
Amount due from client and brokers	–	398,908	191	399,099	(223)
Other assets	614,884	26,598	2,293	643,775	(2,286)

	Current RM'000	Current to less than 90 days past due RM'000	More than 90 days past due RM'000	Total RM'000	Provision for credit loss RM'000
The Bank					
2024					
Other assets	**1,094,547**	**–**	**–**	**1,094,547**	**–**
2023					
Other assets	482,433	–	–	482,433	–

Other financial assets that are past due but not impaired or impaired are not significant.

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2024

50 FINANCIAL RISK MANAGEMENT (CONTINUED)

(i) Credit risk (continued)

Other financial assets - credit quality (continued)

The following table contains an analysis of the credit risk exposure of loans/financing commitments and financial guarantees for which an ECL is recognised.

	12-Month ECL Stage 1 RM'000	Lifetime ECL not credit impaired Stage 2 RM'000	Lifetime ECL credit impaired Stage 3 RM'000	Total RM'000
The Group				
2024				
Loans/Financing commitments and financial guarantees				
Satisfactory	**20,202,475**	**522,111**	**–**	**20,724,586**
Special mention	**1,194**	**90,565**	**–**	**91,759**
Default/impaired	**–**	**–**	**37,665**	**37,665**
	20,203,669	**612,676**	**37,665**	**20,854,010**
Expected credit losses	**10,048**	**4,451**	**2,300**	**16,799**
2023				
Loans/Financing commitments and financial guarantees				
Satisfactory	19,377,403	454,536	–	19,831,939
Special mention	55	93,742	–	93,797
Default/impaired	–	–	155,683	155,683
	19,377,458	548,278	155,683	20,081,419
Expected credit losses	13,452	16,172	19,493	49,117

	12-Month ECL Stage 1 RM'000	Lifetime ECL not credit impaired Stage 2 RM'000	Lifetime ECL credit impaired Stage 3 RM'000	Total RM'000
The Bank				
2024				
Loans/Financing commitments and financial guarantees				
Satisfactory	**8,757,934**	**293,695**	**–**	**9,051,629**
Special mention	**1,194**	**46,103**	**–**	**47,297**
Default/impaired	**–**	**–**	**30,302**	**30,302**
	8,759,128	**339,798**	**30,302**	**9,129,228**
Expected credit losses	**7,313**	**3,183**	**1,213**	**11,709**
2023				
Loans/Financing commitments and financial guarantees				
Satisfactory	8,761,689	232,962	–	8,994,651
Special mention	55	25,160	–	25,215
Default/impaired	–	–	125,155	125,155
	8,761,744	258,122	125,155	9,145,021
Expected credit losses	9,090	5,085	892	15,067

50 FINANCIAL RISK MANAGEMENT (CONTINUED)

(ii) Market risk

Market risk is defined as changes in the market value of a trading or investment position arising from movements in market factors such as interest/profit rate, foreign exchange rates and implied volatility rates. The Group and the Bank's exposure to market risk results largely from interest/profit rate and foreign exchange rate risks.

Market risk may arise from proprietary trading position and investment activities (including those for liquidity requirement purposes) in the Trading and Investment Book respectively.

The Market Risk Management Framework governs the market risk activities of the Group and the Bank which are supported by a set of approved market risk management policies, guidelines and procedures.

Risk control parameters are established based on risk appetite, market liquidity and business strategies as well as macro-economic conditions. These parameters are reviewed at least annually.

Market risk arising from the Trading Book is primarily controlled through the imposition of Stop-loss, Value-at-Risk ('VaR') and sensitivity limits.

Periodic stress tests are conducted to quantify market risk arising from probability of abnormal market movements.

Risk Management Policies and Procedures

Value-at-Risk ('VaR')

VaR estimates the potential loss of a Trading portfolio from adverse market price movements which may occur over a specified holding period of the Trading portfolio.

It measures the risk of losses arising from potential adverse movements in interest/profit rates, implied volatility rates and foreign exchange rates that could affect values of financial instruments.

Backtesting of the VaR results is conducted to validate and reassess the accuracy of the risk measurement systems.

Other risk measures

- Mark-to-market
  Mark-to-market valuation tracks the current market value of the outstanding financial instruments.

- Stress testing
  Stress tests are conducted to attempt to quantify market risk arising from abnormal market movements. Stress tests measure the changes in values primarily arising from extreme movements in interest/profit rates and foreign exchange rates based on Marco-economic Variables ('MEV') provided by in-house research team.

Interest/profit rate sensitivity analysis

The table below shows the interest/profit sensitivity for the financial assets and financial liabilities held as at reporting date.

Impact on profit after tax is measured using Repricing Gap Simulation methodology based on 100 basis point parallel shifts in interest/profit rate.

Impact on equity represents the changes in fair value of fixed income instruments held in financial investments at FVOCI portfolio arising from the shifts in interest/profit rate.

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2024

50 FINANCIAL RISK MANAGEMENT (CONTINUED)

(ii) Market risk (continued)

Interest/profit rate sensitivity analysis (continued)

	2024		2023	
	+100 basis point RM million	-100 basis point RM million	+100 basis point RM million	-100 basis point RM million
The Group				
Impact on profit after taxation	46.7	(46.7)	10.8	(10.8)
Impact on equity	(187.0)	187.0	(183.0)	183.0
The Bank				
Impact on profit after taxation	11.7	(11.7)	(1.9)	1.9

Foreign exchange risk sensitivity analysis

The following table sets out the analysis of the exposure to assess the impact of a 1% change in exchange rate to the profit after taxation.

	The Group		The Bank	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
+1%				
Euro	2,079	348	2,710	218
United States Dollar	(161)	(24,519)	(1,009)	(26,376)
Great Britain Pound	(918)	(153)	165	19
Australian Dollar	5,007	4,532	2,221	1,960
New Zealand Dollar	(69)	(59)	(68)	(59)
Japanese Yen	5	13	(2)	3
Others	(673)	198	(1,196)	(290)
	5,270	(19,640)	2,821	(24,525)
-1%				
Euro	(2,079)	(348)	(2,710)	(218)
United States Dollar	161	24,519	1,009	26,376
Great Britain Pound	918	153	(165)	(19)
Australian Dollar	(5,007)	(4,532)	(2,221)	(1,960)
New Zealand Dollar	69	59	68	59
Japanese Yen	(5)	(13)	2	(3)
Others	673	(198)	1,196	290
	(5,270)	19,640	(2,821)	24,525

Foreign exchange risk

The Group and the Bank are exposed to the effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. The risk of fluctuations in foreign currency exchange rates is managed via setting of thresholds on the level of exposure by currency and in aggregate for both overnight and intra-day positions, which are monitored daily.

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2024

50 FINANCIAL RISK MANAGEMENT (CONTINUED)

(ii) Market risk (continued)

Foreign exchange risk (continued)

The following table summarises the Group's and the Bank's exposure to foreign currency exchange rate risk at reporting date. Included in the table are the Group's and the Bank's financial instruments at carrying amounts, categorised by currency.

	Euro RM'000	United States Dollar RM'000	Great Britain Pound RM'000	Australian Dollar RM'000	New Zealand Dollar RM'000	Japanese Yen RM'000	Others RM'000	Total RM'000
The Group								
2024								
Assets								
Short-term funds	12,398	571,122	10,265	11,615	681	1,270	121,533	728,884
Deposits and placements with banks and other financial institutions	–	–	–	–	–	–	–	–
Financial assets at FVTPL	–	13,423	–	–	–	–	15,377	28,800
Derivative financial instruments	5,519	283,286	203	142	–	209	609	289,968
Financial investments at FVOCI	–	2,117,809	–	1,051,472	–	–	–	3,169,281
Financial investments at AC	–	344,188	–	169,989	–	–	–	514,177
Loans, advances and financing	359,210	1,332,963	263,184	–	–	–	117,987	2,073,344
Amount due from client and brokers	–	21,199	254	160	–	–	8,398	30,011
Other assets	–	4,199	–	(157)	–	3	988	5,033
Total financial assets	377,127	4,688,189	273,906	1,233,221	681	1,482	264,892	6,839,498
Liabilities								
Deposits from customers	94,231	1,259,918	44,460	70,434	9,217	774	193,541	1,672,575
Deposits and placements of banks and other financial institutions	–	3,047,265	349,546	491,977	–	–	151,755	4,040,543
Derivative financial instruments	9,160	200,042	589	11,836	557	–	4,680	226,864
Amount due to client and brokers	–	1,958	138	103	–	–	3,376	5,575
Other liabilities	129	200,184	15	12	5	–	77	200,422
Total financial liabilities	103,520	4,709,367	394,748	574,362	9,779	774	353,429	6,145,979
Net on-balance sheet financial position	273,607	(21,178)	(120,842)	658,859	(9,098)	708	(88,537)	693,519
Off balance sheet commitments	1,462,324	43,984,034	45,380	223,898	10,134	12,595	544,345	46,282,710

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2024

50 FINANCIAL RISK MANAGEMENT (CONTINUED)

(ii) Market risk (continued)

Foreign exchange risk (continued)

The following table summarises the Group's and the Bank's exposure to foreign currency exchange rate risk at reporting date. Included in the table are the Group's and the Bank's financial instruments at carrying amounts, categorised by currency (continued).

	Euro RM'000	United States Dollar RM'000	Great Britain Pound RM'000	Australian Dollar RM'000	New Zealand Dollar RM'000	Japanese Yen RM'000	Others RM'000	Total RM'000
The Group								
2023								
Assets								
Short-term funds	72,988	515,636	16,827	7,431	953	2,736	85,194	701,765
Deposits and placements with banks and other financial institutions	–	–	–	7,905	–	–	–	7,905
Financial assets at FVTPL	–	–	–	–	–	–	16,454	16,454
Derivative financial instruments	8,274	321,245	1,380	279,376	212	98	5,961	616,546
Financial investments at FVOCI	–	670,200	–	104,216	–	–	–	774,416
Financial investments at AC	–	394,268	–	221,193	–	–	65	615,526
Loans, advances and financing	2,758	1,088,935	435,148	–	–	–	208,126	1,734,967
Amount due from client and brokers	–	2,971	1,034	149	–	–	7,790	11,944
Other assets	–	2,648	1	(159)	–	3	1,411	3,904
Total financial assets	84,020	2,995,903	454,390	620,111	1,165	2,837	325,001	4,483,427
Liabilities								
Deposits from customers	33,610	3,562,835	34,170	23,770	8,910	1,142	101,986	3,766,423
Deposits and placements of banks and other financial institutions	–	2,229,532	440,158	–	–	–	192,232	2,861,922
Investment accounts due to designated financial institutions	–	–	–	–	–	–	–	
Derivative financial instruments	4,603	286,446	41	(41)	78	13	1,552	292,692
Amount due to client and brokers	–	686	85	59	–	–	3,168	3,998
Other liabilities	54	142,641	22	12	6	–	73	142,808
Total financial liabilities	38,267	6,222,140	474,476	23,800	8,994	1,155	299,011	7,067,843
Net on-balance sheet financial position	45,753	(3,226,237)	(20,086)	596,311	(7,829)	1,682	25,990	(2,584,416)
Off balance sheet commitments	1,141,192	53,692,471	87,339	210,005	20,457	881	458,180	55,610,525

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2024

50 FINANCIAL RISK MANAGEMENT (CONTINUED)

(ii) Market risk (continued)

Foreign exchange risk (continued)

The following table summarises the Group's and the Bank's exposure to foreign currency exchange rate risk at reporting date. Included in the table are the Group's and the Bank's financial instruments at carrying amounts, categorised by currency (continued).

	Euro RM'000	United States Dollar RM'000	Great Britain Pound RM'000	Australian Dollar RM'000	New Zealand Dollar RM'000	Japanese Yen RM'000	Others RM'000	Total RM'000
The Bank								
2024								
Assets								
Short-term funds	7,377	464,992	1,669	3,146	681	680	58,926	537,471
Deposits and placements with banks and other financial institutions	–	–	–	–	–	–	–	–
Investment accounts due from designated financial institution	–	25,063	–	–	–	–	–	25,063
Financial assets at FVTPL	–	–	–	–	–	–	–	–
Derivative financial instruments	3,442	272,333	203	52	–	19	450	276,499
Financial investments at FVOCI	–	1,118,085	–	725,843	–	–	–	1,843,928
Financial investments at AC	–	344,188	–	136,404	–	–	–	480,592
Loans, advances and financing	359,210	1,053,653	235,058	–	–	–	116,342	1,764,263
Other assets	–	1,740	–	–	–	–	–	1,740
Total financial assets	370,029	3,280,054	236,930	865,445	681	699	175,718	4,929,556
Liabilities								
Deposits from customers	6,308	651,682	44,266	69,108	9,217	742	176,591	957,914
Deposits and placements of banks and other financial institutions	–	2,570,125	170,319	491,977	–	–	151,755	3,384,176
Derivative financial instruments	7,051	189,784	589	12,123	420	235	4,675	214,877
Other liabilities	129	1,254	15	12	5	–	3	1,418
Total financial liabilities	13,488	3,412,845	215,189	573,220	9,642	977	333,024	4,558,385
Net on-balance sheet financial position	356,541	(132,791)	21,741	292,225	(8,961)	(278)	(157,306)	371,171
Off balance sheet commitments	1,386,513	39,389,585	45,380	227,385	10,134	5,791	488,889	41,553,677

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2024

50 FINANCIAL RISK MANAGEMENT (CONTINUED)

(ii) Market risk (continued)

Foreign exchange risk (continued)

The following table summarises the Group's and the Bank's exposure to foreign currency exchange rate risk at reporting date. Included in the table are the Group's and the Bank's financial instruments at carrying amounts, categorised by currency (continued).

	Euro RM'000	United States Dollar RM'000	Great Britain Pound RM'000	Australian Dollar RM'000	New Zealand Dollar RM'000	Japanese Yen RM'000	Others RM'000	Total RM'000
The Bank								
2023								
Assets								
Short-term funds	54,368	475,488	41,203	1,291	953	1,411	48,048	622,762
Deposits and placements with banks and other financial institutions	–	–	–	7,905	–	–	–	7,905
Investment accounts due from designated financial institution	–	66,374	–	–	–	–	–	66,374
Derivative financial instruments	5,698	234,320	156	3,698	212	10	1,346	245,440
Financial investments at FVOCI	–	501,136	–	85,001	–	–	–	586,137
Financial investments at AC	–	394,268	–	183,409	–	–	–	577,677
Loans, advances and financing	–	973,156	406,067	–	–	–	206,386	1,585,609
Other assets	–	1,784	–	–	–	–	–	1,784
Total financial assets	60,066	2,646,526	447,426	281,304	1,165	1,421	255,780	3,693,688
Liabilities								
Deposits from customers	28,854	3,895,313	34,045	23,440	8,910	1,036	101,618	4,093,216
Deposits and placements of banks and other financial institutions	–	1,978,312	410,848	–	–	–	192,232	2,581,392
Derivative financial instruments	2,500	242,942	40	12	1	13	100	245,608
Other liabilities	54	524	22	12	6	–	–	618
Total financial liabilities	31,408	6,117,091	444,955	23,464	8,917	1,049	293,950	6,920,834
Net on-balance sheet financial position	28,658	(3,470,565)	2,471	257,840	(7,752)	372	(38,170)	(3,227,146)
Off balance sheet commitments	975,507	40,765,444	32,891	79,023	9,230	881	158,466	42,021,442

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2024

50 FINANCIAL RISK MANAGEMENT (CONTINUED)

(ii) Market risk (continued)

Interest/profit rate risk

Interest/profit rate risk is the risk to earnings and capital arising from exposure to adverse movements in interest/profit rates mainly due to mismatches in timing repricing of assets and liabilities. These mismatches are actively managed from an earnings and economic value perspective.

The objective of interest/profit rate risk management is to achieve a stable and sustainable net interest/profit income from the following perspectives:

1. Next 12 months' Earnings - Interest/profit rate risk from the earnings perspective is the impact based on changes to the net interest/profit income over the next 12 months. This risk is measured through sensitivity analysis including the application of an instantaneous 100 basis point parallel shock in interest/profit rates across the yield curve.
2. Economic Value - Measuring the change in the EVE is an assessment of the long-term impact to the Group and the Bank's capital. This is assessed through the application of relevant duration factors to capture the net economic value impact over the long term or total life of all balance sheet assets and liabilities to adverse changes in interest/profit rates.

Interest/profit rate risk thresholds are established in line with the Group and the Bank's strategy and risk appetite. These thresholds are reviewed regularly to ensure relevance in the context of prevailing market conditions.

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2024

50 FINANCIAL RISK MANAGEMENT (CONTINUED)

(ii) Market risk (continued)

Interest/profit rate risk (continued)

The following table represents the Group's and the Bank's assets and liabilities at carrying amounts, categorised by the earlier of contractual repricing or maturity dates as at reporting date.

	Non-trading book							
	Up to 1 month RM'000	>1-3 months RM'000	>3-12 months RM'000	>1-5 years RM'000	Over 5 years RM'000	Non-interest/ profit sensitive RM'000	Trading book RM'000	Total RM'000
The Group								
2024								
Assets								
Cash and short-term funds	1,786,819	–	–	–	–	1,066,062	–	2,852,881
Deposits and placements with banks and other financial institutions	–	97,947	200,000	–	–	4,294	–	302,241
Financial assets at FVTPL	–	–	–	–	–	–	1,562,337	1,562,337
Derivative financial instruments	–	–	–	–	–	–	450,370	450,370
Financial investments at FVOCI	9,999	105,021	75,166	1,438,743	2,292,155	9,980,373	–	13,901,457
Financial investments at AC	50,000	189,311	676,138	10,045,345	4,597,847	130,772	–	15,689,413
Loans, advances and financing								
- non-impaired	51,176,400	1,189,452	2,270,449	6,199,901	9,810,448	(653,675)^	–	69,992,975
- impaired	–	–	–	–	–	899,110#	–	899,110
Others [(1)]	65,593	–	–	–	–	1,055,379	–	1,120,972
Statutory deposits with Bank Negara Malaysia	–	–	–	–	–	1,524,530	–	1,524,530
Total assets	53,088,811	1,581,731	3,221,753	17,683,989	16,700,450	14,006,845	2,012,707	108,296,286

^ The negative balance represents ECL for loans, advances and financing in accordance with the Group's accounting policy on allowance for unimpaired loans, advances and financing.

Net of ECL for impaired loans, advances and financing.

(1) Others include other assets, amount due from joint ventures and amount due from client and brokers.

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2024

50 FINANCIAL RISK MANAGEMENT (CONTINUED)

(ii) Market risk (continued)

Interest/profit rate risk (continued)

The following table represents the Group's and the Bank's assets and liabilities at carrying amounts, categorised by the earlier of contractual repricing or maturity dates as at reporting date (continued).

	Non-trading book							
	Up to 1 month RM'000	>1-3 months RM'000	>3-12 months RM'000	>1-5 years RM'000	Over 5 years RM'000	Non-interest/ profit sensitive RM'000	Trading book RM'000	Total RM'000
The Group								
2024								
Liabilities								
Deposits from customers	32,825,006	14,498,422	25,561,399	173,906	–	648,786	–	73,743,519
Investment accounts of customers	375	750,451	2,106	–	–	4,668	–	757,600
Deposits and placements of banks and other financial institutions	4,374,398	2,819,814	1,361,227	–	–	62,972	–	8,618,411
Obligation on securities sold under repurchase agreements	2,529,433	2,472,214	521,985	–	–	43,786	–	5,567,418
Derivative financial instruments	–	–	–	–	–	–	365,936	365,936
Bills and acceptances payable	–	–	–	–	–	32,341	–	32,341
Recourse obligation on loans/financing sold to Cagamas Berhad	–	300,002	350,000	4,436,561	–	41,432	–	5,127,995
Lease liabilities	3,078	1,996	5,708	54,565	57	–	–	65,404
Borrowings and Sukuk	–	–	230,000	1,519,921	1,986,648	28,311	–	3,764,880
Others [(2)]	207,699	–	–	–	–	1,784,204	–	1,991,903
Total liabilities	**39,939,989**	**20,842,899**	**28,032,425**	**6,184,953**	**1,986,705**	**2,682,500**	**365,936**	**100,035,407**
Net interest/profit sensitivity gap	**13,148,822**	**(19,261,168)**	**(24,810,672)**	**11,499,036**	**14,713,745**			

(2) Others include amount due to client and brokers and other liabilities.

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2024

50 FINANCIAL RISK MANAGEMENT (CONTINUED)

(ii) Market risk (continued)

Interest/profit rate risk (continued)

The following table represents the Group's and the Bank's assets and liabilities at carrying amounts, categorised by the earlier of contractual repricing or maturity dates as at reporting date (continued).

	Non-trading book							
	Up to 1 month RM'000	>1-3 months RM'000	>3-12 months RM'000	>1-5 years RM'000	Over 5 years RM'000	Non-interest/ profit sensitive RM'000	Trading book RM'000	Total RM'000
The Group								
2023								
Assets								
Cash and short-term funds	4,735,423	–	–	–	–	906,940	–	5,642,363
Deposits and placements with banks and other financial institutions	–	626,623	207,841	–	–	6,128	–	840,592
Financial assets at FVTPL	–	–	–	–	–	–	606,734	606,734
Derivative financial instruments	–	–	–	–	–	–	470,438	470,438
Financial investments at FVOCI	9,992	94,993	676,464	1,982,085	1,610,741	5,653,492	–	10,027,767
Financial investments at AC	250,000	107,776	639,681	9,341,600	6,122,235	143,610	–	16,604,902
Loans, advances and financing								
- non-impaired	43,546,653	4,569,083	1,297,639	6,627,452	9,356,631	(853,925)^	–	64,543,533
- impaired	–	–	–	–	–	681,464#	–	681,464
Others [(1)]	40,113	–	–	–	–	1,000,252	–	1,040,365
Statutory deposits with Bank Negara Malaysia	–	–	–	–	–	1,395,600	–	1,395,600
Total assets	48,582,181	5,398,475	2,821,625	17,951,137	17,089,607	8,933,561	1,077,172	101,853,758

^ The negative balance represents ECL for loans, advances and financing in accordance with the Group's accounting policy on allowance for unimpaired loans, advances and financing.

Net of ECL for impaired loans, advances and financing.

(1) Others include other assets, amount due from joint ventures and associates and amount due from client and brokers.

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2024

50 FINANCIAL RISK MANAGEMENT (CONTINUED)

(ii) Market risk (continued)

Interest/profit rate risk (continued)

The following table represents the Group's and the Bank's assets and liabilities at carrying amounts, categorised by the earlier of contractual repricing or maturity dates as at reporting date (continued).

	Non-trading book							
	Up to 1 month RM'000	>1-3 months RM'000	>3-12 months RM'000	>1-5 years RM'000	Over 5 years RM'000	Non-interest sensitive RM'000	Trading book RM'000	Total RM'000
The Group								
2023								
Liabilities								
Deposits from customers	31,854,813	12,881,038	25,066,865	316,560	24,807	690,028	–	70,834,111
Investment accounts of customers	345	–	–	12	–	2	–	359
Deposits and placements of banks and other financial institutions	5,305,276	2,257,963	1,449,619	–	–	37,824	–	9,050,682
Obligation on securities sold under repurchase agreements	2,205,203	2,184,460	490,794	–	–	37,453	–	4,917,910
Derivative financial instruments	–	–	–	–	–	–	395,726	395,726
Bills and acceptances payable	–	–	–	–	–	40,686	–	40,686
Recourse obligation on loans/financing sold to Cagamas Berhad	–	450,008	–	3,496,712	–	27,771	–	3,974,491
Lease liabilities	3,430	1,015	7,502	33,774	–	–	–	45,721
Borrowings and Sukuk	–	–	–	2,284,601	994,672	25,128	–	3,304,401
Others [2]	240,425	–	–	–	–	1,163,568	–	1,403,993
Total liabilities	39,609,492	17,774,484	27,014,780	6,131,659	1,019,479	2,022,460	395,726	93,968,080
Net interest/profit sensitivity gap	8,972,689	(12,376,009)	(24,193,155)	11,819,478	16,070,128			

[2] Others include amount due to client and brokers and other liabilities.

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2024

50 FINANCIAL RISK MANAGEMENT (CONTINUED)

(ii) Market risk (continued)

Interest/profit rate risk (continued)

The following table represents the Group's and the Bank's assets and liabilities at carrying amounts, categorised by the earlier of contractual repricing or maturity dates as at reporting date (continued).

	Non-trading book							
	Up to 1 month RM'000	>1-3 months RM'000	>3-12 months RM'000	>1-5 years RM'000	Over 5 years RM'000	Non-interest sensitive RM'000	Trading book RM'000	Total RM'000
The Bank								
2024								
Assets								
Cash and short-term funds	1,286,333	–	–	–	–	674,225	–	1,960,558
Deposits and placements with banks and other financial institutions	–	400,000	200,000	–	–	4,294	–	604,294
Investment accounts due from designated financial institutions	314,449	130,526	628,310	818,019	1,356,976	–	–	3,248,280
Financial assets at FVTPL	–	–	–	–	–	–	1,852,836	1,852,836
Derivative financial instruments	–	–	–	–	–	–	412,598	412,598
Financial investments at FVOCI	–	–	–	–	–	6,046,007	–	6,046,007
Financial investments at AC	–	86,821	441,047	6,836,010	2,589,624	84,618	–	10,038,120
Loans, advances and financing	–	–	–	–	–	–		
- non-impaired	25,078,514	195,417	1,584,592	4,269,611	4,176,711	(370,295)^	–	34,934,550
- impaired	–	–	–	–	–	705,464#	–	705,464
Others [(1)]	–	–	–	–	–	1,094,547	–	1,094,547
Statutory deposits with Bank Negara Malaysia	–	–	–	–	–	867,000	–	867,000
Total assets	26,679,296	812,764	2,853,949	11,923,640	8,123,311	9,105,860	2,265,434	61,764,254

^ The negative balance represents ECL for loans, advances and financing in accordance with the Group's accounting policy on allowance for unimpaired loans, advances and financing.

Net of ECL for impaired loans, advances and financing.

(1) Others include other assets and amount due from subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2024

50 FINANCIAL RISK MANAGEMENT (CONTINUED)

(ii) Market risk (continued)

Interest/profit rate risk (continued)

The following table represents the Group's and the Bank's assets and liabilities at carrying amounts, categorised by the earlier of contractual repricing or maturity dates as at reporting date (continued).

	Non-trading book							
	Up to 1 month RM'000	>1-3 months RM'000	>3-12 months RM'000	>1-5 years RM'000	Over 5 years RM'000	Non-interest sensitive RM'000	Trading book RM'000	Total RM'000
The Bank								
2024								
Liabilities								
Deposits from customers	17,159,443	8,568,956	14,799,993	159,017	–	417,409	–	41,104,818
Deposits and placements of banks and other financial institutions	2,618,757	2,355,979	184,510	–	–	24,343	–	5,183,589
Obligation on securities sold under repurchase agreements	2,151,280	2,472,214	521,985	–	–	43,300	–	5,188,779
Derivative financial instruments	–	–	–	–	–	–	316,611	316,611
Bills and acceptances payable	–	–	–	–	–	32,341	–	32,341
Recourse obligation on loans/financing sold to Cagamas Berhad	–	–	350,000	2,635,544	–	17,020	–	3,002,564
Borrowings and Sukuk	–	4,907	–	–	1,486,648	14,674	–	1,506,229
Lease liabilities	1,437	458	4,425	50,874	57	–	–	57,251
Others [2]	–	–	–	–	–	1,156,555	–	1,156,555
Total liabilities	21,930,917	13,402,514	15,860,913	2,845,435	1,486,705	1,705,642	316,611	57,548,737
Net interest sensitivity gap	4,748,379	(12,589,750)	(13,006,964)	9,078,205	6,636,606			

[2] Others include other liabilities and amount due to subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2024

50 FINANCIAL RISK MANAGEMENT (CONTINUED)

(ii) Market risk (continued)

Interest/profit rate risk (continued)

The following table represents the Group's and the Bank's assets and liabilities at carrying amounts, categorised by the earlier of contractual repricing or maturity dates as at reporting date (continued).

	Non-trading book							
	Up to 1 month RM'000	>1-3 months RM'000	>3-12 months RM'000	>1-5 years RM'000	Over 5 years RM'000	Non-interest sensitive RM'000	Trading book RM'000	Total RM'000
The Bank								
2023								
Assets								
Cash and short-term funds	2,689,465	–	–	–	–	856,220	–	3,545,685
Deposits and placements with banks and other financial institutions	–	1,130,000	7,841	–	–	5,602	–	1,143,443
Investment accounts due from designated financial institutions	371,615	20,000	247,395	1,243,245	1,783,195	–	–	3,665,450
Financial assets at FVTPL	–	–	–	–	–	–	1,302,516	1,302,516
Derivative financial instruments	–	–	–	–	–	–	348,883	348,883
Financial investments at FVOCI	–	–	–	–	–	3,979,219	–	3,979,219
Financial investments at AC	200,000	55,152	715,291	6,723,472	3,387,875	98,628	–	11,180,419
Loans, advances and financing								
- non-impaired	21,239,021	2,793,355	1,131,498	4,439,062	4,892,160	(488,442)^	–	34,006,654
- impaired	–	–	–	–	–	503,796#	–	503,796
Others [(1)]	–	–	–	–	–	482,433	–	482,433
Statutory deposits with Bank Negara Malaysia	–	–	–	–	–	780,000	–	780,000
Total assets	24,500,101	3,998,507	2,102,025	12,405,779	10,063,230	6,217,456	1,651,399	60,938,498

^ The negative balance represents ECL for loans, advances and financing in accordance with the Group's accounting policy on allowance for unimpaired loans, advances and financing.

Net of ECL for impaired loans, advances and financing.

(1) Others include other assets and amount due from subsidiaries and associates.

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2024

50 FINANCIAL RISK MANAGEMENT (CONTINUED)

(ii) Market risk (continued)

Interest/profit rate risk (continued)

The following table represents the Group's and the Bank's assets and liabilities at carrying amounts, categorised by the earlier of contractual repricing or maturity dates as at reporting date (continued).

	Non-trading book							
	Up to 1 month RM'000	>1-3 months RM'000	>3-12 months RM'000	>1-5 years RM'000	Over 5 years RM'000	Non-interest sensitive RM'000	Trading book RM'000	Total RM'000
The Bank								
2023								
Liabilities								
Deposits from customers	17,482,778	7,916,790	15,678,370	249,290	–	454,883	–	41,782,111
Deposits and placements of banks and other financial institutions	3,449,419	1,686,718	533,176	–	–	25,704	–	5,695,017
Obligation on securities sold under repurchase agreements	1,672,320	1,907,454	490,794	–	–	33,386	–	4,103,954
Derivative financial instruments	–	–	–	–	–	–	328,579	328,579
Bills and acceptances payable	–	–	–	–	–	40,686	–	40,686
Recourse obligation on loans/financing sold to Cagamas Berhad	–	450,008	–	2,393,467	–	15,975	–	2,859,450
Borrowings and Sukuk	–	–	–	–	994,672	11,358	–	1,006,030
Lease liabilities	2,308	291	4,580	31,099	–	–	–	38,278
Others [(2)]	–	–	–	–	–	817,771	–	817,771
Total liabilities	22,606,825	11,961,261	16,706,920	2,673,856	994,672	1,399,763	328,579	56,671,876
Net interest sensitivity gap	1,893,276	(7,962,754)	(14,604,895)	9,731,923	9,068,558			

(2) Others include other liabilities and amount due to subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2024

50 FINANCIAL RISK MANAGEMENT (CONTINUED)

(iii) Liquidity risk

Liquidity risk is the risk of inability of a bank to fund increases in assets and meet obligations as they come due, without incurring unacceptable losses. Liquidity risk includes the inability to manage sudden decreases or changes in funding sources. Liquidity risk also arises from the failure to recognise changes in market conditions that affect the ability to liquidate assets quickly and with minimal loss in value.

The Liquidity Risk Management Framework governs the liquidity risk management activities of the Group and the Bank. The objective of liquidity risk management is to ensure that there are sufficient funds to meet contractual and regulatory obligations without incurring unacceptable losses as well as to undertake new transactions. The Group and the Bank's liquidity management process involves establishing liquidity risk management policies and prudential thresholds, liquidity risk threshold monitoring, stress testing and establishing contingency funding plans. These building blocks of liquidity risk management are subject to regular reviews to ensure relevance in the context of prevailing market conditions and regulatory landscape.

The Group and the Bank's short term liquidity risk management is premised on BNM's Liquidity Coverage Ratio ('LCR') standards. The LCR is a quantitative requirement which seeks to ensure that the Group and the Bank holds sufficient High Quality Liquid Assets ('HQLA') to withstand a significant liquidity stress scenario over a 30-day horizon.

Long-term liquidity risk profile is assessed via the Net Stable Funding Ratio ('NSFR') which promotes resilience over a longer time horizon for the Group and the Bank to fund its activities with more stable sources of funding on an ongoing basis.

The Group and the Bank also employs a set of liquidity risk indicators as an early alert of any structural change for liquidity risk management. The liquidity risk indicators include internal and external qualitative as well as quantitative indicators.

Liquidity stress tests are conducted periodically and on ad-hoc basis to gauge the Group and the Bank's resilience in the event of a liquidity disruption.

The Contingency Funding Plan provides a systematic approach in handling liquidity disruption. The document encompasses strategies, decision-making authorities, and courses of action to be taken in the event of liquidity crisis and emergencies, enabling the Group and the Bank to respond to an unexpected liquidity disruption in an effective and efficient manner.

The Group Board Risk Management Committee ('GBRMC') is responsible for the Group and the Bank's liquidity policy and the strategic management of liquidity has been delegated to the Group Asset Liability Management Committee ('GALCO'). The GBRMC is informed regularly on the liquidity position of the Group and the Bank.

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2024

50 FINANCIAL RISK MANAGEMENT (CONTINUED)

(iii) Liquidity risk (continued)

Liquidity risk disclosure table which is based on contractual undiscounted cash flows

The table below provides analysis of cash flow payables for financial liabilities based on remaining contractual maturities on undiscounted basis. The balances in the table below do not agree directly to the balances reported in the statement of financial position as the table incorporates all contractual cash flows, on an undiscounted basis, relating to both principal and interest/profit payments.

	Up to 1 month RM'000	>1-3 months RM'000	>3-12 months RM'000	>1-5 years RM'000	Over 5 years RM'000	Total RM'000
The Group						
2024						
Deposits from customers	**32,943,240**	**14,853,224**	**26,416,405**	**180,822**	**–**	**74,393,691**
Investment accounts of customers	**376**	**760,528**	**2,177**	**–**	**–**	**763,081**
Deposits and placements of banks and other financial institutions	**4,415,950**	**2,866,607**	**1,402,116**	**24,409**	**–**	**8,709,082**
Obligation on securities sold under repurchase agreements	**2,567,197**	**2,496,568**	**526,212**	**–**	**–**	**5,589,977**
Bills and acceptances payable	**32,341**	**–**	**–**	**–**	**–**	**32,341**
Recourse obligation on loans/ financing sold to Cagamas Berhad	**–**	**330,860**	**104,863**	**2,302,610**	**2,729,977**	**5,468,310**
Amount due to client and brokers	**370,282**	**–**	**–**	**–**	**–**	**370,282**
Lease liabilities	**3,299**	**6,519**	**21,619**	**31,157**	**–**	**62,594**
Other liabilities	**315,409**	**25,403**	**1,037,367**	**226,644**	**16,794**	**1,621,617**
Borrowings and Sukuk	**12,603**	**132**	**169,712**	**3,244,985**	**1,112,904**	**4,540,336**
	40,660,697	**21,339,841**	**29,680,471**	**6,010,627**	**3,859,675**	**101,551,311**

	Up to 1 month RM'000	>1-3 months RM'000	>3-12 months RM'000	>1-5 years RM'000	Over 5 years RM'000	Total RM'000
The Group						
2023						
Deposits from customers	31,998,671	13,194,647	25,981,650	362,939	27,727	71,565,634
Investment accounts of customers	–	–	355	14	–	369
Deposits and placements of banks and other financial institutions	5,329,411	3,016,647	1,479,659	–	–	9,825,717
Obligation on securities sold under repurchase agreements	2,222,590	2,205,445	505,960	–	–	4,933,995
Bills and acceptances payable	40,686	–	–	–	–	40,686
Recourse obligation on loans/ financing sold to Cagamas Berhad	–	469,035	1,012,059	2,736,897	–	4,217,991
Amount due to client and brokers	214,162	–	–	–	–	214,162
Lease liabilities	2,064	3,887	17,310	23,788	–	47,049
Other liabilities	330,035	15,680	578,810	243,251	22,055	1,189,831
Borrowings and Sukuk	26,942	–	114,233	3,411,774	600,616	4,153,565
	40,164,561	18,905,341	29,690,036	6,778,663	650,398	96,188,999

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2024

50 FINANCIAL RISK MANAGEMENT (CONTINUED)

(iii) Liquidity risk (continued)

Liquidity risk disclosure table which is based on contractual undiscounted cash flows (continued)

The table below provides analysis of cash flow payables for financial liabilities based on remaining contractual maturities on undiscounted basis. The balances in the table below do not agree directly to the balances reported in the statement of financial position as the table incorporates all contractual cash flows, on an undiscounted basis, relating to both principal and interest/profit payments (continued).

	Up to 1 month RM'000	>1-3 months RM'000	>3-12 months RM'000	>1-5 years RM'000	Over 5 years RM'000	Total RM'000
The Bank						
2024						
Deposits from customers	**17,225,900**	**8,796,854**	**15,289,453**	**165,538**	**–**	**41,477,745**
Deposits and placements of banks and other financial institutions	**2,635,783**	**2,383,354**	**190,344**	**–**	**–**	**5,209,481**
Obligation on securities sold under repurchase agreements	**2,179,800**	**2,496,568**	**526,212**	**–**	**–**	**5,202,580**
Bills and acceptances payable	**32,341**	**–**	**–**	**–**	**–**	**32,341**
Recourse obligation on loans/ financing sold to Cagamas Berhad	**–**	**–**	**59,525**	**411,546**	**2,729,977**	**3,201,048**
Lease liabilities	**2,487**	**4,895**	**19,257**	**27,494**	**–**	**54,133**
Other liabilities	**–**	**–**	**770,594**	**198,596**	**11,709**	**980,899**
Amount due to subsidiaries	**175,656**	**–**	**–**	**–**	**–**	**175,656**
Borrowings and Sukuk	**12,603**	**5,000**	**61,432**	**708,582**	**1,112,904**	**1,900,521**
	22,264,570	**13,686,671**	**16,916,817**	**1,511,756**	**3,854,590**	**58,234,404**

	Up to 1 month RM'000	>1-3 months RM'000	>3-12 months RM'000	>1-5 years RM'000	Over 5 years RM'000	Total RM'000
The Bank						
2023						
Deposits from customers	17,578,214	8,118,258	16,259,974	261,949	–	42,218,395
Deposits and placements of banks and other financial institutions	3,467,298	1,712,161	548,224	–	–	5,727,683
Obligation on securities sold under repurchase agreements	1,685,097	1,925,787	505,960	–	–	4,116,844
Bills and acceptances payable	40,686	–	–	–	–	40,686
Recourse obligation on loans/ financing sold to Cagamas Berhad	–	456,813	979,335	1,581,473	–	3,017,621
Lease liabilities	1,990	3,781	15,362	17,822	–	38,955
Other liabilities	–	–	310,326	199,442	15,068	524,836
Amount due to subsidiaries	292,935	–	–	–	–	292,935
Borrowings and Sukuk	26,942	–	26,649	713,874	600,616	1,368,081
	23,093,162	12,216,800	18,645,830	2,774,560	615,684	57,346,036

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2024

50 FINANCIAL RISK MANAGEMENT (CONTINUED)

(iii) Liquidity risk (continued)

Derivative financial instruments

Derivative financial instruments (liabilities) based on contractual undiscounted cash flows:

	Up to 1 month RM'000	>1-3 months RM'000	>3-12 months RM'000	>1-5 years RM'000	Over 5 years RM'000	Total RM'000
The Group						
2024						
Derivatives settled on net basis						
Interest rate derivatives	**(1,259)**	**(5,226)**	**(9,471)**	**(41,665)**	**(27,554)**	**(85,175)**
Derivatives settled on gross basis						
Foreign exchange derivatives:						
Outflow	**(2,190,301)**	**(2,228,476)**	**(566,369)**	**(13,399)**	**–**	**(4,998,545)**
Inflow	**2,120,737**	**2,172,209**	**546,433**	**13,333**	**–**	**4,852,712**
	(69,564)	**(56,267)**	**(19,936)**	**(66)**	**–**	**(145,833)**

	Up to 1 month RM'000	>1-3 months RM'000	>3-12 months RM'000	>1-5 years RM'000	Over 5 years RM'000	Total RM'000
The Group						
2023						
Derivatives settled on net basis						
Interest rate derivatives	(2,040)	(1,637)	(10,757)	(47,864)	2,569	(59,729)
Derivatives settled on gross basis						
Foreign exchange derivatives:						
Outflow	(11,066,570)	(7,558,938)	(7,309,496)	(178,312)	–	(26,113,316)
Inflow	10,982,821	7,471,913	7,207,073	169,555	–	25,831,362
	(83,749)	(87,025)	(102,423)	(8,757)	–	(281,954)

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2024

50 FINANCIAL RISK MANAGEMENT (CONTINUED)

(iii) Liquidity risk (continued)

Derivative financial instruments (continued)

Derivative financial instruments (liabilities) based on contractual undiscounted cash flows (continued):

	Up to 1 month RM'000	>1-3 months RM'000	>3-12 months RM'000	>1-5 years RM'000	Over 5 years RM'000	Total RM'000
The Bank						
2024						
Derivatives settled on net basis						
Interest rate derivatives	**(1,205)**	**(1,538)**	**(5,354)**	**(15,238)**	**(14,825)**	**(38,160)**
Derivatives settled on gross basis						
Foreign exchange derivatives:						
Outflow	**(1,664,668)**	**(1,617,045)**	**(323,025)**	**–**	**–**	**(3,604,738)**
Inflow	**1,603,885**	**1,572,082**	**312,603**	**–**	**–**	**3,488,570**
	(60,783)	**(44,963)**	**(10,422)**	**–**	**–**	**(116,168)**

	Up to 1 month RM'000	>1-3 months RM'000	>3-12 months RM'000	>1-5 years RM'000	Over 5 years RM'000	Total RM'000
The Bank						
2023						
Derivatives settled on net basis						
Interest rate derivatives	(1,514)	(1,007)	(7,257)	(35,824)	2,569	(43,033)
Derivatives settled on gross basis						
Foreign exchange derivatives:						
Outflow	(8,975,295)	(5,111,474)	(6,682,945)	–	–	(20,769,714)
Inflow	8,915,340	5,050,576	6,595,621	–	–	20,561,537
	(59,955)	(60,898)	(87,324)	–	–	(208,177)

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2024

50 FINANCIAL RISK MANAGEMENT (CONTINUED)

(iii) Liquidity risk (continued)

Liquidity risk for assets and liabilities based on remaining contractual maturities

The maturities of on-balance sheet assets and liabilities as well as other off-balance sheet assets and liabilities, commitments and counter-guarantees are important factors in assessing the liquidity of the Group and the Bank. The table below provides analysis of assets and liabilities into relevant maturity tenures based on remaining contractual maturities.

	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
The Group							
2024							
Assets							
Cash and short-term funds	2,852,881	–	–	–	–	–	2,852,881
Deposits and placements with banks and other financial institutions	–	100,535	201,706	–	–	–	302,241
Financial assets at FVTPL	8,985	103,966	4,950	545,322	614,449	284,665	1,562,337
Derivative financial instruments	138,391	90,831	121,990	93,104	6,054	–	450,370
Financial investments at FVOCI	10,138	106,738	75,607	1,451,948	2,315,019	9,942,007	13,901,457
Financial investments at AC	–	133,335	683,931	10,191,360	4,671,231	9,556	15,689,413
Loans, advances and financing	4,886,187	2,539,541	2,296,150	9,821,818	51,346,311	2,078	70,892,085
Amount due from client and brokers	513,907	–	–	–	–	–	513,907
Other assets	449,019	2,909	132,061	11,936	3,843	2,658	602,426
Amount due from joint ventures	4,639	–	–	–	–	–	4,639
Statutory deposits with Bank Negara Malaysia	1,524,530	–	–	–	–	–	1,524,530
Other non-financial assets[1]	84,441	253	58,954	39,729	–	3,362,444	3,545,821
	10,473,118	3,078,108	3,575,349	22,155,217	58,956,907	13,603,408	111,842,107

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

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2024

50 FINANCIAL RISK MANAGEMENT (CONTINUED)

(iii) Liquidity risk (continued)

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

The maturities of on-balance sheet assets and liabilities as well as other off-balance sheet assets and liabilities, commitments and counter-guarantees are important factors in assessing the liquidity of the Group and the Bank. The table below provides analysis of assets and liabilities into relevant maturity tenures based on remaining contractual maturities (continued).

	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
The Group							
2024							
Liabilities							
Deposits from customers	32,928,744	14,767,039	25,872,585	175,151	–	–	73,743,519
Investment accounts of customers	375	755,114	2,111	–	–	–	757,600
Deposits and placements of banks and other financial institutions	4,409,249	2,839,618	1,369,518	26	–	–	8,618,411
Obligation on securities sold under repurchase agreements	2,555,636	2,488,118	523,664	–	–	–	5,567,418
Derivative financial instruments	145,933	76,084	41,988	96,383	5,548	–	365,936
Bills and acceptances payable	32,341	–	–	–	–	–	32,341
Recourse obligation on loans/financing sold to Cagamas Berhad	–	20,204	371,228	4,736,563	–	–	5,127,995
Amount due to client and brokers	370,282	–	–	–	–	–	370,282
Lease liabilities	2,271	1,996	6,526	54,565	46	–	65,404
Other liabilities	315,409	25,403	1,037,367	226,644	16,794	–	1,621,617
Borrowings and Sukuk	10,890	–	247,571	1,519,772	1,986,647	–	3,764,880
Other non-financial liabilities [(2)]	161,527	569	41,644	1,670	–	2	205,412
	40,932,657	20,974,145	29,514,202	6,810,774	2,009,035	2	100,240,815
Net liquidity gap	(30,459,539)	(17,896,037)	(25,938,853)	15,344,443	56,947,872	13,603,406	

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

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2024

50 FINANCIAL RISK MANAGEMENT (CONTINUED)

(iii) Liquidity risk (continued)

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

The maturities of on-balance sheet assets and liabilities as well as other off-balance sheet assets and liabilities, commitments and counter-guarantees are important factors in assessing the liquidity of the Group and the Bank. The table below provides analysis of assets and liabilities into relevant maturity tenures based on remaining contractual maturities (continued).

	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
The Group							
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 client 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 Bank Negara Malaysia	1,395,600	–	–	–	–	–	1,395,600
Other non-financial assets [1]	113,187	281	41,905	33,532	–	3,205,022	3,393,927
	12,850,174	3,229,351	3,891,126	21,724,574	54,482,668	9,069,792	105,247,685

[1] Other non-financial assets include tax recoverable, deferred tax assets, investment in joint ventures, investment in associates, property and equipment, right-of-use assets, intangibles assets, prepayments and foreclosed properties.

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2024

50 FINANCIAL RISK MANAGEMENT (CONTINUED)

(iii) Liquidity risk (continued)

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

The maturities of on-balance sheet assets and liabilities as well as other off-balance sheet assets and liabilities, commitments and counter-guarantees are important factors in assessing the liquidity of the Group and the Bank. The table below provides analysis of assets and liabilities into relevant maturity tenures based on remaining contractual maturities (continued).

	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
The Group							
2023							
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 of 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 client 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
	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	

[2] Other non-financial liabilities include deferred tax liabilities, provision for taxation, defined contribution plan and accrued employee benefits.

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2024

50 FINANCIAL RISK MANAGEMENT (CONTINUED)

(iii) Liquidity risk (continued)

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

The maturities of on-balance sheet assets and liabilities as well as other off-balance sheet assets and liabilities, commitments and counter-guarantees are important factors in assessing the liquidity of the Group and the Bank. The table below provides analysis of assets and liabilities into relevant maturity tenures based on remaining contractual maturities (continued).

	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
The Bank							
2024							
Cash and short-term funds	1,960,558	–	–	–	–	–	1,960,558
Deposits and placements with banks and other financial institutions	–	402,588	201,706	–	–	–	604,294
Reverse repurchase agreements with financial institutions	8,033	–	–	–	–	–	8,033
Investment accounts due from designated financial institutions	314,449	130,526	628,310	818,018	1,356,977	–	3,248,280
Financial assets at FVTPL	50,069	389,682	–	859,995	416,099	136,991	1,852,836
Derivative financial instruments	141,247	80,196	113,615	72,912	4,628	–	412,598
Financial investments at FVOCI	–	–	–	–	–	6,046,007	6,046,007
Financial investments at AC	–	87,739	447,254	6,880,876	2,612,695	9,556	10,038,120
Loans, advances and financing	1,724,603	1,540,482	1,225,566	6,358,559	24,790,804	–	35,640,014
Other assets	289,408	–	36,865	8,200	3,717	–	338,190
Amount due from subsidiaries	756,357	–	–	–	–	–	756,357
Statutory deposits with Bank Negara Malaysia	867,000	–	–	–	–	–	867,000
Other non-financial assets [1]	44,798	253	57,833	33,583	–	5,969,208	6,105,675
	6,156,522	2,631,466	2,711,149	15,032,143	29,184,920	12,161,762	67,877,962

[1] Other non-financial assets include tax recoverable, deferred tax assets, investment in joint ventures, investment in associates, property and equipment, investment property, right-of-use assets, intangibles assets, prepayments and foreclosed properties.

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2024

50 FINANCIAL RISK MANAGEMENT (CONTINUED)

(iii) Liquidity risk (continued)

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

The maturities of on-balance sheet assets and liabilities as well as other off-balance sheet assets and liabilities, commitments and counter-guarantees are important factors in assessing the liquidity of the Group and the Bank. The table below provides analysis of assets and liabilities into relevant maturity tenures based on remaining contractual maturities (continued).

	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
The Bank							
2024							
Liabilities							
Deposits from customers	17,219,623	8,750,422	14,974,570	160,203	–	–	41,104,818
Deposits and placements of banks and other financial institutions	2,632,055	2,365,198	186,336	–	–	–	5,183,589
Obligation on securities sold under repurchase agreements	2,176,997	2,488,118	523,664	–	–	–	5,188,779
Derivative financial instruments	154,357	65,124	16,323	76,528	4,279	–	316,611
Bills and acceptances payable	32,341	–	–	–	–	–	32,341
Lease liabilities	1,448	458	4,425	50,874	46	–	57,251
Recourse obligation on loans/financing sold to Cagamas Berhad	–	–	367,020	2,635,544	–	–	3,002,564
Other liabilities	–	–	770,594	198,596	11,709	–	980,899
Amount due to subsidiaries	175,656	–	–	–	–	–	175,656
Borrowings and Sukuk	10,890	4,956	3,736	–	1,486,647	–	1,506,229
Other non-financial liabilities [2]	154,846	–	–	–	–	–	154,846
	22,558,213	13,674,276	16,846,668	3,121,745	1,502,681	–	57,703,583
Net liquidity gap	(16,401,691)	(11,042,810)	(14,135,519)	11,910,398	27,682,239	12,161,762	

[2] Other non-financial liabilities include defined contribution plan and accrued employee benefits.

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for the financial year ended 31 December 2024

50 FINANCIAL RISK MANAGEMENT (CONTINUED)

(iii) Liquidity risk (continued)

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

The maturities of on-balance sheet assets and liabilities as well as other off-balance sheet assets and liabilities, commitments and counter-guarantees are important factors in assessing the liquidity of the Group and the Bank. The table below provides analysis of assets and liabilities into relevant maturity tenures based on remaining contractual maturities (continued).

	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
The Bank							
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 Bank Negara Malaysia	780,000	–	–	–	–	–	780,000
Other non-financial assets [1]	74,144	281	38,893	29,651	–	5,646,227	5,789,196
	7,219,247	2,957,486	2,713,475	15,213,787	28,882,651	9,741,048	66,727,694

[1] Other non-financial assets include tax recoverable, deferred tax assets, investment in joint ventures, investment in associates, property and equipment, right-of-use assets, intangibles assets, prepayments and foreclosed properties.

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2024

50 FINANCIAL RISK MANAGEMENT (CONTINUED)

(iii) Liquidity risk (continued)

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

The maturities of on-balance sheet assets and liabilities as well as other off-balance sheet assets and liabilities, commitments and counter-guarantees are important factors in assessing the liquidity of the Group and the Bank. The table below provides analysis of assets and liabilities into relevant maturity tenures based on remaining contractual maturities (continued).

	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
The Bank							
2023							
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/financing 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
	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	

[2] Other non-financial liabilities include defined contribution plan and accrued employee benefits.

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2024

50 FINANCIAL RISK MANAGEMENT (CONTINUED)

(iv) Operational risk management

Operational risk is defined as the risk of direct or indirect loss resulting from inadequate or failed internal processes, people, and systems, or from external events. The definition includes legal risk, but excludes strategic, business, and reputational risks.

The management of operational risk is governed by the Group Operational Risk Management Policy, with ancillary aspects of reputational and outsourcing risks under the purview of the Reputational Risk Policy and the Outsourcing Policy, respectively. Any material changes to the policies require endorsement from the Group Board Risk Management Committee ('GBRMC') before seeking approval from the Board. The Group Management Committee – Governance, Risk and Compliance ('GMC-GRC') which is responsible for reviewing and monitoring operational risk and supporting the GBRMC, provides a forum to discuss and manage all aspects of operational risk, amongst other risk types.

The Group and the Bank employs the Three Lines of Defence model to clearly delineate key roles and responsibilities in managing operational risk. Group Operational Risk Management, a function within Group Risk Management, operates independently as the 2nd Line of Defence. In the 1st Line of Defence, Business Risk and Compliance Managers are designated as champions for their respective divisions. They act as liaisons with the 2nd Line of Defence to oversee and report their respective operational risk via the following tools:

- Risk Control Self-Assessment
- Operational Risk Event Reporting
- Control Self Testing
- Key Risk Indicator
- Operational Risk Scenario Analysis
- Outsourcing Assessment
- Process Risk Control Assessment

(v) Technology risk

Technology risk refers to any risk emanating from technology failures and cyber threats that may disrupt the Group's and the Bank's business such as failures of information technology ('IT') systems, applications, platforms or infrastructures including threats or vulnerabilities exposed from external network or Internet, which could result in financial loss, financial services disruption or the operations of the Group and the Bank. Failures or errors in any of the elements above could also lead to adverse reputational impact to the Group and the Bank.

The technology risk management function within GRM manages the risks associated with technology risk of the Bank. The Group Board IT and Transformation Committee ('GBITC') supports GBRMC in the review and monitoring of technology risks and provides the forum to discuss and manage all aspects of technology risk. GBRMC is responsible to provide oversight of overall technology related matters of the Group and the Bank.

The Group Technology Risk Management Framework and Cyber Resilience Framework governs the management of technology risk across the Group and the Bank.

GBITC represents the Board committee to oversee and review the formulation of IT and digital strategies, costs and planning, including the financial, tactical and strategic benefits of proposed major IT and operational related initiatives.

GBITC reviews and provides input on Technology Risk Management Framework/Cyber Resilience Framework, risk appetite and KRIs to be submitted to GBRMC, for its recommendation to the Board for approval. It also oversees, guides and endorses/approves (as required) major IT initiatives, IT/Cybersecurity policies, technology architecture decisions, IT expenditure and IT priorities as well as overall IT performance for the Group and the Bank.

The Group and the Bank use risk identification and assessment to determine the extent of the potential threat and the risk associated with an IT system throughout its System Development Life Cycle ('SDLC'). The output of this process helps to identify appropriate controls for reducing or eliminating risk during the risk mitigation process.

Technology risk controls encompass the use of technical and non-technical methods. Technical controls are safeguards that are incorporated into computer hardware, software, or firmware (i.e. access control mechanisms, identification and authentication mechanisms, encryption methods, intrusion detection software). Non-technical controls are management and operational controls, such as security policies, operational procedures and personnel, physical and environmental security.

Technology Risk Management reports are produced periodically for the respective stakeholders and committees.

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2024

50 FINANCIAL RISK MANAGEMENT (CONTINUED)

(vi) Shariah non-compliance risk

Shariah non-compliance ('SNC') is the risk of legal or regulatory sanctions, financial loss or non-financial implications including reputational damage, which the Bank may suffer arising from the failure to comply with the rulings of the Shariah Advisory Council of BNM ('SAC'), standards on Shariah matters issued by BNM pursuant to Section 29(1) of the IFSA or decisions or advice of the Shariah Committee.

BNM's policy document on Shariah governance together with the Bank's internal Shariah Governance Policy and Shariah Risk Management Policy are the main references for the Shariah risk management process within the Bank.

Affin Islamic Bank's Shariah Committee is established to provide objective and sound advice to the management to ensure that the aims and operations, business, affairs and activities are in compliance with Shariah.

Shariah Risk Management is part of an integrated risk management that systematically identify, assess, measure, monitor and report Shariah non-compliance risks in the operations, business, affairs and activities of the Bank.

SNC risk is proactively managed via the following risk tools:

1. SNC Loss Event Reporting ('LER') ensure effective and timely SNC internal reporting process;
2. Shariah Risk and Control Self-Assessment ('RCSA') assists business/support unit within the Bank to identify and assess key SNC risks and controls;
3. Shariah Key Risk Indicator ('KRI') facilitates business/support unit within the Bank to measure and monitor a residual risk from the Shariah Risk and Control Self-Assessment; and
4. Shariah Key Control Self-Assessment ('KCSA') facilitates business/support unit within the Bank to assess the effectiveness of control measures.

(vii) Business continuity risk

Business continuity risk encompasses the potential loss of assets, revenue, reputation, and stakeholder confidence resulting from disruptions in business or technology operations. Mitigating this risk is essential to ensuring seamless service continuity, protecting the Bank's financial stability, and maintaining the trust and confidence of Affin's stakeholders and customers.

The Group Business Continuity Management Policy is strategically designed to govern the management of business continuity across the Bank, ensuring strict adherence to the standards set by Bank Negara Malaysia ('BNM'), PayNet, Bursa Malaysia, and the Securities Commission Malaysia. This policy underscores the Bank's commitment to resilience, regulatory compliance, and the seamless continuity of Affin banking operations.

The Group Board Risk Management Committee ('GBRMC') represents the Board committee in reviewing, monitoring, and evaluating business continuity management reports, providing vital insights. To support the GBRMC, the Group Business Continuity Management Committee ('GBCMC') offers an essential forum for in-depth review and proactive management of business continuity risks and operational risk controls, fostering a culture of resilience and accountability across AFFIN Group.

The BCM function plays a vital role in safeguarding the Group and the Bank by overseeing the management of business continuity risks and ensuring effective crisis management. Its strategic oversight is essential in minimising disruptions, protecting critical operations, and maintaining organisational resilience, making it a cornerstone of the Group and the Bank's commitment to operational stability and long-term success.

Annual Risk Assessment ('RA') and Business Impact Analysis ('BIA') are mandatory for all business and support units within the Group and the Bank, reflecting our unwavering commitment to proactive risk management. The outcomes of these assessments will provide a detailed risk register, compelling each unit to implement focused action plans to mitigate identified risks.

Robust policies, plan and processes are in place to support the monitoring and reporting of business continuity risks, ensuring proactive identification, assessment, and management of potential disruptions. These measures enable timely and accurate reporting, facilitating informed decision-making and continuous improvement in managing the business continuity risk.

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2024

50 FINANCIAL RISK MANAGEMENT (CONTINUED)

(viii) Interest/Profit rate benchmark reform

Interest/Profit rate benchmarks (or interbank offered rates ['IBORs']) such as London Interbank Offered Rate ('LIBOR'), Euro Interbank Offered Rate ('EURIBOR') and Kuala Lumpur Interbank Offered Rate ('KLIBOR') were used as reference rates for various financial products, for instance, loans, derivatives and bonds/Sukuk. In the light of recent scandals where IBORs are subjected to rate manipulation, new alternative reference rates ('ARR') or IBOR reforms are initiated to facilitate usage of benchmarks rates that are more transparent and based on actual transactions. They are known as Secured Overnight Financing Rate ('SOFR') in the U.S., Sterling Overnight Index Average ('SONIA') in the U.K. and Euro Short-Term Rate ('ESTR') in the Europe. The Group and the Bank have completed its IBOR migration on 30 June 2023, the last date before USD LIBOR was decommissioned. As at 31 December 2024, the Group and the Bank only has exposures to KLIBOR, AUD Bank Bill Swap ('BBSW') and EURIBOR based financial instruments. BNM and Reserve Bank of Australia ('RBA') have yet to phase out the current KLIBOR and BBSW index to an ARR while the EURIBOR tagged deals were transacted on a back-to-back basis, hence, no exposure to interest/profit rates.

(ix) Fair value of financial instruments

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

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

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2: Quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3: Valuations derived from valuation techniques in which one or more significant inputs are not based on observable market data.

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

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

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.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2024

50 FINANCIAL RISK MANAGEMENT (CONTINUED)

(ix) Fair value of financial instruments (continued)

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

The Group and the Bank recognise transfers between levels of the fair value hierarchy at the end of the reporting period during which the transfer has occurred. Transfers between fair value hierarchy primarily due to change in the level of trading activity, change in observable market activity related to an input, reassessment of available pricing information and change in the significance of the unobservable input. There were no transfers between Level 1, 2 and 3 of the fair value hierarchy during the financial year (2023: Nil).

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

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
The Group				
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
Derivative financial instruments	–	450,370	–	450,370
Financial investments at FVOCI				
- Money market instruments	–	5,926,062	–	5,926,062
- Shares	–	–	267,251	267,251
- Corporate bonds/Sukuk	–	7,708,144	–	7,708,144
Total	147,674	15,362,248	404,242	15,914,164
Financial Liabilities				
Derivative financial instruments	–	365,936	–	365,936

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
The Group				
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
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
Total	90,380	10,653,317	361,242	11,104,939
Financial Liabilities				
Derivative financial instruments	–	395,726	–	395,726
Other liabilities - equities trading	981	–	–	981
Total	981	395,726	–	396,707

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2024

50 FINANCIAL RISK MANAGEMENT (CONTINUED)

(ix) Fair value of financial instruments (continued)

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

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
The Bank				
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
Derivative financial instruments	–	412,598	–	412,598
Financial investments at FVOCI				
- Money market instruments	–	2,137,637	–	2,137,637
- Unquoted shares	–	–	241,057	241,057
- Corporate bonds/Sukuk	–	3,667,313	–	3,667,313
Total	–	7,933,393	378,048	8,311,441
Financial Liabilities				
Derivative financial instruments	–	316,611	–	316,611

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
The Bank				
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
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
Total	–	5,294,141	336,477	5,630,618
Financial Liabilities				
Derivative financial instruments	–	328,579	–	328,579

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2024

50 FINANCIAL RISK MANAGEMENT (CONTINUED)

(ix) Fair value of financial instruments (continued)

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

	The Group		The Bank	
	2024 RM'000	2023 RM'000	**2024 RM'000**	2023 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 alternatives

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

Qualitative information about the fair value measurements using significant unobservable inputs (Level 3):

Description	Fair value assets 2024 RM'000	Fair value assets 2023 RM'000	Valuation techniques	Unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Financial assets at FVTPL					
The Group and The Bank					
Unquoted shares	**136,991**	115,602	Net tangible assets	Net tangible assets	Higher net tangible assets results in higher fair value
Financial investments at FVOCI					
The Group					
Unquoted shares	**267,251**	245,640	Net tangible assets	Net tangible assets	Higher net tangible assets results in higher fair value
The Bank					
Unquoted shares	**241,057**	220,875	Net tangible assets	Net tangible assets	Higher net tangible assets results in higher fair value

In estimating its significance, the Group and the Bank used an approach that is currently based on methodologies used for fair value adjustments. These adjustments reflects the values that the Group and the Bank estimate are appropriate to adjust from the valuations produced to reflect for uncertainties in the inputs used. The methodologies used can be a statistical or other relevant approved techniques.

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2024

50 FINANCIAL RISK MANAGEMENT (CONTINUED)

(ix) Fair value of financial instruments (continued)

The following table summarises the carrying amounts and the fair values of financial instruments of the Group and the Bank which are not carried at fair value in the statement of financial position. It does not include those short term/on demand financial assets and liabilities where the carrying amounts are reasonable approximate to their fair values.

	Carrying amount RM'000	Fair value			
		Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
The Group					
2024					
Financial assets					
Deposits and placements with banks and other financial institutions	**302,241**	**–**	**302,241**	**–**	**302,241**
Financial investments at AC	**15,689,413**	**–**	**15,303,605**	**–**	**15,303,605**
Loans, advances and financing	**70,892,085**	**–**	**71,521,263**	**–**	**71,521,263**
	86,883,739	**–**	**87,127,109**	**–**	**87,127,109**
Financial liabilities					
Deposits from customers	**73,743,519**	**–**	**73,827,888**	**–**	**73,827,888**
Deposits and placements of banks and other financial institutions	**8,618,411**	**–**	**8,610,209**	**–**	**8,610,209**
Obligation on securities sold under repurchase agreements	**5,567,418**	**–**	**5,585,629**	**–**	**5,585,629**
Recourse obligation on loans/financing sold to Cagamas Berhad	**5,127,995**	**–**	**5,668,736**	**–**	**5,668,736**
Borrowings and Sukuk	**3,764,880**	**–**	**3,810,195**	**–**	**3,810,195**
	96,822,223	**–**	**97,502,657**	**–**	**97,502,657**

	Carrying amount RM'000	Fair value			
		Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
The Group					
2023					
Financial assets					
Deposits and placements with banks and other financial institutions	840,592	–	840,592	–	840,592
Financial investments at AC	16,604,902	1,056,550	15,069,261	–	16,125,811
Loans, advances and financing	65,224,997	–	65,738,113	–	65,738,113
	82,670,491	1,056,550	81,647,966	–	82,704,516
Financial liabilities					
Deposits from customers	70,834,111	–	70,838,245	–	70,838,245
Deposits and placements of banks and other financial institutions	9,050,682	–	9,049,822	–	9,049,822
Obligation on securities sold under repurchase agreements	4,917,910	–	4,953,282	–	4,953,282
Recourse obligation on loans/financing sold to Cagamas Berhad	3,974,491	–	4,498,852	–	4,498,852
Borrowings and Sukuk	3,304,401	–	3,360,434	–	3,360,434
	92,081,595	–	92,700,635	–	92,700,635

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2024

50 FINANCIAL RISK MANAGEMENT (CONTINUED)

(ix) Fair value of financial instruments (continued)

The following table summarises the carrying amounts and the fair values of financial instruments of the Group and the Bank which are not carried at fair value in the statement of financial position. It does not include those short term/on demand financial assets and liabilities where the carrying amounts are reasonable approximate to their fair values (continued).

	Carrying amount RM'000	Fair value Level 1 RM'000	Fair value Level 2 RM'000	Fair value Level 3 RM'000	Fair value Total RM'000
The Bank					
2024					
Financial assets					
Deposits and placements with banks and other financial institutions	**604,294**	**–**	**604,294**	**–**	**604,294**
Investment accounts due from designated financial institutions	**3,248,280**	**–**	**3,259,280**	**–**	**3,259,280**
Financial investments at AC	**10,038,120**	**–**	**9,779,173**	**–**	**9,779,173**
Loans, advances and financing	**35,640,014**	**–**	**35,975,136**	**–**	**35,975,136**
	49,530,708	**–**	**49,617,883**	**–**	**49,617,883**
Financial liabilities					
Deposits from customers	**41,104,818**	**–**	**41,153,932**	**–**	**41,153,932**
Deposits and placements of banks and other financial institutions	**5,183,589**	**–**	**5,182,088**	**–**	**5,182,088**
Obligation on securities sold under repurchase agreements	**5,188,779**	**–**	**5,188,779**	**–**	**5,188,779**
Recourse obligation on loans/financing sold to Cagamas Berhad	**3,002,564**	**–**	**3,527,630**	**–**	**3,527,630**
Borrowings and Sukuk	**1,506,229**	**–**	**1,524,789**	**–**	**1,524,789**
	55,985,979	**–**	**56,577,218**	**–**	**56,577,218**

	Carrying amount RM'000	Fair value Level 1 RM'000	Fair value Level 2 RM'000	Fair value Level 3 RM'000	Fair value Total RM'000
The Bank					
2023					
Financial assets					
Deposits and placements with banks and other financial institutions	1,143,443	–	1,143,443	–	1,143,443
Investment accounts due from designated financial institutions	3,665,450	–	3,671,695	–	3,671,695
Financial investments at AC	11,180,419	–	10,850,217	–	10,850,217
Loans, advances and financing	34,510,450	–	34,815,765	–	34,815,765
	50,499,762	–	50,481,120	–	50,481,120
Financial liabilities					
Deposits from customers	41,782,111	–	41,802,668	–	41,802,668
Deposits and placements of banks and other financial institutions	5,695,017	–	5,694,134	–	5,694,134
Obligation on securities sold under repurchase agreements	4,103,954	–	4,103,954	–	4,103,954
Recourse obligation on loans/financing sold to Cagamas Berhad	2,859,450	–	2,888,336	–	2,888,336
Borrowings and Sukuk	1,006,030	–	1,029,415	–	1,029,415
	55,446,562	–	55,518,507	–	55,518,507

Other than as disclosed above, the total fair value of each financial assets and liabilities presented on the statements of financial position as at reporting date of the Group and the Bank approximates the total carrying amount.

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2024

50 FINANCIAL RISK MANAGEMENT (CONTINUED)

(ix) Fair value of financial instruments (continued)

The fair value estimates were determined by application of the methodologies and assumptions described below.

Short-term funds and placements with banks and other financial institutions

For short-term funds and placements with banks and other financial institutions with maturity of less than six months, the carrying amount is a reasonable estimate of fair value.

For amounts with maturities of six months or more, fair values have been estimated by reference to current rates at which similar deposits and placements would be made to banks with similar credit ratings and maturities.

Financial investments at AC

The fair values of financial investments at AC are reasonable estimates based on quoted market prices. In the absence of such quoted prices, the fair values are based on the expected cash flows of the instruments discounted by indicative market yields for the similar instruments as at reporting date or the audited net tangible asset of the invested company.

Loans, advances and financing

Loans, advances and financing of the Group comprise of floating rate loans/financing and fixed rate loans/financing. For performing floating rate loans/financing, the carrying amount is a reasonable estimate of their fair values.

The fair values of performing fixed rate loans/financing are arrived at using the discounted cash flows based on the prevailing market rates of loans, advances and financing with similar credit ratings and maturities.

The fair values of impaired loans, advances and financing, whether fixed or floating are represented by their carrying values, net ECL, being the reasonable estimate of recoverable amount.

Other assets/liabilities and amount due from client and brokers/payables

The carrying value less any estimated allowance for financial assets and liabilities included in other assets/liabilities and amount due from client and brokers/payables are assumed to approximate their fair values as these items are not materially sensitive to the shift in market interest/profit rates.

Amount due (to)/from subsidiaries and related companies

The estimated fair values of the amount due (to)/from subsidiaries and related companies approximate the carrying values as the balances are either recallable on demand or are based on the current rates for such similar loans.

Deposits from customers, banks and other financial institutions, investment accounts of customers, bills and acceptances payable

The carrying values of deposits and liabilities with maturities of six months or less are assumed to be reasonable estimates of their fair values. Where the remaining maturities of deposits and liabilities are above six months, their estimated fair values are arrived at using the discounted cash flows based on prevailing market rates currently offered for similar remaining maturities.

The estimated fair value of deposits with no stated maturity, which include non-interest/profit bearing deposits, approximates carrying amount which represents the amount repayable on demand.

Obligation on securities sold under repurchase agreements

The estimated fair values of obligations on securities sold under repurchase agreements with maturities of less than six months approximate the carrying values. For obligations on securities sold under repurchase agreements with maturities of six months or more, the fair values are estimated based on discounted cash flows using prevailing market interest rates with similar remaining period to maturity.

Borrowings and Sukuk

For fixed rate borrowings and sukuk, the estimate of fair value is based on discounted cash flows model using prevailing lending/financing rates for borrowings/Sukuk with similar risks and remaining term to maturity.

For floating rate borrowings and sukuk, the carrying value is generally a reasonable estimate of their fair values.

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2024

51 OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES

In accordance with MFRS 132 'Financial Instruments: Presentation', the Group and the Bank report financial assets and financial liabilities on a net basis on the statements of financial position only if there is a legally enforceable right to set-off the recognised amounts and there is intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. The following table shows the impact of netting arrangement on:

- All financial assets and liabilities that are reported net on statements of financial position; and
- All derivative financial instruments and reverse repurchase and repurchased agreements and other similar secured lending/ financing and borrowing/funding agreements that are subject to enforceable master netting arrangements or similar agreements, but do not qualify for statements of financial position netting.

The table identifies the amounts that have been offset in the statements of financial position and also those amounts that are covered by enforceable netting arrangements (offsetting arrangements and financial collateral) but do not qualify for netting under the requirements of MFRS 132 described below.

The 'Financial instruments' column identifies financial assets and liabilities that are subject to set-off under netting agreements, such as the ISDA Master Agreement or derivative exchange or clearing counterparty agreements and Global Master Repurchase Agreements, whereby all outstanding transactions with the same counterparty can be offset and close-out netting applied across all outstanding transaction covered by the agreements if an event of default or other predetermined events occur.

Financial collateral refers to cash and non-cash collateral obtained, typically daily or weekly, to cover the net exposure between counterparties by enabling the collateral to be realised in an event of default or if other predetermined events occur.

The 'Net amounts' presented below are not intended to represent the Group and the Bank's actual exposure to credit risk, as a variety of credit mitigation strategies are employed in addition to netting and collateral arrangements.

Obligation on securities sold under repurchase agreements

The 'Financial instruments' column identifies financial assets and liabilities that are subject to set-off under netting agreements, such as Global Master Repurchase Agreements, whereby all outstanding transactions with the same counterparty can be offset and close-out netting applied across all outstanding transaction covered by the agreements if an event of default or other predetermined events occur.

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2024

51 OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

	Effects of offsetting on the statements of financial position			Related amounts not offset in the balance sheet		
	Gross amount RM'000	Amount offset RM'000	Net amount reported on statement of financial position RM'000	Financial instruments RM'000	Financial collateral RM'000	Net amount RM'000
The Group						
2024						
Financial assets						
Reverse repurchase agreements with financial institutions	**8,033**	**–**	**8,033**	**–**	**(8,033)**	**–**
Derivative financial instruments	**450,370**	**–**	**450,370**	**(343,955)**	**(5,165)**	**101,250**
Amount due from client and brokers						
– Amount due from Bursa Securities Clearing Sdn Bhd	**669,694**	**(509,754)**	**159,940**	**–**	**–**	**159,940**
	1,128,097	**(509,754)**	**618,343**	**(343,995)**	**(13,198)**	**261,190**
Financial liabilities						
Obligation on securities sold under repurchase agreement	**5,575,451**	**–**	**5,575,451**	**(4,152,284)**	**(92,495)**	**1,330,672**
Derivative financial instruments	**365,936**	**–**	**365,936**	**(343,955)**	**(8,074)**	**13,907**
Amount due to client and brokers						
– Amount due to Bursa Securities Clearing Sdn Bhd	**509,754**	**(509,754)**	**–**	**–**	**–**	**–**
	6,451,141	**(509,754)**	**5,941,387**	**(4,496,239)**	**(100,569)**	**1,344,579**
The Group						
2023						
Financial assets						
Derivative financial instruments	470,438	–	470,438	(322,889)	(86,001)	61,548
Amount due from client and brokers						
– Amount due from Bursa Securities Clearing Sdn Bhd	699,866	(673,391)	26,475	–	–	26,475
	1,170,304	(673,391)	496,913	(322,889)	(86,001)	88,023
Financial liabilities						
Obligation on securities sold under repurchase agreements	4,917,910	–	4,917,910	(4,467,641)	(87,503)	362,766
Derivative financial instruments	395,726	–	395,726	(322,889)	(60,504)	12,333
Amount due to client and brokers						
– Amount due to Bursa Securities Clearing Sdn Bhd	673,391	(673,391)	–	–	–	–
	5,987,027	(673,391)	5,313,636	(4,790,530)	(148,007)	375,099

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2024

51 OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONTINUED)

	Effects of offsetting on the statements of financial position			Related amounts not offset in the balance sheet		
	Gross amount RM'000	Amount offset RM'000	Net amount reported on statement of financial position RM'000	Financial instruments RM'000	Financial collateral RM'000	Net amount RM'000
The Bank						
2024						
Financial assets						
Reverse repurchase agreements with financial institutions	**8,033**	**–**	**8,033**	**–**	**(8,033)**	**–**
Derivative financial instruments	**412,598**	**–**	**412,598**	**(310,369)**	**–**	**102,229**
	420,631	**–**	**420,631**	**(310,369)**	**(8,033)**	**102,229**
Financial liabilities						
Obligation on securities sold under repurchase agreements	**5,188,779**	**–**	**5,188,779**	**(3,765,612)**	**(92,495)**	**1,330,672**
Derivative financial instruments	**316,611**	**–**	**316,611**	**(310,369)**	**(6,242)**	**–**
	5,505,390	**–**	**5,505,390**	**(4,075,981)**	**(98,737)**	**1 ,330,672**
The Bank						
2023						
Financial assets						
Derivative financial instruments	348,883	–	348,883	(275,253)	–	73,630
Financial liabilities						
Obligation on securities sold under repurchase agreements	4,103,954	–	4,103,954	(3,653,685)	(87,503)	362,766
Derivative financial instruments	328,579	–	328,579	(275,253)	(53,326)	–
	4,432,533	–	4,432,533	(3,928,938)	(140,829)	362,766

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2024

52 CAPITAL MANAGEMENT

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

The Group and the Bank are currently adopting the Standardised Approach for Credit Risk and Market Risk and the Basic Indicator Approach for Operational Risk. In line with the transitional arrangements under the BNM's Capital Adequacy Framework (Capital Components), the minimum capital adequacy requirement for Common Equity Tier 1 Capital Ratio ('CET 1'), Tier 1 Capital Ratio and Total Capital Ratio are 7.00%, 8.50% and 10.50% respectively for the financial year ended 31 December 2024.

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 and the Bank's objectives when managing capital are:

- To comply with the capital requirements set by the regulators of the banking markets where the entities within the Group and the Bank operates;
- To safeguard the Group and the Bank's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- To maintain a strong capital base to support the development of its business.

The Group and the Bank have elected to apply BNM's transitional arrangements for four years beginning on 1 January 2020. Under the transitional arrangements, a financial institution is allowed 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 CET 1 capital.

The Group and the Bank maintain a ratio of total regulatory capital to its risk-weighted assets above a minimum level agreed with the management which takes into account the risk profile of the Group and the Bank.

The table in Note 53 below summarises the composition of regulatory capital and the ratios of the Group and the Bank for the financial year ended 31 December 2024.

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2024

53 CAPITAL ADEQUACY

	The Group		The Bank	
	2024 RM'000	2023 RM'000	**2024 RM'000**	2023 RM'000
The components of CET 1, Tier 1 and Tier 2 capital:				
CET 1				
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 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
Additional Tier 1 capital				
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
Tier 2 capital				
Subordinated medium term loans	**1,000,000**	1,000,000	**500,000**	500,000
Expected loss provisions #	**713,313**	594,530	**380,792**	346,186
Total Tier 2 capital	**1,713,313**	1,594,530	**880,792**	846,186
Total Capital	**12,039,668**	11,958,732	**6,765,993**	6,904,290
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
Capital adequacy ratios:				
With transitional arrangements				
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%
Without transitional arrangements				
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%

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.

NOTES TO THE FINANCIAL STATEMENTS

for the financial year ended 31 December 2024

53 CAPITAL ADEQUACY (CONTINUED)

Note 1 :
Under the DRP, the amount of declared dividend to be deducted in the calculation of CET 1 Capital Ratio is determined in accordance with BNM's Implementation Guidance on Capital Adequacy Framework (Capital Components) (Implementation Guidance) issued on 9 December 2020.

Under the said Implementation Guidance, where a portion of the dividend may be reinvested under a DRP (the electable portion), the amount of the declared dividend to be deducted in the calculation of CET 1 Capital Ratio may be reduced as follows:-

(i) where an irrevocable written undertaking from shareholder has been obtained to reinvest the electable portion of the dividend; or

(ii) where there is no irrevocable written undertaking provided, the average of the preceding 3-year take-up rates or if less than 3 preceding years, the available average historical take-up rates, subject to the amount being not more than 50% of the total electable portion of the dividend.

In arriving at the capital adequacy ratios, the portion of the proposed dividends where no irrevocable written undertaking from shareholders to reinvest the electable portion into new ordinary shares of the Bank is obtained, is assumed to be paid in cash and has been deducted from the calculation of CET 1 Capital Ratio.

In accordance with BNM's Guidelines on Investment Account, the credit and market risk weighted on the assets funded by the RIA are included in calculation of capital adequacy for the Bank. As at 31 December 2024, RIA assets included in the Total Capital Ratio calculation amounted to RM3,259.6 million (2023: RM3,572.1 million).

The capital adequacy ratios of the Affin Islamic is as follows:

	Economic Entity		The Bank	
	2024	2023	**2024**	2023
With transitional arrangements				
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%
Without transitional arrangements				
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 the AHIB is as follows:

	The Group		The Bank	
	2024	2023	**2024**	2023
With transitional arrangements				
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%
Without transitional arrangements				
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.

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2024

54 LITIGATION AGAINST THE BANK

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

55 CREDIT EXPOSURES ARISING FROM TRANSACTIONS WITH CONNECTED PARTIES

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

		The Group		The Bank	
		2024	2023	**2024**	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 a 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

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2024

56 SEGMENT ANALYSIS

Operating segments are reported in a manner consistent with the internal financial reporting system provided to the Chief Operating decision-maker, who is the person or group that allocates resources to and assess the performance of the operating segments of an entity. The Group has determined the President/Group CEO of the respective operating segments as its Chief Operating decision-maker.

The Group's operations are principally conducted in Malaysia and accordingly, no analysis in respect of geographical segments has been presented. The Group comprises the following main segments:

Commercial Banking

The Commercial Banking segment focuses on the business of banking in all aspects including Islamic Banking operations. Its activities are generally structured into four (4) key areas, Corporate Banking, Enterprise Banking, Community Banking and Treasury.

Corporate Banking and Enterprise Banking provide a full range of financial products and services to cater mainly the business and funding needs of corporate customers, ranging from large corporate and the public sector to small and medium enterprises. The products and services offered include long-term loans/financing, project and equipment financing and short-term credit such as overdrafts and trade financing and other fee-based services.

Community Banking comprises the full range of products and services offered to individuals, including savings and fixed deposits, remittance services, current accounts, consumer loans/financing such as vehicle loans/financing (i.e. hire purchase), housing loans/financing, overdrafts/cashlines and personal loans/financing, treasury, credit cards, unit trusts and bancassurance products.

The treasury department oversees liquidity and investments, ensuring optimal financial performance by strategically allocating funds and monitoring market conditions.

Investment Banking

The Investment Banking segment focuses on business of a merchant bank, stock-broking and other related financial services.

This segment focuses on business needs of large corporate customers and financial institutions. The products and services offered to customers include advisory services and structuring of private debt securities, corporate finance and advisory services for corporate listings, mergers and acquisitions, capital raising through issues of equity and debt instruments, corporate and debts restructuring exercises.

It also provides structured lending solutions mainly in support of corporate finance and capital market activities as well as access to a variety of funds and capital market investment products to corporate, institutional and individual investors for competitive returns and other investment benefits including portfolio diversification and liquidity enhancement.

The stock-broking business comprises institutional and retail stock-broking business for securities listed on local and foreign stock exchanges, investment management and research services.

Insurance

The insurance segment includes the business of underwriting all classes of general and life insurance businesses in Malaysia.

Others

Other business segments in the Group include operation of investment holding companies, money-broking, information technology and other related financial services whose results are not material to the Group and therefore do not render separate disclosure in the financial statements and have been reported in aggregate.

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2024

56 SEGMENT ANALYSIS (CONTINUED)

2024	Commercial Banking RM'000	Investment Banking RM'000	Insurance RM'000	Others RM'000	Elimination RM'000	Group RM'000
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 of which:	(1,464,323)	(209,137)	–	(22,000)	27,352	(1,668,108)
Depreciation of property and equipment	(67,655)	(2,319)	–	(332)	–	(70,306)
Depreciation of right-of-use assets	(30,292)	(9,427)	–	(435)	4,303	(35,851)
Amortisation of intangible assets	(19,262)	(740)	–	(14)	–	(20,016)
Write-back of impairment losses on loans, advances, financing and amount due from client and brokers/securities/other assets	90,714	52,084	–	–	8,570	151,368
Segment results	648,488	151,890	–	(9,132)	(138,239)	653,007
Share of results of associates (net of tax)	–	–	54,729	–	–	54,729
Profit before zakat and taxation	648,488	151,890	54,729	(9,132)	(138,239)	707,736
Zakat	(5,370)	(1,337)	–	–	–	(6,707)
Profit before taxation	643,118	150,553	54,729	(9,132)	(138,239)	701,029
Taxation						(191,326)
Net profit for the financial year						509,703
Segment assets	102,653,423	8,282,736	–	3,166	–	110,939,325
ROU assets	62,426	12,975	–	798	(4,334)	71,865
Investment in associates	–	–	830,917	–	–	830,917
Total segment assets						111,842,107
Segment liabilities						
Total segment liabilities	94,728,766	5,496,992	–	15,057	–	100,240,815
Other information						
Capital expenditure	339,038	12,927	–	492	35	352,492

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2024

56 SEGMENT ANALYSIS (CONTINUED)

2023	Commercial Banking RM'000	Investment Banking RM'000	Insurance RM'000	Others RM'000	Elimination RM'000	Group 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 of which:	(1,262,736)	(173,416)	–	(13,577)	28,572	(1,421,157)
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, financing and amount due from client and brokers/ securities/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 financial year						402,191
Segment assets	95,288,834	9,053,699	–	9,765	–	104,352,298
ROU assets	46,744	15,302	–	753	(8,672)	54,127
Investment in associates	–	–	841,260	–	–	841,260
Total segment assets						105,247,685
Segment liabilities						
Total segment liabilities	88,531,754	5,602,598	–	4,518	–	94,138,870
Other information						
Capital expenditure	200,554	14,924	–	1,078	(2,812)	213,744

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2024

57 SIGNIFICANT EVENTS DURING THE CURRENT AND PRECEDING FINANCIAL YEAR

Current Financial Year

Transfer of 26.44% equity interest in Affin Bank between Lembaga Tabung Angkatan Tentera ('LTAT'), the substantial shareholder of the Bank, and its wholly-owned subsidiary, the Boustead Holdings Berhad ('BHB') and the Government of Sarawak ('Divestment').

On 27 September 2024, the Bank announced that the Government of Sarawak through its wholly-owned subsidiary SG Assetfin Holdings Sdn Bhd ('SG Assetfin'), had entered into a sale and purchase agreement ('SPA') with Lembaga Tabung Angkatan Tentera ('LTAT'), the substantial shareholder of the Bank, together with Boustead Holdings Berhad ('BHB'), a wholly-owned subsidiary of LTAT. This agreement involves the divestment of 634,725,096 shares, representing a 26.44% equity interest in Affin Bank ('Divestment').

The SPA was completed on 27 November 2024 and subsequent to completion of the SPA, the Government of Sarawak became the largest shareholder in Affin Bank, holding a 31.25% equity interest.

The shareholdings of LTAT, BHB and SG Assetfin in Affin Bank after the share transfer are as follows:
(i) LTAT's shareholding decreased from 693,338,029 shares (28.88%) to 528,290,622 shares (22.01%);
(ii) BHB's shareholding reduced from 482,110,333 shares (20.08%) to Nil, including 12,432,644 shares disposed of via the open market; and
(iii) The Government of Sarawak's collective shareholding, through SG Assetfin, increased from 4.81% to 31.25%.

Preceding Financial Year

Disposals of 21% equity interest in Generali Life Insurance Malaysia Berhad ('GLIMB') (formerly known as AXA Affin Life Insurance Berhad) and 2.95% equity interest in Generali Insurance Malaysia Berhad ('GIMB') (formerly known as AXA Affin General Insurance Berhad) and proposed merger of the businesses of MPI Generali Insurans Berhad and GIMB.

On 22 June 2021, the Bank announced that it had entered into an Implementation Agreement with Generali Asia N.V. ('Generali') in respect of the following proposals:
(i) Disposal of 21% equity interest in AXA Affin Life Insurance Berhad (now known as Generali Life Insurance Malaysia Berhad) ('GLIMB Disposal'); and
(ii) Disposal of 2.95% equity interest in AXA Affin General Insurance Berhad (now known as Generali Insurance Malaysia Berhad) ('GIMB Disposal').

Simultaneously with the GLIMB Disposal and GIMB Disposal, AXA Asia has also sold its entire 49% shareholding in GLIMB and 49.99% shareholding in GIMB.

The Minister of Finance had on 28 April 2022, approved the GLIMB Disposal and GIMB Disposal pursuant to Sections 89 and 90(6) of the Financial Services Act 2013 to Generali and the share sale agreement ('SSA') was entered into on 18 May 2022.

The SSA became unconditional on 19 August 2022 and was completed on 30 August 2022. Following the completion of the SSA, the Bank holds 30% equity interest in GLIMB and 47% equity interest in GIMB.

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2024

57 SIGNIFICANT EVENTS DURING THE CURRENT AND PRECEDING FINANCIAL YEAR (CONTINUED)

Preceding Financial Year (continued)

With the completion of the GLIMB Disposal and GIMB Disposal, the Bank had also on 30 August 2022 entered into the following agreements:

(i) a shareholders' agreement with Generali and GIMB for the purpose of regulating the affairs of GIMB and the respective rights and obligations of the Bank and Generali, between themselves, as shareholders of GIMB;
(ii) a shareholders' agreement with Generali and GLIMB for the purpose of regulating the affairs of GLIMB and the respective rights and obligations of the Bank and Generali, between themselves, as shareholders of GLIMB;
(iii) a 15-year bancassurance distribution agreement with GIMB for the distribution of the general insurance products through the Bank's channels in Malaysia; and
(iv) a 15-year bancassurance distribution agreement with GLIMB for the distribution of the life insurance products through the Bank's channels in Malaysia.

Following the completion of the GLIMB Disposal and GIMB Disposal, the Bank had on 9 December 2022 entered into a business transfer agreement with Generali, MPI Generali Insurans Berhad ('MPIG') and GIMB where GIMB will acquire certain assets and liabilities of MPIG via a business transfer to AAGI ('Merger'). The Merger was completed on 1 April 2023 and subsequent to completion of the Merger, the Bank holds 30% equity interest in GIMB.

On 27 April 2023, Generali had incorporated GANV Holdings Malaysia Berhad (now known as Generali Malaysia Holding Berhad) ('HoldCo') for the purpose of holding all of the shares in GLIMB and GIMB.

On 31 May 2023, Affin, Generali and HoldCo had executed a share swap agreement where Affin and Generali have agreed to sell, and HoldCo will purchase, all the shares held by Affin and Generali in GLIMB and GIMB in consideration for:

(i) 765,995,451 new ordinary shares in the capital of HoldCo to be issued by HoldCo to Affin; and
(ii) 1,787,322,713 new ordinary shares in the capital of HoldCo to be issued by HoldCo to Generali.

(Collectively referred to as the 'Share Swap')

Completion of the Share Swap had taken place on 31 May 2023 and pursuant thereto HoldCo is 30.00% and 70.00% held by Affin and Generali respectively. Affin and Generali's shareholding in HoldCo is reflective of their shareholdings in GLIMB and GIMB prior to the completion of the Share Swap.

Simultaneous with the completion of the Share Swap, Affin, Generali and HoldCo had on 31 May 2023 executed a shareholders' agreement for the purpose of regulating the affairs of HoldCo and to spell out the respective rights and obligations of Affin and Generali, among themselves, as shareholders of HoldCo and, indirectly through HoldCo, also of GLIMB and GIMB. The earlier shareholders' agreements entered into between Affin, Generali and AALI/AAGI (as the case may be) on completion of the AALI Disposal and AAGI Disposal have been terminated accordingly.

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2024

58 SIGNIFICANT EVENTS SUBSEQUENT TO THE FINANCIAL YEAR

There are no material events subsequent to the balance sheet date.

59 LONG TERM INCENTIVE PLAN ('LTIP')

The Group implemented a Long Term Incentive Plan ('LTIP') in the form of an employees' Share Grant Scheme ('SGS') on 1 August 2023, which was approved by the shareholders at the Annual General Meeting held on 25 May 2023. The SGS is governed by the SGS By-Laws and is administered by the Group Board Nomination & Remuneration Committee ('SGS Committee').

The SGS is a performance share unit scheme where vesting is subject to performance conditions and the SGS Committee may, at any time within the duration of the SGS, grant an SGS award to eligible employees, subject to the terms and conditions of the SGS By-Laws. The SGS shares may be settled through issuance and transfer of new shares, or other modes of settlement as provided by the SGS By-Laws.

The SGS primarily serves as an incentive plan to reward eligible employees and to align their interest with the corporate goals and objectives of the Group. Eligible employees refer to employees of the Group (excluding dormant subsidiary companies) who fulfil the eligibility criteria and have been selected to participate in the SGS by the Bank's Board of Directors, on the recommendations of the SGS Committee, subject to terms and conditions of the SGS By-Laws.

Any offer awarded to a person who is a director or chief executive of the Bank or a person connected to a director, major shareholder or chief executive of the Bank, and the related allotment of shares must be approved by shareholders at a general meeting. The SGS will not be extended to any non-executive directors of any company within our Group.

The maximum number of shares which may be made available under the SGS shall not in aggregate exceed 5% of the Bank's total number of issued shares (excluding treasury shares, if any) at any point in time during the duration of the SGS. Details of SGS are set out below.

	Fair value RM	Awarded (Units '000)	Vesting Date*
Award Date			
7 August 2023 – First grant	1.806	15,592	30 June 2026
1 July 2024 – Second grant	2.080	12,301	30 June 2027

** subject to performance conditions*

The following table indicates the number and movement of SGS shares during the financial year ended 31 December 2024:

	As at 1 January 2024 (Units '000)	Movement during the year		As at 31 December 2024 (Units '000)
		Awarded (Units '000)	Forfeited (Units '000)	
Award Date				
The Group				
7 August 2023 – First grant	**15,563**	-	(1,827)	**13,736**
1 July 2024 – Second grant	**-**	12,335	(34)	**12,301**
The Bank				
7 August 2023 – First grant	**10,798**	-	(1,376)	**9,422**
1 July 2024 – Second grant	**-**	10,138	(34)	**10,104**

NOTES TO THE FINANCIAL STATEMENTS
for the financial year ended 31 December 2024

59 LONG TERM INCENTIVE PLAN ('LTIP') (CONTINUED)

President & Group CEO who has been awarded with SGS during the financial year is listed below:

	No. of SGS Awarded (Units '000)
Datuk Wan Razly Abdullah bin Wan Ali	1,350
(completion of Directorship Tenure w.e.f. 2 April 2024)	
Other directors	2,275

The fair value of SGS shares awarded was estimated taking into account the terms and conditions upon which the SGS shares were awarded. The fair value of SGS shares measured, closing share price at grant date and the assumptions were as follows:

	Award Date	
	1 July 2024	7 August 2023
Fair value of SGS Shares (RM)	**2.080**	1.806
Closing share price at award date (RM)	**2.490**	1.950
Expected volatility (%)	**23.73**	22.21
Vesting period (years)	**3.00**	2.90
Risk-free rate (%)	**3.54**	3.47
Expected dividend yield (%)	**3.44**	5.44

60 AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

The financial statements have been authorised for issue by the Board of Directors in accordance with a resolution of the Directors dated 12 March 2025.

STATEMENT BY DIRECTORS

pursuant to Section 251(2) of the Companies Act 2016

We, DATO' AGIL NATT and GREGORY JEROME GERALD FERNANDES, two of the Directors of Affin Bank Berhad, state that, in the opinion of the Directors, the accompanying financial statements set out on pages 306 to 481 are drawn up so as to give a true and fair view of the state of affairs of the Group and the Bank as at 31 December 2024 and of the results and cash flows of the Group and the Bank for the financial year ended on the date in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

DATO' AGIL NATT
Chairman/Independent Non-Executive Director

GREGORY JEROME GERALD FERNANDES
Independent Non-Executive Director

Kuala Lumpur
12 March 2025

STATUTORY DECLARATION

pursuant to Section 251(1) of the Companies Act 2016

I, JOANNE MAY RODRIGUES, the officer of Affin Bank Berhad primarily responsible for the financial management of the Group and the Bank, do solemnly and sincerely declare that, in my opinion, the accompanying financial statements set out on pages 306 to 481, are correct and I make this solemn declaration conscientiously believing the same to be true, by virtue of the provisions of the Statutory Declarations Act, 1960.

JOANNE MAY RODRIGUES
MIA No. CA17745

Subscribed and solemnly declared by the abovenamed JOANNE MAY RODRIGUES at Kuala Lumpur in Malaysia on 12 March 2025, before me.

COMMISSIONER FOR OATHS

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF AFFIN BANK BERHAD
(Incorporated in Malaysia)
Registration No: 197501003274 (25046-T)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of Affin Bank Berhad ('the Bank') and its subsidiaries ('the Group') give a true and fair view of the financial position of the Group and of the Bank as at 31 December 2024, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

What we have audited

We have audited the financial statements of the Group and of the Bank, which comprise the statements of financial position as at 31 December 2024 of the Group and of the Bank, and the income statements, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Bank for the financial year then ended, and notes to the financial statements, including a summary of material accounting policies, as set out on pages 10 to 176.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the "Auditors' responsibilities for the audit of the financial statements" section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and other ethical responsibilities

We are independent of the Group and of the Bank in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ('By-Laws') and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ('IESBA Code'), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Our audit approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements of the Group and of the Bank. In particular, we considered where the Directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Group and of the Bank, the accounting processes and controls, and the industry in which the Group and the Bank operate.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF AFFIN BANK BERHAD
(Incorporated in Malaysia)
Registration No: 197501003274 (25046-T)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Bank for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Bank as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Impairment of loans, advances and financing assets *(expected credit losses)* (Refer to Summary of Material Accounting Policies Note H (d), Note AE and Note 9 to the financial statements). MFRS 9 requires an expected credit losses ('ECL') impairment model for financial assets measured at amortised cost and fair value through other comprehensive income. The measurement of ECL requires the use of complex models and significant assumptions about future economic conditions and credit behaviour. We focused on the ECL for loans, advances and financing due to the significance of impairment allowance on loans, advances and financing assets balance. The Group and the Bank also exercised significant judgement on the following areas: Timing of identification of Stage 2 and Stage 3 loans, advances and financing • Assessment of objective evidence of impairment of loans, advances and financing based on mandatory and judgemental symptoms • Identification of loans, advances and financing that have experienced a significant increase in credit risk *Individual assessment* • Estimate on the amount and timing of futures cash flows based on realisation of collateral or borrowers'/customers' business cash flows *Collective assessment* • Choosing the appropriate collective assessment models and assumptions for the measurement of ECL such as expected future cash flows and forward-looking macro-economic factors	We tested the design and operating effectiveness of the controls over impairment of loans, advances and financing. These controls covered: • Identification of loans/financing displaying indicators of impairment or loans/financing that have experienced significant increase in credit risk • Governance over the impairment processes, including model development, model approval and model validation • Data used to determine the allowances for credit losses including the completeness and accuracy of the key inputs and assumptions into the ECL models • Calculation, review and approval of the ECL calculation *Individual assessment* We performed individual credit assessment on a sample of loans, advances and financing on those identified as Early Control, Rescheduled and restructured, Stages 2 and 3 accounts, with a particular focus on high risks industries and formed our own judgement on whether the occurrence of loss event or significant increase in credit risk had been identified. Where individual impairment has been identified for loans, advances and financing, we assessed the adequacy of impairment allowance by examining both the quantum and timing of future cash flows used by the Group and the Bank in the impairment loss calculation, challenging the assumptions and comparing estimates to external evidence where available. We also reperformed the calculations of discounted cash flows. *Collective assessment* Where ECL was calculated on a collective basis, our testing, on a sample basis, included the following: • Assessed the methodologies and significant modelling assumptions inherent within the ECL models applied against the requirements of MFRS 9 • Assessed and considered the reasonableness of forward-looking forecasts assumptions • Checked the accuracy of data inputs used in the ECL models and checked the calculation of ECL • Assessed the reasonableness and tested the identification and calculation of overlay adjustments to the ECL, where applicable

We have determined that there are no key audit matters to report for the Bank.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF AFFIN BANK BERHAD
(Incorporated in Malaysia)
Registration No: 197501003274 (25046-T)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Information other than the financial statements and auditors' report thereon

The Directors of the Bank are responsible for the other information. The other information comprises the Directors' Report and Annual Report, but does not include the financial statements of the Group and of the Bank and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Bank does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Bank, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Bank or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial statements

The Directors of the Bank are responsible for the preparation of the financial statements of the Group and of the Bank that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Bank that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Bank, the Directors are responsible for assessing the Group's and the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Bank or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Bank as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

(a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Bank, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Bank's internal control.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF AFFIN BANK BERHAD
(Incorporated in Malaysia)
Registration No: 197501003274 (25046-T)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

(Auditors' responsibilities for the audit of the financial statements (continued)

(d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Bank or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Bank to cease to continue as a going concern.

(e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Bank, including the disclosures, and whether the financial statements of the Group and of the Bank represent the underlying transactions and events in a manner that achieves fair presentation.

(f) Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units withing the Group as a basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Bank for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTERS

This report is made solely to the members of the Bank, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants

LEE TZE WOON KELVIN
03482/01/2026 J
Chartered Accountant

Kuala Lumpur, Malaysia
12 March 2025

BASEL II PILLAR 3 disclosures

AS AT 31 DECEMBER 2024

BASEL II PILLAR 3 DISCLOSURES

As at 31 December 2024

1. INTRODUCTION

1.1 Background

The Capital Adequacy Framework (Basel II - Risk-Weighted Assets) issued by Bank Negara Malaysia ('BNM'), which is the equivalent of the Basel II framework issued by the Basel Committee of Banking Supervision and the Islamic Financial Services Board is structured around three fundamental pillars:

- Pillar 1 defines the minimum capital requirement to ensure that financial institutions hold sufficient capital to cover their exposure to credit, market and operational risks.
- Pillar 2 requires financial institutions to have a process for assessing their overall capital adequacy in relation to their risk profile and a strategy for maintaining their capital levels.
- Pillar 3 requires financial institutions to establish and implement an appropriate disclosure policy that promotes transparency regarding their risk management practices and capital adequacy positions.
- Pillar 3 disclosure is required under the BNM Risk Weighted Capital Adequacy Framework (Basel II) ('RWCAF') - Disclosure Requirements (Pillar 3).
- Affin Bank Berhad ('the Bank') and its subsidiaries ('the Group') adopt the following approaches under Pillar 1 requirements:
  – Standardised Approach for Credit Risk
  – Standardised Approach for Market Risk
  – Basic Indicator Approach for Operational Risk

1.2 Scope of Application

This document contains the disclosure requirements under Pillar 3 for the Group and the Bank for the year ended 31 December 2024. The disclosures are made in line with the Pillar 3 disclosure requirements under the Basel II framework as laid out by BNM.

The disclosures should be read in conjunction with the Group's and the Bank's 2024 Integrated Report for the year ended 31 December 2024.

The capital requirements of the Group and the Bank are generally based on the principles of consolidation adopted in the preparation of its financial statements. The Group incorporates those activities relating to Islamic banking business which have been undertaken by Affin Islamic Bank Berhad ('Affin Islamic'), a wholly owned subsidiary of the Bank.

There are no significant restrictions or impediments on the transfer of funds or regulatory capital within the Group. Any such transfers would require the approvals of the Board of Directors and BNM.

There were no capital deficiencies in any of the subsidiaries of the Group as at the financial year ended 31 December 2024.

BASEL II PILLAR 3 DISCLOSURES
As at 31 December 2024

2. RISK GOVERNANCE STRUCTURE

2.1 Overview

The Board of Directors ('the Board') of the Group and the Bank are ultimately responsible for the overall performance of the Group and the Bank. The Board's responsibilities are congruent with the framework of BNM Guidelines. The Board also exercises great care to ensure that high ethical standards are upheld and that the interests of stakeholders are not compromised. These include responsibility for determining the Group and the Bank's general policies and strategies for the short, medium and long term, approving business plans, including targets and budgets, and approving major strategic decisions.

The Board has overall responsibility for maintaining the proper management and protection of the Group's and the Bank's interests by ensuring effective implementation of the risk management policy and process, as well as adherence to a sound system of internal controls. The Board also recognises that risks cannot be eliminated completely. As such, the inherent system of internal controls is designed to provide a reasonable though not absolute assurance against the risk of material errors, fraud or losses occurring. The system of internal controls encompasses controls relating to financial, operational, risk management and compliance with applicable laws, regulations, policies and guidelines.

The terms of reference of the Board Committees as disclosed in the Integrated Report provide an outline of their respective roles and functions. In carrying out its functions, the Board has delegated specific responsibilities to other Board Committees, which operate under approved terms of reference, to assist the Board in discharging their duties. The Chairmen of the various Committees report on the outcome of their Committee meetings to the Board and any further deliberation is made at Board level, if required. These reports and deliberations are incorporated into the Minutes of the Board meetings. The Board meets on a monthly basis.

2.2 Board Committee

Group Board Nomination and Remuneration Committee ('GBNRC')

The GBNRC is responsible for providing a formal and transparent procedure for the appointment of Directors, Chief Executive Officer and Senior Management. The GBNRC develops the remuneration policy for Directors, Chief Executive Officer, Senior Management and other material risk takers, whereby, it assesses the effectiveness of individual Director, the Board as a whole and the performance of the Chief Executive Officer as well as Senior Management. The Committee obtains advice from experts in compensation and benefits, both internally and externally.

Group Board Compliance Committee ('GBCC')

The GBCC is responsible for overseeing, assessing and examining the adequacy of group compliance management frameworks including the policies, procedures and processes of the Group and the Bank. The Committee assists the Board in overseeing the management of the Group's and the Bank's compliance risk by ensuring compliance process is in place and functioning in line with the expectations of the regulators namely BNM, Securities Commission and Bursa Malaysia. It reviews and recommends compliance risk management philosophy and strategy for Board's approval, also ensuring clear and independent reporting lines and responsibilities for the overall business activities and compliance functions and recommending organisational alignments, where necessary, to the Board.

Group Board Risk Management Committee ('GBRMC')

The GBRMC is responsible for overseeing the risk management activities in managing credit, market, liquidity, operational, legal, reputational and other material risks as well as ensuring that the risk management process is in place and functioning effectively. The Committee assists the Board in ensuring that the risk management framework, policies and procedures adequately safeguard the Group and the Bank against all relevant risks.

The Committee is also responsible for providing oversight on the Group's and the Bank's risk strategy and risk appetite, ensuring alignment with the strategic goals and objectives.

BASEL II PILLAR 3 DISCLOSURES
As at 31 December 2024

2. RISK GOVERNANCE STRUCTURE (CONTINUED)

2.2 Board Committee (continued)

Group Board Credit Review and Recovery Committee ('GBCRRC')

The GBCRRC is responsible for providing critical review of financing and other credit facilities with high risk implications and vetoing financing applications that have been approved by the Group Management Credit Committee ('GMCC') as appropriate.

Group Board Audit Committee ('GBAC')

The GBAC is responsible for providing oversight and reviewing the adequacy and integrity of the internal control systems as well as oversees the work of the internal and external auditors.

Reliance is placed on the results of independent audits performed primarily by internal auditors, the outcome of statutory audits on financial statements conducted by external auditors and on representations by Management based on their control self-assessment of all areas of their responsibility.

Minutes of GBAC meetings, which provide a summary of the proceedings, are circulated to Board members for notation and discussion. The Group and the Bank have an established Group Internal Audit Division ('GIA') which reports functionally to the GBAC and administratively to the President & Group Chief Executive Officer ('PGCEO') of the Group.

Group Board IT and Transformation Committee ('GBITC')

The GBITC is responsible to oversee overall development, risk management, integration and alignment of Information Technology (IT) strategy plan with the Group's business strategy. Leveraging on technology for new business models, changing business practices, driving competitive advantage and empowering next level thinking. GBITC also provides oversight on the overall Group's and Bank's strategic transformation programme, ensure alignment with business strategic objectives and goals, as well as ensure strategic initiatives are being implemented effectively and in a timely manner.

Shariah Committee ('SC')

The SC is formed as legislated under the Islamic Financial Services Act 2013 and as per the Shariah Governance Framework for Islamic Financial Institutions.

The roles and responsibilities of the SC include advising the Board on Shariah matters to ensure that the business operations of Affin Islamic and the Islamic financing business of the Bank comply with Shariah principles at all times.

SC is also responsible for endorsing and validating relevant documentations of Affin Islamic's products to ensure that the products comply with Shariah principles and advising Affin Islamic on matters to be referred to the Shariah Advisory Council.

Group Board Sustainability Committee ('GBSC')

The GBSC is responsible for supervising the development and execution of the Group Sustainability matters. This includes the Value-based Intermediation Financing & Investment Impact Assessment Framework (VBIAF). The committee assist the Board by providing advice and direction in the formulation, execution, and monitoring of strategies, frameworks, and policies related to Sustainability, VBIAF, climate change and ensuring compliance with regulatory requirements namely Bursa Malaysia, Bank Negara, etc. with regards to sustainability matters.

The GBSC conducts reviews and makes recommendations to the Board regarding the appropriateness of the Group's strategies related to climate, VBIAF, and sustainability. These strategies include position statements, frameworks, ambitions, metrics, and targets. The committee's recommendations are based on thorough assessments and are aimed at ensuring that the Group's strategies align with its sustainability goals and commitments to addressing climate change.

BASEL II PILLAR 3 DISCLOSURES
As at 31 December 2024

2. RISK GOVERNANCE STRUCTURE (CONTINUED)

2.3 Group Management Committee

Group Management Committee ('GMC')

The GMC comprises the senior management team chaired by PGCEO of Affin Bank Berhad. GMC is responsible for assisting the Board in managing the day-to-day operations, formulating tactical plans and business strategies while monitoring the banking entities' overall performance and ensuring all business activities conducted are in accordance with the Group's and the Bank's corporate objectives, strategies, policies as well as Annual Business Plan and Budget.

The GMC is supported by the following sub-committees:

- Islamic
- Capital Management
- Governance, Risk and Compliance
- Branch Performance
- IT, Operations, Digital and Customer Experience

Group Management Credit Committee ('GMCC')

The GMCC is established within senior management to approve complex and large financings and workout/recovery proposals beyond the delegated authority of the individual approvers.

Group Asset and Liability Management Committee ('GALCO')

The GALCO comprising the senior management team chaired by the PGCEO, manages the Group's and the Bank's asset and liability position by identifying, managing and controlling balance sheet risks and capital management in the execution of the business strategy, while implementing asset liability strategy and policy for the balance sheet of the respective subsidiary.

Group Management Committee – Governance, Risk and Compliance ('GMC-GRC')

The GMC-GRC is a senior management committee chaired by the PGCEO that monitors activities related to risk management, compliance, governance and audit through the review and deliberation of reports on key legal matters (including potential litigation), compliance, risk management and audit-related activities.

Group Early Alert Committee ('GEAC')

The GEAC is a senior management committee, established to monitor credit quality through monthly reviews of the Early Control (MFRS 9 Stage 1) and Underperforming (MFRS 9 Stage 2) accounts as well as to review the actions taken to address the emerging risks and issues in these accounts.

2.4 Group Risk Management Function

Group Risk Management ('GRM'), headed by the Group Chief Risk Officer ('GCRO') is segregated from the lines of business, with direct reporting line to the GBRMC to preserve the independence of the risk management function.

The independence of the risk management function is critical towards controlling and managing the risk-taking activities of the Group and the Bank to achieve an optimum balance of risk and return in line with the subsidiaries' risk appetite while taking into the differences in each subsidiary's business model.

The alignment of risk function and responsibilities across the Group and the Bank is managed through streamlined frameworks, policies, guidelines and processes with the goal of achieving uniform risk management practices as well as enhancing risk culture and awareness across all business and support units.

BASEL II PILLAR 3 DISCLOSURES

As at 31 December 2024

2. RISK GOVERNANCE STRUCTURE (CONTINUED)

2.5 Internal Audit and Internal Control Activities

The scope of internal auditing encompasses the objective examination and evaluation of the adequacy and effectiveness of the Group's governance, risk management, and internal controls. The reviews by GIA focused on areas of significant risks and effectiveness of internal controls in accordance with the audit plan approved by the GBAC.

Based on GIA's review, identification and assessment of risk, testing, and evaluation of controls, GIA will provide an opinion on the effectiveness and efficiency of the internal controls established by the Management in addressing the applicable policies, plans, procedures, laws and regulations including Shariah related matters and BNM’s directive and instructions. The risks highlighted on the respective auditable areas as well as a recommendation made by the GIA are addressed at GBAC and Management meetings. The GBAC also conducts annual reviews on the adequacy of the internal audit function, scope of work, resources, and budget of GIA.

3. CAPITAL MANAGEMENT

3.1 Internal Capital Adequacy Assessment Process ('ICAAP')

In line with the BNM guideline on Risk-Weighted Capital Adequacy Framework - Internal Capital Adequacy Assessment Process (ICAAP) (Pillar 2), the Group and the Bank have instituted the ICAAP Framework (Framework) to assess the overall capital adequacy in relation to the nature, size and complexity of the Group and the Bank that impact the institutional risk profile. The Framework aims to ensure that the Group and Bank are able to maintain healthy capital levels to support strategic business priorities and forward-looking risk assessment in order to ensure that capital demand and supply is considered for both business as-usual and stressed conditions.

The Group’s and the Bank's capital management approach is anchored in the integration of risk management and capital planning process. The Group and Bank operate within a Board approved Risk Appetite that ensures that business growth is done in a responsible and sustainable manner. A key aspect of the risk management process on an enterprise-wide basis is the annual comprehensive risk assessment undertaken by the Group and the Bank to identify and measure the following risks:

- Risks captured under Pillar 1 (credit risk including exposure to central counterparties, market risk and operational risk);
- Risks not fully captured under Pillar 1 (e.g. model risk); and
- Risk types not covered by Pillar 1 (e.g. credit concentration risk, interest rate risk/rate of return on banking book, reputation risk, business and strategic risk, amongst others).

Material Risk Assessment ('MRA') is conducted as part of the ICAAP to identify material risks of the Group and the Bank spanning across retail, commercial, investment banking and business operations. The identification of material risks is aimed to ensure that the Group and the Bank are aware of the potential downside impact that are associated with the day-to-day running of the business. The identification of risks allows for robust management of the potential impact in the event the material risks crystalise. For each material risk identified, the Group and the Bank will ensure appropriate risk mitigation is in place and conduct regular risk monitoring to manage the risk. The management of risk across the Group and the Bank is facilitated by the Risk Management Process and it is embedded through various risk policies and frameworks across the entities.

The Group’s and the Bank’s stress testing process is guided by the Group’s Stress Testing Policy. Stress testing is an essential risk management tool to assess a banking institution’s potential vulnerabilities to stressed business conditions. It involves identifying possible events or future changes in the financial and macroeconomic conditions that potentially have unfavorable effects on the Group and the Bank’s exposure and ability to withstand such changes usually in relation to the resilience of its capital, earnings sustainability and liquidity strength.

It forms an integral part of the ICAAP and risk management process, enabling the Group and the Bank to assess the impact on its capital adequacy in line with supervisory expectations and requirements.

BASEL II PILLAR 3 DISCLOSURES
As at 31 December 2024

3. CAPITAL MANAGEMENT (CONTINUED)

3.1 Internal Capital Adequacy Assessment Process ('ICAAP') (continued)

The Group's and the Bank's stress testing has the following objectives:

- to identify and quantify vulnerabilities of the portfolio under stressed conditions;
- to develop appropriate strategies for mitigating and actively managing such risks under stressed conditions, e.g. setting of risk appetite, restructuring positions and contingency plans;
- to evaluate the capacity to withstand stressed situations in terms of solvency; and
- to produce stress test results as an input in determining the internal capital threshold.

3.2 Capital Structure

The total capital and capital adequacy ratios of the Group and the Bank are computed in accordance with BNM's Capital Adequacy Framework (Capital Components).

The Group and the Bank are 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's Capital Adequacy Framework (Capital Components), the minimum capital adequacy requirement for Common Equity Tier 1 Capital Ratio ('CET1') 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 following table sets forth further details on the capital resources and capital adequacy ratios for the Group and the Bank as at 31 December 2024.

	The Group		The Bank	
	2024 RM'000	2023 RM'000	**2024 RM'000**	2023 RM'000
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/(losses) on FVOCI instruments	**170,624**	169,540	**207,027**	204,573
Other disclosed reserves	**3,493**	4,146	**17,241**	4,146
Foreign exchange reserves	**–**	–	**–**	–
	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% 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 CET1 transitional adjustment	**–**	326,618	**–**	175,370
CET1 capital	**9,326,355**	9,364,202	**5,385,201**	5,558,104

BASEL II PILLAR 3 DISCLOSURES
As at 31 December 2024

3. CAPITAL MANAGEMENT (CONTINUED)

3.2 Capital Structure (continued)

	The Group		The Bank	
	2024 RM'000	2023 RM'000	**2024 RM'000**	2023 RM'000
Additional Tier 1 Capital				
Additional Tier 1 Capital	**1,000,000**	1,000,000	**500,000**	500,000
	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
Subordinated term financing and medium term notes (MTNs)	**1,000,000**	1,000,000	**500,000**	500,000
Qualifying loss provisions#	**713,313**	594,530	**380,792**	346,186
Less: Regulatory adjustments				
Investment in capital instruments of unconsolidated financial and insurance entities	**–**	–	**–**	–
Total Tier 2 capital	**1,713,313**	1,594,530	**880,792**	846,186
Total capital	**12,039,668**	11,958,732	**6,765,993**	6,904,290
Risk weighted assets for:				
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
Capital adequacy ratios:				
With transitional arrangements*				
CET1 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%
Net of proposed dividends (Note 1)				
CET1 capital ratio	**N/A**	14.259%	**N/A**	13.066%
Tier 1 capital ratio	**N/A**	15.787%	**N/A**	14.247%
Total capital ratio	**N/A**	18.223%	**N/A**	16.247%
Without transitional arrangements				
CET1 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%
Net of proposed dividends (Note 1)				
CET1 capital ratio	**13.217%**	13.760%	**12.145%**	12.651%
Tier 1 capital ratio	**14.635%**	15.288%	**13.272%**	13.883%
Total capital ratio	**17.063%**	17.954%	**15.258%**	16.167%

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

* The Group and the Bank have opted to apply BNM's transitional arrangement for four financial years spanning from 1 January 2020 to 31 December 2023. Under the transitional arrangements, financial institutions are permitted to add back the amount of loss allowance measured at an amount equal to 12-month expected credit losses and lifetime expected credit losses to the extent they are ascribed to non-credit-impaired exposures (which is Stage 1 and Stage 2 provisions), to CET1 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, these transitional arrangements are no longer applicable.

BASEL II PILLAR 3 DISCLOSURES
As at 31 December 2024

3. CAPITAL MANAGEMENT (CONTINUED)

3.2 Capital Structure (continued)

Note 1:

In accordance with the Implementation Guidance on Capital Adequacy Framework (Capital Components) dated 9 December 2020, under the Dividend Reinvestment Plan (DRP), where a portion of the dividend may be reinvested under a DRP (the electable portion), the amount of the declared dividend to be deducted from the Group and the Bank's CET1 Capital 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 CET1 Capital.

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 RM3,259.6 million (2023: RM3,572.1 million).

The Group and the Bank have issued capital instruments which qualify as components of regulatory capital under the BNM CAF (Capital Components), as summarised in the following table:

	RM500 million 5.70% Non-Convertible Perpetual Additional Tier 1 Capital Securities Non-Callable 5 Years	RM500 million 5.10% Non-Convertible Perpetual Additional Tier 1 Sukuk Wakalah	RM500 million 5% Non-Convertible 10Y Non-callable 5Y Tier 2 Subordinated Medium Term Notes	RM500 million 4.66% Non-Convertible 10Y Non-callable 5Y Tier 2 Sukuk Murabahah
Issuer	Affin Bank Berhad	Affin Islamic Bank Berhad	Affin Bank Berhad	Affin Islamic Bank Berhad
Governing laws	Laws of Malaysia	Laws of Malaysia	Laws of Malaysia	Laws of Malaysia
Instrument Type	Additional Tier 1	Additional Tier 1	Tier 2	Tier 2
Programme size	RM3 billion	RM5 billion	RM6 billion	RM5 billion
Par value of instrument	RM500 million	RM500 million	RM500 million	RM500 million
Original date of issuance	23-Jun-23	10-Oct-23	26-Jul-22	13-Oct-23
Perpetual or dated	Perpetual	Perpetual	Dated	Dated
Original maturity date	No Maturity	No Maturity	26-Jul-32	13-Oct-33
Issuer call subject to prior supervisory approval	Yes	Yes	Yes	Yes
First call date	23-Jun-28	10-Oct-28	26-Jul-27	13-Oct-28
Fixed or floating dividend/ coupon	Fixed	Fixed	Fixed	Fixed
Coupon rate	5.70%	5.10%	5.00%	4.66%
Convertibility of Issuance	Non-Convertible	Non-Convertible	Non-Convertible	Non-Convertible
Details of security/ collateral pledged	Unsecured	Unsecured	Unsecured	Unsecured
Position in subordination hierarchy in liquidation	Immediately subordinated to Tier 2 capital instruments	Immediately subordinated to Tier 2 capital instruments	Immediately subordinated to senior creditors	Immediately subordinated to senior creditors

BASEL II PILLAR 3 DISCLOSURES
As at 31 December 2024

3. CAPITAL MANAGEMENT (CONTINUED)

3.3 Capital Adequacy

The Group and the Bank have in place an internal limit for its CET1 capital ratio, Tier I capital ratio and Total capital ratio, which is guided by the need to maintain a prudent relationship between available capital and the risks of its underlying businesses. The capital management process is monitored by senior management through periodic reviews.

Refer to Appendix I.

4. RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Bank are principally engaged in all aspects of banking and related financial services. The principal activities of the Bank's subsidiaries are Islamic banking business, investment banking, stockbroking activities, dealing in options and futures, property management services, nominee and trustee services.

The Group's and the Bank's business activities involved the analysis, measurement, management and acceptance of risks. The Group and the Bank operate its business activities within well-defined risk acceptance criteria and do not enter into transactions where the risks cannot be quantified or managed. The Group and the Bank do not enter into transactions where the risks arising from the same cannot be administered, quantified, monitored or valued. The Group and the Bank do not deal with persons of questionable integrity.

The Group and the Bank have established robust and comprehensive risk management policies and framework based on best practices, to ensure that the salient risk elements in the operations of the Group and the Bank are adequately managed and mitigated.

The risk management policies are established to identify, assess, measure, control and mitigate all key risks, as well as manage and monitor the risk positions. The risk measurement tools employed are commonly used in market practices and commensurate with the size and complexity of the Group's and the Bank's business operations.

The risk management policies and systems are reviewed regularly to reflect changes in markets, products and best practices in risk management processes. The Group's and the Bank's aim are to achieve an appropriate balance between risk and return as well as minimise any potential adverse effects.

5. CREDIT RISK

5.1 Credit Risk Management Objectives and Policies

Credit risk is the risk that a counterparty will fail to meet its contractual obligations which could result in a financial loss to the Group and the Bank. The Group's and the Bank's exposure to credit risks arises primarily from stockbroking trade receivables, share margin financing, corporate/inter-bank lending activities, bonds investment, foreign exchange trading as well as equity and debt underwriting and from participation in securities settlements and payment transactions.

The management of credit risk is governed by a set of approved credit policies, guidelines and procedures to ensure that the overall lending objectives are in compliance with the internal and regulatory requirements. The risk management policies are subject to review by the GBRMC, a sub-committee of the Board that reviews the adequacy of the Group's and the Bank's risk policies and framework. The Group's and the Bank's credit risk framework is further strengthened through an established process for the approval and review of proposals that comprises the GMCC and the GBCRRC. The GMCC represents the approving authority for credit and underwriting proposals, whilst the GBCRRC is the committee that reviews proposals that exceed specified limits and criteria, as well as to consider whether to reject the proposal or modify the terms of the proposal.

The Group and the Bank recognise that learning is a continuous journey and is committed to enhancing the knowledge and skills set of its staff. It places strong emphasis on creating and enhancing risk awareness in the organisation.

The Group and the Bank is supportive of credit officers in pursuing credit certification programmes offered by the Asian Institute of Chartered Bankers ('AICB'). Upon attaining the Chartered Banker certification, credit officers are expected to demonstrate sound understanding of credit process and competence to undertake credit roles and responsibilities.

BASEL II PILLAR 3 DISCLOSURES
As at 31 December 2024

5. CREDIT RISK (CONTINUED)

5.2 Application of Standardised Approach for Credit Risk

The Group and the Bank use the following External Credit Assessment Institutions ('ECAIs') to determine the risk weights for the rated credit exposures:-

- RAM Rating Services Berhad
- Malaysian Rating Corporation Berhad
- Standard & Poor's Rating Services
- Moody's Investors Service
- Fitch Ratings

The external ratings of the ECAIs are used to determine the risk weights of the following types of exposure: sovereigns, banks, public sector entities and corporates.

The mapping of the rating categories of different ECAIs to the risk weights is in accordance with BNM guidelines. In cases where there is no issuer or issue rating, the exposures are treated as unrated and accorded a risk weight appropriate for unrated exposure in the respective category.

The following is a summary of the prescribed rules governing the Standardised Approach for rated and unrated exposures.

Long Term Credit Rating Category by ECAIs under Standardised Approach:

Rating Category	External Credit Assessment Institutions (ECAIs)				
	S&P	Moody's	Fitch	RAM	MARC
1	AAA to AA-	Aaa to Aa3	AAA to AA-	AAA to AA3	AAA to AA-
2	A+ to A-	A1 to A3	A+ to A-	A1 to A3	A+ to A-
3	BBB+ to BBB-	Baa1 to Baa3	BBB+ to BBB-	BBB1 to BBB3	BBB+ to BBB-
4	BB+ to B-	Ba1 to B3	BB+ to B-	BB1 to B3	BB+ to B-
5	CCC+ to D	Caa1 to C	CCC+ to D	C1 to D	C+ to D
Unrated			Unrated		

Long term Credit Rating Risk Weight Category by ECAIs under Standardised Approach for Banking Institution, Corporate and Sovereign & Central Bank:

Rating Category	Risk weights based on Credit Ratings of the Counterparty Exposure Class		
	Corporate	Banking Institutions	Sovereign & Central Bank
1	20%	20%	0%
2	50%	50%	20%
3	100%	50%	50%
4	150%	100%	100%
5	150%	150%	150%
Unrated	100%	50%	100%

BASEL II PILLAR 3 DISCLOSURES
As at 31 December 2024

5. CREDIT RISK (CONTINUED)

5.2 Application of Standardised Approach for Credit Risk (continued)

Short term Credit Rating Category by ECAIs under Standardised Approach:

Rating Category	External Credit Assessment Institutions (ECAIs)				
	S&P	Moody's	Fitch	RAM	MARC
1	A-1	P-1	F1+, F1	P-1	MARC-1
2	A-2	P-2	F2	P-2	MARC-2
3	A-3	P-3	F3	P-3	MARC-3
4	Others	Others	B to D	NP	MARC-4

Short term Credit Rating Risk Weight Category by ECAIs under Standardised Approach for Banking Institution and Corporate:

Rating Category	Risk weights based on Credit Ratings of the Counterparty Exposure Class	
	Corporate	Banking Institutions
1	20%	20%
2	50%	50%
3	100%	100%
4	150%	150%

Refer to Appendix II and Appendix III.

5.3 Credit Risk Evaluation

Credit evaluation is the process of analysing the creditworthiness of a prospective counterparty against the Group's and the Bank’s underwriting criteria and the ability of the Group and the Bank to make a return commensurate to the level of risk undertaken. Apart from conducting a holistic risk assessment on the prospective counterparty, a critical element in the evaluation process is the assignment of a credit risk grade to the counterparty. This assists in the risk assessment and decision-making process. A number of relevant qualitative and quantitative factors are taken into consideration in the identification and analysis of a counterparty’s credit risk. Each counterparty is assigned a credit rating which considers factors such as competitive position, operating performance, cash flow financial strength and management strength. The Group and the Bank have developed internal rating models to support the assessment and quantification of credit risk.

5.4 Risk Limit Control and Mitigation Policies

All corporate lending/financing, underwritings and corporate debt securities investments/sukuk are independently evaluated by the Group's and Bank’s credit management function and approved by the relevant approving authorities based on the Authority Matrix approved by the Board.

For consumer mass market products, statistically developed application scorecards are used to assess the risks associated with the credit application as a decision support tool at loans, advances and financing origination. For share margin financing, the credit decisions are guided by an internally developed rating scorecard as well as other terms and conditions stipulated in the Group's and the Bank's Margin Financing Policy. The credit risk of share margin financing is largely mitigated by the holding of collateral in the form of marketable securities.

The Group and the Bank employ various policies and practices to control and mitigate credit risk.

BASEL II PILLAR 3 DISCLOSURES
As at 31 December 2024

5. CREDIT RISK (CONTINUED)

5.4 Risk Limit Control and Mitigation Policies (continued)

Lending/Financing limits

The Group and the Bank establish internal limits and related lending guidelines to manage large exposures and avoid undue concentration of credit risk in its credit portfolio. The limits include single customer groupings, connected parties and industry segments. These risks are monitored regularly and the limits reviewed annually or sooner depending on changing market and economic conditions.

The credit risk exposure for derivatives due to potential exposure arising from market movements, and loan/financing books are managed on an aggregated basis as part of the overall lending/financing limits with customers.

Credits are established against customer's capacity to pay rather than to rely solely on collateral. However, collateral may be taken to mitigate credit risk.

The main collateral types accepted and ascribed value by the Group and the Bank are:

- Mortgage over residential real estate;
- Charges over commercial real estate or vehicles financed;
- Charges over business assets such as business properties, equipment and fixed deposits;
- Charges over financial instruments such as marketable securities; and
- Debentures, personal guarantees and corporate guarantees.

Where relevant, the Group and the Bank undertake a valuation of the collateral obtained as part of the loan/financing origination process. This assessment is reviewed periodically.

Term loan/financing and lending to corporate entities are generally secured, while revolving individual credit facilities are generally unsecured.

Collateral held as security for financial assets other than loans, advances and financing depends on the nature of the instrument. Debt securities, treasury and other eligible bills are generally unsecured, with the exception of asset-backed securities and similar instruments, which are secured by portfolios of financial instruments. Derivatives are also collateralised.

The Group's and the Bank's policies regarding obtaining collateral have not significantly changed during the reporting period and there has been no significant change in the overall quality of the collateral held by the Group and the Bank since the prior period.

Guarantee

A guarantee is a legally binding contractual commitment made to the Bank that ensures that the guarantor is legally responsible to meet the obligations of a borrower in the event the borrower fails to pay.

The Bank may substitute its exposure to the direct counterparty with an exposure to the guarantor or protection provided that the guarantor or protection provider is of a better rating than the direct counterparty, and that the guarantee or the protection is irrevocable and unconditional. However, where the direct counterparty and the guarantor or protection provider are connected, the exposure shall be treated as a single group exposure.

BASEL II PILLAR 3 DISCLOSURES

As at 31 December 2024

5. CREDIT RISK (CONTINUED)

5.4 Risk Limit Control and Mitigation Policies (continued)

Offsetting financial instruments

The Bank also uses legal agreements to reduce credit risk, when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the assets and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy.

Credit related commitments

Commitment to extend credit represents unutilised portion of approved credit in the form of loans/financing, guarantees or letters of credit. Unutilised credits give rise to potential or contingent credit losses to the Group and the Bank in an amount equal to the total unutilised commitments. The Group and the Bank manage and mitigate the amount of potential and contingent losses arising from unutilised credit lines by imposing minimum specific credit standards on counterparties.

The Group and the Bank monitor the term to maturity of credit commitments as longer-term commitments generally have a greater degree of credit risk than short-term commitments.

Refer to Appendix IV (a) to (b).

5.5 Credit Risk Measurement

Credit risk grades

The Group and the Bank allocate a credit risk grade to each exposure. Credit risk grades are indicative of the risk of default and are generated using qualitative and quantitative factors which are supplemented by experienced credit judgement. These inputs vary depending on the nature of the exposure and the type of customer.

Credit risk grades are defined and calibrated such that the risk of default occurring increases exponentially as the credit risk deteriorates.

Determining whether credit risk has increased significantly

The criteria for determining whether credit risk has increased significantly vary by portfolio and include quantitative changes in probability of default ('PD') and qualitative factors, including a backstop based on delinquency.

The credit risk of a particular exposure is deemed to have increased significantly since initial recognition if, based on the Group's and the Bank's quantitative modelling, the remaining lifetime PD is determined to have increased by more than a predetermined percentage/range.

Using its expert credit judgement and, where possible, relevant historical experience, the Group and the Bank may determine that an exposure has undergone a significant increase in credit risk ('SICR') based on qualitative indicators that it considers are indicative of such and which effect may not otherwise be fully reflected in its quantitative analysis on a timely basis.

As a backstop, the Group and the Bank consider that a significant increase in credit risk is presumed if a borrower/customer is more than 30 days or 1 month past due. Days or months past due are determined by the number of days or month since the earliest elapsed due date in respect of which full payment has not been received. Due dates are determined without considering any grace period that might be available to the borrower.

The Group and the Bank monitor the effectiveness of the criteria used to identify significant increases in credit risk by regular reviews to confirm that:

- the criteria are capable of identifying significant increases in credit risk before an exposure is in default; and
- there is no unwarranted volatility in loss allowance from transfers between 12-month PD (Stage 1) and lifetime PD (Stage 2).

BASEL II PILLAR 3 DISCLOSURES
As at 31 December 2024

5. CREDIT RISK (CONTINUED)

5.5 Credit Risk Measurement (continued)

Measurement of expected credit losses ('ECL')

The Group and the Bank use three categories for financial instruments at fair value through other comprehensive income ('FVOCI') and amortised cost for recognising ECL.

Category	Definition	Basis for recognising
Performing accounts (Stage 1)	• Financial assets that do not have significant increase in credit risk since initial recognition of the asset and therefore, less likely to default; • Performing accounts with credit grade 13 or better; • Accounts past due less than or equal to 30 days; or • For early control accounts where one that has risk or potential weakness which if left unchecked, may result in significant deterioration of repayment prospect and transfer to Underperforming status (Stage 2) or worse.	12 months ECL
Underperforming accounts (Stage 2)	• An account with significant increase in credit risk since initial recognition and if left uncorrected, may result in impairment of the account within the next 12 months; • Accounts past due more than 30 days or 1 month but up to 90 days or 3 months; • Account demonstrating critical level of risk and therefore, credit grade 14 and placed under Watchlist; or • Restructuring and rescheduling ('R&R') due to significant increase in credit risk.	Lifetime ECL – not credit impaired
Impaired accounts (Stage 3)	• Impaired credit; • Credit grade 15 or worse; • Accounts past due more than 90 days or 3 months; or • R&R which warrants a reclassification to Stage 3.	Lifetime ECL – not credit impaired
Write-off	• Evidence indicating that there is no reasonable expectation of recovery based on unavailability of debtor's sources of income; or • Assets unable to generate sufficient future cash flows to repay the amount.	Asset is written off

The Group and the Bank have not used the low credit risk exemption for any financial instrument for the financial year ended 31 December 2024.

The key inputs into the measurement of ECL are the term structure of the following variables:

- probability of default ('PD');
- loss given default ('LGD'); and
- exposure at default ('EAD').

BASEL II PILLAR 3 DISCLOSURES
As at 31 December 2024

5. CREDIT RISK (CONTINUED)

5.5 Credit Risk Measurement (continued)

Measurement of ECL (continued)

These parameters are generally derived from internally developed statistical models and other historical data. They are adjusted to reflect forward-looking information as described above.

PD is the likelihood of a counterparty defaulting on its contractual obligations over a given time horizon and are estimates at a certain date, which are calculated based on statistical models. These statistical models are based on internally compiled data comprising both quantitative and qualitative factors. If a counterparty or exposure migrates between rating classes, this will lead to a change in the estimate of the associated PD. PDs are estimated considering the contractual maturities of exposures and estimated prepayment rates.

The Group and the Bank collect performance and default information relating to its credit risk exposures which are analysed by type of product and customer as well as by credit risk grading. For some portfolios, information from external credit assessment institutions are also used.

The Group and the Bank employ statistical models to analyse the data collected and generate estimates of the remaining lifetime PD of exposures and how these are expected to change with time.

The lifetime PD is developed by applying a maturity profile to the current 12-month PD. The maturity profile is used to determine how defaults develop on a portfolio from the point of initial recognition throughout the lifetime of the financing. The maturity profile is based on historical observed data and is assumed to be the same across all assets within a portfolio and credit grade band. This is supported by historical analysis.

LGD is the magnitude of loss in an event of a default. LGD parameters are estimated based on the history of recovery rates of claims against defaulted counterparties. The LGD models consider the structure, collateral, seniority of the claim, counterparty industry and recovery costs of any collateral that is integral to the financial asset. LGD estimates are recalibrated for different economic scenarios. They are calculated on a discounted cash flow basis using the effective profit rate as the discounting factor.

EAD represents the exposure outstanding in the event of a default. The Group and the Bank derive the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract including amortisation. The EAD of a financial asset is its gross carrying amount. For financing commitments and financial guarantees, the EAD includes the amount drawn, as well as potential future amounts that may be drawn under the contract, which are estimated based on historical observations and forward-looking forecasts. For some financial assets, EAD is determined by modelling the range of possible exposure outcomes at various points in time using scenario and statistical techniques.

The 12-month and lifetime EAD are determined based on the expected payment profile, which varies by product type.

ECL is determined by projecting the PD, LGD and EAD at each future point on a yearly basis on individual exposures, or collective segments, and discounting these monthly expected losses back to the reporting date. The discount rate used in the ECL calculation is the original profit rate or an approximation thereof.

As described above, and subject to using a maximum of a 12-month PD for financial assets for which credit risk has not significantly increased, the Group and the Bank measures ECL considering the risk of default over the maximum contractual period (including any borrower's extension options) over which it is exposed to credit risk, even if, for risk management purposes, the Group and the Bank consider a longer period. The maximum contractual period extends to the date at which the Group and the Bank have the right to require repayment of an advance or terminate a loan commitment or guarantee.

BASEL II PILLAR 3 DISCLOSURES
As at 31 December 2024

5. CREDIT RISK (CONTINUED)

5.5 Credit Risk Measurement (continued)

Measurement of ECL (continued)

Forward looking economic information is also included in determining the 12-month and lifetime PD, LGD and EAD.

Where modelling of a parameter is carried out on a collective basis, the financial instruments are grouped on the basis of shared risk characteristics which include:

- product/instrument type;
- past due status;
- credit risk grading;
- collateral type;
- date of initial recognition; and
- remaining term to maturity.

The groupings are subject to regular review to ensure that exposures within a particular group remain appropriately homogeneous.

There have been no significant changes in estimation techniques or significant assumptions made during the reporting period that have material impact to ECL.

Incorporation of forward-looking information

The Group and the Bank incorporate forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL. A 'base case' view of the future direction of relevant economic variables as well as a representative range of other possible forecast scenarios are formulated.

This process involves developing two or more additional economic scenarios and considering the relative probabilities of each outcome. External information includes economic data and forecasts published by governmental bodies and monetary authorities.

The base case represents a most-likely outcome and is aligned with information used by the Group and the Bank for other purposes such as strategic planning and budgeting. The other scenarios represent more optimistic and more pessimistic outcomes. Periodically, the Group and the Bank carry out stress testing which involves more extreme shocks to calibrate its determination of these other representative scenarios.

The Group and the Bank have identified and documented key drivers of credit risk and credit losses for each portfolio of financial instruments and, using an analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses.

Predicted relationships between the key indicators and default and loss rates on various portfolios of financial assets have been developed based on analysing historical data over the past 3 years.

BASEL II PILLAR 3 DISCLOSURES
As at 31 December 2024

5. CREDIT RISK (CONTINUED)

5.6 Credit Risk Monitoring

Corporate credits and large individual accounts are subject to ongoing monitoring. This is to ensure that the credit grades remain appropriate and to detect any signs of weaknesses or deterioration in the credit quality. Appropriate remedial action is taken where evidence of deterioration exists.

The credit monitoring process is also to identify significant increase in credit risk as a means to pro-actively report and manage potentially deteriorating credit quality. Watchlist accounts are closely reviewed and monitored with appropriate corrective measures employed to prevent further credit deterioration into non-performing status. Watchlist accounts are either managed up or managed out within a period of twelve months.

The Group and the Bank have established MFRS 9 - Stage Transfer Policy to provide guidance in determining significant increases in credit risk of financial assets. There are 3 stages to differentiate the credit risk of financial assets in conjunction with MFRS 9 standards: Performing Accounts (Stage 1), Underperforming Accounts (Stage 2) and Impaired Accounts (Stage 3).

Active portfolio monitoring as well as exception reporting are in place to identify, analyze and managed the overall risk profile to mitigate adverse trends or specific areas of risk concerns.

The Group and the Bank conduct post-mortem reviews on newly impaired financing to determine the key reason(s) and/or driver(s) leading to the account being classified as impaired. The findings are communicated at both management and Board levels as lessons learned which are used to assist in formulating appropriate remedial actions or measures to minimize potential or future credit loss from similar or repeat events.

In addition, post-approval independent credit review is undertaken by the Group and the Bank to ensure that credit decision-making is consistent with the overall credit risk appetite and strategy.

5.7 Credit Quality of Financial Assets

Total loans, advances and other financing - credit quality

All loans, advances and other financing are categorised into 'neither past due nor impaired', 'past due but not impaired' and 'impaired'.

Past due loans/financing refers to loans, advances and other financing that are overdue by one day or more.

Loans, advances and other financing are classified as impaired when they fulfill any of the following criteria:

i. the principal or interest/profit or both is past due more than 90 days or 3 months from the first day of default; or
ii. where the account is in arrears for less than 90 days or 3 months, there is evidence of impairment to indicate that the borrower/customer is 'unlikely to meet' its credit obligations.

BASEL II PILLAR 3 DISCLOSURES
As at 31 December 2024

5. CREDIT RISK (CONTINUED)

5.7 Credit Quality of Financial Assets (continued)

Analysed by economic sectors

The Group 31.12.2024	Past Due But Not Credit-impaired Stage 1 RM'000	Past Due But Not Credit-impaired Stage 2 RM'000	Impaired Stage 3 RM'000	Total RM'000
Primary agriculture	14,142	8,613	10,510	33,265
Mining and quarrying	15,381	1,224	8,811	25,416
Manufacturing	219,554	104,473	56,684	380,711
Electricity, gas and water supply	2,198	2,004	11,499	15,701
Construction	269,755	83,735	138,757	492,247
Real estate	505,122	85,388	338,063	928,573
Wholesale & retail trade and restaurants & hotels	141,153	129,037	220,703	490,893
Transport, storage and communication	112,059	25,137	93,589	230,785
Finance, insurance/takaful and business services	482,225	48,099	26,509	556,833
Education, health and others	33,226	27,594	14,186	75,006
Household	3,887,101	1,619,596	478,694	5,985,391
	5,681,916	2,134,900	1,398,005	9,214,821

The Group 31.12.2023	Past Due But Not Credit-impaired Stage 1 RM'000	Past Due But Not Credit-impaired Stage 2 RM'000	Impaired Stage 3 RM'000	Total RM'000
Primary agriculture	13,548	10,882	9,686	34,116
Mining and quarrying	309	1,587	29,941	31,837
Manufacturing	26,946	81,616	40,733	149,295
Electricity, gas and water supply	3,313	10,540	4	13,857
Construction	165,752	99,240	179,913	444,905
Real estate	23,569	270,248	204,395	498,212
Wholesale & retail trade and restaurants & hotels	173,259	111,194	343,533	627,986
Transport, storage and communication	67,583	51,476	98,939	217,998
Finance, insurance/takaful and business services	58,984	56,461	21,211	136,656
Education, health and others	17,122	101,142	13,671	131,935
Household	2,153,427	1,877,720	323,385	4,354,532
	2,703,812	2,672,106	1,265,411	6,641,329

BASEL II PILLAR 3 DISCLOSURES
As at 31 December 2024

5. CREDIT RISK (CONTINUED)

5.7 Credit Quality of Financial Assets (continued)

Analysed by economic sectors (continued)

The Bank 31.12.2024	Past Due But Not Credit-impaired Stage 1 RM'000	Past Due But Not Credit-impaired Stage 2 RM'000	Impaired Stage 3 RM'000	Total RM'000
Primary agriculture	**6,637**	**8,152**	**10,334**	**25,123**
Mining and quarrying	**182**	**201**	**8,811**	**9,194**
Manufacturing	**179,316**	**44,205**	**50,259**	**273,780**
Electricity, gas and water supply	**830**	**2,004**	**11,457**	**14,291**
Construction	**43,058**	**23,465**	**110,502**	**177,025**
Real estate	**362,378**	**77,224**	**297,531**	**737,133**
Wholesale & retail trade and restaurants & hotels	**78,794**	**66,803**	**174,156**	**319,753**
Transport, storage and communication	**46,312**	**16,939**	**86,404**	**149,655**
Finance, insurance and business services	**27,855**	**29,228**	**12,613**	**69,696**
Education, health and others	**7,685**	**23,019**	**11,889**	**42,593**
Household	**1,160,948**	**760,137**	**293,081**	**2,214,166**
	1,913,995	**1,051,377**	**1,067,037**	**4,032,409**

The Bank 31.12.2023	Past Due But Not Credit-impaired Stage 1 RM'000	Past Due But Not Credit-impaired Stage 2 RM'000	Impaired Stage 3 RM'000	Total RM'000
Primary agriculture	5,370	9,592	9,513	24,475
Mining and quarrying	205	451	10,124	10,780
Manufacturing	17,976	35,787	34,007	87,770
Electricity, gas and water supply	2,068	10,391	1	12,460
Construction	45,430	41,123	121,028	207,581
Real estate	21,598	219,067	168,038	408,703
Wholesale & retail trade and restaurants & hotels	91,650	67,777	323,915	483,342
Transport, storage and communication	49,175	31,863	96,312	177,350
Finance, insurance and business services	34,667	29,307	10,617	74,591
Education, health and others	8,503	97,673	12,660	118,836
Household	1,005,822	897,393	186,930	2,090,145
	1,282,464	1,440,424	973,145	3,696,033

BASEL II PILLAR 3 DISCLOSURES
As at 31 December 2024

5. CREDIT RISK (CONTINUED)

5.7 Credit Quality of Financial Assets (continued)

Analysed by economic sectors (continued)

Expected credit losses

The Group 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**
Primary agriculture	**4,092**	**8,159**	**9,236**	**21,487**
Mining and quarrying	**107**	**443**	**7,554**	**8,104**
Manufacturing	**6,523**	**38,828**	**25,455**	**70,806**
Electricity, gas and water supply	**479**	**1,177**	**5,979**	**7,635**
Construction	**3,538**	**15,852**	**75,182**	**94,572**
Real estate	**10,919**	**21,626**	**79,230**	**111,775**
Wholesale & retail trade and restaurants & hotels	**13,888**	**87,091**	**124,650**	**225,629**
Transport, storage and communication	**9,545**	**6,359**	**11,100**	**27,004**
Finance, insurance/takaful and business services	**2,435**	**86,267**	**12,771**	**101,473**
Education, health and others	**4,037**	**110,074**	**4,782**	**118,893**
Household	**93,622**	**128,613**	**142,954**	**365,189**
Government	**–**	**1**	**2**	**3**
	149,185	**504,490**	**498,895**	**1,152,570**

The Group 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
Primary agriculture	5,110	1,734	8,359	15,203
Mining and quarrying	601	4,934	10,087	15,622
Manufacturing	11,762	112,461	19,632	143,855
Electricity, gas and water supply	1,619	3,834	4	5,457
Construction	4,999	14,809	70,797	90,605
Real estate	21,470	119,078	41,929	182,477
Wholesale & retail trade and restaurants & hotels	18,746	86,754	259,724	365,224
Transport, storage and communication	4,344	31,340	23,463	59,147
Finance, insurance/takaful and business services	3,343	87,324	22,534	113,201
Education, health and others	3,056	181,067	4,635	188,758
Household	74,210	61,330	122,783	258,323
Government	–	–	–	–
	149,260	704,665	583,947	1,437,872

BASEL II PILLAR 3 DISCLOSURES

As at 31 December 2024

5. CREDIT RISK (CONTINUED)

5.7 Credit Quality of Financial Assets (continued)

Analysed by economic sectors (continued)

Expected credit losses (continued)

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**
Primary agriculture	**3,495**	**7,876**	**9,136**	**20,507**
Mining and quarrying	**69**	**266**	**7,554**	**7,889**
Manufacturing	**4,216**	**20,530**	**22,500**	**47,246**
Electricity, gas and water supply	**416**	**1,172**	**5,962**	**7,550**
Construction	**2,247**	**13,586**	**65,112**	**80,945**
Real estate	**9,573**	**20,233**	**47,815**	**77,621**
Wholesale & retail trade and restaurants & hotels	**9,469**	**57,464**	**101,623**	**168,556**
Transport, storage and communication	**8,553**	**4,747**	**5,890**	**19,190**
Finance, insurance and business services	**1,454**	**78,979**	**5,857**	**86,290**
Education, health and others	**2,051**	**3,138**	**3,700**	**8,889**
Household	**42,082**	**78,679**	**86,424**	**207,185**
Government	**–**	**–**	**–**	**–**
	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
Primary agriculture	4,200	1,667	8,184	14,051
Mining and quarrying	556	746	8,423	9,725
Manufacturing	9,715	93,244	16,192	119,151
Electricity, gas and water supply	935	3,826	1	4,762
Construction	4,045	10,885	61,885	76,815
Real estate	20,357	88,353	34,620	143,330
Wholesale & retail trade and restaurants & hotels	13,509	44,803	248,339	306,651
Transport, storage and communication	3,732	29,038	21,982	54,752
Finance, insurance and business services	2,070	79,366	5,488	86,924
Education, health and others	1,895	10,927	4,156	16,978
Household	34,631	29,942	60,079	124,652
Government	–	–	–	–
	95,645	392,797	469,349	957,791

BASEL II PILLAR 3 DISCLOSURES
As at 31 December 2024

5. CREDIT RISK (CONTINUED)

5.7 Credit Quality of Financial Assets (continued)

Analysed by economic sectors (continued)

Expected credit losses written-off

	The Group		The Bank	
	Write-Offs for Lifetime ECL Credit Impaired (Stage 3)		Write-Offs for Lifetime ECL Credit Impaired (Stage 3)	
	31.12.2024 RM'000	31.12.2023 RM'000	**31.12.2024 RM'000**	31.12.2023 RM'000
Primary agriculture	**134**	292	**43**	94
Mining and quarrying	**1,083**	–	**1,083**	–
Manufacturing	**3,690**	536	**2,617**	451
Electricity, gas and water supply	**1**	–	**1**	–
Construction	**5,182**	973	**3,259**	934
Real estate	**4,119**	451	**4,119**	451
Wholesale & retail trade and restaurants & hotels	**120,030**	938	**116,005**	523
Transport, storage and communication	**3,715**	378	**2,978**	177
Finance, insurance/takaful and business services	**3,639**	227	**831**	164
Education, health and others	**242**	83	**60**	54
Household	**110,378**	86,812	**65,699**	44,746
	252,213	90,690	**196,695**	47,594

Analysed by geographical area

	Past Due But Not Credit-impaired		Impaired	
The Group 31.12.2024	**Stage 1 RM'000**	**Stage 2 RM'000**	**Stage 3 RM'000**	**Total RM'000**
Perlis	**6,022**	**3,186**	**3,962**	**13,170**
Kedah	**124,694**	**141,786**	**61,163**	**327,643**
Pulau Pinang	**177,258**	**94,907**	**68,942**	**341,107**
Perak	**104,227**	**62,672**	**125,371**	**292,270**
Selangor	**1,420,886**	**698,026**	**467,092**	**2,586,004**
Wilayah Persekutuan	**1,922,549**	**390,528**	**421,591**	**2,734,668**
Negeri Sembilan	**181,748**	**124,560**	**36,266**	**342,574**
Melaka	**58,449**	**53,873**	**77,180**	**189,502**
Johor	**647,488**	**323,532**	**66,798**	**1,037,818**
Pahang	**77,836**	**40,757**	**35,053**	**153,646**
Terengganu	**61,619**	**30,334**	**4,028**	**95,981**
Kelantan	**42,197**	**37,358**	**9,080**	**88,635**
Sarawak	**130,277**	**61,395**	**7,286**	**198,958**
Sabah	**165,949**	**71,748**	**14,193**	**251,890**
Labuan	**28,153**	**134**	**–**	**28,287**
Outside Malaysia	**532,564**	**104**	**–**	**532,668**
	5,681,916	**2,134,900**	**1,398,005**	**9,214,821**

BASEL II PILLAR 3 DISCLOSURES
As at 31 December 2024

5. CREDIT RISK (CONTINUED)

5.7 Credit Quality of Financial Assets (continued)

Analysed by geographical area (continued)

The Group 31.12.2023	Past Due But Not Credit-impaired Stage 1 RM'000	Past Due But Not Credit-impaired Stage 2 RM'000	Impaired Stage 3 RM'000	Total RM'000
Perlis	4,835	3,052	4,437	12,324
Kedah	110,437	138,070	48,031	296,538
Pulau Pinang	141,183	151,748	129,073	422,004
Perak	82,292	189,885	15,768	287,945
Selangor	1,017,187	864,288	374,058	2,255,533
Wilayah Persekutuan	411,068	370,604	350,641	1,132,313
Negeri Sembilan	139,262	154,294	34,555	328,111
Melaka	55,688	71,143	132,140	258,971
Johor	379,663	451,358	54,104	885,125
Pahang	65,089	56,363	27,532	148,984
Terengganu	43,580	33,307	3,606	80,493
Kelantan	32,154	28,388	6,732	67,274
Sarawak	94,078	61,497	73,315	228,890
Sabah	113,259	97,840	11,373	222,472
Labuan	125	119	–	244
Outside Malaysia	13,912	150	46	14,108
	2,703,812	2,672,106	1,265,411	6,641,329

The Bank 31.12.2024	**Past Due But Not Credit-impaired Stage 1 RM'000**	**Past Due But Not Credit-impaired Stage 2 RM'000**	**Impaired Stage 3 RM'000**	**Total RM'000**
Perlis	**1,257**	**643**	**68**	**1,968**
Kedah	**31,200**	**25,698**	**37,471**	**94,369**
Pulau Pinang	**76,050**	**55,071**	**53,961**	**185,082**
Perak	**43,078**	**28,196**	**114,802**	**186,076**
Selangor	**454,018**	**348,274**	**317,513**	**1,119,805**
Wilayah Persekutuan	**201,431**	**187,349**	**367,969**	**756,749**
Negeri Sembilan	**61,813**	**48,496**	**22,192**	**132,501**
Melaka	**23,453**	**32,339**	**63,901**	**119,693**
Johor	**261,635**	**216,359**	**42,524**	**520,518**
Pahang	**25,858**	**13,420**	**28,217**	**67,495**
Terengganu	**2,478**	**2,298**	**578**	**5,354**
Kelantan	**2,494**	**1,086**	**360**	**3,940**
Sarawak	**97,527**	**35,677**	**6,761**	**139,965**
Sabah	**120,106**	**56,399**	**10,720**	**187,225**
Labuan	**22**	**19**	**–**	**41**
Outside Malaysia	**511,575**	**53**	**–**	**511,628**
	1,913,995	**1,051,377**	**1,067,037**	**4,032,409**

BASEL II PILLAR 3 DISCLOSURES
As at 31 December 2024

5. CREDIT RISK (CONTINUED)

5.7 Credit Quality of Financial Assets (continued)

Analysed by geographical area (continued)

The Bank 31.12.2023	Past Due But Not Credit-impaired Stage 1 RM'000	Past Due But Not Credit-impaired Stage 2 RM'000	Impaired Stage 3 RM'000	Total RM'000
Perlis	1,728	904	621	3,253
Kedah	31,762	26,104	32,478	90,344
Pulau Pinang	79,133	97,090	119,639	295,862
Perak	32,566	144,433	9,111	186,110
Selangor	431,762	414,878	263,021	1,109,661
Wilayah Persekutuan	188,027	188,785	315,905	692,717
Negeri Sembilan	47,557	47,238	19,349	114,144
Melaka	23,127	37,136	123,206	183,469
Johor	224,194	320,344	30,132	574,670
Pahang	22,710	18,415	24,219	65,344
Terengganu	2,308	1,929	667	4,904
Kelantan	1,781	2,028	244	4,053
Sarawak	84,126	53,815	25,711	163,652
Sabah	97,696	87,226	8,796	193,718
Labuan	125	–	–	125
Outside Malaysia	13,862	99	46	14,007
	1,282,464	1,440,424	973,145	3,696,033

Expected credit losses

The Group 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**
Perlis	**284**	**1,589**	**2,916**	**4,789**
Kedah	**4,716**	**22,512**	**41,473**	**68,701**
Pulau Pinang	**7,437**	**66,476**	**30,072**	**103,985**
Perak	**4,756**	**4,931**	**7,670**	**17,357**
Selangor	**45,894**	**198,486**	**161,727**	**406,107**
Wilayah Persekutuan	**26,262**	**140,322**	**163,324**	**329,908**
Negeri Sembilan	**6,072**	**7,810**	**7,773**	**21,655**
Melaka	**2,539**	**8,431**	**22,544**	**33,514**
Johor	**23,881**	**27,265**	**22,082**	**73,228**
Pahang	**4,568**	**2,839**	**23,128**	**30,535**
Terengganu	**5,220**	**1,598**	**1,762**	**8,580**
Kelantan	**2,203**	**8,184**	**4,446**	**14,833**
Sarawak	**7,052**	**6,460**	**2,869**	**16,381**
Sabah	**5,363**	**7,572**	**7,109**	**20,044**
Labuan	**1,542**	**2**	**–**	**1,544**
Outside Malaysia	**1,396**	**13**	**–**	**1,409**
	149,185	**504,490**	**498,895**	**1,152,570**

BASEL II PILLAR 3 DISCLOSURES
As at 31 December 2024

5. CREDIT RISK (CONTINUED)

5.7 Credit Quality of Financial Assets (continued)

Analysed by geographical area (continued)

Expected credit losses (continued)

The Group 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
Perlis	156	2,405	2,576	5,137
Kedah	3,802	21,604	38,484	63,890
Pulau Pinang	7,726	75,043	103,236	186,005
Perak	4,846	21,213	6,091	32,150
Selangor	48,526	247,473	122,744	418,743
Wilayah Persekutuan	30,894	219,070	121,967	371,931
Negeri Sembilan	4,760	10,082	30,230	45,072
Melaka	2,460	8,577	81,937	92,974
Johor	20,057	32,061	22,299	74,417
Pahang	4,312	8,856	19,896	33,064
Terengganu	1,527	22,150	2,160	25,837
Kelantan	1,931	3,439	3,021	8,391
Sarawak	8,076	9,280	23,840	41,196
Sabah	5,725	9,824	5,433	20,982
Labuan	1,422	133	–	1,555
Outside Malaysia	3,040	13,455	33	16,528
	149,260	704,665	583,947	1,437,872

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**
Perlis	**37**	**1,458**	**25**	**1,520**
Kedah	**1,201**	**2,669**	**32,853**	**36,723**
Pulau Pinang	**4,306**	**48,503**	**23,902**	**76,711**
Perak	**1,577**	**3,326**	**4,546**	**9,449**
Selangor	**24,968**	**63,558**	**92,322**	**180,848**
Wilayah Persekutuan	**15,521**	**127,496**	**148,373**	**291,390**
Negeri Sembilan	**1,989**	**1,475**	**3,531**	**6,995**
Melaka	**1,083**	**6,841**	**12,035**	**19,959**
Johor	**16,323**	**19,701**	**14,211**	**50,235**
Pahang	**1,885**	**1,143**	**20,386**	**23,414**
Terengganu	**3,505**	**137**	**322**	**3,964**
Kelantan	**177**	**182**	**209**	**568**
Sarawak	**5,040**	**3,333**	**2,759**	**11,132**
Sabah	**3,496**	**6,839**	**6,099**	**16,434**
Labuan	**1,133**	**1**	**–**	**1,134**
Outside Malaysia	**1,384**	**8**	**–**	**1,392**
	83,625	**286,670**	**361,573**	**731,868**

BASEL II PILLAR 3 DISCLOSURES
As at 31 December 2024

5. CREDIT RISK (CONTINUED)

5.7 Credit Quality of Financial Assets (continued)

Analysed by geographical area (continued)

Expected credit losses (continued)

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
Perlis	49	2,259	95	2,403
Kedah	1,270	2,249	31,496	35,015
Pulau Pinang	4,245	57,026	100,215	161,486
Perak	2,304	19,186	3,558	25,048
Selangor	32,475	55,410	85,180	173,065
Wilayah Persekutuan	21,592	187,910	109,512	319,014
Negeri Sembilan	1,799	1,625	3,539	6,963
Melaka	1,394	5,622	74,978	81,994
Johor	13,738	22,524	13,657	49,919
Pahang	2,435	6,035	18,153	26,623
Terengganu	178	19,623	401	20,202
Kelantan	150	88	206	444
Sarawak	6,185	3,912	23,720	33,817
Sabah	3,596	9,320	4,606	17,522
Labuan	1,417	1	–	1,418
Outside Malaysia	2,818	7	33	2,858
	95,645	392,797	469,349	957,791

Movement in expected credit loss for loans/financing

The Group **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
At beginning of the financial period	**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 period	**149,185**	**504,490**	**498,895**	**1,152,570**

BASEL II PILLAR 3 DISCLOSURES
As at 31 December 2024

5. CREDIT RISK (CONTINUED)

5.7 Credit Quality of Financial Assets (continued)

Expected credit losses (continued)

Movement in expected credit loss for loans/financing (continued)

The Group 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
At beginning of the financial period	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 period	149,260	704,665	583,947	1,437,872

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**
At beginning of the financial period	**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 period	**83,625**	**286,670**	**361,573**	**731,868**

BASEL II PILLAR 3 DISCLOSURES
As at 31 December 2024

5. CREDIT RISK (CONTINUED)

5.7 Credit Quality of Financial Assets (continued)

Expected credit losses (continued)

Movement in expected credit loss for loans/financing (continued)

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
At beginning of the financial period	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 period	95,645	392,797	469,349	957,791

BASEL II PILLAR 3 DISCLOSURES

As at 31 December 2024

5. CREDIT RISK (CONTINUED)

5.8 Distribution of Credit Exposure

(i) The following table depicts the Group's Gross Credit Exposure by Geographical Distribution based on the geographical location where the credit risk resides.

The Group Exposure class	31.12.2024 Malaysia	31.12.2024 Other countries	31.12.2024 Total	31.12.2023 Malaysia	31.12.2023 Other countries	31.12.2023 Total
On Balance Sheet Exposures						
Corporates	**32,604,990**	**2,123,735**	**34,728,725**	28,209,355	724,377	28,933,732
Regulatory Retail	**28,354,316**	**3,856**	**28,358,172**	27,959,467	2,814	27,962,281
Other Assets	**6,795,096**	**–**	**6,795,096**	5,304,673	–	5,304,673
Sovereigns/Central Banks	**22,469,866**	**473,299**	**22,943,165**	21,944,937	364,017	22,308,954
Public Sector Entities	**–**	**–**	**–**	–	–	–
Banks, Development Financial Institutions & MDBs	**2,652,955**	**1,505,526**	**4,158,481**	5,435,811	858,026	6,293,837
Insurance/Takaful Companies, Securities Firms & Fund Managers	**54,890**	**–**	**54,890**	53,337	–	53,337
Residential Mortgages	**13,158,288**	**–**	**13,158,288**	12,810,207	–	12,810,207
Higher Risk Assets	**65,575**	**–**	**65,575**	45,213	–	45,213
Defaulted Exposures	**931,249**	**–**	**931,249**	819,240	14	819,254
Total for On-Balance Sheet Exposures	**107,087,225**	**4,106,416**	**111,193,641**	102,582,240	1,949,248	104,531,488
Off Balance Sheet Exposures						
Over-the-counter (OTC) derivatives	**1,113,767**	**75,848**	**1,189,615**	1,328,425	25,984	1,354,409
Off Balance Sheet Exposures other than OTC derivatives or credit derivatives	**9,509,692**	**259,356**	**9,769,048**	9,338,260	243,560	9,581,820
Defaulted Exposures	**17,463**	**–**	**17,463**	41,116	–	41,116
Total for Off-Balance Sheet Exposures	**10,640,922**	**335,204**	**10,976,126**	10,707,801	269,544	10,977,345
Total for On and Off-Balance Sheet Exposures	**117,728,147**	**4,441,620**	**122,169,767**	113,290,041	2,218,792	115,508,833

BASEL II PILLAR 3 DISCLOSURES
As at 31 December 2024

5. CREDIT RISK (CONTINUED)

5.8 Distribution of Credit Exposure

(i) The following table depicts the Bank's Gross Credit Exposure by Geographical Distribution based on credit risk resides.

The Bank Exposure class	31.12.2024 Malaysia	31.12.2024 Other countries	31.12.2024 Total	31.12.2023 Malaysia	31.12.2023 Other countries	31.12.2023 Total
On Balance Sheet Exposures						
Corporates	**18,233,389**	**1,743,150**	**19,976,539**	18,649,145	693,963	19,343,108
Regulatory Retail	**17,909,875**	**2,027**	**17,911,902**	17,533,514	1,612	17,535,126
Other Assets	**5,213,941**	**–**	**5,213,941**	4,074,512	–	4,074,512
Sovereigns/Central Banks	**10,972,550**	**446,254**	**11,418,804**	10,725,303	364,017	11,089,320
Banks, Development Financial Institutions & MDBs	**3,850,470**	**1,299,298**	**5,149,768**	6,141,828	791,756	6,933,584
Insurance Companies, Securities Firms & Fund Managers	**15,679**	**–**	**15,679**	15,812	–	15,812
Residential Mortgages	**3,358,092**	**–**	**3,358,092**	3,084,139	–	3,084,139
Higher Risk Assets	**45,807**	**–**	**45,807**	34,673	–	34,673
Defaulted Exposures	**743,351**	**–**	**743,351**	639,509	14	639,523
Total for On-Balance Sheet Exposures	**60,343,154**	**3,490,729**	**63,833,883**	60,898,435	1,851,362	62,749,797
Off Balance Sheet Exposures						
Over-the-counter (OTC) derivatives	**937,487**	**75,848**	**1,013,335**	936,431	25,984	962,415
Off Balance Sheet Exposures other than OTC derivatives or credit derivatives	**7,031,178**	**258,943**	**7,290,121**	6,931,195	242,943	7,174,138
Defaulted Exposures	**14,899**	**–**	**14,899**	39,082	–	39,082
Total for Off-Balance Sheet Exposures	**7,983,564**	**334,791**	**8,318,355**	7,906,708	268,927	8,175,635
Total for On and Off-Balance Sheet Exposures	**68,326,718**	**3,825,520**	**72,152,238**	68,805,143	2,120,289	70,925,432

BASEL II PILLAR 3 DISCLOSURES
As at 31 December 2024

5. CREDIT RISK (CONTINUED)

5.8 Distribution of Credit Exposure (continued)

(ii) The following table depicts the Group's Gross Credit Exposure by Sectorial Analysis or Industry Distribution.

	The Group												
31.12.2024 Exposure class	Primary agriculture	Mining and quarrying	Manufac-turing	Electricity, gas and water supply	Construction	Real estate	Wholesale & retail trade and restaurants & hotels	Transport, storage and communication	Finance, insurance/takaful and business services	Education, health and others	Household	Others	Total
On Balance Sheet Exposures													
Corporates	1,452,597	437,680	4,552,184	1,281,144	2,615,204	5,278,009	4,775,282	3,313,342	2,756,587	1,897,410	5,601,713	767,573	34,728,725
Regulatory Retail	94,863	10,646	495,830	8,946	407,552	189,476	1,173,271	352,269	448,395	138,018	25,037,339	1,567	28,358,172
Other Assets	–	–	–	–	–	–	–	–	26,188	–	–	6,768,908	6,795,096
Sovereigns/Central Banks	–	–	–	46,957	1,192,801	418,343	–	1,310,753	18,662,824	830,664	253	480,570	22,943,165
Public Sector Entities	–	–	–	–	–	–	–	–	–	–	–	–	–
Banks, Development Financial Institutions & MDBs	2,857	–	–	–	–	–	835	–	4,153,279	1,510	–	–	4,158,481
Insurance/Takaful Companies, Securities Firms & Fund Managers	–	–	–	–	–	–	675	–	54,215	–	–	–	54,890
Residential Mortgages	–	–	–	–	–	–	–	–	–	–	13,158,288	–	13,158,288
Higher Risk Assets	–	–	–	–	–	–	–	–	–	–	27,310	38,265	65,575
Defaulted Exposures	1,389	1,257	31,751	5,519	64,992	259,030	101,314	86,101	17,619	29,568	332,709	–	931,249
Total for On-Balance Sheet Exposures	1,551,706	449,583	5,079,765	1,342,566	4,280,549	6,144,858	6,051,377	5,062,465	26,119,107	2,897,170	44,157,612	8,056,883	111,193,641
Off Balance Sheet Exposures													
Over-the-counter (OTC) derivatives	–	–	9,250	8,890	296	17,929	4,746	9,104	1,139,400	–	–	–	1,189,615
Off Balance Sheet Exposures other than OTC derivatives or credit derivatives	114,513	78,467	558,785	95,372	614,995	233,129	449,971	319,261	4,822,456	1,149,919	1,318,094	14,086	9,769,048
Defaulted Exposures	–	958	52	–	10,214	5	698	559	41	–	4,936	–	17,463
Total for Off-Balance Sheet Exposures	114,513	79,425	568,087	104,262	625,505	251,063	455,415	328,924	5,961,897	1,149,919	1,323,030	14,086	10,976,126
Total for On and Off-Balance Sheet Exposures	1,666,219	529,008	5,647,852	1,446,828	4,906,054	6,395,921	6,506,792	5,391,389	32,081,004	4,047,089	45,480,642	8,070,969	122,169,767

BASEL II PILLAR 3 DISCLOSURES
As at 31 December 2024

5. CREDIT RISK (CONTINUED)

5.8 Distribution of Credit Exposure (continued)

(ii) The following table depicts the Group's Gross Credit Exposure by Sectorial Analysis or Industry Distribution. (continued)

	The Group												
31.12.2023 Exposure class	Primary agriculture	Mining and quarrying	Manufac-turing	Electricity, gas and water supply	Construction	Real estate	Wholesale & retail trade and restaurants & hotels	Transport, storage and communication	Finance, insurance/ takaful and business services	Education, health and others	Household	Others	Total
On Balance Sheet Exposures													
Corporates	1,470,273	353,707	3,795,628	843,462	1,892,993	5,001,586	5,348,081	2,119,013	2,451,806	1,763,111	2,548,091	1,345,981	28,933,732
Regulatory Retail	90,066	14,336	517,068	8,292	434,037	183,493	1,248,624	399,483	475,959	141,068	24,449,095	760	27,962,281
Other Assets	–	–	–	–	–	–	–	–	24,759	–	–	5,279,914	5,304,673
Sovereigns/Central Banks	–	–	–	27,215	767,345	–	–	1,033,203	18,758,013	949,370	21	773,787	22,308,954
Public Sector Entities	–	–	–	–	–	–	–	–	–	–	–	–	–
Banks, Development Financial Institutions & MDBs	1,910	–	–	–	–	–	403	–	6,289,706	1,818	–	–	6,293,837
Insurance/Takaful Companies, Securities Firms & Fund Managers	–	–	–	–	–	–	807	–	52,530	–	–	–	53,337
Residential Mortgages	–	–	–	–	–	–	–	–	–	–	12,810,207	–	12,810,207
Higher Risk Assets	–	–	–	–	–	–	–	–	–	–	30,298	14,915	45,213
Defaulted Exposures	1,667	25,153	22,123	–	101,367	142,185	97,002	76,830	45,276	70,446	237,205	–	819,254
Total for On-Balance Sheet Exposures	1,563,916	393,196	4,334,819	878,969	3,195,742	5,327,264	6,694,917	3,628,529	28,098,049	2,925,813	40,074,917	7,415,357	104,531,488
Off Balance Sheet Exposures													
Over-the-counter (OTC) derivatives	–	–	14,358	2,849	–	–	7,526	11,715	1,262,921	55,040	–	–	1,354,409
Off Balance Sheet Exposures other than OTC derivatives or credit derivatives	120,686	90,509	616,406	116,881	670,346	299,875	407,118	250,281	4,540,400	1,130,689	1,338,402	227	9,581,820
Defaulted Exposures	–	7,731	392	–	9,926	–	15,597	1,155	2,916	1,847	1,552	–	41,116
Total for Off-Balance Sheet Exposures	120,686	98,240	631,156	119,730	680,272	299,875	430,241	263,151	5,806,237	1,187,576	1,339,954	227	10,977,345
Total for On and Off-Balance Sheet Exposures	1,684,602	491,436	4,965,975	998,699	3,876,014	5,627,139	7,125,158	3,891,680	33,904,286	4,113,389	41,414,871	7,415,584	115,508,833

BASEL II PILLAR 3 DISCLOSURES
As at 31 December 2024

5. CREDIT RISK (CONTINUED)

5.8 Distribution of Credit Exposure (continued)

(ii) The following table depicts the Bank's Gross Credit Exposure by Sectorial Analysis or Industry Distribution. (continued)

	The Bank												
31.12.2024 Exposure class	Primary agriculture	Mining and quarrying	Manufac-turing	Electricity, gas and water supply	Construction	Real estate	Wholesale & retail trade and restaurants & hotels	Transport, storage and communication	Finance, insurance/ takaful and business services	Education, health and others	Household	Others	Total
On Balance Sheet Exposures													
Corporates	1,054,879	229,504	3,087,386	769,453	1,486,272	3,752,808	3,556,767	2,524,788	1,324,878	1,309,762	377,036	503,006	19,976,539
Regulatory Retail	72,864	7,620	374,269	3,898	270,997	159,609	836,039	253,866	274,502	76,395	15,580,758	1,085	17,911,902
Other Assets	–	–	–	–	–	–	–	–	–	–	–	5,213,941	5,213,941
Sovereigns/Central Banks	–	–	–	20,184	713,929	198,254	–	593,819	9,506,388	283,327	253	102,650	11,418,804
Public Sector Entities	–	–	–	–	–	–	–	–	–	–	–	–	–
Banks, Development Financial Institutions & MDBs	2,758	–	–	–	–	–	499	–	5,146,511	–	–	–	5,149,768
Insurance Companies, Securities Firms & Fund Managers	–	–	–	–	–	–	675	–	15,004	–	–	–	15,679
Residential Mortgages	–	–	–	–	–	–	–	–	–	–	3,358,092	–	3,358,092
Higher Risk Assets	–	–	–	–	–	–	–	–	–	–	17,426	28,381	45,807
Defaulted Exposures	1,307	1,257	28,129	5,495	57,659	249,914	75,305	81,069	8,061	28,273	206,882	–	743,351
Total for On-Balance Sheet Exposures	1,131,808	238,381	3,489,784	799,030	2,528,857	4,360,585	4,469,285	3,453,542	16,275,344	1,697,757	19,540,447	5,849,063	63,833,883
Off Balance Sheet Exposures													
Over-the-counter (OTC) derivatives	–	–	6,670	–	296	17,929	1,942	9,104	977,394	–	–	–	1,013,335
Off Balance Sheet Exposures other than OTC derivatives or credit derivatives	58,458	10,763	411,232	8,564	352,270	180,153	309,229	248,390	4,691,197	45,784	973,567	514	7,290,121
Defaulted Exposures	–	958	52	–	9,740	5	698	559	–	–	2,887	–	14,899
Total for Off-Balance Sheet Exposures	58,458	11,721	417,954	8,564	362,306	198,087	311,869	258,053	5,668,591	45,784	976,454	514	8,318,355
Total for On and Off-Balance Sheet Exposures	1,190,266	250,102	3,907,738	807,594	2,891,163	4,558,672	4,781,154	3,711,595	21,943,935	1,743,541	20,516,901	5,849,577	72,152,238

BASEL II PILLAR 3 DISCLOSURES
As at 31 December 2024

5. CREDIT RISK (CONTINUED)

5.8 Distribution of Credit Exposure (continued)

(ii) The following table depicts the Bank's Gross Credit Exposure by Sectorial Analysis or Industry Distribution. (continued)

	The Bank												
31.12.2023 Exposure class	Primary agriculture	Mining and quarrying	Manufac-turing	Electricity, gas and water supply	Construction	Real estate	Wholesale & retail trade and restaurants & hotels	Transport, storage and communication	Finance, insurance/ takaful and business services	Education, health and others	Household	Others	Total
On Balance Sheet Exposures													
Corporates	1,050,819	334,034	2,713,561	522,528	1,102,785	4,144,447	4,160,451	1,669,592	1,073,115	1,275,179	419,026	877,571	19,343,108
Regulatory Retail	73,162	9,790	407,541	3,496	308,713	152,234	939,009	309,423	311,299	86,033	14,933,666	760	17,535,126
Other Assets	–	–	–	–	–	–	–	–	–	–	–	4,074,512	4,074,512
Sovereigns/Central Banks	–	–	–	–	232,394	–	–	430,745	9,798,364	310,785	21	317,011	11,089,320
Banks, Development Financial Institutions & MDBs	1,910	–	–	–	–	–	–	–	6,931,674	–	–	–	6,933,584
Insurance Companies, Securities Firms & Fund Managers	–	–	–	–	–	–	807	–	15,005	–	–	–	15,812
Residential Mortgages	–	–	–	–	–	–	–	–	–	–	3,084,139	–	3,084,139
Higher Risk Assets	–	–	–	–	–	–	–	–	–	–	19,758	14,915	34,673
Defaulted Exposures	1,667	6,836	18,918	–	62,311	134,817	88,119	75,620	38,814	69,616	142,805	–	639,523
Total for On-Balance Sheet Exposures	1,127,558	350,660	3,140,020	526,024	1,706,203	4,431,498	5,188,386	2,485,380	18,168,271	1,741,613	18,599,415	5,284,769	62,749,797
Off Balance Sheet Exposures													
Over-the-counter (OTC) derivatives	–	–	13,159	–	–	–	2,245	11,656	880,315	55,040	–	–	962,415
Off Balance Sheet Exposures other than OTC derivatives or credit derivatives	46,344	19,387	411,426	9,320	428,039	247,431	268,799	185,751	4,509,143	66,691	981,580	227	7,174,138
Defaulted Exposures	–	7,731	392	–	9,667	–	15,597	1,155	2,693	1,847	–	–	39,082
Total for Off-Balance Sheet Exposures	46,344	27,118	424,977	9,320	437,706	247,431	286,641	198,562	5,392,151	123,578	981,580	227	8,175,635
Total for On and Off-Balance Sheet Exposures	1,173,902	377,778	3,564,997	535,344	2,143,909	4,678,929	5,475,027	2,683,942	23,560,422	1,865,191	19,580,995	5,284,996	70,925,432

BASEL II PILLAR 3 DISCLOSURES
As at 31 December 2024

5. CREDIT RISK (CONTINUED)

5.8 Distribution of Credit Exposure (continued)

(iii) The following table depicts the Group's Gross Credit Exposure analysed into relevant maturity tenures by residual contractual maturity.

	The Group				
31.12.2024 **Exposure class**	**< 1 year**	**> 1-5 years**	**> 5 years**	**No specific maturity**	**Total**
On Balance Sheet Exposures					
Corporates	9,910,739	7,708,084	15,482,507	1,627,395	34,728,725
Regulatory Retail	649,766	5,207,577	21,630,697	870,132	28,358,172
Other Assets	–	–	–	6,795,096	6,795,096
Sovereigns/Central Banks	3,583,869	9,469,374	9,770,999	118,923	22,943,165
Public Sector Entities	–	–	–	–	–
Banks, Development Financial Institutions & MDBs	1,602,283	2,019,053	534,304	2,841	4,158,481
Insurance/Takaful Companies, Securities Firms & Fund Managers	18,506	36,113	267	4	54,890
Residential Mortgages	1,482	57,086	13,065,628	34,092	13,158,288
Higher Risk Assets	38,319	3,537	23,718	1	65,575
Defaulted Exposures	231,848	83,393	531,542	84,466	931,249
Total for On-Balance Sheet Exposures	**16,036,812**	**24,584,217**	**61,039,662**	**9,532,950**	**111,193,641**
Off Balance Sheet Exposures					
Over-the-counter (OTC) derivatives	594,109	522,956	72,550	–	1,189,615
Off Balance Sheet Exposures other than OTC derivatives or credit derivatives	7,221,728	1,145,012	98,907	1,303,401	9,769,048
Defaulted Exposures	2,945	9,631	134	4,753	17,463
Total for Off-Balance Sheet Exposures	**7,818,782**	**1,677,599**	**171,591**	**1,308,154**	**10,976,126**
Total for On and Off-Balance Sheet Exposures	**23,855,594**	**26,261,816**	**61,211,253**	**10,841,104**	**122,169,767**

BASEL II PILLAR 3 DISCLOSURES
As at 31 December 2024

5. CREDIT RISK (CONTINUED)

5.8 Distribution of Credit Exposure (continued)

(iii) The following table depicts the Group's Gross Credit Exposure analysed into relevant maturity tenures by residual contractual maturity. (continued)

	The Group				
31.12.2023 Exposure class	< 1 year	> 1-5 years	> 5 years	No specific maturity	Total
On Balance Sheet Exposures					
Corporates	8,862,922	7,023,489	11,313,707	1,733,614	28,933,732
Regulatory Retail	586,298	5,192,595	21,352,056	831,332	27,962,281
Other Assets	–	–	–	5,304,673	5,304,673
Sovereigns/Central Banks	4,649,411	8,558,535	8,970,315	130,693	22,308,954
Banks, Development Financial Institutions & MDBs	4,386,794	1,565,124	339,902	2,017	6,293,837
Insurance/Takaful Companies, Securities Firms & Fund Managers	12,675	40,194	463	5	53,337
Residential Mortgages	1,600	57,534	12,721,394	29,679	12,810,207
Higher Risk Assets	923	18,915	25,375	–	45,213
Defaulted Exposures	102,292	112,767	512,622	91,573	819,254
Total for On-Balance Sheet Exposures	18,602,915	22,569,153	55,235,834	8,123,586	104,531,488
Off Balance Sheet Exposures					
Over-the-counter (OTC) derivatives	883,172	414,220	57,017	–	1,354,409
Off Balance Sheet Exposures other than OTC derivatives or credit derivatives	6,748,010	446,693	1,025,329	1,361,788	9,581,820
Defaulted Exposures	27,029	10,775	123	3,189	41,116
Total for Off-Balance Sheet Exposures	7,658,211	871,688	1,082,469	1,364,977	10,977,345
Total for On and Off-Balance Sheet Exposures	26,261,126	23,440,841	56,318,303	9,488,563	115,508,833

BASEL II PILLAR 3 DISCLOSURES

As at 31 December 2024

5. CREDIT RISK (CONTINUED)

5.8 Distribution of Credit Exposure (continued)

(iii) The following table depicts the Bank's Gross Credit Exposure analysed into relevant maturity tenures by residual contractual maturity. (continued)

	The Bank				
31.12.2024 Exposure class	< 1 year	> 1-5 years	> 5 years	No specific maturity	Total
On Balance Sheet Exposures					
Corporates	5,672,457	5,175,507	8,219,045	909,530	19,976,539
Regulatory Retail	222,350	3,270,112	13,763,875	655,565	17,911,902
Other Assets	–	–	–	5,213,941	5,213,941
Sovereigns/Central Banks	754,769	5,932,075	4,731,641	319	11,418,804
Banks, Development Financial Institutions & MDBs	2,719,078	1,982,021	445,828	2,841	5,149,768
Insurance Companies, Securities Firms & Fund Managers	–	15,408	267	4	15,679
Residential Mortgages	1,191	37,334	3,290,117	29,450	3,358,092
Higher Risk Assets	28,435	433	16,938	1	45,807
Defaulted Exposures	225,116	47,573	387,920	82,742	743,351
Total for On-Balance Sheet Exposures	**9,623,396**	**16,460,463**	**30,855,631**	**6,894,393**	**63,833,883**
Off Balance Sheet Exposures					
Over-the-counter (OTC) derivatives	567,684	378,252	67,399	–	1,013,335
Off Balance Sheet Exposures other than OTC derivatives or credit derivatives	5,982,923	308,197	21,142	977,859	7,290,121
Defaulted Exposures	2,457	9,588	134	2,720	14,899
Total for Off-Balance Sheet Exposures	**6,553,064**	**696,037**	**88,675**	**980,579**	**8,318,355**
Total for On and Off-Balance Sheet Exposures	**16,176,460**	**17,156,500**	**30,944,306**	**7,874,972**	**72,152,238**

BASEL II PILLAR 3 DISCLOSURES
As at 31 December 2024

5. CREDIT RISK (CONTINUED)

5.8 Distribution of Credit Exposure (continued)

(iii) The following table depicts the Bank's Gross Credit Exposure analysed into relevant maturity tenures by residual contractual maturity. (continued)

	The Bank				
31.12.2023 Exposure class	< 1 year	> 1-5 years	> 5 years	No specific maturity	Total
On Balance Sheet Exposures					
Corporates	5,456,461	5,177,375	7,730,238	979,034	19,343,108
Regulatory Retail	216,985	3,472,042	13,233,401	612,698	17,535,126
Other Assets	–	–	–	4,074,512	4,074,512
Sovereigns/Central Banks	1,102,570	5,562,589	4,424,111	50	11,089,320
Banks, Development Financial Institutions & MDBs	4,885,024	1,723,076	323,478	2,006	6,933,584
Insurance Companies, Securities Firms & Fund Managers	–	15,344	463	5	15,812
Residential Mortgages	1,256	38,177	3,016,000	28,706	3,084,139
Higher Risk Assets	923	15,401	18,349	–	34,673
Defaulted Exposures	78,795	76,474	393,802	90,452	639,523
Total for On–Balance Sheet Exposures	11,742,014	16,080,478	29,139,842	5,787,463	62,749,797
Off Balance Sheet Exposures					
Over–the–counter (OTC) derivatives	645,613	266,819	49,983	–	962,415
Off Balance Sheet Exposures other than OTC derivatives or credit derivatives	5,826,792	327,026	16,370	1,003,950	7,174,138
Defaulted Exposures	26,601	10,705	123	1,653	39,082
Total for Off–Balance Sheet Exposures	6,499,006	604,550	66,476	1,005,603	8,175,635
Total for On and Off–Balance Sheet Exposures	18,241,020	16,685,028	29,206,318	6,793,066	70,925,432

BASEL II PILLAR 3 DISCLOSURES

As at 31 December 2024

6. SECURITISATION

The Group and the Bank currently does not have any securitisation activities.

7. MARKET RISK

7.1 Market Risk Management Objectives and Policies

Market risk is defined as changes in the market value of a trading or investment position arising from movements in market factors such as interest/profit rate, foreign exchange rates and implied volatility rates. The Group's and the Bank's exposure to market risk results largely from interest/profit rate and foreign exchange rate risks.

Market risk may arise from proprietary trading position and investment activities (including those for liquidity requirement purposes) in the Trading and Investment Book respectively.

The Market Risk Management Framework governs the market risk activities of the Group and the Bank which are supported by a set of approved market risk management policies, guidelines and procedures.

Risk control parameters are established based on risk appetite, market liquidity and business strategies as well as macro-economic conditions. These parameters are reviewed at least annually.

Interest/profit rate risk is quantified by analysing the mismatches in timing repricing of the rate sensitive assets and rate sensitive liabilities. Earnings-at-Risk ('EaR') or Net Interest/profit Income simulation is conducted to assess the variation in short term earnings under various rates scenarios. The potential long-term effect of the overall exposure is tracked by assessing the impact on Economic Value of Equity ('EVE'), also known as Economic Value-at-Risk ('EVaR'). Thresholds are set for EaR and EVaR as management triggers.

7.2 Application of Standardised Approach for Market Risk Capital Charge Computation

The Group and the Bank adopt the Standardised Approach for the purpose of calculating the capital requirement for market risk.

Refer Appendix I.

BASEL II PILLAR 3 DISCLOSURES
As at 31 December 2024

7. MARKET RISK (CONTINUED)

7.3 Market Risk Measurement, Control and Monitoring

Market risk arising from the Trading Book is primarily controlled through the imposition of Stop-loss and Value-at-Risk ('VaR') risk control parameters.

Periodic stress tests are conducted to quantify market risk arising from probability of abnormal market movements.

Value-at-Risk ('VaR')

VaR estimates the potential loss of a Trading portfolio from adverse market price movements which may occur over a specified holding period of the Trading portfolio.

It measures the risk of losses arising from potential adverse movements in interest/profit rates, implied volatility rates and foreign exchange rates that could affect values of financial instruments.

Back testing of the VaR results is conducted to validate and reassess the accuracy of the risk measurement systems.

Other risk measures include the following:

i. Mark-to-market valuation tracks the current market value of the outstanding financial instruments.
ii. Stress tests are conducted to attempt to quantify market risk arising from abnormal market movements. Stress tests measure the changes in values primarily arising from extreme movements in interest/profit rates and foreign exchange rates based on Macro Economic Variables ('MEV') provided by in-house research team.

7.4 Foreign Exchange Risk

The Group and the Bank are exposed to the effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. The risk of fluctuations in foreign currency exchange rates is managed via setting of thresholds on the level of exposure by currency and in aggregate for both overnight and intra-day positions, which are monitored daily.

8. LIQUIDITY RISK

8.1 Liquidity Risk Management Objectives and Policies

Liquidity risk is the risk of inability of a bank to fund increases in assets and meet obligations as they come due, without incurring unacceptable losses. Liquidity risk includes the inability to manage sudden decreases or changes in funding sources. Liquidity risk also arises from the failure to recognise changes in market conditions that affect the ability to liquidate assets quickly and with minimal loss in value.

The Liquidity Risk Management Framework governs the liquidity risk management activities of the Group and the Bank. The objective of liquidity risk management is to ensure that there are sufficient funds to meet contractual and regulatory obligations without incurring unacceptable losses as well as to undertake new transactions. The Group's and the Bank's liquidity management process involves establishing liquidity risk management policies and prudential thresholds, liquidity risk threshold monitoring, stress testing and establishing contingency funding plans. These building blocks of liquidity risk management are subject to regular reviews to ensure relevance in the context of prevailing market conditions and regulatory landscape.

BASEL II PILLAR 3 DISCLOSURES
As at 31 December 2024

8. LIQUIDITY RISK (CONTINUED)

8.2 Liquidity Risk Measurement, Control and Monitoring

The Group's and the Bank's short-term liquidity risk management is premised on BNM's Liquidity Coverage Ratio ('LCR') standards. The LCR is a quantitative requirement which seeks to ensure that the Group and the Bank holds sufficient High-Quality Liquid Assets ('HQLA') to withstand a significant liquidity stress scenario over a 30-day horizon.

Long-term liquidity risk profile is assessed via the Net Stable Funding Ratio ('NSFR') which promotes resilience over a longer time horizon for the Group and the Bank to fund its activities with more stable sources of funding on an ongoing basis.

The Group and the Bank also employ a set of liquidity risk indicators as an early alert of any structural change for liquidity risk management. The liquidity risk indicators include internal and external qualitative as well as quantitative indicators.

Liquidity stress tests are conducted periodically and on ad-hoc basis to gauge the Group's and the Bank's resilience in the event of a liquidity disruption.

The Contingency Funding Plan provides a systematic approach in handling liquidity disruption. The document encompasses strategies, decision-making authorities, and courses of action to be taken in the event of liquidity crisis and emergencies, enabling the Group and the Bank to respond to an unexpected liquidity disruption in an effective and efficient manner.

GBRMC endorses all policies and changes relating to liquidity risk management prior to the Board's approval. The strategic management of liquidity has been delegated to the GALCO. GBRMC is informed regularly on the liquidity position of the Group and the Bank.

9. OPERATIONAL RISK

9.1 Operational Risk Management Objectives and Policies

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people, and systems, or from external events. The definition includes legal risk and Shariah Non-Compliance risk but excludes strategic, business, and reputational risks.

The management of operational risk is governed by the Group Operational Risk Management Policy, with ancillary aspects of reputational and outsourcing risks under the purview of the Reputational Risk Policy and the Outsourcing Policy, respectively. Any material changes to the policies require endorsement from the Group Board Risk Management Committee ('GBRMC') before seeking approval from the Board.

9.2 Application of Basic Indicator Approach for Operational Risk

The Group and the Bank adopt the Basic Indicator Approach for the purpose of calculating the capital requirement for operational risk. The capital requirement is calculated by taking 15% of the average annual gross income over the previous three years.

Refer Appendix I.

BASEL II PILLAR 3 DISCLOSURES
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9. OPERATIONAL RISK (CONTINUED)

9.3 Operational Risk Measurement, Control and Monitoring

Operational risk is defined as the risk of direct or indirect loss resulting from inadequate or failed internal processes, people, and systems, or from external events. The definition includes legal risk, but excludes strategic, business, and reputational risks.

The management of operational risk is governed by the Group Operational Risk Management ('GORM') Policy, with ancillary aspects of reputational and outsourcing risks under the purview of the Reputational Risk Policy and the Outsourcing Policy, respectively. Any material changes to the policies require endorsement from the Group Board Risk Management Committee ('GBRMC') before seeking approval from the Board. The Group Management Committee – Governance, Risk and Compliance ('GMC-GRC') which is responsible for reviewing and monitoring operational risk and supporting the GBRMC, provides a forum to discuss and manage all aspects of operational risk, amongst other risk types.

The Bank employs the Three Lines of Defence model to clearly delineate key roles and responsibilities in managing operational risk. Group Operational Risk Management, a function within Group Risk Management, operates independently as the 2nd Line of Defence. In the 1st Line of Defence, Business Risk and Compliance Managers are designated as champions for their respective divisions.

They act as liaisons with the 2nd Line of Defence to oversee and report their respective operational risk via the following tools:

- Risk Control Self-Assessment,
- Operational Risk Event Reporting,
- Control Self Testing,
- Key Risk Indicator,
- Operational Risk Scenario Analysis,
- Outsourcing Assessment; and
- Process Risk Control Assessment

10. TECHNOLOGY RISK

10.1 Technology Risk Objectives and Policies

Technology risk refers to any risks emanating from technology failures and cyber threats that may disrupt the Group's and the Bank's business such as failures of information technology ('IT') systems, applications, platforms or infrastructures including threats or vulnerabilities exposed from external network or Internet, which could result in financial loss, financial services disruption or the operations of the Group and the Bank. Failures or errors in any of the elements above could also lead to adverse reputational impact to the Group and the Bank.

GBITC represents the Board committee to oversee and review the formulation of IT and digital strategies, costs and planning, including the financial, tactical and strategic benefits of proposed major IT and operational related initiatives.

GBITC reviews and provides input on Technology Risk Management Framework/Cyber Resilience Framework, risk appetite and KRIs to be submitted to GBRMC, for its recommendation to the Board for approval. It also oversees, guides and endorses/approves (as required) major IT initiatives, IT/Cybersecurity policies, technology architecture decisions, IT expenditure and IT priorities as well as overall IT performance for the Group and the Bank.

The Group Technology Risk Management Framework and Cyber Resilience Framework governs the management of technology risk across the Group and the Bank. The technology risk management function within GRM manages the risks associated with technology risk of the Group and the Bank. GMC supports GBRMC in the review and monitoring of technology risks and provides the forum to discuss and manage all aspects of technology risk. GBRMC is responsible to provide oversight of overall technology related matters of the Group and the Bank.

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10. TECHNOLOGY RISK (CONTINUED)

10.2 Technology Risk Measurement, Control and Monitoring

The Group and the Bank use risk identification and assessment to determine the extent of the potential threat and the risk associated with an IT system throughout its System Development Life Cycle ('SDLC'). The output of this process helps to identify appropriate controls for reducing or eliminating risk during the risk mitigation process.

Technology risk controls encompass the use of technical and non-technical methods. Technical controls are safeguards that are incorporated into computer hardware, software, or firmware (i.e. access control mechanisms, identification and authentication mechanisms, encryption methods, intrusion detection software).

Non-technical controls are management and operational controls, such as security policies, operational procedures and personnel, physical and environmental security.

Technology Risk Management reports are produced periodically for the respective stakeholders and committees.

11. SHARIAH NON-COMPLIANCE RISK

11.1 Shariah Non-Compliance Risk Objectives and Policies

Shariah non-compliance ('SNC') is the risk of legal or regulatory sanctions, financial loss or non-financial implications including reputational damage, which the Group and the Bank may suffer arising from the failure to comply with the rulings of the Shariah Advisory Council of Bank Negara Malaysia ('SAC'), standards on Shariah matters issued by BNM pursuant to Section 29(1) of the Islamic Financial Services Act, or decisions or advice of the Shariah Committee.

BNM's policy document on Shariah governance together with the Group and the Bank's internal Shariah Governance Policy and Shariah Risk Management Policy are the main references for the Shariah risk management process within the Group and the Bank.

Affin Islamic's Shariah Committee is established to provide objective and sound advice to the management to ensure that the aims and operations, business, affairs and activities are in compliance with Shariah.

Shariah Risk Management is part of an integrated risk management that systematically identify, assess, measure, monitor and report Shariah non-compliance risks in the operations, business, affairs and activities of the Group and the Bank.

11.2 Shariah Non-Compliance Risk Measurement, Control and Monitoring

SNC risk is proactively managed via the following risk tools:

i. SNC Loss Event Reporting ('LER') ensure effective and timely SNC internal reporting process;
ii. Shariah Risk and Control Self-Assessment ('RCSA') assists business/support unit within the Bank to identify and assess key SNC risks and controls;
iii. Shariah Key Risk Indicator ('KRI') facilitates business/support unit within the Bank to measure and monitor a residual risk from the RCSA; and
iv. Shariah Key Control Self-Assessment ('KCSA') facilitates business/support unit within the Bank to assess the effectiveness of control measures.

11.3 Shariah Non-Compliance Income During The Year

	The Group	
	2024 RM'000	2023 RM'000
Shariah Non-Compliance Income	**6**	–

BASEL II PILLAR 3 DISCLOSURES
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12. INVESTMENT ACCOUNT

12.1 AFFIN Term Investment Account - i ('AFFIN TIA-i')

AFFIN TIA-i is a Shariah-compliant investment product under the Shariah concept of Mudarabah under the category of Mudarabah Mutlaqah (Unrestricted Mudarabah) that offers customers the opportunity to invest their funds for a fixed term, earning potential returns based on the performance of the underlying assets. AFFIN TIA-i is structured in accordance with Islamic principles, ensuring that all investments are free from elements of riba (interest), gharar (uncertainty), and maysir (gambling).

Investment funds under AFFIN TIA-i are invested into a pool of Shariah compliant personal financing portfolio of the Bank with the objective to provide stable returns through low to moderate risk investment. AFFIN TIA-i strategically allocates its funds into a range of investment assets that are not only competitively priced but also exhibit high asset quality. This approach ensures that the investment account benefits from both cost-effective opportunities and robust, reliable asset performance. By carefully selecting and managing these assets, AFFIN TIA-i aims to optimise returns while maintaining a balanced risk profile, ultimately providing investors with a stable and potentially rewarding investment experience.

Parties involved in this investment are the Customer as the Investor (Rabbul Mal) and the Bank as the entrepreneur (Mudarib), where:

- The Customer will invest their money in AFFIN TIA-i (Investment Fund).
- The Investment Fund is then invested by the Bank into the pool of Shariah compliant personal financing portfolio of the Bank (Investment Asset).
- The profit generated from the investment is to be distributed to the Customer and the Bank based on an agreed Profit-Sharing Ratio (PSR).
- The financial losses associated with the investment (if any) are to be borne by the Customer, as long as such losses are not due to the Bank's misconduct, negligence or breach of specified terms. The Bank may suffer losses in term of costs and time.

Customers are informed on the risks associated with AFFIN TIA-i with mitigation adopted by the Bank which include (but not limited to):

- Risk of capital loss and credit risk – Underlying asset under AFFIN TIA-i is set with criteria that meet low to medium risks such as limiting the involvement of active assets only into the investment arrangement.
- Market risk – Invested assets are subjected to fluctuations in market rates, which have potential impact of price movement (profit rate, exchange rate – if any) and overall income performance of the Investment Asset. The risk is managed by applying diversification of assets and continuous monitoring the performance of the investment portfolio.
- Liquidity risk – Risk occurs when withdrawal/redemptions exceed total investments. This risk is mitigated by liquidity management techniques appropriate to the investment arrangement, covering both shortfalls and surpluses.

12.2 AFFIN TIA-i Performance

AFFIN TIA-i was launched on 2 November 2024. As at 31 December 2024, balance of AFFIN TIA-i stood at RM753.1 million. The performance of AFFIN TIA-i is as described in the table below:

Return on Asset (ROA)	5.52%
Average Net Distributable Income Attributable to the Investment Account Holder (IAH)	RM2.76 million
Average Profit-Sharing Ratio to the IAH	75%

BASEL II PILLAR 3 DISCLOSURES
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13. BUSINESS CONTINUITY RISK

13.1 Business Continuity Risk Objectives and Policies

Business continuity risk encompasses the potential loss of assets, revenue, reputation, and stakeholder confidence resulting from disruptions in business or technology operations. Mitigating this risk is essential to ensuring seamless service continuity, protecting the Bank's financial stability, and maintaining the trust and confidence of Affin's stakeholders and customers.

The Group Business Continuity Management Policy is strategically designed to govern the management of business continuity across the Bank, ensuring strict adherence to the standards set by Bank Negara Malaysia (BNM), PayNet, Bursa Malaysia, and the Securities Commission Malaysia. This policy underscores the Bank's commitment to resilience, regulatory compliance, and the seamless continuity of Affin's banking operations.

The Group Board Risk Management Committee (GBRMC) represent the Board committee in reviewing, monitoring, and evaluating business continuity management reports, providing vital insights. To support the GBRMC, the Group Business Continuity Management Committee (GBCMC) offers an essential forum for in-depth review and proactive management of business continuity risks and operational risk controls, fostering a culture of resilience and accountability across AFFIN Group.

The BCM function plays a vital role in safeguarding the Bank by overseeing the management of business continuity risks and ensuring effective crisis management. Its strategic oversight is essential in minimising disruptions, protecting critical operations, and maintaining organisational resilience, making it a cornerstone of the Bank's commitment to operational stability and long-term success.

13.2 Business Continuity Risk Measurement, Control and Monitoring

Annual Risk Assessment (RA) and Business Impact Analysis (BIA) are mandatory for all business and support units within the Group and the Bank, reflecting our unwavering commitment to proactive risk management. The outcomes of these assessments will provide a detailed risk register, compelling each unit to implement focused action plans to mitigate identified risks.

Risk control is established through adherence with established BCM guidelines and standards throughout the implementation of BCM programs. Rigorous testing on business continuity and disaster recovery plans are diligently performed to ensure effective and smooth execution of the plan for resumption and recovery of disrupted business.

Robust policies, plan and processes are in place to support the monitoring and reporting of business continuity risks, ensuring proactive identification, assessment, and management of potential disruptions. These measures enable timely and accurate reporting, facilitating informed decision-making and continuous improvement in managing the business continuity risk.

BASEL II PILLAR 3 DISCLOSURES
As at 31 December 2024

14. EQUITIES IN THE BANKING BOOK

The Group's and the Bank's banking book equity investment consists of:

- Investments held for yield and/or long-term capital gains; and
- Strategic stakes in entities held as part of growth initiatives and/or held for socio-economic reasons.

Accounting for Equity Holdings in the Banking Book

All equities are held at fair value. For quoted equities, fair value is estimated based on quoted or observable market price at the end of the reporting period. For unquoted equities, the fair value is estimated using approved valuation techniques.

Any gains and losses arising from the returns and changes in fair value of these equities holdings are reflected in the revaluation reserve and statement of income accordingly.

The details of fair value of financial instruments are disclosed in Note 51 of the Group's and the Bank's 2024 Integrated Report.

	2024		2023	
The Group	**Fair Value RM'000**	**Risk Weighted Assets RM'000**	Fair Value RM'000	Risk Weighted Assets RM'000
Type of Equity Investments				
Privately held	**267,251**	**268,581**	245,640	245,672
Publicly traded	–	–	–	–
Total	**267,251**	**268,581**	245,640	245,672

	2024	2023
	RM'000	RM'000
Cumulative realised gains/(losses) from sales and liquidations of equity investments	**-**	-
Total unrealised gains/(losses) in other comprehensive income	**21,611**	14,726

	2024		2023	
The Bank	**Fair Value RM'000**	**Risk Weighted Assets RM'000**	Fair Value RM'000	Risk Weighted Assets RM'000
Type of Equity Investments				
Privately held	**241,057**	**241,094**	220,875	220,913
Publicly traded	–	–	–	–
Total	**241,057**	**241,094**	220,875	220,913

	2024	2023
	RM'000	RM'000
Cumulative realised gains/(losses) from sales and liquidations of equity investments	**–**	–
Total unrealised gains/(losses) in other comprehensive income	**20,182**	13,882

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BASEL II PILLAR 3 DISCLOSURES

As at 31 December 2024

The Group and the Bank have adopted Basel II - Risk Weighted Assets computation under the BNM's Risk-Weighted Capital Adequacy Framework with effect from 1 January 2008. The Group and the Bank have adopted the Standardised Approach for credit risk and market risk, and Basic Indicator Approach for operation risk computation.

The following information concerning the Group and the Bank's risk exposures are disclosed as accompanying information to the Integrated Report and does not form part of the audited accounts.

DISCLOSURE ON CAPITAL ADEQUACY (RM'000)

The Group
31.12.2024

	Exposure Class	Gross Exposures/ EAD before CRM	Net Exposures/ EAD after CRM	Risk Weighted Assets	Minimum Capital Requirements at 8%
1	CREDIT RISK				
	On Balance Sheet Exposures				
	Corporates	34,728,725	32,919,523	27,324,064	2,185,925
	Regulatory Retail	28,358,172	26,223,564	19,605,568	1,568,445
	Other Assets	6,795,096	6,795,096	3,441,069	275,286
	Sovereigns/Central Banks	22,943,165	22,943,165	460,607	36,849
	Public Sector Entities	–	–	–	–
	Banks, Development Financial Institutions & MDBs	4,158,481	4,155,399	1,098,061	87,845
	Insurance/Takaful Companies, Securities Firms & Fund Managers	54,890	54,890	26,742	2,139
	Residential Mortgages	13,158,288	13,143,305	6,146,507	491,721
	Higher Risk Assets	65,575	65,575	98,362	7,869
	Defaulted Exposures	931,249	928,957	1,210,717	96,857
	Total for On-Balance Sheet Exposures	**111,193,641**	**107,229,474**	**59,411,697**	**4,752,936**
	Off Balance Sheet Exposures				
	Over-the-counter (OTC) derivatives	1,189,615	1,189,616	522,794	41,824
	Off Balance Sheet Exposures other than OTC derivatives or credit derivatives	9,769,048	5,771,586	3,883,852	310,708
	Defaulted Exposures	17,463	17,463	25,218	2,017
	Total for Off-Balance Sheet Exposures	**10,976,126**	**6,978,665**	**4,431,864**	**354,549**
	Total for On and Off-Balance Sheet Exposures	**122,169,767**	**114,208,139**	**63,843,561**	**5,107,485**

Appendix I

BASEL II PILLAR 3 DISCLOSURES

As at 31 December 2024

DISCLOSURE ON CAPITAL ADEQUACY (RM'000) (CONTINUED)

The Group
31.12.2024

Exposure Class	Gross Exposures/ EAD before CRM		Net Exposures/ EAD after CRM	Risk Weighted Assets	Minimum Capital Requirements at 8%
	Long Position	Short Position			
2 MARKET RISK					
Interest Rate/Rate of Return Risk	**54,275,647**	**52,272,573**	**2,003,074**	**2,500,511**	**200,041**
Equity Position Risk	**142,600**	**73,624**	**68,976**	**199,420**	**15,954**
Foreign Currency Risk	**263,563**	**155,329**	**108,234**	**138,373**	**11,070**
Option Risk	**18,373**	**84,135**	**(65,762)**	**1,461**	**117**
TOTAL MARKET RISK	**54,700,183**	**52,585,661**		**2,839,765**	**227,182**
3 OPERATIONAL RISK					
Operational Risk				**3,877,820**	**310,226**
Total RWA and Capital Requirements				**70,561,146**	**5,644,893**

The Group
31.12.2023

Exposure Class	Gross Exposures/ EAD before CRM	Net Exposures/ EAD after CRM	Risk Weighted Assets	Minimum Capital Requirements at 8%
1 CREDIT RISK				
On Balance Sheet Exposures				
Corporates	28,933,732	27,105,646	22,888,173	1,831,054
Regulatory Retail	27,962,281	26,502,992	19,744,019	1,579,522
Other Assets	5,304,673	5,304,673	2,737,555	219,004
Sovereigns/Central Banks	22,308,954	22,308,954	215,033	17,203
Banks, Development Financial Institutions & MDBs	6,293,837	6,290,262	1,483,294	118,664
Insurance/Takaful Companies, Securities Firms & Fund Managers	53,337	53,337	25,184	2,015
Residential Mortgages	12,810,207	12,793,856	7,027,546	562,204
Higher Risk Assets	45,213	45,213	67,819	5,426
Defaulted Exposures	819,254	816,545	1,028,625	82,290
Total for On-Balance Sheet Exposures	104,531,488	101,221,478	55,217,248	4,417,380
Off Balance Sheet Exposures				
Over-the-counter (OTC) derivatives	1,354,409	1,354,408	524,579	41,966
Off Balance Sheet Exposures other than OTC derivatives or credit derivatives	9,581,820	6,714,711	3,797,872	303,830
Defaulted Exposures	41,116	41,115	60,943	4,875
Total for Off-Balance Sheet Exposures	10,977,345	8,110,234	4,383,394	350,671
Total for On and Off-Balance Sheet Exposures	115,508,833	109,331,712	59,600,642	4,768,051

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BASEL II PILLAR 3 DISCLOSURES

As at 31 December 2024

DISCLOSURE ON CAPITAL ADEQUACY (RM'000) (CONTINUED)

The Group
31.12.2023

	Exposure Class	Gross Exposures/ EAD before CRM		Net Exposures/ EAD after CRM	Risk Weighted Assets	Minimum Capital Requirements at 8%
		Long Position	Short Position			
2	MARKET RISK					
	Interest Rate/Rate of Return Risk	58,216,154	57,203,775	1,012,379	1,252,134	100,171
	Equity Position Risk	89,122	976	88,146	252,365	20,189
	Foreign Currency Risk	2,570,068	2,710,802	(140,736)	324,046	25,924
	Option Risk	625	7,687	(7,062)	113	9
	TOTAL MARKET RISK	60,875,969	59,923,240		1,828,658	146,293
3	OPERATIONAL RISK					
	Operational Risk				4,029,830	322,386
	Total RWA and Capital Requirements				65,459,130	5,236,730

The Bank
31.12.2024

	Exposure Class	Gross Exposures/ EAD before CRM	Net Exposures/ EAD after CRM	Risk Weighted Assets	Minimum Capital Requirements at 8%
1	**CREDIT RISK**				
	On Balance Sheet Exposures				
	Corporates	**19,976,539**	**19,574,463**	**16,572,996**	**1,325,840**
	Regulatory Retail	**17,911,902**	**17,808,359**	**13,293,932**	**1,063,515**
	Other Assets	**5,213,941**	**5,213,941**	**3,012,196**	**240,976**
	Sovereigns/Central Banks	**11,418,804**	**11,418,804**	**262,961**	**21,037**
	Public Sector Entities	**–**	**–**	**–**	**–**
	Banks, Development Financial Institutions & MDBs	**5,149,768**	**5,149,419**	**1,442,815**	**115,425**
	Insurance Companies, Securities Firms & Fund Managers	**15,679**	**15,679**	**3,679**	**294**
	Residential Mortgages	**3,358,092**	**3,351,220**	**1,492,994**	**119,440**
	Higher Risk Assets	**45,807**	**45,807**	**68,710**	**5,497**
	Defaulted Exposures	**743,351**	**743,303**	**1,014,002**	**81,120**
	Total for On-Balance Sheet Exposures	**63,833,883**	**63,320,995**	**37,164,285**	**2,973,144**
	Off Balance Sheet Exposures				
	Over-the-counter (OTC) derivatives	**1,013,335**	**1,013,336**	**429,840**	**34,387**
	Off Balance Sheet Exposures other than OTC derivatives or credit derivatives	**7,290,121**	**3,345,111**	**2,544,866**	**203,589**
	Defaulted Exposures	**14,899**	**14,899**	**22,199**	**1,776**
	Total for Off-Balance Sheet Exposures	**8,318,355**	**4,373,346**	**2,996,905**	**239,752**
	Total for On and Off-Balance Sheet Exposures	**72,152,238**	**67,694,341**	**40,161,190**	**3,212,896**

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BASEL II PILLAR 3 DISCLOSURES

As at 31 December 2024

DISCLOSURE ON CAPITAL ADEQUACY (RM'000) (CONTINUED)

The Bank
31.12.2024

Exposure Class	Gross Exposures/ EAD before CRM		Net Exposures/ EAD after CRM	Risk Weighted Assets	Minimum Capital Requirements at 8%
	Long Position	Short Position			
2 **MARKET RISK**					
Interest Rate Risk	**46,434,773**	**44,900,049**	**1,534,725**	**1,872,737**	**149,819**
Foreign Currency Risk	**61,858**	**132,749**	**(70,892)**	**132,749**	**10,620**
Option Risk	**9,401**	**4,896**	**4,505**	**108**	**9**
TOTAL MARKET RISK	**46,506,032**	**45,037,694**		**2,005,594**	**160,448**
3 **OPERATIONAL RISK**					
Operational Risk				**2,175,932**	**174,075**
Total RWA and Capital Requirements				**44,342,716**	**3,547,419**

The Bank
31.12.2023

Exposure Class	Gross Exposures/ EAD before CRM	Net Exposures/ EAD after CRM	Risk Weighted Assets	Minimum Capital Requirements at 8%
1 CREDIT RISK				
On Balance Sheet Exposures				
Corporates	19,343,108	18,813,457	16,455,014	1,316,401
Regulatory Retail	17,535,126	17,425,168	12,994,098	1,039,528
Other Assets	4,074,512	4,074,512	2,345,932	187,675
Sovereigns/Central Banks	11,089,320	11,089,320	155,279	12,422
Banks, Development Financial Institutions & MDBs	6,933,584	6,932,743	1,739,419	139,154
Insurance Companies, Securities Firms & Fund Managers	15,812	15,812	3,812	305
Residential Mortgages	3,084,139	3,077,005	1,489,789	119,183
Higher Risk Assets	34,673	34,673	52,009	4,161
Defaulted Exposures	639,523	639,465	845,212	67,617
Total for On-Balance Sheet Exposures	62,749,797	62,102,155	36,080,564	2,886,445
Off Balance Sheet Exposures				
Over-the-counter (OTC) derivatives	962,415	962,415	370,864	29,669
Off Balance Sheet Exposures other than OTC derivatives or credit derivatives	7,174,138	4,361,168	2,503,687	200,295
Defaulted Exposures	39,082	39,082	58,538	4,683
Total for Off-Balance Sheet Exposures	8,175,635	5,362,665	2,933,089	234,647
Total for On and Off-Balance Sheet Exposures	70,925,432	67,464,820	39,013,653	3,121,092

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BASEL II PILLAR 3 DISCLOSURES

As at 31 December 2024

DISCLOSURE ON CAPITAL ADEQUACY (RM'000) (CONTINUED)

The Bank
31.12.2023

Exposure Class		Gross Exposures/ EAD before CRM		Net Exposures/ EAD after CRM	Risk Weighted Assets	Minimum Capital Requirements at 8%
		Long Position	Short Position			
2	MARKET RISK					
	Interest Rate Risk	43,266,464	42,317,469	948,995	905,944	72,476
	Foreign Currency Risk	165,595	324,195	(158,601)	324,195	25,936
	Option Risk	–	–	–	–	–
	TOTAL MARKET RISK	43,432,059	42,641,664		1,230,139	98,411
3	OPERATIONAL RISK					
	Operational Risk				2,063,846	165,108
	Total RWA and Capital Requirements				42,307,638	3,384,611

Market risk is defined as changes in the market value of a trading position arising from movements in market factors such as interest/profit rate, foreign exchange rates and implied volatility rates. The Group's and the Bank's Value-at-Risk ('VaR') is defined as the amount of the Group's and the Bank's capital that is exposed to the risk of unexpected losses arising particularly from movements in interest/profit and foreign exchange rates. Management Action Trigger ('MAT') and Limit are established for VaR in Risk Appetite Statement ('RAS') to ensure that the Group's and the Bank's capital adequacy are not impinged upon in the event of adverse market movements. The Group and the Bank currently adopt BNM's Standardised Approach for the computation of market risk capital charges. The market risk capital charge addresses among others, capital requirement for market risk which includes the interest/profit rate risk in the Group's and the Bank's Trading Book as well as foreign exchange risk in the Trading and Banking Books.

The computation of market risk capital charge covers the following financial instruments.

a) Foreign Exchange ('FX')
b) Interest/Profit Rate Swap ('IRS/IPRS')
c) Cross Currency Swap ('CCS')
d) Fixed Income Instruments (i.e. Corporate Bonds/Sukuk and Government Securities)
e) FX Options
f) Reverse Repo
g) Interest Rate Options

Appendix II

BASEL II PILLAR 3 DISCLOSURES

As at 31 December 2024

DISCLOSURE ON CREDIT RISK: DISCLOSURES ON RISK WEIGHTS UNDER THE STANDARDISED APPROACH (RM'000)

The Group

31.12.2024

	Exposures after Netting and Credit Risk Mitigation													
Risk Weights	Sovereigns & Central Banks	PSEs	Banks, MDBs and DFIs	Insurance/ Takaful Companies, Securities Firms & Fund Managers	Corporates	Regulatory Retail	Residential Mortgages	Higher Risk Assets	Other Assets	Specialised Financing/ Investment	Securi-tisation	Equity	Total Exposure after Netting & Credit Risk Mitigation	Total Risk Weighted Assets
0%	22,244,538	–	–	–	–	–	–	–	2,163,178	–	–	–	24,407,716	–
10%	–	–	–	–	–	–	–	–	–	–	–	–	–	–
20%	1,048,644	–	4,318,824	35,184	6,647,905	219,915	–	–	1,418,350	–	–	–	13,688,822	2,737,765
35%	–	–	–	–	–	–	8,457,983	–	–	–	–	–	8,457,983	2,960,294
50%	610,535	–	1,611,037	–	721,728	14,544	3,196,675	–	–	–	–	–	6,154,519	3,077,260
70%	–	–	–	–	–	–	–	–	–	–	–	–		–
75%	–	–	–	–	–	27,098,082	26,299	–	–	–	–	–	27,124,381	20,343,285
90%	–	–	–	–	–	–	–	–	–	–	–	–	–	–
100%	192,251	–	23,840	99,185	28,291,267	109,447	1,744,683	–	3,213,569	–	–	–	33,674,242	33,674,241
110%	–	–	–	–	–	–	–	–	–	–	–	–	–	–
115%	–	–	–	–	–	–	–	–	–	–	–	–		–
125%	–	–	–	–	–	–	–	–	–	–	–	–	–	–
135%	–	–	–	–	–	–	–	–	–	–	–	–	–	–
150%	–	–	–	–	354,561	269,367	–	76,549	–	–	–	–	700,477	1,050,716
250%	–	–	–	–	–	–	–	–	–	–	–	–		–
270%	–	–	–	–	–	–	–	–	–	–	–	–	–	–
350%	–	–	–	–	–	–	–	–	–	–	–	–	–	–
400%	–	–	–	–	–	–	–	–	–	–	–	–	–	–
625%	–	–	–	–	–	–	–	–	–	–	–	–	–	–
937.5%	–	–	–	–	–	–	–	–	–	–	–	–	–	–
1250%	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Average Risk Weight													–	56%
Deduction from Capital Base	–	–	–	–	–	–	–	–	–	–	–	–	–	
Total	24,095,968	–	5,953,701	134,370	36,015,461	27,711,355	13,425,640	76,549	6,795,097	–	–	–	114,208,140	63,843,561

PSE "Public Sector Entities"
MDB "Multilateral Development Bank"
DFI "Development Financial Institution"

BASEL II PILLAR 3 DISCLOSURES

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DISCLOSURE ON CREDIT RISK: DISCLOSURES ON RISK WEIGHTS UNDER THE STANDARDISED APPROACH (RM'000) (CONTINUED)

The Group
31.12.2023

	Exposures after Netting and Credit Risk Mitigation													
Risk Weights	Sovereigns & Central Banks	PSEs	Banks, MDBs and DFIs	Insurance/ Takaful Companies, Securities Firms & Fund Managers	Corporates	Regulatory Retail	Residential Mortgages	Higher Risk Assets	Other Assets	Specialised Financing/ Investment	Securi-tisation	Equity	Total Exposure after Netting & Credit Risk Mitigation	Total Risk Weighted Assets
0%	23,125,230	–	–	–	–	–	–	–	1,802,961	–	–	–	24,928,191	–
10%	–	–	–	–	–	–	–	–	–	–	–	–	–	–
20%	1,019,549	–	6,849,174	35,191	5,243,530	246,309	–	–	955,194	–	–	–	14,348,947	2,869,789
35%	–	–	–	–	–	–	6,664,322	–	–	–	–	–	6,664,322	2,332,513
50%	380,409	–	1,113,414	–	254,269	28,672	3,147,190	115	–	–	–	–	4,924,069	2,462,035
75%	–	–	–	–	–	27,325,615	30,819	–	–	–	–	–	27,356,434	20,517,325
90%	–	–	–	–	–	–	–	–	–	–	–	–	–	–
100%	129,203	–	11,331	115,595	24,367,478	59,949	3,261,214	–	2,546,517	–	–	–	30,491,287	30,491,287
110%	–	–	–	–	–	–	–	–	–	–	–	–	–	–
125%	–	–	–	–	–	–	–	–	–	–	–	–	–	–
135%	–	–	–	–	–	–	–	–	–	–	–	–	–	–
150%	–	–	9,791	–	326,427	226,096	–	56,148	–	–	–	–	618,462	927,693
270%	–	–	–	–	–	–	–	–	–	–	–	–	–	–
350%	–	–	–	–	–	–	–	–	–	–	–	–	–	–
400%	–	–	–	–	–	–	–	–	–	–	–	–	–	–
625%	–	–	–	–	–	–	–	–	–	–	–	–	–	–
937.5%	–	–	–	–	–	–	–	–	–	–	–	–	–	–
1250%	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Average Risk Weight													–	55%
Deduction from Capital Base	–	–	–	–	–	–	–	–	–	–	–	–	–	
Total	24,654,391	–	7,983,710	150,786	30,191,704	27,886,641	13,103,545	56,263	5,304,672	–	–	–	109,331,712	59,600,642

PSE "Public Sector Entities"
MDB "Multilateral Development Bank"
DFI "Development Financial Institution"

Appendix II

BASEL II PILLAR 3 DISCLOSURES

As at 31 December 2024

DISCLOSURE ON CREDIT RISK: DISCLOSURES ON RISK WEIGHTS UNDER THE STANDARDISED APPROACH (RM'000) (CONTINUED)

The Bank
31.12.2024

	Exposures after Netting and Credit Risk Mitigation													
Risk Weights	Sovereigns & Central Banks	PSEs	Banks, MDBs and DFIs	Insurance/ Takaful Companies, Securities Firms & Fund Managers	Corporates	Regulatory Retail	Residential Mortgages	Higher Risk Assets	Other Assets	Specialised Financing/ Investment	Securi-tisation	Equity	Total Exposure after Netting & Credit Risk Mitigation	Total Risk Weighted Assets
0%	10,880,843	–	–	–	–	–	–	–	1,277,015	–	–	–	12,157,858	–
10%	–	–	–	–	–	–	–	–	–	–	–	–	–	–
20%	169,925	–	4,747,972	15,000	3,508,115	117,785	–	–	1,155,913	–	–	–	9,714,710	1,942,943
35%	–	–	–	–	–	–	2,425,246	–	–	–	–	–	2,425,246	848,836
50%	280,776	–	2,029,082	–	441,505	11,874	593,927	–	–	–	–	–	3,357,164	1,678,582
70%	–	–	–	–	–	–	–	–	–	–	–	–	–	–
75%	–	–	–	–	–	18,655,867	23,373	–	–	–	–	–	18,679,240	14,009,430
90%	–	–	–	–	–	–	–	–	–	–	–	–	–	–
100%	192,251	–	23,840	49,941	17,219,006	72,702	378,817	–	2,781,013	–	–	–	20,717,570	20,717,570
110%	–	–	–	–	–	–	–	–	–	–	–	–	–	–
125%	–	–	–	–	–	–	–	–	–	–	–	–	–	–
135%	–	–	–	–	–	–	–	–	–	–	–	–	–	–
150%	–	–	–	–	325,932	264,012	–	52,609	–	–	–	–	642,553	963,829
270%	–	–	–	–	–	–	–	–	–	–	–	–	–	–
350%	–	–	–	–	–	–	–	–	–	–	–	–	–	–
400%	–	–	–	–	–	–	–	–	–	–	–	–	–	–
625%	–	–	–	–	–	–	–	–	–	–	–	–	–	–
937.5%	–	–	–	–	–	–	–	–	–	–	–	–	–	–
1250%	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Average Risk Weight	–	–	–	–	–	–	–	–	–	–	–	–	–	59%
Deduction from Capital Base	–	–	–	–	–	–	–	–	–	–	–	–	–	
Total	11,523,795	–	6,800,894	64,941	21,494,558	19,122,239	3,421,363	52,609	5,213,941	–	–	–	67,694,341	40,161,190

PSE "Public Sector Entities"
MDB "Multilateral Development Bank"
DFI "Development Financial Institution"

BASEL II PILLAR 3 DISCLOSURES
As at 31 December 2024

Appendix II

DISCLOSURE ON CREDIT RISK: DISCLOSURES ON RISK WEIGHTS UNDER THE STANDARDISED APPROACH (RM'000) (CONTINUED)

The Bank
31.12.2023

Risk Weights	Exposures after Netting and Credit Risk Mitigation													
	Sovereigns & Central Banks	PSEs	Banks, MDBs and DFIs	Insurance/ Takaful Companies, Securities Firms & Fund Managers	Corporates	Regulatory Retail	Residential Mortgages	Higher Risk Assets	Other Assets	Specialised Financing/ Investment	Securi-tisation	Equity	Total Exposure after Netting & Credit Risk Mitigation	Total Risk Weighted Assets
0%	11,902,280	–	–	–	–	–	–	–	1,260,176	–	–	–	13,162,456	–
10%	–	–	–	–	–	–	–	–	–	–	–	–	–	–
20%	97,506	–	6,820,248	15,000	2,880,439	140,083	–	–	585,505	–	–	–	10,538,781	2,107,756
35%	–	–	–	–	–	–	2,003,911	–	–	–	–	–	2,003,911	701,369
50%	271,886	–	1,455,253	–	194,957	19,194	589,293	115	–	–	–	–	2,530,698	1,265,349
70%	–	–	–	–	–	–	–	–	–	–	–	–		–
75%	–	–	–	–	–	18,273,023	28,672	–	–	–	–	–	18,301,695	13,726,271
90%	–	–	–	–	–	–	–	–	–	–	–	–	–	–
100%	129,203	–	11,331	44,624	17,405,877	34,896	501,263	–	2,228,831	–	–	–	20,356,025	20,356,025
110%	–	–	–	–	–	–	–	–	–	–	–	–	–	–
125%	–	–	–	–	–	–	–	–	–	–	–	–	–	–
135%	–	–	–	–	–	–	–	–	–	–	–	–	–	–
150%	–	–	9,791	–	295,024	224,939	–	41,501	–	–	–	–	571,255	856,883
270%	–	–	–	–	–	–	–	–	–	–	–	–	–	–
350%	–	–	–	–	–	–	–	–	–	–	–	–	–	–
400%	–	–	–	–	–	–	–	–	–	–	–	–	–	–
625%	–	–	–	–	–	–	–	–	–	–	–	–	–	–
937.5%	–	–	–	–	–	–	–	–	–	–		–	–	–
Average Risk Weight											–		–	58%
Deduction from Capital Base	–	–	–	–	–	–	–	–	–	–	–	–	–	
Total	12,400,875	–	8,296,623	59,624	20,776,297	18,692,135	3,123,139	41,616	4,074,512	–	–	–	67,464,821	39,013,653

PSE "Public Sector Entities"
MDB "Multilateral Development Bank"
DFI "Development Financial Institution"

BASEL II PILLAR 3 DISCLOSURES

As at 31 December 2024

DISCLOSURES ON RATED EXPOSURES ACCORDING TO RATINGS BY ECAIS (RM'000)

The Group 31.12.2024 Exposure Class	Ratings of Corporate by Approved ECAIs					
	Moody's S&P Fitch RAM MARC	Aaa to Aa3 AAA to AA- AAA to AA- AAA to AA3 AAA to AA-	A1 to A3 A+ to A- A+ to A- A to A3 A+ to A-	Baa1 to Ba3 BBB+ to BB- BBB+ to BB- BBB1 to BB3 BBB+ to BB-	B1 to C B+ to D B+ to D B to D B+ to D	Unrated Unrated Unrated Unrated Unrated
On and Off-Balance-Sheet Exposures						
Credit Exposures (using Corporate Risk Weights)						
Public Sector Entities (applicable for entities risk weighted based on their external ratings as corporates)		–	–	–	–	–
Insurance/Takaful Companies, Securities Firms & Fund Managers		20,186	–	–	–	114,184
Corporates		1,322,896	271,371	8,002	–	36,387,159
Total		**1,343,082**	**271,371**	**8,002**	**–**	**36,501,343**

The Group 31.12.2023 Exposure Class	Ratings of Corporate by Approved ECAIs					
	Moodys S&P Fitch RAM MARC	Aaa to Aa3 AAA to AA- AAA to AA- AAA to AA3 AAA to AA-	A1 to A3 A+ to A- A+ to A- A to A3 A+ to A-	Baa1 to Ba3 BBB+ to BB- BBB+ to BB- BBB1 to BB3 BBB+ to BB-	B1 to C B+ to D B+ to D B to D B+ to D	Unrated Unrated Unrated Unrated Unrated
On and Off-Balance-Sheet Exposures						
Credit Exposures (using Corporate Risk Weights)						
Public Sector Entities (applicable for entities risk weighted based on their external ratings as corporates)		–	–	–	–	–
Insurance/Takaful Companies, Securities Firms & Fund Managers		20,191	–	–	–	130,595
Corporates		2,195,749	57,945	11,514	1	29,933,719
Total		2,215,940	57,945	11,514	1	30,064,314

Appendix III

BASEL II PILLAR 3 DISCLOSURES

As at 31 December 2024

DISCLOSURES ON RATED EXPOSURES ACCORDING TO RATINGS BY ECAIS (RM'000) (CONTINUED)

The Bank 31.12.2024 Exposure Class	Ratings of Corporate by Approved ECAIs					
	Moody's S&P Fitch RAM MARC	Aaa to Aa3 AAA to AA- AAA to AA- AAA to AA3 AAA to AA-	A1 to A3 A+ to A- A+ to A- A to A3 A+ to A-	Baa1 to Ba3 BBB+ to BB- BBB+ to BB- BBB1 to BB3 BBB+ to BB-	B1 to C B+ to D B+ to D B to D B+ to D	Unrated Unrated Unrated Unrated Unrated
On and Off-Balance-Sheet Exposures						
Credit Exposures (using Corporate Risk Weights)						
Public Sector Entities (applicable for entities risk weighted based on their external ratings as corporates)		–	–	–	–	–
Takaful/Insurance Companies, Securities Firms & Fund Managers		–	–	–	–	64,941
Corporates		58,760	31,793	8,002	–	21,915,688
Total		58,760	31,793	8,002	–	21,980,629

The Bank 31.12.2023 Exposure Class	Ratings of Corporate by Approved ECAIs					
	Moody's S&P Fitch RAM MARC	Aaa to Aa3 AAA to AA- AAA to AA- AAA to AA3 AAA to AA-	A1 to A3 A+ to A- A+ to A- A to A3 A+ to A-	Baa1 to Ba3 BBB+ to BB- BBB+ to BB- BBB1 to BB3 BBB+ to BB-	B1 to C B+ to D B+ to D B to D B+ to D	Unrated Unrated Unrated Unrated Unrated
On and Off-Balance-Sheet Exposures						
Credit Exposures (using Corporate Risk Weights)						
Public Sector Entities (applicable for entities risk weighted based on their external ratings as corporates)		–	–	–	–	–
Takaful/Insurance Companies, Securities Firms & Fund Managers		–	–	–	–	59,624
Corporates		108,808	37,801	11,514	–	21,278,012
Total		108,808	37,801	11,514	–	21,337,636

BASEL II PILLAR 3 DISCLOSURES
As at 31 December 2024

DISCLOSURES ON RATED EXPOSURES ACCORDING TO RATINGS BY ECAIS (RM'000) (CONTINUED)

The Group
31.12.2024

Exposure Class	Ratings of Sovereigns and Central Banks by Approved ECAIs						
	Moody's S&P Fitch RAM MARC	Aaa to Aa3 AAA to AA- AAA to AA- AAA to AA3 AAA to AA-	A1 to A3 A+ to A- A+ to A- A to A3 A+ to A-	Baa1 to Baa3 BBB+ to BBB- BBB+ to BBB- BBB1+ to BBB3 BBB+ to BBB-	Ba1 to B3 BB+ to B- BB+ to B- BB1 to B3 BB+ to B-	Caa1 to C CCC+ to D CCC+ to D C1+ to D C+ to D	Unrated Unrated Unrated Unrated Unrated
On and Off-Balance-Sheet Exposures							
Sovereigns and Central Banks		15,040,162	1,691,298	27,790	582,745	–	6,753,973
Total		15,040,162	1,691,298	27,790	582,745	–	6,753,973

Exposure Class	Ratings of Banking Institutions by Approved ECAIs						
	Moody's S&P Fitch RAM MARC	Aaa to Aa3 AAA to AA- AAA to AA- AAA to AA3 AAA to AA-	A1 to A3 A+ to A- A+ to A- A to A3 A+ to A-	Baa1 to Baa3 BBB+ to BBB- BBB+ to BBB- BBB1+ to BBB3 BBB+ to BBB-	Ba1 to B3 BB+ to B- BB+ to B- BB1 to B3 BB+ to B-	Caa1 to C CCC+ to D CCC+ to D C1+ to D C+ to D	Unrated Unrated Unrated Unrated Unrated
On and Off-Balance-Sheet Exposures							
Banks, MDBs and DFIs		5,151,729	465,026	75,440	100	–	4,056,139
Total		5,151,729	465,026	75,440	100	–	4,056,139

BASEL II PILLAR 3 DISCLOSURES
As at 31 December 2024

Appendix III

DISCLOSURES ON RATED EXPOSURES ACCORDING TO RATINGS BY ECAIS (RM'000) (CONTINUED)

The Group
31.12.2023

Exposure Class	Ratings of Sovereigns and Central Banks by Approved ECAIs						
	Moody's S&P Fitch RAM MARC	Aaa to Aa3 AAA to AA- AAA to AA- AAA to AA3 AAA to AA-	A1 to A3 A+ to A- A+ to A- A to A3 A+ to A-	Baa1 to Baa3 BBB+ to BBB- BBB+ to BBB- BBB1+ to BBB3 BBB+ to BBB-	Ba1 to B3 BB+ to B- BB+ to B- BB1 to B3 BB+ to B-	Caa1 to C CCC+ to D CCC+ to D C1+ to D C+ to D	Unrated Unrated Unrated Unrated Unrated
On and Off-Balance-Sheet Exposures							
Sovereigns and Central Banks		15,545,558	1,096,870	108,523	271,886	–	7,631,554
Total		15,545,558	1,096,870	108,523	271,886	–	7,631,554

Exposure Class	Ratings of Banking Institutions by Approved ECAIs						
	Moodys S&P Fitch RAM MARC	Aaa to Aa3 AAA to AA- AAA to AA- AAA to AA3 AAA to AA-	A1 to A3 A+ to A- A+ to A- A to A3 A+ to A-	Baa1 to Baa3 BBB+ to BBB- BBB+ to BBB- BBB1+ to BBB3 BBB+ to BBB-	Ba1 to B3 BB+ to B- BB+ to B- BB1 to B3 BB+ to B-	Caa1 to C CCC+ to D CCC+ to D C1+ to D C+ to D	Unrated Unrated Unrated Unrated Unrated
On and Off-Balance-Sheet Exposures							
Banks, MDBs and DFIs		5,444,895	346,912	138,982	12,213	1	4,693,477
Total		5,444,895	346,912	138,982	12,213	1	4,693,477

BASEL II PILLAR 3 DISCLOSURES
As at 31 December 2024

DISCLOSURES ON RATED EXPOSURES ACCORDING TO RATINGS BY ECAIS (RM'000) (CONTINUED)

The Bank
31.12.2024

	Ratings of Sovereigns and Central Banks by Approved ECAIs						
Exposure Class	Moody's S&P Fitch RAM MARC	Aaa to Aa3 AAA to AA- AAA to AA- AAA to AA3 AAA to AA-	A1 to A3 A+ to A- A+ to A- A to A3 A+ to A-	Baa1 to Baa3 BBB+ to BBB- BBB+ to BBB- BBB1+ to BBB3 BBB+ to BBB-	Ba1 to B3 BB+ to B- BB+ to B- BB1 to B3 BB+ to B-	Caa1 to C CCC+ to D CCC+ to D C1+ to D C+ to D	Unrated Unrated Unrated Unrated Unrated
On and Off-Balance-Sheet Exposures							
Sovereigns and Central Banks	–	9,059,103	297,568	–	280,776	–	1,886,348
Total		9,059,103	297,568	–	280,776	–	1,886,348

	Ratings of Banking Institutions by Approved ECAIs						
Exposure Class	Moody's S&P Fitch RAM MARC	Aaa to Aa3 AAA to AA- AAA to AA- AAA to AA3 AAA to AA-	A1 to A3 A+ to A- A+ to A- A to A3 A+ to A-	Baa1 to Baa3 BBB+ to BBB- BBB+ to BBB- BBB1+ to BBB3 BBB+ to BBB-	Ba1 to B3 BB+ to B- BB+ to B- BB1 to B3 BB+ to B-	Caa1 to C CCC+ to D CCC+ to D C1+ to D C+ to D	Unrated Unrated Unrated Unrated Unrated
On and Off-Balance-Sheet Exposures							
Banks, MDBs and DFIs	–	4,431,035	314,519	75,440	100	–	5,771,800
Total		4,431,035	314,519	75,440	100	–	5,771,800

BASEL II PILLAR 3 DISCLOSURES
As at 31 December 2024

DISCLOSURES ON RATED EXPOSURES ACCORDING TO RATINGS BY ECAIS (RM'000) (CONTINUED)

The Bank
31.12.2023

	Ratings of Sovereigns and Central Banks by Approved ECAIs						
	Moody's	Aaa to Aa3	A1 to A3	Baa1 to Baa3	Ba1 to B3	Caa1 to C	Unrated
	S&P	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to B-	CCC+ to D	Unrated
	Fitch	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to B-	CCC+ to D	Unrated
	RAM	AAA to AA3	A to A3	BBB1+ to BBB3	BB1 to B3	C1+ to D	Unrated
Exposure Class	MARC	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to B-	C+ to D	Unrated
On and Off-Balance-Sheet Exposures							
Sovereigns and Central Banks	–	10,001,258	1,069,408	–	271,886	–	1,058,323
Total		10,001,258	1,069,408	–	271,886	–	1,058,323

	Ratings of Banking Institutions by Approved ECAIs						
	Moodys	Aaa to Aa3	A1 to A3	Baa1 to Baa3	Ba1 to B3	Caa1 to C	Unrated
	S&P	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to B-	CCC+ to D	Unrated
	Fitch	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to B-	CCC+ to D	Unrated
	RAM	AAA to AA3	A to A3	BBB1+ to BBB3	BB1 to B3	C1+ to D	Unrated
Exposure Class	MARC	AAA to AA-	A+ to A-	BBB+ to BBB-	BB+ to B-	C+ to D	Unrated
On and Off-Balance-Sheet Exposures							
Banks, MDBs and DFIs	–	3,829,275	192,602	138,982	12,213	–	6,773,587
Total		3,829,275	192,602	138,982	12,213	–	6,773,587

Appendix IV

BASEL II PILLAR 3 DISCLOSURES
As at 31 December 2024

A) DISCLOSURES ON CREDIT RISK MITIGATION (RM'000)

The Group
31.12.2024

Exposure Class	Exposures before CRM	Exposures Covered by Guarantees/ Credit Derivatives	Exposures Covered by Eligible Financial Collateral	Exposures Covered by Other Eligible Collateral
Credit Risk				
On-Balance Sheet Exposures				
Sovereigns/Central Banks	22,943,165	–	–	–
Public Sector Entities	–	–	–	–
Banks, Development Financial Institutions & MDBs	4,158,481	–	3,083	–
Insurance/Takaful Companies, Securities Firms & Fund Managers	54,890	–	–	–
Corporates	34,728,725	1,188,313	1,809,202	–
Regulatory Retail	28,358,172	219,841	2,134,606	–
Residential Mortgages	13,158,288	–	14,983	–
Higher Risk Assets	65,575	–	–	–
Other Assets	6,795,096	–	–	–
Defaulted Exposures	931,249	–	2,292	–
Total for On-Balance Sheet Exposures	111,193,641	1,408,154	3,964,166	–
Off-Balance Sheet Exposures				
Over-the-counter (OTC) derivatives	1,189,615	–	–	–
Off-Balance sheet exposures other than OTC derivatives or credit derivatives	9,769,048	27,971	3,982,051	–
Defaulted Exposures	17,463	–	15,411	–
Total for Off-Balance Sheet Exposures	10,976,126	27,971	3,997,462	–
Total On and Off-Balance Sheet Exposures	122,169,767	1,436,125	7,961,628	–

Appendix IV

BASEL II PILLAR 3 DISCLOSURES

As at 31 December 2024

A) DISCLOSURES ON CREDIT RISK MITIGATION (RM'000) (CONTINUED)

The Group
31.12.2023

Exposure Class	Exposures before CRM	Exposures Covered by Guarantees/ Credit Derivatives	Exposures Covered by Eligible Financial Collateral	Exposures Covered by Other Eligible Collateral
Credit Risk				
On-Balance Sheet Exposures				
Sovereigns/Central Banks	22,308,954	–	–	–
Banks, Development Financial Institutions & MDBs	6,293,837	–	3,574	–
Insurance/Takaful Companies, Securities Firms & Fund Managers	53,337	–	–	–
Corporates	28,933,732	1,198,751	1,828,087	–
Regulatory Retail	27,962,281	245,346	1,459,288	–
Residential Mortgages	12,810,207	–	16,351	–
Higher Risk Assets	45,213	–	–	–
Other Assets	5,304,673	–	–	–
Defaulted Exposures	819,254	3,622	2,710	–
Total for On-Balance Sheet Exposures	104,531,488	1,447,719	3,310,010	–
Off-Balance Sheet Exposures				
Over-the-counter (OTC) derivatives	1,354,409	–	–	–
Off-Balance sheet exposures other than OTC derivatives or credit derivatives	9,581,820	25,158	2,867,111	–
Defaulted Exposures	41,116	–	–	–
Total for Off-Balance Sheet Exposures	10,977,345	25,158	2,867,111	–
Total On and Off-Balance Sheet Exposures	115,508,833	1,472,877	6,177,121	–

Appendix IV

BASEL II PILLAR 3 DISCLOSURES

As at 31 December 2024

A) DISCLOSURES ON CREDIT RISK MITIGATION (RM'000)

The Bank
31.12.2024

Exposure Class	Exposures before CRM	Exposures Covered by Guarantees/ Credit Derivatives	Exposures Covered by Eligible Financial Collateral	Exposures Covered by Other Eligible Collateral
Credit Risk				
On-Balance Sheet Exposures				
Sovereigns/Central Banks	11,418,804	–	–	–
Public Sector Entities	–	–	–	–
Banks, Development Financial Institutions & MDBs	5,149,768	–	350	–
Insurance Companies, Securities Firms & Fund Managers	15,679	–	–	–
Corporates	19,976,539	1,004,729	402,075	–
Regulatory Retail	17,911,902	117,712	103,542	–
Residential Mortgages	3,358,092	–	6,872	
Higher Risk Assets	45,807	–	–	–
Other Assets	5,213,941	–	–	–
Defaulted Exposures	743,351	–	48	–
Total for On-Balance Sheet Exposures	**63,833,883**	**1,122,441**	**512,887**	**–**
Off-Balance Sheet Exposures				
Over-the-counter (OTC) derivatives	1,013,335	–	–	–
Off-Balance sheet exposures other than OTC derivatives or credit derivatives	7,290,121	3,664	3,945,010	–
Defaulted Exposures	14,899	–	–	–
Total for Off-Balance Sheet Exposures	**8,318,355**	**3,664**	**3,945,010**	**–**
Total On and Off-Balance Sheet Exposures	**72,152,238**	**1,126,105**	**4,457,897**	**–**

Appendix IV

BASEL II PILLAR 3 DISCLOSURES

As at 31 December 2024

A) DISCLOSURES ON CREDIT RISK MITIGATION (RM'000) (CONTINUED)

The Bank
31.12.2023

Exposure Class	Exposures before CRM	Exposures Covered by Guarantees/ Credit Derivatives	Exposures Covered by Eligible Financial Collateral	Exposures Covered by Other Eligible Collateral
Credit Risk				
On-Balance Sheet Exposures				
Sovereigns/Central Banks	11,089,320	–	–	–
Public Sector Entities	–	–	–	–
Banks, Development Financial Institutions & MDBs	6,933,584	–	841	–
Insurance Companies, Securities Firms & Fund Managers	15,812	–	–	–
Corporates	19,343,108	1,009,603	529,639	–
Regulatory Retail	17,535,126	139,831	109,958	–
Residential Mortgages	3,084,139	–	7,134	
Higher Risk Assets	34,673	–	–	–
Other Assets	4,074,512	–	–	–
Defaulted Exposures	639,523	2,652	59	–
Total for On-Balance Sheet Exposures	62,749,797	1,152,086	647,631	–
Off-Balance Sheet Exposures				
Over-the-counter (OTC) derivatives	962,415	–	–	–
Off-Balance sheet exposures other than OTC derivatives or credit derivatives	7,174,138	3,997	2,812,980	–
Defaulted Exposures	39,082	–	–	–
Total for Off-Balance Sheet Exposures	8,175,635	3,997	2,812,980	–
Total On and Off-Balance Sheet Exposures	70,925,432	1,156,083	3,460,611	–

BASEL II PILLAR 3 DISCLOSURES

As at 31 December 2024

Appendix IV

B) DISCLOSURE ON OFF-BALANCE SHEET AND COUNTERPARTY CREDIT RISK (RM'000)

Counterparty Credit Risk is the risk that the counterparty to a transaction could default before the final settlement of the transaction's cashflows. An economic loss could occur if the transactions with the counterparty has a positive economic value for the Group and the Bank at the time of default.

In contrast to the exposure to credit risk through a lending/financing, where the exposure to credit risk is unilateral and only the lending/financing bank faces the risk of loss, Counterparty Credit Risk creates a bilateral risk of loss where the market value for many types of transactions can be positive or negative to either counterparty.

In respect of off-balance sheet items, the credit risk inherent in each off-balance sheet instrument is translated into an on-balance sheet exposure equivalent (credit equivalent) by multiplying the nominal principal amount with a credit conversion factor ('CCF') as prescribed by the Standardised Approach under the Risk Weighted Capital Adequacy Framework. The resulting amount is then weighted against the risk weight of the counterparty. In addition, counterparty risk weights for over-the-counter ('OTC') derivative transactions will be determined based on the external rating of the counterparty and will not be subject to any specific ceiling.

The Group
31.12.2024

Description	Total Principal Amount	Positive Fair Value of Derivative Contracts	Total Credit Equivalent Amount	Total Risk Weighted Amount
Direct Credit Substitutes	547,956		547,956	504,980
Transaction related contingent items	1,166,377		583,188	522,525
Short Term Self Liquidating trade related contingencies	3,695,873		739,175	166,644
Assets sold with recourse	–		–	–
Forward Asset Purchases	–		–	–
Obligations under an on-going underwriting agreement	–		–	–
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		4,400,713	147,582
Foreign exchange related contracts				
One year or less	39,840,719	259,100	588,512	303,458
Over one year to five years	110,334	1,097	10,326	7,140
Interest/Profit rate related contracts				
One year or less	2,119,000	8,729	6,298	2,648
Over one year to five years	18,313,866	167,557	511,930	195,617
Over five years	868,367	13,887	72,550	27,707
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	2,640,367		1,317,881	1,042,345
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	9,001,392		1,800,264	1,218,032
Any commitments that are unconditionally cancelled at any time by the bank without prior notice or that effectively provide for automatic cancellation due to deterioration in a borrower's creditworthiness	1,815,376		–	–
Unutilised credit card lines	1,986,667		397,333	293,185
Total	**85,845,917**	**450,370**	**10,976,126**	**4,431,864**

BASEL II PILLAR 3 DISCLOSURES

Appendix IV

As at 31 December 2024

B) DISCLOSURE ON OFF-BALANCE SHEET AND COUNTERPARTY CREDIT RISK (RM'000) (CONTINUED)

The Group
31.12.2023

Description	Total Principal Amount	Positive Fair Value of Derivative Contracts	Total Credit Equivalent Amount	Total Risk Weighted Amount
Direct Credit Substitutes	528,245		528,245	494,592
Transaction related contingent items	1,385,471		680,360	625,540
Short Term Self Liquidating trade related contingencies	4,620,093		924,019	208,024
Forward Asset Purchases	–			
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	3,619,584		4,259,454	85,968
Foreign exchange related contracts				
One year or less	48,727,877	315,996	877,661	348,355
Over one year to five years	326,890	5,822	28,995	20,096
Interest/Profit rate related contracts				
One year or less	2,577,284	17,187	5,952	2,393
Over one year to five years	11,298,499	116,869	384,782	136,540
Over five years	757,264	14,564	57,016	17,196
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	2,826,847		1,411,690	1,070,154
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	7,383,227		1,476,644	1,121,744
Any commitments that are unconditionally cancelled at any time by the bank without prior notice or that effectively provide for automatic cancellation due to deterioration in a borrower's creditworthiness	1,624,905		–	–
Unutilised credit card lines	1,712,631		342,526	252,793
Total	87,388,817	470,438	10,977,344	4,383,395

BASEL II PILLAR 3 DISCLOSURES

As at 31 December 2024

Appendix IV

B) DISCLOSURE ON OFF-BALANCE SHEET AND COUNTERPARTY CREDIT RISK (RM'000) (CONTINUED)

The Bank
31.12.2024

Description	Total Principal Amount	Positive Fair Value of Derivative Contracts	Total Credit Equivalent Amount	Total Risk Weighted Amount
Direct Credit Substitutes	395,893		395,892	355,026
Transaction related contingent items	715,944		357,972	302,841
Short Term Self Liquidating trade related contingencies	43,616		8,723	8,103
Assets sold with recourse	–		–	–
Forward Asset Purchases	–		–	–
Obligations under an on-going underwriting agreement	–		–	–
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		4,400,713	147,582
Foreign exchange related contracts				
One year or less	38,404,456	252,343	562,834	275,137
Interest/Profit rate related contracts				
One year or less	1,514,000	7,977	4,851	1,940
Over one year to five years	13,313,170	139,816	378,252	141,408
Over five years	765,342	12,462	67,399	25,131
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	1,827,307		912,440	744,149
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	4,553,519		910,689	761,604
Any commitments that are unconditionally cancelled at any time by the bank without prior notice or that effectively provide for automatic cancellation due to deterioration in a borrower's creditworthiness	–		–	–
Unutilised credit card lines	1,592,949		318,590	233,984
Total	**66,865,818**	**412,598**	**8,318,355**	**2,996,905**

BASEL II PILLAR 3 DISCLOSURES

Appendix IV

As at 31 December 2024

B) DISCLOSURE ON OFF-BALANCE SHEET AND COUNTERPARTY CREDIT RISK (RM'000) (CONTINUED)

The Bank
31.12.2023

Description	Total Principal Amount	Positive Fair Value of Derivative Contracts	Total Credit Equivalent Amount	Total Risk Weighted Amount
Direct Credit Substitutes	370,153		370,153	338,863
Transaction related contingent items	840,151		420,076	368,438
Short Term Self Liquidating trade related contingencies	100,039		20,008	19,772
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	3,619,584		4,259,454	85,968
Foreign exchange related contracts				
One year or less	40,095,245	224,749	640,783	271,874
Interest/Profit rate related contracts				
One year or less	1,907,284	16,810	4,830	1,925
Over one year to five years	7,734,449	94,384	266,819	83,386
Over five years	640,039	12,940	49,983	13,679
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	1,924,957		961,586	775,946
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	4,480,382		896,075	762,984
Unutilised credit card lines	1,429,339		285,868	210,253
Total	63,141,622	348,883	8,175,635	2,933,088

BASEL II PILLAR 3 DISCLOSURES

As at 31 December 2024

C) DISCLOSURE ON MARKET RISK – INTEREST RATE/RATE OF RETURN RISK IN THE BANKING BOOK (‘IRRBB/RORRBB’)

Interest rate/rate of return risk is the risk to earnings and capital arising from exposure to adverse movements in interest/profit rates mainly due to mismatches in timing repricing of assets and liabilities. These mismatches are actively managed from an earnings and economic value perspective.

The objective of interest rate/rate of return risk management is to achieve a stable and sustainable net interest/profit income from the following perspectives:

1) Next 12 months' Earnings - Interest rate/rate of return risk from the earnings perspective is the impact based on changes to the net interest/profit income ('NII') over the next 12 months. This risk is measured through sensitivity analysis including the application of an instantaneous 100 basis point parallel shock in interest/profit rates across the yield curve.

2) Economic Value - Measuring the change in the Economic Value of Equity (‘EVE’) is an assessment of the long-term impact to the Group’s and the Bank's capital. This is assessed through the application of relevant duration factors to capture the net economic value impact over the long term or total life of all balance sheet assets and liabilities to adverse changes in interest/profit rates.

Interest rate/rate of return risk thresholds are established in line with the Group’s and the Bank's strategy and risk appetite. These thresholds are reviewed regularly to ensure relevance in the context of prevailing market conditions.

When measuring the IRRBB/RORRBB as at 31 December 2024, behavioural models are employed specifically for portfolios or products exhibiting behavioural optionalities. The objective is to incorporate and analyse the behavioural patterns of customers or products concerning changes in interest rates, contributing to a comprehensive understanding of the interest rate risk profile within the banking book.

The governance of IRRBB/RORRBB within the Group and the Bank is overseen by the Group Asset and Liability Management Committee (‘GALCO’), Group Board Risk Management Committee (‘GBRMC’) and the Board of Directors. GALCO is responsible for the strategic management and monitoring of IRRBB/RORRBB, ensuring that the Group and the Bank's interest risk exposure is within the approved risk appetite limit. On the other hand, GBRMC and the Board of Directors provide overarching oversight and ensure that the management of the IRRBB/RORRBB is integrated within the broader risk management framework and aligned with business planning and policy. This dual-layered governance structure ensures comprehensive oversight and accountability.

BASEL II PILLAR 3 DISCLOSURES

Appendix IV

As at 31 December 2024

C) DISCLOSURE ON MARKET RISK – INTEREST RATE/RATE OF RETURN RISK IN THE BANKING BOOK ('IRRBB/RORRBB') (CONTINUED)

The table below shows the Group and the Bank's IRRBB/RORRBB sensitivity under prescribed interest rate shock.

	The Group		The Group	
	Impact on Positions (+100 basis points) Parallel Shift		Impact on Positions (-100 basis points) Parallel Shift	
31.12.2024 Type of Currency (RM million)	**Increase/ (Decline) in Earnings**	**Increase/ (Decline) in Economic Value**	**Increase/ (Decline) in Earnings**	**Increase/ (Decline) in Economic Value**
Ringgit Malaysia	**114.2**	**(331.1)**	**(117.6)**	**312.7**
US Dollar	**(36.1)**	**(121.3)**	**36.1**	**121.3**
Euro	**(2.2)**	**0.7**	**2.2**	**(0.7)**
Great Britain Pound	**(0.9)**	**(0.6)**	**0.9**	**0.6**
Australian Dollar	**(4.8)**	**(47.3)**	**4.8**	**47.3**
Singapore Dollar	**(1.0)**	**0.3**	**1.0**	**(0.3)**
Japanese Yen	**(0.0)**	**0.0**	**0.0**	**(0.0)**
Others (#)	**(1.1)**	**0.2**	**1.1**	**(0.2)**
Total	**68.1**	**(499.0)**	**(71.6)**	**480.7**

	The Group		The Group	
	Impact on Positions (+100 basis points) Parallel Shift		Impact on Positions (-100 basis points) Parallel Shift	
31.12.2023 Type of Currency (RM million)	Increase/ (Decline) in Earnings	Increase/ (Decline) in Economic Value	Increase/ (Decline) in Earnings	Increase/ (Decline) in Economic Value
Ringgit Malaysia	81.6	(660.1)	(81.6)	660.1
US Dollar	(47.0)	(28.0)	47.0	28.0
Euro	(0.1)	0.1	0.1	(0.1)
Great Britain Pound	(2.7)	(2.6)	2.7	2.6
Australian Dollar	1.8	(3.1)	(1.8)	3.1
Singapore Dollar	(0.4)	0.2	0.4	(0.2)
Japanese Yen	(0.0)	0.0	0.0	(0.0)
Others (#)	(0.2)	(1.9)	0.2	1.9
Total	32.9	(695.6)	(32.9)	695.6

Others comprise of NZD and HKD currencies where the amount of each currency is relatively small.

BASEL II PILLAR 3 DISCLOSURES

As at 31 December 2024

Appendix IV

C) DISCLOSURE ON MARKET RISK – INTEREST RATE/RATE OF RETURN RISK IN THE BANKING BOOK ('IRRBB/RORRBB') (CONTINUED)

	The Bank		The Bank	
	Impact on Positions (+100 basis points) Parallel Shift		Impact on Positions (-100 basis points) Parallel Shift	
31.12.2024 Type of Currency (RM million)	**Increase/ (Decline) in Earnings**	**Increase/ (Decline) in Economic Value**	**Increase/ (Decline) in Earnings**	**Increase/ (Decline) in Economic Value**
Ringgit Malaysia	**54.4**	**(144.7)**	**(56.4)**	**136.0**
US Dollar	**(24.9)**	**(62.7)**	**24.9**	**62.7**
Euro	**(1.8)**	**(0.8)**	**1.8**	**0.8**
Great Britain Pound	**(1.2)**	**(0.6)**	**1.2**	**0.6**
Australian Dollar	**(5.4)**	**(30.2)**	**5.4**	**30.2**
Singapore Dollar	**(0.9)**	**0.3**	**0.9**	**(0.3)**
Japanese Yen	**(0.0)**	**0.0**	**0.0**	**(0.0)**
Others (#)	**(1.1)**	**0.2**	**1.1**	**(0.2)**
Total	**19.2**	**(238.5)**	**(21.1)**	**229.9**

	The Bank		The Bank	
	Impact on Positions (+100 basis points) Parallel Shift		Impact on Positions (-100 basis points) Parallel Shift	
31.12.2023 Type of Currency (RM million)	Increase/ (Decline) in Earnings	Increase/ (Decline) in Economic Value	Increase/ (Decline) in Earnings	Increase/ (Decline) in Economic Value
Ringgit Malaysia	30.3	(369.2)	(30.3)	369.2
US Dollar	(43.8)	(25.1)	43.8	25.1
Euro	(0.1)	0.1	0.1	(0.1)
Great Britain Pound	(2.8)	(2.6)	2.8	2.6
Australian Dollar	1.8	(3.1)	(1.8)	3.1
Singapore Dollar	(0.4)	0.2	0.4	(0.2)
Japanese Yen	(0.0)	0.0	0.0	(0.0)
Others (#)	(0.5)	(0.7)	0.5	0.7
Total	(15.5)	(400.4)	15.5	400.4

Others comprise of NZD and HKD currencies where the amount of each currency is relatively small.

TOP 10 PROPERTIES

As at 31 December 2024

NO.	TITLE/MUKIM	ADDRESS/PROPERTY	DESCRIPTION/ EXISTING USE	TENURE	SITE AREA (SQ FT)	APPROX AGE OF BUILDING (YEARS)	NET BOOK VALUE AS AT 31/12/2023 (RM)
1.	GERAN NO. HAKMILIK 75550 LOT 1207 SEKSYEN 62 (previously Lot 13151) GERAN NO. HAKMILIK 76429 LOT 20006 SEKSYEN 62 (previously Lot 11641) BANDAR & DISTRICT OF KUALA LUMPUR WILAYAH PERSEKUTUAN KUALA LUMPUR	TRX DISTRICT PLOT C7.9-CT	43 STOREY OFFICE TOWER/HEAD OFFICE	FREEHOLD	BUILT-UP: 823,740	2	926,206,006.32
2.	HS(M) 6836 P.T. 14531 MUKIM OF DAMANSARA DISTRICT OF PETALING	NO. 301, 401 & 501, BLOCK C, MENARA GLOMAC KELANA BUSINESS CENTRE 97, JALAN 227/2 47301 KELANA JAYA SELANGOR	CONSUMER COLLECTION & RECOVERY, CONTACT CENTRE	LEASEHOLD EXP: 21/11/2092	LAND: N/A BUILT-UP NO 301: 6,916 NO 401: 6,916 NO 501: 6,916	24	3,862,469.21
3.	HS(D) 67774 & 67773 LOT 29427 & 29428 MUKIM OF KUALA LUMPUR DISTRICT & STATE OF WILAYAH PERSEKUTUAN	NO. 47 & 49 JALAN TUN MOHD FUAD 3 TAMAN TUN DR ISMAIL 60000 KUALA LUMPUR	2 UNITS 3 STOREY SHOP OFFICE/ BRANCH PREMISES	FREEHOLD	LAND: 5,138 BUILT-UP: 11,250	33	3,559,559.18
4.	HS(D) 23766 PT 199, SECTION 40 MUKIM KUALA LUMPUR	133, JALAN BUNUS OFF JALAN MASJID INDIA 50100 KUALA LUMPUR	1 UNIT 4 1/2 STOREY SHOP OFFICE/ BRANCH PREMISES	FREEHOLD	LAND: 1,539.9 BUILT-UP: 7,699.8	24	3,063,380.73
5.	LOT 51412 & 51413 HS(D) 23844 & 23843 P.T. 3479 & 3480 MUKIM OF KUALA LUMPUR DISTRICT OF W. PERSEKUTUAN	NO. 4 & 6 JALAN TELAWI 3 BANGSAR BARU 59100 KUALA LUMPUR	2 UNITS 3 STOREY SHOP OFFICE/ BRANCH PREMISES	FREEHOLD	LAND: 4,659 BUILT-UP: 11,858	33	2,527,430.6
6.	HS(M) 14862 & 14863 PT 21350 & 21351 TEMPAT BUKIT RAJA MUKIM OF KAPAR DISTRICT OF KLANG	NO. 29 & 31 JALAN TIARA 3 BANDAR BARU KELANG 41150 KELANG SELANGOR	2 UNITS 4 STOREY SHOP OFFICE/ BRANCH PREMISES	LEASEHOLD EXP: 8/5/2093	LAND: 3,300 BUILT-UP: 13,200	27	2,148,416.97
7.	TOWN LEASE NO. 017541374 & NO. 017541383 LOT 82 & 83, BLOK K MUKIM OF KARAMUNSING DISTRICT OF KOTA KINABALU	LOT 19 & 20 SADONG JAYA COMPLEX JALAN JUARA IKAN 3 KARAMUNSING 88300 KOTA KINABALU SABAH	4 STOREY SHOP OFFICE/VACANT PREMISES	LEASEHOLD EXP: 21/1/2901	LAND: 2,780 BUILT-UP: 10,144	31	1,959,444.91
8.	HS(D) 96849 (30438 [new]) LOT/PT 6536 (28035 [new]) MUKIM OF SETAPAK DISTRICT & STATE OF WILAYAH PERSEKUTUAN HS(D) 96848 (30437 [new]) LOT/PT 6537 (28034 [new]) MUKIM OF SETAPAK DISTRICT & STATE OF WILAYAH PERSEKUTUAN	NO. 2, JLN 1/27F KLSC WANGSA MAJU 53300 KUALA LUMPUR [C7/5O/86-1, C7/5O/86-2 C7/5O/86-3, & C7/5O/86-4] NO. 4, JLN 1/27F KLSC WANGSA MAJU 53300 KUALA LUMPUR [C7/5O/85-1, C7/50/85-2 & C7/5O/85-3]	4 STOREY SHOP OFFICE CORNER UNIT/ BRANCH PREMISES 3 STOREY SHOP OFFICE/BRANCH PREMISES	LEASEHOLD EXP: 19/04/2083 LEASEHOLD EXP: 19/04/2083	LAND: 4,480 BUILT-UP: 14,920 LAND: 1,920 BUILT-UP: 5,760	26	1,702,005.12
9.	PTD 100479 & 100480 MUKIM OF PLENTONG DISTRICT OF JOHOR BAHRU	NO. 23 & 25, JALAN PERMAS 10/2 PERMAS JAYA, 81750 MASAI JOHOR BAHRU, JOHOR	2 UNITS 4 STOREY SHOP OFFICE/ BRANCH PREMISES	FREEHOLD	LAND: 3,840 BUILT-UP: 13,440	31	1,649,519.02
10.	LOT 14127 & 14128 GRANTS 7792 & 7793 MUKIM OF SETAPAK DISTRICT OF KUALA LUMPUR	NO. 159 & 161 JALAN GENTING KELANG 53300 SETAPAK KUALA LUMPUR	2 UNITS 3 STOREY SHOP OFFICE WITH BASEMENT/ BRANCH PREMISES	FREEHOLD	LAND: 4,306 BUILT-UP: 17,224	36	1,607,197.84

ANALYSIS OF SHAREHOLDINGS
as at 28 February 2025

Stock Code	: 5185
Stock Name	: AFFIN
Issued Share Capital	: 2,400,486,539
Class of Shares	: Ordinary Share
Number of Shareholders	: 25,304
Voting Right	: 1 vote per Ordinary Share

Listed on Main Market of Bursa Malaysia Securities Berhad on 2 February 2018

ANALYSIS BY SIZE OF HOLDINGS

SIZE OF HOLDINGS	No. of Holders	%	No. of Shares	%
Less than 100	1,686	6.662	44,677	0.001
100 to 1,000	4,791	18.933	3,037,634	0.126
1,001 to 10,000	14,065	55.584	57,659,209	2.401
10,001 to 100,000	4,288	16.945	120,693,162	5.027
100,001 to 120,024,325*	471	1.861	481,555,492	20.060
120,024,326 and above**	3	0.011	1,737,496,365	72.381
Total	**22,358**	**100**	**2,400,486,539**	**100**

* *Less than 5% of issued shares*
** *5% and above of issued shares*

LIST OF TOP 30 SHAREHOLDERS

No.	Name of Shareholders	Shareholdings	%
1.	SG ASSETFIN HOLDINGS SDN BHD	634,725,096	26.441
2.	CITIGROUP NOMINEES (ASING) SDN BHD CBHK FOR THE BANK OF EAST ASIA LIMITED (INVESTMENT AC)	574,480,647	23.931
3.	LEMBAGA TABUNG ANGKATAN TENTERA	528,290,622	22.007
4.	STATE FINANCIAL SECRETARY SARAWAK	115,537,476	4.813
5.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD	79,048,912	3.293
6.	KUMPULAN WANG PERSARAAN (DIPERBADANKAN)	71,015,400	2.958
7.	CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR CITIBANK NEW YORK (NORGES BANK 22)	11,916,814	0.496
8.	HSBC NOMINEES (TEMPATAN) SDN BHD HSBC (M) TRUSTEE BHD FOR ALLIANZ LIFE INSURANCE MALAYSIA BERHAD (MEF)	10,139,020	0.422
9.	CITIGROUP NOMINEES (ASING) SDN BHD CBNY FOR DIMENSIONAL EMERGING MARKETS VALUE FUND	7,684,665	0.320
10.	DB (MALAYSIA) NOMINEE (ASING) SDN BHD EXEMPT AN FOR STATE STREET BANK & TRUST COMPANY (WEST CLT OD67)	4,834,500	0.201
11.	CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR CITIBANK NEW YORK (NORGES BANK 19)	4,313,200	0.179

ANALYSIS OF SHAREHOLDINGS

as at 28 February 2025

No.	Name of Shareholders	Shareholdings	%
12.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD GREAT EASTERN LIFE ASSURANCE (MALAYSIA) BERHAD (LSF)	4,122,900	0.171
13.	CITIGROUP NOMINEES (ASING) SDN BHD CBNY FOR EMERGING MARKET CORE EQUITY PORTFOLIO DFA INVESTMENT DIMENSIONS GROUP INC	4,078,479	0.169
14.	MAYBANK SECURITIES NOMINEES (TEMPATAN) SDN BHD MALAYAN BANKING BERHAD (MBB1 OTC-M)	3,957,000	0.164
15.	HII YU HO SDN BHD	3,729,750	0.155
16.	CHEAH FOOK LING	3,633,800	0.151
17.	PUBLIC NOMINEES (ASING) SDN BHD PLEDGED SECURITIES ACCOUNT FOR MAYLAND PARKVIEW SDN BHD (KLC)	3,057,191	0.127
18.	TOKIO MARINE LIFE INSURANCE MALAYSIA BHD AS BENEFICIAL OWNER (TMEF)	3,030,000	0.126
19.	WAN RAZLY ABDULLAH BIN WAN ALI	2,858,383	0.119
20.	B-OK SDN BHD	2,600,013	0.108
21.	TOKIO MARINE LIFE INSURANCE MALAYSIA BHD AS BENEFICIAL OWNER (PF)	2,441,176	0.101
22.	HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR EMERGING MARKETS SMALL CAPITALIZATION EQUITY INDEX NONLENDABLE FUND	2,205,700	0.091
23.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR AIA BHD.	2,153,441	0.089
24.	CARTABAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR BARCLAYS CAPITAL SECURITIES LTD (SBL/PB)	2,137,205	0.089
25.	HSBC NOMINEES (ASING) SDN BHD MORGAN STANLEY & CO. INTERNATIONAL PLC (FIRM A/C)	1,990,182	0.082
26.	CITIGROUP NOMINEES (TEMPATAN) SDN BHD KUMPULAN WANG PERSARAAN (DIPERBADANKAN) (UOB AM SC EQ)	1,834,195	0.076
27.	DB (MALAYSIA) NOMINEE (ASING) SDN BHD SSBT FUND ZVTG FOR STATE STREET GLOBAL ADVISORS TRUST COMPANY INVESTMENT FUNDS FOR TAX EXEMPT RETIREMENT PLANS	1,814,232	0.075
28.	KEY DEVELOPMENT SDN.BERHAD	1,756,200	0.073
29.	UOB KAY HIAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR UOB KAY HIAN PTE LTD (A/C CLIENTS)	1,729,199	0.072
30.	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD CIMB COMMERCE TRUSTEE BERHAD - KENANGA GROWTH FUND	1,600,700	0.066
TOTAL		**2,092,716,098**	**87.178**

LIST OF SUBSTANTIAL SHAREHOLDERS

No.	Name of Shareholders	Direct Shareholdings	%	Indirect Shareholdings	%
1.	STATE FINANCIAL SECRETARY SARAWAK	115,537,476	4.813	634,725,096*	26.441
2.	SG ASSETFIN HOLDINGS SDN BHD	634,725,096	26.441	–	–
3.	CITIGROUP NOMINEES (ASING) SDN BHD CBHK FOR THE BANK OF EAST ASIA LIMITED (INVESTMENT AC)	574,480,647	23.931	–	–
4.	SUMITOMO MITSUI BANKING CORPORATION	–	–	574,480,647**	23.931
5.	LEMBAGA TABUNG ANGKATAN TENTERA	528,290,622	22.007	–	–

Notes:
** Deemed interest by virtue of its interest in SG AssetFin Holdings Sdn Bhd*
*** Deemed interest by virtue of its interest in The Bank of East Asia Limited*

A substantial shareholder is defined as one who has an interest (or interests) in the voting shares in the corporation that is not less than 5% of the total voting shares in the corporation.

ANALYSIS BY CATEGORY

	No. of Holders			No. of Shares			%		
	Malaysian		Foreign	Malaysian		Foreign	Malaysian		Foreign
Category of Holders	Bumiputera	Non-Bumiputera		Bumiputera	Non-Bumiputera		Bumiputera	Non-Bumiputera	
Individual	991	18,145	295	10,191,299	176,944,622	6,112,752	0.424	7.371	0.254
Body Corporate									
Banks /Finance Companies	4	0	4	72,230,900	0	387,200	3.009	0.000	0.016
Investment Trust/Foundation/ Charities	3	6	0	3,500	203,600	0	0.000	0.008	0.000
Industrial and commercial companies	26	219	12	635,622,742	23,921,207	5,975,773	26.478	0.996	0.248
Government Agencies/ Institutions	4	0	0	644,200,630	0	0	26.836	0	0
Nominees	2,486	2,888	219 #	39,429,771	126,966,837	658,290,496 #	1.642	5.289	27.423 #
Others	0	2	0	0	5,210	0	0.000	0.000	0.000
Trustee	0	0	0	0	0	0	0.000	0.000	0.000
Subtotal:	**3,514**	**21,260**		**1,401,678,842**	**328,041,476**		**58.389**	**13.664**	
Total:	**24,774**		**530**	**1,729,720,318**		**670,766,221**	**72.053**		**27.941**

	No. of Holders	No. of Shares	%
Grand Total:	**25,304**	**2,400,486,539**	**100.00**

 # These holdings include securities in the nominee companies with foreign beneficiaries

NOTICE OF 49TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE 49TH ANNUAL GENERAL MEETING ("AGM") OF AFFIN BANK BERHAD [197501003274 (25046-T)] ("ABB/THE COMPANY") WILL BE HELD ON **WEDNESDAY, 16 APRIL 2025 AT 10.00 A.M.** AT THE TAMING SARI GRAND BALLROOM, THE ROYALE CHULAN KUALA LUMPUR, 5 JALAN CONLAY, 50450 KUALA LUMPUR ("MAIN VENUE") AND VIRTUALLY BY WAY OF ELECTRONIC MEANS VIA THE TIIH ONLINE WEBSITE AT HTTPS://TIIH.ONLINE ("ONLINE PLATFORM") TO TRANSACT THE FOLLOWING BUSINESSES:

AGENDA

AS ORDINARY BUSINESSES:

1. To receive the Audited Financial Statements of the Company for the financial year ended 31 December 2024 together with the Reports of the Directors and Auditors thereon.

2. To re-elect the following Directors who retire by rotation pursuant to Article 118 of the Company's Constitution and who being eligible, offer themselves for re-election:
   - 2.1 Dato' Mohd Hata bin Robani — **Ordinary Resolution 1**
   - 2.2 Dato' Abdul Aziz bin Abu Bakar — **Ordinary Resolution 2**
   - 2.3 Encik Mohammad Ashraf bin Md Radzi — **Ordinary Resolution 3**

3. To approve the following fees and payment of the same to the Non-Executive Directors for the period from the 49th AGM to the 50th AGM of the Company: — **Ordinary Resolution 4**
   - 3.1 Chairman's fee of RM265,000 per annum;
   - 3.2 Director's fee of RM165,000 per annum for each Non-Executive Director;
   - 3.3 Board Committee Chairman's fee of RM50,000 per annum for the Chairman of each Board Committee; and
   - 3.4 Board Committee member's fee of RM35,000 per annum for each member of a Board Committee.

4. To approve the payment of Directors' benefits of an amount up to RM2,500,000 to eligible Non-Executive Directors from the 49th AGM to the 50th AGM of the Company. — **Ordinary Resolution 5**

5. To re-appoint Messrs. PricewaterhouseCoopers PLT as the Company's Auditors for the financial year ending 31 December 2025 and to authorise the Directors to fix the Auditors' remuneration. — **Ordinary Resolution 6**

AS SPECIAL BUSINESSES:

To consider, and if thought fit, to pass the following Ordinary Resolutions:

6. **AUTHORITY FOR DIRECTORS TO ALLOT AND ISSUE NEW ORDINARY SHARES IN AFFIN BANK BERHAD ("ABB SHARES")** — **Ordinary Resolution 7**

   "THAT subject always to the Companies Act, 2016 ("Act"), the Company's Constitution, the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Malaysia") and approval of the relevant government/regulatory authorities, the Directors be and are hereby authorised pursuant to Sections 75 and 76 of the Act, to allot and issue ABB Shares at any time and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit, provided that the aggregate number of ABB Shares to be allotted pursuant to the said allotment does not exceed ten percent (10%) of the total number of issued shares (excluding treasury shares, if any) of the Company as at the date of such allotment and that the Directors be and are hereby authorised to obtain all necessary approvals from the relevant authorities for the allotment, listing of and quotation for the additional shares so allotted on Bursa Malaysia and that such authority to allot ABB Shares shall continue to be in force until the conclusion of the next AGM of the Company.

   AND THAT in connection with the above, pursuant to Section 85 of the Act read together with Article 9 of the Company's Constitution, approval be given to waive the statutory pre-emptive rights conferred upon shareholders of ABB where the Board is exempted from offering such new ABB Shares first to the existing shareholders of ABB in respect of the allotment and issuance of new ABB Shares pursuant to Sections 75 and 76 of the Act, and such new ABB Shares when issued, to rank equally in all respects with the existing ABB Shares, save and except that they shall not be entitled to any dividends, rights, allotments and/or other forms of distribution that may be declared, made or paid to the shareholders of the Company for which the entitlement date precedes the date of allotment and issuance of the new ABB Shares."

7. **ALLOTMENT AND ISSUANCE OF NEW ORDINARY SHARES OF AFFIN BANK BERHAD ("ABB SHARES") IN RELATION TO THE DIVIDEND REINVESTMENT PLAN BY THE COMPANY THAT GIVES THE SHAREHOLDERS OF THE COMPANY THE OPTION TO REINVEST THEIR WHOLE OR A PORTION OF THE DIVIDEND FOR WHICH THE REINVESTMENT OPTION APPLIES IN NEW ABB SHARES ("DIVIDEND REINVESTMENT PLAN")** **Ordinary Resolution 8**

"THAT pursuant to the Dividend Reinvestment Plan as approved by the shareholders at the Extraordinary General Meeting held on 15 May 2018 and subject to the approval of the relevant regulatory authority (if any), approval be and is hereby given to the Company to allot and issue such number of new ABB Shares upon the election of the shareholders of the Company to reinvest the dividend pursuant to the Dividend Reinvestment Plan until the conclusion of the next AGM upon such terms and conditions and to such persons as the Board of Directors of the Company ("Board"), in their sole and absolute discretion, deem fit and in the interest of the Company;

AND THAT, the issue price of the said new ABB Shares which will be determined by the Board on a price-fixing date to be determined ("Price-Fixing Date"), shall not be more than 10% discount to the adjusted 5-day volume-weighted average market price ("VWAMP") of ABB Shares immediately prior to the Price-Fixing Date, of which the VWAMP shall be adjusted ex-dividend before applying the abovementioned discount in fixing the issue price;

AND THAT the Board be and is hereby authorised to do all such acts and enter into all such transactions, arrangements and agreements, deeds or undertakings and to execute, sign and deliver for and on behalf of the Company, all such documents and impose such terms and conditions or delegate all or any part of its powers as may be necessary or expedient in order to give full effect to the Dividend Reinvestment Plan with full power to assent to any conditions, variations, modifications and/or amendments, as the Board may, in its absolute discretion deem fit and in the best interest of the Company and/or as may be imposed or agreed to by any relevant authorities."

8. **PROPOSED SHARE REWARD TO THE SHAREHOLDERS IN THE FORM OF BONUS ISSUE OF UP TO 133,360,363 NEW ORDINARY SHARES IN AFFIN BANK BERHAD ("ABB" OR "THE COMPANY") ("ABB SHARE(S) OR SHARES") ON THE BASIS OF 1 NEW ABB SHARE ("BONUS SHARE(S)") FOR EVERY 18 EXISTING ABB SHARES HELD ON AN ENTITLEMENT DATE TO BE DETERMINED AND ANNOUNCED LATER ("PROPOSED BONUS ISSUE")** **Ordinary Resolution 9**

"THAT subject to the approvals being obtained from all the relevant regulatory authorities and parties (if required), authority be and is hereby given to the Board of Directors of the Company ("Board") to issue and allot up to 133,360,363 Bonus Shares on the basis of 1 Bonus Share for every 18 existing ABB Shares held by the entitled shareholders of the Company whose names appear in the Record of Depositors of the Company as at the close of business at 5.00 p.m. on the entitlement date to be determined and announced later by the Board;

AND THAT the Bonus Shares in respect of the Proposed Bonus Issue shall be issued as fully paid, at nil consideration and without capitalisation of the Company's reserves;

AND THAT the Bonus Shares will, upon allotment and issuance, rank equally in all respects with the then existing ABB Shares;

AND THAT the Board be and is hereby authorised to deal with fractional entitlements (if any), including disregarding any fractional entitlements, under the Proposed Bonus Issue, in such manner at its absolute discretion as the Board may deem fit and expedient, and in the best interests of the Company;

AND THAT the Board be and is hereby authorised to sign and execute all documents and to take all such necessary steps to give effect to the Proposed Bonus Issue with full power to assent to any conditions, variations, modifications and/or amendments in any manner as may be required or permitted by any relevant authorities and to deal with all matters relating thereto and to take all such steps and do all such acts and things in any manner as the Board may deem necessary or expedient to implement, finalise and give full effect to the Proposed Bonus Issue."

NOTICE OF 49TH ANNUAL GENERAL MEETING

9. **PROPOSED ALLOCATION TO DATUK WAN RAZLY ABDULLAH WAN ALI, THE PRESIDENT & GROUP CHIEF EXECUTIVE OFFICER OF ABB FOR THE YEAR 2025 PURSUANT TO THE COMPANY'S LONG-TERM INCENTIVE PLAN IN THE FORM OF AN EMPLOYEES' SHARE GRANT SCHEME ("SGS")** **Ordinary Resolution 10**

"THAT the Board be and is hereby authorised to cause or procure the offering and the allocation to Datuk Wan Razly Abdullah Wan Ali, being the President & Group Chief Executive Officer of ABB, of up to a maximum of 1,558,000 new ABB Shares under the SGS as they shall deem fit, being the allocation for the year 2025 and will be measured against the 2027 targets, which will be vested to him in the year 2028, subject always to such terms and conditions of the By-Laws and provided that not more than 10% of the total number of ABB Shares to be issued under the SGS shall be allocated to any individual Eligible Employee who, either singly or collectively through persons connected with the said Eligible Employee, holds 20% or more of the total number of issued shares of ABB (excluding treasury shares, if any);

AND THAT pursuant to Section 85 of the Act read together with Article 9 of the Company's Constitution, approval be given to waive the statutory pre-emptive rights conferred upon shareholders of ABB where the Board is exempted from offering such new ABB Shares first to the existing shareholders of ABB in respect of the allotment and issuance of new ABB Shares pursuant to Sections 75 and 76 of the Act, and such new ABB Shares when issued, to rank equally in all respects with the existing ABB Shares, save and except that they shall not be entitled to any dividends, rights, allotments and/or other forms of distribution that may be declared, made or paid to the shareholders of the Company for which the entitlement date precedes the date of allotment and issuance of the new ABB Shares.

AND THAT the Board be and is hereby authorised to allot and issue new ABB Shares and/or transfer such number of treasury shares and/or existing ABB Shares and/or make cash payments pursuant to the SGS to him from time to time pursuant to the vesting of his Grant(s)."

10. To transact any other business of the Company for which due notice shall have been received in accordance with the Act and the Company's Constitution.

BY ORDER OF THE BOARD

NIMMA SAFIRA KHALID
(LS0009015)
(SSM PC No. 201908001266)
Company Secretary

Kuala Lumpur
17 March 2025

Notes:

1. HYBRID 49th AGM

1.1. The 49th AGM of the Company will be held through a hybrid mode whereby Member(s), proxy(ies), corporate representative(s), or attorney(s) will have an option, either:

(a) To attend in person at the Main Venue ("Physical Attendance") OR

(b) To attend virtually using the Remote Participation and Voting ("RPV") facilities which are available on Tricor Investor & Issuing House Services Sdn Bhd's TIIH Online website at https://tiih.online ("Virtual Attendance").

Please refer to the Administrative Guide for the full guide to Physical Attendance and Virtual Attendance at the 49th AGM.

1.2. All Member(s), proxy(ies), corporate representative(s) or attorney(s) who wish to attend the 49th AGM of the Company **must register** as a user with TIIH Online first and **pre-register** their attendance on TIIH Online to verify their eligibility to attend the 49th AGM based on the General Meeting Record of Depositors ("General Meeting ROD") as at 8 April 2025 and to confirm their mode of attendance, either Physical Attendance or Virtual Attendance.

1.3. The pre-registration is open from the date of the Notice of the 49th AGM on Monday, 17 March 2025 and the closing date and time shall be:

(a) at 10.00 a.m. on Monday, 14 April 2025 for Physical Attendance at the Main Venue; or

(b) until such time before the voting session ends at the 49th AGM on Wednesday, 16 April 2025 for Virtual Attendance using RPV facilities.

2. PROXY

2.1. A Member entitled to participate and vote at this AGM is entitled to appoint proxy(ies) to participate and vote in his/her stead. A proxy may but need not be a Member of the Company and there shall be no restriction as to the qualification of a proxy.

2.2. A Member who is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 (“Authorised Nominee”) may appoint at least one (1) proxy but not more than two (2) proxies in respect of each security account it holds with ordinary shares of the Company (“ABB Shares”) standing to the credit of the said securities account to participate and vote at this AGM.

2.3. Notwithstanding the above, for an exempt Authorised Nominee who holds ABB Shares for multiple beneficial owners in one securities account (“Omnibus Account”), there is no limit to the number of proxies that the exempt Authorised Nominee may appoint in respect of each Omnibus Account.

2.4. Where a Member appoints two (2) proxies, the appointment shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.

2.5. The instrument appointing a proxy in the case of any individual shall be signed by the appointer or his/her attorney and in the case of a corporation, under its common seal or under the hand of the officer duly authorised.

2.6. With respect to deposited securities, only Members whose names appear in the General Meeting ROD on 8 April 2025 shall be entitled to participate and vote at the 49th AGM.

2.7. The appointment of proxy may be submitted in hard copy form or electronically via the TIIH Online website at https://tiih.online. The hard copy of the Proxy Form must be deposited at the office of Tricor at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than 48 hours before the time set for the 49th AGM or no later than 14 April 2025 at 10.00 a.m.

2.8. If Members wish to submit their Proxy Form electronically via Tricor’s TIIH Online website at https://tiih.online, please refer to the Procedures for Electronic Submission of Proxy Form as set out in the Administrative Guide for Members.

3. VOTING

3.1. Pursuant to Paragraph 8.29A(1) of MMLR of Bursa Malaysia, all resolutions set out in the Notice of the 49th AGM of the Company shall be put to vote by way of a poll.

4. EXPLANATORY NOTES ON ORDINARY BUSINESSES:

4.1. **Audited Financial Statements for the Financial Year Ended 31 December 2024**

The Audited Financial Statements are for discussion only in accordance with Section 340(1)(a) of the Act and do not require shareholders’ approval. Hence, the same will not be put forward for voting.

4.2. **Ordinary Resolutions 1, 2, and 3 – Re-election of Directors**

Article 118 of the Company’s Constitution provides that at least one-third (1/3) of the Directors who are subject to retirement by rotation or if their number is not three (3) or a multiple three (3), the number nearest to one-third (1/3) shall retire from office at every AGM of the Company and be eligible for re-election.

For the purpose of determining the eligibility of the Director to stand for re-election at the 49th AGM, the Board through its Group Board Nomination and Remuneration Committee (“GBNRC”) had assessed the retiring Directors, and considered the following:

(a) The Director’s performance and contribution based on the results of the Board Effectiveness Evaluation conducted internally for the financial year ended 31 December 2024;

(b) The Director’s character, experience, integrity, competence and time commitment in discharging their roles as Directors of the Company;

(c) The Director’s level of independence demonstrated by the independent Director and ability to act in the best interest of the Company in decision-making; and

(d) The Director’s fitness and propriety as prescribed in Bank Negara Malaysia (“BNM”)’s Policy Document on Fit and Proper.

Based on the results of the Board Effectiveness Evaluation 2024, the performance of each of the retiring Directors under Article 118 of the Company’s Constitution was found to be satisfactory. The GBNRC also considered the performance and contribution of each of the retiring Directors and has assessed the fitness and proprietary as well as the independence of the Independent Non-Executive Directors (“INEDs”) seeking re-election.

NOTICE OF 49TH ANNUAL GENERAL MEETING

In addition, two (2) retiring Directors have also provided their annual declaration/confirmation of independence in January 2025.

The Board has endorsed the GBNRC's recommendation to seek shareholders' approval for the re-election of the three (3) retiring Directors. The retiring Directors had abstained from deliberations and decisions on their re-election at the Board meeting.

No new Director was appointed either to fill a casual vacancy or as an addition to the existing Board of Directors from the 48th AGM to the 49th AGM.

The profiles of the Directors who are standing for re-election at the 49th AGM are provided herein.

4.3. **Ordinary Resolutions 4 and 5 – Remuneration Payable to Non-Executive Directors**

Section 230(1) of the Act provides that the fees of Directors and benefits payable to the Directors of a public company shall be approved at a general meeting.

The Non-Executive Chairman and Non-Executive Directors ("NEDs") are entitled to the following fees and allowances which have not changed since it was approved by the shareholders at the Company's 46th AGM in 2022:

(a) Directors' Fees:

	Chairman	Member
Board		
Director's Fee (per annum)	**265,000**	**165,000**
Board Committee		
Board Committee Fee (per annum)	**50,000**	**35,000**

(b) Meeting allowance:

	Chairman	Member
Board		
Director's Sitting Fee (per meeting)	**3,000**	**2,500**
Board Committee		
Board Committee Sitting Fee (per meeting)	**2,500**	**2,500**

The benefits payable to NEDs comprise allowances, benefits-in-kind, and other emoluments, details of which are as follows:

(i) Meeting Allowance;

(ii) Car Allowance and Company Driver for Chairman (based on maximum taxable rate); and

(iii) Other Benefits - includes claimable benefits or otherwise such as monthly subscription of club membership and other facilities made available by the Company to eligible NEDs.

At the 48th AGM of the Company held on 25 April 2024, the benefits payable to the NEDs from the 48th AGM to the 49th AGM were approved for an amount of up to RM1,800,000. The utilisation of this approved amount as of 28 February 2025 is approximately 85%.

The exact amounts received by each NED are provided in Note 42 of the Audited Financial Statements for FY2024.

The total amount of benefits payable to the NEDs is estimated to be up to RM2,500,000 for the Current Period, taking into account various factors including an increase in the Board composition, the number of meetings for the Board/Board Committees as well as the number of NEDs involved in these meetings.

4.4. **Ordinary Resolution 6 – Re-appointment of External Auditors**

The Group Board Audit Committee ("GBAC") had at its meeting held on 21 January 2025, conducted an annual review on the external auditors, Messrs. PricewaterhouseCoopers PLT in accordance with BNM's Guidelines on External Auditors and ABB's Policy and Procedures for Appointment of Group External Auditors. The assessment covered a wide spectrum of matters such as performance, independence, and objectivity of the external auditors.

Being satisfied with the performance, technical competency, audit approach as well as audit independence of Messrs. PricewaterhouseCoopers PLT, the GBAC has recommended the re-appointment of Messrs. PricewaterhouseCoopers PLT as the external auditors of the Company for the financial year ending 31 December 2025 ("FY2025").

The Board had at its meeting held on 27 January 2025 endorsed the GBAC's recommendation for the shareholders' approval to be sought at the 49th AGM on the re-appointment of Messrs. PricewaterhouseCoopers PLT as the external auditors of the Company for FY2025 in accordance with Section 340(1)(c) of the Act.

The Board is also seeking shareholders' approval to authorise the Directors to fix the remuneration of the external auditors for FY2024 in accordance with Section 274(1)(a) of the Act.

5. EXPLANATORY NOTES ON SPECIAL BUSINESSES:

5.1. **Ordinary Resolution 7 – Authority for Directors to Issue Shares**

The Company has not issued any shares under the general mandate for allotment of shares pursuant to Sections 75 and 76 of the Act which was approved at the 48th AGM held on 25 April 2024 and will lapse at the conclusion of the 49th AGM to be held on 16 April 2025.

The proposed Ordinary Resolution 7, if passed, will give powers to the Directors to issue up to a maximum of 10% of the issued share capital of the Company for the time being for such purposes as the Directors consider would be in the interests of the Company.

The authority will, unless revoked or varied by the Company in a General Meeting, expire at the conclusion of the next AGM or the expiration of the period within which the next AGM is required by law to be held, whichever is earlier.

The general mandate sought will provide flexibility to the Company for any possible fund-raising activities, including but not limited to further placing of shares, for the purpose of funding investment(s), working capital and/or acquisition(s).

Pursuant to Section 85 of the Act read together with Article 9 of the Company's Constitution, shareholders have pre-emptive rights to be offered any new ABB Shares which rank equally to the existing ABB Shares.

In order for the Board to issue any new ABB Shares under Sections 75 and 76 of the Act free of pre-emptive rights, such pre-emptive rights must be waived. The proposed Ordinary Resolution 7, if passed, will exclude Members' pre-emptive rights over all new ABB Shares arising from the issuance of new ABB Shares pursuant to Sections 75 and 76 of the Act.

5.2. **Ordinary Resolution 8 – Dividend Reinvestment Plan**

The proposed Ordinary Resolution 8, if passed, will give authority to the Board to allot and issue new ABB Shares pursuant to the Dividend Reinvestment Plan in respect of any future dividends to be declared, to which the Dividend Reinvestment Plan applies, and such authority shall expire at the conclusion of the next AGM of the Company.

5.3. **Ordinary Resolution 9 – Proposed Bonus Issue**

The proposed Ordinary Resolution 9, if passed, will give authority to the Board to allot and issue new ABB Shares pursuant to the Proposed Bonus Issue. The details of the Proposed Bonus Issue are set out in the Circular to Shareholders dated 17 March 2025 which is published together with the Notice of 49th AGM and available on the Company's website at www.affingroup.com.

5.4. **Ordinary Resolution 10 – Proposed Allocation to Datuk Wan Razly Abdullah Wan Ali, the President & Group Chief Executive Officer of ABB for the year 2025 pursuant to the Company's Long-Term Incentive Plan in the Form of SGS**

The proposed Ordinary Resolution 10, if passed, will enable the Company to allocate up to a maximum of 1,558,000 new ABB Shares under the SGS as the Board deems fit, being the allocation for the year 2025 and will be measured against the 2027 targets, which will be vested in the year 2028, to Datuk Wan Razly Abdullah Wan Ali, the President & Group Chief Executive Officer of ABB pursuant to the Group's Share Grant Scheme.

Pursuant to Section 85 of the Act read together with Article 9 of the Company's Constitution, shareholders have pre-emptive rights to be offered any new ABB Shares which rank equally to the existing ABB Shares.

For the Board to issue new ABB Shares to Datuk Wan Razly Abdullah Wan Ali free of pre-emptive rights, such pre-emptive rights must be waived. The proposed Ordinary Resolution 10, if passed, will exclude Members' pre-emptive rights over all new ABB Shares arising from the issuance of new ABB Shares to Datuk Wan Razly Abdullah Wan Ali pursuant to the SGS.

STATEMENT ACCOMPANYING NOTICE OF 49TH ANNUAL GENERAL MEETING

(pursuant to Paragraph 8.27(2) of Bursa Malaysia Securities Berhad Main Market Listing Requirements)

The profiles of the Directors who are standing for re-election as per Agenda 2 of the Notice of 49th AGM are as follows:

Resolution 1

DATO' MOHD HATA BIN ROBANI
Independent Non-Executive Director

Nationality/Age/Gender	Malaysian/72 years old /Male
Date of Appointment	17 October 2017
Length of Service (as at 28 February 2025)	7 years 4 months
Date of last re-election	25 May 2022
Academic/Professional Qualification	• Bachelor of Economics (Business Administration), University of Malaya • Management Development Programme, University of Harvard, USA
Past Directorship(s)/Working Experience	• Advisor, Agenda Harmoni Sdn Bhd • Executive Chairman, Excellent Tank Treatment Services Sdn Bhd • Managing Director, Malaysian Electronic Payment System Sdn Bhd (MEPS) • Executive Director, BSN Commercial Bank Berhad • General Manager of the Financial Services Division, Amanah Capital Partners Group • Group Chief Operating Officer, Amanah Capital Partners Group • Head of Banking Department, Bank Negara Malaysia • Head of Technology Department, Bank Negara Malaysia • Senior Officer of Bank Inspection Department, Bank Negara Malaysia
Present Directorship(s) in Public/ Public Listed Companies and/or appointments	**Public Companies** • Director, AFFIN Holdings Berhad
Membership of Board Committees	• Chairman, Group Board Credit Review and Recovery Committee • Member, Group Board Audit Committee

Notes:

- *Dato' Mohd Hata Robani fulfils the fit and proper criteria as specified in the Financial Services Act 2013 and the BNM Policy Document on Fit and Proper Criteria. The Board has endorsed the GBNRC's recommendation to seek shareholders' approval for the re-election of Dato' Mohd Hata Robani based on the satisfactory results of the Board Effectiveness Evaluation conducted for the financial year ended 31 December 2024.*
- *Dato' Mohd Hata Robani fulfils the criteria of an independent Director as defined under Bursa Malaysia Securities Berhad Main Market Listing Requirements, which include being independent of management, free from any business or other relationship which could interfere with the exercise of independent judgement, or the ability to act in the best interests of AFFIN.*
- *Dato' Mohd Hata Robani does not hold any shares in AFFIN Bank Berhad, has no family relationship with any Director and/or major shareholders of AFFIN, has no conflict of interest with AFFIN, has not been convicted of any offence within the past five (5) years and has not been imposed any penalty by the relevant regulatory bodies during FY2024.*

Resolution 2

DATO' ABDUL AZIZ BIN ABU BAKAR *Independent Non-Executive Director*	
Nationality/Age/Gender	Malaysian/71 years old /Male
Date of Appointment	17 October 2017
Length of Service (as at 28 February 2025)	7 years 4 months
Date of last re-election	25 May 2022
Academic/Professional Qualification	• Bachelor of Economics (Hons.), University of Malaya • Senior Management Development Programme (SMDP), Harvard Business School
Past Directorship(s)/Working Experience	• CEO/ED, Malaysian Directors Academy (MINDA) • Chief Human Capital Officer, Telekom Malaysia Berhad (TM) • Executive VP, Human Resources, RHB Bank Berhad • General Manager/Human Resources, Shell Malaysia Trading Sdn Bhd (SMTSB) • Managing Director, INTRIA Berhad (currently known as UEM Builders) • Shareholders' representative for China and Hong Kong, SHELL Group • Area GM/East Coast, SMTSB • Manager/Marketing Economics, SMTSB • Executive/Internal Audit, SMTSB • Fleet Planning Coordinator/Fleet Planning Department, Malaysian Airlines System (MAS)
Present Directorship(s) in Public/ Public Listed Companies and/or appointments	**External Professional Commitments** • Fellow of the Institute of Corporate Directors Malaysia (ICDM) • Member of the Nomination and Remuneration Committee of Razak School of Government (RSOG)
Membership of Board Committees	• Chairman, Group Board Nomination and Remuneration Committee

Notes:

- *Dato' Abdul Aziz Abu Bakar fulfils the fit and proper criteria as specified in the Financial Services Act 2013 and the BNM Policy Document on Fit and Proper Criteria. The Board has endorsed the GBNRC's recommendation to seek shareholders' approval for the re-election of Dato' Abdul Aziz Abu Bakar based on the satisfactory results of the Board Effectiveness Evaluation conducted for the financial year ended 31 December 2024.*
- *Dato' Abdul Aziz Abu Bakar fulfils the criteria of an independent Director as defined under Bursa Malaysia Securities Berhad Main Market Listing Requirements, which include being independent of management, free from any business or other relationship which could interfere with the exercise of independent judgement, or the ability to act in the best interests of AFFIN.*
- *Dato' Abdul Aziz Abu Bakar does not hold any shares in AFFIN Bank Berhad, has no family relationship with any Director and/or major shareholders of AFFIN, has no conflict of interest with AFFIN, has not been convicted of any offence within the past five (5) years and has not been imposed any penalty by the relevant regulatory bodies during FY2024.*

STATEMENT ACCOMPANYING NOTICE OF 49TH ANNUAL GENERAL MEETING

(pursuant to Paragraph 8.27(2) of Bursa Malaysia Securities Berhad Main Market Listing Requirements)

Resolution 3

ENCIK MOHAMMAD ASHRAF BIN MD RADZI *Non-Independent Non-Executive Director*	
Nationality/Age/Gender	Malaysian/47 years old /Male
Date of Appointment	3 October 2022
Length of Service (as at 28 February 2025)	2 years 4 months
Date of last re-election	25 May 2023
Academic/Professional Qualification	• Capital Markets Services Representative License Modules 12 & 19, Security Commission • Chartered Accountant, Malaysian Institute of Accountants • Member of the Association of Chartered Certified Accountants, United Kingdom • Bachelor of Accountancy (Hons), Universiti Tenaga Nasional • A-Levels, MARA Institute of Technology
Past Directorship(s)/Working Experience	• Chief Financial Officer, Lembaga Tabung Angkatan Tentera • Chief Financial Officer, Ahmad Zaki Resources • General Manager, Corporate Finance, Ahmad Zaki Resources • Associate Director, Corporate Advisory and Structuring, MIDF Amanah Investment Bank • General Manager, Finance Special Projects, Johawaki Holdings Sdn Bhd • Associate Director, Capital Market, Prokhas Sdn Bhd • Regulatory Reporting Analyst, UBS Investment Bank, London
Present Directorship(s) in Public/ Public Listed Companies and/or appointments	**External Professional Commitments** • Chief Executive, Lembaga Tabung Angkatan Tentera **Public Listed Companies** • Non-Independent Non-Executive Director, Pharmaniaga Berhad **Public Companies** • Non-Independent Non-Executive Director, Boustead Holdings Berhad • Non-Independent Non-Executive Director, Boustead Plantations Berhad
Membership of Board Committees	• Member of Group Board Risk Management Committee (up to 7 May 2024)

Notes:

- *Encik Mohammad Ashraf Md Radzi fulfils the fit and proper criteria as specified in the Financial Services Act 2013 and the BNM Policy Document on Fit and Proper Criteria. The Board has endorsed the GBNRC's recommendation to seek shareholders' approval for the re-election of Encik Mohammad Ashraf Md Radzi based on the satisfactory results of the Board Effectiveness Evaluation conducted for the financial year ended 31 December 2024.*
- *Encik Mohammad Ashraf Md Radzi does not hold any shares in AFFIN Bank Berhad, has no family relationship with any Director of AFFIN, has no conflict of interest with AFFIN, has not been convicted of any offence within the past five (5) years and has not been imposed any penalty by the relevant regulatory bodies during FY2024.*
- *Encik Mohammad Ashraf Md Radzi is a nominee Director of Lembaga Tabung Angkatan Tentera, a substantial shareholder of AFFIN Bank.*

ADMINISTRATIVE GUIDE
49TH ANNUAL GENERAL MEETING

1. HYBRID 49TH ANNUAL GENERAL MEETING ("AGM")

The 49th AGM of Affin Bank Berhad ("the Company") will be conducted via a hybrid mode (physical and virtual) in line with Principle of the Malaysian Code of Corporate Governance ("MCCG") and as announced by Securities Commission Malaysia and Bursa Malaysia Berhad on 30 August 2024. In this respect, the Company will continue to leverage technology, to ensure that the 49th AGM supports meaningful engagement between the Board/Management and Shareholders of the Company.

The date, time and venue for the 49th AGM of the Company are as below:

Date	Time
Wednesday, 16 April 2025	10.00 a.m.
Venue	
(a) **Main Venue** Taming Sari Grand Ballroom The Royale Chulan Kuala Lumpur 5, Jalan Conlay, 50450 Kuala Lumpur	(b) **Online Platform** **TIIH Online** website at https://tiih.online with Remote Participation and Voting ("RPV") facilities

Shareholders shall have the option to attend the hybrid 49th AGM either in person ("Physical Attendance") at the Main Venue or virtually using the RPV facilities ("Virtual Attendance") at TIIH Online website at https://tiih.online. The Main Venue is the main venue in Malaysia where the Chairman of the meeting will be physically present in accordance with Section 327(2) of the Companies Act ("CA") 2016.

2. GENERAL MEETING RECORD OF DEPOSITORS

For the purpose of determining a member who shall be entitled to attend the 49th AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd in accordance with Article 69(2) of the Company's Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act 1991, to issue a General Meeting Record of Depositors ("General Meeting ROD") as at 8 April 2025. Only a depositor whose name appears on the General Meeting ROD as at 8 April 2025 shall be entitled to attend the said meeting or appoint proxies to attend and/or vote on his/her behalf.

3. PRE-REGISTRATION TO ATTEND THE 49TH AGM

Shareholders of the Company are invited to attend the 49th AGM to exercise your right to attend, participate and vote at the 49th AGM by Physical Attendance or Virtual Attendance at the AGM Main Venue or participating remotely by RPV at TIIH Online website https://tiih.online. As such, shareholders are required to take the following steps to pre-register themselves in order to participate at the 49th AGM. To do so, shareholders must take the following steps at TIIH Online:

(a) Register as a user with TIIH Online
- (i) Access the TIIH Online website at https://tiih.online.
- (ii) Under "e-Services", select the **Sign-Up** button followed by **Create Account by Individual Holder**. Refer to the tutorial guide posted on the homepage for assistance.
- (iii) Registration as a user will be approved within one (1) working day and shareholders will be notified via e-mail.

(b) Register your attendance for the 49th AGM
- (i) Shareholder(s), proxy(ies), corporate representative(s) and attorney(s) are **required to pre-register** their attendance for the 49th AGM for verification of their eligibility to attend the 49th AGM based on the General Meeting ROD as at **8 April 2025**. This is to ensure that the Company is able to make the necessary preparations to allow shareholders to attend the 49th AGM in person should they wish to.
- (ii) The pre-registration is open from the date of the Notice of 49th AGM on Monday, 17 March 2025.
- (iii) The closing date and time for the pre-registration shall be as follows:

Physical attendance	**at 10.00 am on Monday, 14 April 2025**
Remote participation	such time before the voting session ends at the 49th AGM on **Wednesday, 16 April 2025**

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(iv) Pre-registration and attendance for shareholder(s) as follows:

	Physical Meeting Attendance	Virtual remote participation via RPV
Pre-Meeting day	• Go to https://tiih.online • Login in with your user ID (e-mail address) and password and select the corporate event: **"(REGISTRATION) AFFIN BANK BERHAD 49TH AGM"**. • Read and agree to the Terms & Conditions and confirm the Declaration. • Select "Register for Physical Attendance at Meeting Venue". • Review your registration information and proceed to submit your pre-registration. • TIIH Online will send an e-mail to notify that your pre-registration for physical attendance is received and will be verified. • Upon system verification against the General Meeting ROD as at 8 April 2025, TIIH Online will send an e-mail on or after 14 April 2025 to confirm your physical attendance at the AGM Main Venue. • In the event your registration is not approved, you will be notified via e-mail. ***PLEASE NOTE:*** Should you no longer wish to attend the 49th AGM physically, kindly inform is.enquiry@vistra.com to switch your registration from physical attendance to remote participation via RPV before the cut-off date at **10.00 a.m. on 16 April 2025.**	• Go to https://tiih.online • Login in with your user ID (e-mail address) and password and select the corporate event: **"(REGISTRATION) AFFIN BANK BERHAD 49TH AGM"**. • Read and agree to the Terms & Conditions and confirm the Declaration. • Select "Register for Remote Participation and Voting". • Review your registration information and proceed to submit your pre-registration. • TIIH Online will send an e-mail to notify that your pre-registration for remote participation via RPV has been received and will be verified. • Upon system verification against the General Meeting ROD as at 8 April 2025, TIIH Online will send an e-mail on or after 14 April 2025 to confirm your remote participation via RPV. • In the event your registration is not approved, you will be notified via e-mail. ***PLEASE NOTE:*** Should you decide to attend physically after successful registration, kindly inform is.enquiry@vistra.com to switch your registration from remote participation via RPV to physical attendance before the cut-off date at **10.00 a.m. on 16 April 2025.**
Meeting day – participation at AGM	• Please produce your original MyKad/ Passport (for foreigners) for verification purposes at the verification counters on AGM day. • Kindly note that your entry into the AGM Main Venue shall only be allowed subject to verification of your pre-registration of attendance as per above.	• Please refer to **Note 9** below.

4. PROXY

(a) Appointment of Chairman of the meeting as proxy

If a shareholder is not able to attend the 49th AGM, he/she can appoint the Chairman of the meeting as his/her proxy and indicate the voting instructions in the Proxy Form. The same must be deposited or submitted in accordance with **Note 5** below.

(b) Appointment of proxy, corporate representative or attorney

(i) A shareholder who has appointed a proxy(ies), corporate representative(s) or attorney(s) to participate at this 49th AGM must ensure that the proxy form is completed with the required information, signed and dated accordingly. The same must be deposited in accordance with **Note 5** below.

(ii) The shareholder must also request his/her proxy(ies), authorised representative or attorney to register himself/herself as a user with the TIIH Online website at https://tiih.online.

(iii) The representative of a corporation or institutional shareholder must register as a user first in accordance with **Note 5(b)(ii)** below, before he/she can subscribe to this corporate holder electronic submission.

(c) Documents relating to appointment as corporate representative

For a corporate member who has appointed a representative to participate at the 49th AGM, please deposit the **ORIGINAL** certificate of appointment with the Share Registrar of the Company, Tricor Investor & Issuing House Services Sdn. Bhd. ("Tricor") at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia. The certificate of appointment should be executed in the following manner:

(i) If the corporate member has a common seal, the certificate of appointment should be executed under seal in accordance with the constitution of the corporate member.

(ii) If the corporate member does not have a common seal, the certificate of appointment should be affixed with the rubber stamp of the corporate member (if any) and executed by at least two (2) authorised officers, of whom one shall be a Director; or any Director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.

(d) Documents relating to appointment of proxy by power of attorney

(i) Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with the Share Registrar of the Company, Tricor at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.

(ii) A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.

5. CUT-OFF DATE AND TIME FOR LODGEMENT OF PROXY FORM

As approved by the Board with reference to Article 102 of the Company's Constitution, proxy forms and/or documents relating to the appointment of proxy/corporate representative/attorney for the 49th AGM whether in hard copy or by electronic means shall be deposited or submitted in the following manner not later than **10.00 a.m. on Monday, 14 April 2025** in accordance with Article 104 of the Company's Constitution:

(a) In hard copy:

(i) By hand or post: to the office of the Share Registrar of the Company, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur;

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(b) In electronic form via TIIH Online:

(i) The steps to be taken by individual shareholders are as follows:

- You should have completed the steps in accordance with **Note 3(a)** above.
- As a registered user of TIIH Online, go to https://tiih.online and login with your user ID (i.e. e-mail address) and password.
- Select the Corporate Exercise/Event: **"AFFIN BANK BERHAD 49TH AGM – Submission of Proxy Form"**.
- Read and agree to the Terms & Conditions and confirm the Declaration.
- Insert your CDS account number and indicate the number of shares for your proxy(s) to vote on your behalf.
- Appoint your proxy(s) and insert the required details of your proxy(s) or appoint Chairman as your proxy.
- Indicate your voting instructions – FOR or AGAINST, otherwise your proxy will decide your vote.
- Review and confirm your proxy(s) appointment.
- Print proxy form for your record.

(ii) The steps to be taken by authorised/nominated representatives of corporate/institutional shareholders are as follows:

A. Register as a user with TIIH Online
- Access the TIIH Online website at https://tiih.online.
- Under "e-Services", select the **Sign-Up** button followed by **Create Account by Representative of Corporate Holder**.
- Complete the registration form and upload the required documents.
- Registration will be verified, and you will be notified by e-mail within one (1) to two (2) working days.
- Proceed to activate your account with the temporary password given in the e-mail and reset your own password.

B. Prepare proxy appointment
- As a registered user of TIIH Online, go to https://tiih.online and login with your user ID (i.e. e-mail address) and password.
- Select the Corporate Exercise/Event: **"AFFIN BANK BERHAD 49TH AGM – Submission of Proxy Form"**.
- Read and agree to the Terms & Conditions and confirm the Declaration.
- Proceed to download the file format for "Submission of Proxy Form" in accordance with the Guidance Note given therein.
- Prepare the file for the appointment of proxies by inserting the required data.

C. Submit the proxy appointment file
- Select the Corporate Exercise/Event: **"AFFIN BANK BERHAD 49TH AGM – Submission of Proxy Form"**.
- Proceed to upload the duly completed proxy appointment file.
- Select "Submit" to complete your submission.
- Print the confirmation report of your submission for your record.

6. INTEGRATED REPORT 2024

The Company's Integrated Report 2024 is available on the Company's website at https://affin.listedcompany.com/ar.html

In line with AFFIN Bank's commitment to reduce our environmental footprint, we strongly encourage our shareholders to refer to the document available online. Nevertheless, in the event you still require a printed copy of the Integrated Report 2024, you may request the same at https://tiih.online by selecting "Request for Annual Report/Circular" under the "Investor Services" or alternatively, request through telephone or e-mail to our Share Registrar via the contact details as set out in Note 11 below.

7. SUBMISSION OF QUESTIONS FOR THE 49TH AGM

(a) Prior to the meeting

Shareholders may submit questions in relation to the agenda items for the 49th AGM prior to the meeting via TIIH Online at https://tiih.online by selecting "e-Services" to log in, pose questions and submit electronically not later than **10.00 a.m. on Monday, 14 April 2025**. The responses to these questions will be shared at the 49th AGM.

(b) During the meeting

For submission of questions 'live' during the 49th AGM

Physical Meeting Attendance	Virtual remote participation via RPV
Verified shareholder(s), proxy(ies) and corporate representative(s) will be able to ask questions in person at the AGM Main Venue.	Verified shareholder(s), proxy(ies) and corporate representative(s) may use the **Query Box** facility to ask questions real-time (in the form of typed text) during the meeting.

The Board and Senior Management will provide the responses to the questions accordingly.

8. POLL VOTING

The voting at the 49th AGM will be conducted by poll in accordance with Paragraph 8.29A(1) of Bursa Malaysia Securities Berhad Main Market Listing Requirements.

(a) All shareholders and proxies attending the 49th AGM physically at the Main Venue or virtually using the RPV facilities shall exercise their rights to vote via the TIIH Online website at https://tiih.online. As such, all shareholders and proxies attending the 49th AGM physically at the Main Venue are advised to bring their own personal devices to vote via the TIIH Online website at https://tiih.online. Please refer to **Note 9(c)** below on steps for online remote voting.

(b) The Company has appointed Tricor Investor & Issuing House Services Sdn Bhd as Poll Administrator to conduct the poll by way of **online remote voting**. During the meeting, the Chairman will invite the Poll Administrator to brief shareholders on the online remote voting process. The online remote voting session will commence from the start of the meeting at **10.00 a.m.** on **16 April 2025** until such time when the Chairman announces the end of the voting session. This is in line with the Securities Commission Malaysia's Guidance which provides that Members shall be allowed to cast their votes remotely and contemporaneously (live) during the proceeding of the general meeting.

(c) The Company has appointed independent scrutineers to verify the poll results. Upon completion of the "in time" voting session for the 49th AGM, the Scrutineers will verify and announce the poll results followed by the Chairman's declaration of whether the resolutions are duly passed.

9. VIRTUAL ATTENDANCE USING RPV ON THE DATE OF THE 49TH AGM

With the approved registration for RPV, shareholders have the right to join the live stream meeting and vote remotely. Shareholders' login to TIIH Online indicates their attendance at the virtual 49th AGM. The **procedures for the RPV facilities** are summarised below:

Procedure	Action
(a) Login to TIIH Online	• Login with your user ID and password for remote participation at the 49th AGM at any time from **9.00 a.m.** i.e. one (1) hour before the commencement of the 49th AGM at 10.00 a.m. on Wednesday, 16 April 2025.
(b) Participate through Live Streaming	• Select the corporate event: **"(LIVE STREAM MEETING) AFFIN BANK BERHAD 49TH AGM"** to engage in the proceedings of the 49th AGM remotely. • If you have any questions for the Chairman/Board, you may use the **Query Box** to transmit your question. The Chairman/Board will try to respond to questions submitted by you during the 49th AGM. If the questions are received late after the Questions & Answers session, the responses will be e-mailed to you after the meeting. • Please note that the quality of your connection to the live broadcast is dependent on the bandwidth and stability of the internet at your location and the device you use.

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Procedure	Action
(c) Online Remote Voting	The Online Remote Voting session commences from **10.00 a.m.** on **Wednesday, 16 April 2025** until a time when the Chairman announces the end of the said voting session. • Select the corporate event: **"(REMOTE VOTING) AFFIN BANK BERHAD 49TH AGM"** or if you are on the Live Stream meeting page, you can select **"GO TO REMOTE VOTING PAGE"** button **below the Query Box.** • Read and agree to the Terms & Conditions and confirm the Declaration. • Select the CDS account that represents your shareholdings. • Indicate your votes for the resolutions that are tabled for voting. • Confirm and submit your votes.

Helpline Contact

In the event you encounter any issues with logging in, connection to the live stream meeting or online voting, kindly call Tricor Help Line at 011-4080 5616/011-4080 3168/011-4080 3169/011-4080 3170 for assistance or e-mail to tiih.online@vistra.com for assistance.

End of Live Streaming for remote participation

The Live Streaming will end upon the announcement by the Chairman at the conclusion of the 49th AGM after the outcome of the resolutions has been declared.

10. PHYSICAL ATTENDANCE

(a) Parking

Limited parking lots are available at the meeting venue at a flat rate of RM12.70. The parking at Royale Chulan Kuala Lumpur is cashless which allows you to come and leave the hotel by tapping your TnG card, credit card or debit card on the unattended kiosk at the entry and exit lanes.

(b) Verification of attendance

(i) Verification of attendance will start at 9.00 a.m. and will end at a time as directed by the Chairman of the meeting. As you enter the hotel, the verification counters are located at Taman Mahsuri, in front of the Grand Ballroom.

(ii) Please produce your original MyKad/Passport at the verification counter and make sure you collect your MyKad/Passport thereafter.

(iii) You will be given a wristband for entry to the meeting room.

(iv) There will be no replacement of the wristband in the event that you lose or misplace the wristband.

(v) No person will be allowed to verify on behalf of another person even with the original MyKad/Passport of that other person.

(vi) The verification counter will handle only verification of your pre-registration. If you have any enquiry, please proceed to the Help Desk. The Help Desk will be located next to the verification counter in the same area.

11. ENQUIRY

If you have any enquiry prior to the 49th AGM, please contact the following officers during office hours from 9.00 a.m. to 5.00 p.m. (Monday to Friday, except for public holidays):

(b) Tricor Investor & Issuing House Services Sdn Bhd Registration No. 197101000970 (11324-H) Unit 32-01, Level 32, Tower A Vertical Business Suite Avenue 3, Bangsar South No. 8, Jalan Kerinchi 59200 Kuala Lumpur, Malaysia	**Telephone Number** **General Line** 603-2783 9299 **Fax Number** 603-2783 9222 **E-mail** is.enquiry@my.vistra.com

The Company shall abide by the prevailing and applicable procedures and guidelines as well as precautionary measures as prescribed by the Government and other relevant authorities. In the event that any new procedures, guidelines, or measures may affect the administration of the 49th AGM as set out in this Administrative Guide and require a material change to the proceedings of the meeting, the Company will issue announcement on the same accordingly. Hence, please contact the above officers or check the Company's website for announcements on the latest update (if any) in relation to the 49th AGM.

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AFFIN BANK

FORM OF PROXY

I/We ____ NRIC No./Company No. ______________
(Full Name in Block Letters)

of ____
(Full Address)

______________________ Tel No. ______________________ being a member of AFFIN BANK BERHAD, hereby appoint:

Full name of proxy in capital letters	NRIC (new & old)/Passport No. of proxy	Proportion of shareholdings to be represented	
		No. of shares	%

and (if more than one (1) proxy)

Full name of proxy in capital letters	NRIC (new & old)/Passport No. of proxy	Proportion of shareholdings to be represented	
		No. of shares	%

or failing him/her the CHAIRMAN OF THE MEETING as my/our* proxy to participate and vote for me/us on my/our behalf at the 49th Annual General Meeting ("AGM") of the Company to be held on **Wednesday, 16 April 2025** at **10.00 a.m.** at the **Taming Sari Grand Ballroom, The Royale Chulan Kuala Lumpur, 5 Jalan Conlay, 50450 Kuala Lumpur ("Main Venue")** and virtually by way of electronic means via the TIIH Online website at **https://tiih.online ("Online Platform")** or any adjournment thereof.

My/our proxy(ies) is/are to vote on the resolutions as indicated by an "X" below. If no indication is given, my/our proxy(ies) shall vote or abstain as he/she thinks fit:

No.	Resolutions	For	Against
	Re-election of the following Directors who retire by rotation pursuant to Article 118 of the Company's Constitution and who being eligible, offer themselves for re-election:		
1	Dato' Mohd Hata bin Robani		
2	Dato' Abdul Aziz bin Abu Bakar		
3	Encik Mohammad Ashraf bin Md Radzi		
4	Approval of the following fees and payment of the same to the Non-Executive Directors for the period from the 49th AGM to the 50th AGM of the Company: 4.1 Chairman's fee of RM265,000 per annum; 4.2 Director's fee of RM165,000 per annum for each Non-Executive Director; 4.3 Board Committee Chairman's fee of RM50,000 per annum for the Chairman of each Board Committee; and 4.4 Board Committee Member's fee of RM35,000 per annum for each member of a Board Committee.		
5	Approval of payment of Directors' benefits of an amount up to RM2,500,000 to eligible Non-Executive Directors from the 49th AGM to the 50th AGM of the Company.		
6	Reappointment of Messrs PricewaterhouseCoopers PLT as the Company's Auditors for the financial year ending 31 December 2025 and to authorise the Directors to fix the Auditors' remuneration.		
7	Authorisation to the Directors to allot and issue new ordinary shares in Affin Bank Berhad ("ABB Shares") pursuant to Sections 75 and 76 of the Companies Act, 2016.		
8	Authorisation to the Directors to allot and issue new ordinary shares of Affin Bank Berhad in relation to the Dividend Reinvestment Plan.		
9	Approval of the Proposed Bonus Issue.		
10	Approval of the Proposed Allocation to Datuk Wan Razly Abdullah Wan Ali, the President & Group Chief Executive Officer of ABB for the year 2025 pursuant to the Company's long-term incentive plan in the form of an Employees' Share Grant Scheme ("SGS").		

Signed this on ____________ day of ____________ 2025.

____
Signature of Member/Common Seal

CDS Account No. :	
No. of shares held :	
Proportion of shareholdings represented by proxies:	First proxy : % Second proxy: % 100%

Notes:

(1) The 49th AGM of the Company will be held via a hybrid mode whereby Member(s), proxy(ies), corporate representative(s), or attorney(s) will have an option, either:
   (a) To attend in person at the Main Venue ("Physical Attendance"); OR
   (b) To attend virtually using the Remote Participation and Voting ("RPV") facilities which are available on Tricor Investor & Issuing House Services Sdn Bhd's TIIH Online website at https://tiih.online ("Virtual Attendance").

   Please refer to the Administrative Guide for the full guide to Physical Attendance and Virtual Attendance at the 49th AGM.

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(2) All Member(s), proxy(ies), corporate representative(s) or attorney(s) who wish to attend the 49th AGM of the Company **must register** as a user with TIIH Online first and **pre-register** their attendance on TIIH Online to verify their eligibility to attend the 49th AGM based on the General Meeting Record of Depositors ("General Meeting ROD") as at **8 April 2025** and to confirm their mode of attendance, either Physical Attendance or Virtual Attendance.

(3) The pre-registration is open from the date of the Notice of the 49th AGM on **Monday, 17 March 2025** and the closing date and time shall be:

(a) at **10.00 a.m.** on **Monday, 14 April 2025** for Physical Attendance at the Main Venue; or

(b) until such time before the voting session ends at the 49th AGM on Wednesday, 16 April 2025 for Virtual Attendance using RPV facilities.

(4) A Member entitled to participate and vote at this AGM is entitled to appoint proxy(ies) to participate and vote in his/her stead. A proxy may but need not be a Member of the Company and there shall be no restriction as to the qualification of a proxy.

(5) A Member who is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 (Authorised Nominee) may appoint at least one (1) proxy but not more than two (2) proxies in respect of each security account it holds with ordinary shares of the Company ("ABB Shares") standing to the credit of the said securities account to participate and vote at this AGM.

(6) Notwithstanding the above, for an exempt Authorised Nominee who holds ABB Shares for multiple beneficial owners in one securities account ("Omnibus Account"), there is no limit to the number of proxies that the exempt Authorised Nominee may appoint in respect of each Omnibus Account.

(7) Where a Member appoints two (2) proxies, the appointment shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.

(8) The instrument appointing a proxy in the case of any individual shall be signed by the appointer or his/her attorney and in the case of a corporation, under its common seal or under the hand of the officer duly authorised.

(9) With respect to deposited securities, only Members whose names appear in the General Meeting ROD on 8 April 2025 shall be entitled to participate and vote at the 49th AGM.

(10) The appointment of proxy may be submitted in hard copy form or electronically via the TIIH Online website at https://tiih.online. The hard copy of the Proxy Form must be deposited at the office of Tricor at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than 48 hours before the time set for the 49th AGM or no later than **14 April 2025 at 10.00 a.m**.

(11) If Members wish to submit their Proxy Form electronically via Tricor's TIIH Online website at https://tiih.online, please refer to the Procedures for Electronic Submission of Proxy Form as set out in the Administrative Notes for Members.

(12) Pursuant to Paragraph 8.29A(1) of MMLR of Bursa Malaysia, all resolutions set out in the Notice of the 49th AGM of the Company shall be put to vote by way of a poll.

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AFFIX
STAMP

Tricor Investor & Issuing House
Services Sdn Bhd
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
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