

AFFIN BANK BERHAD
Registration No. 197501003274 (25046-T)
Condensed Interim Financial Statements
Unaudited Statements of Financial Position as at 31 December 2023

| | Note | The Group | | The Bank | |
|--|------|----------------------|----------------------|----------------------|----------------------|
| | | 31/12/2023 RM'000 | 31/12/2022 RM'000 | 31/12/2023 RM'000 | 31/12/2022 RM'000 |
| ASSETS | | | | | |
| Cash and short-term funds | | 5,642,363 | 4,903,601 | 3,545,685 | 1,986,132 |
| Deposits and placements with Banks and other financial institutions | | 840,592 | 301,438 | 1,143,443 | 251,389 |
| Investment accounts due from designated financial institutions | | - | - | 3,665,450 | 2,719,680 |
| Financial assets at fair value through profit or loss ('FVTPL') | A9 | 606,734 | 544,503 | 1,302,516 | 508,433 |
| Derivative financial instruments | A29 | 470,438 | 495,389 | 348,883 | 407,517 |
| Financial investments at fair value through other comprehensive income ('FVOCI') | A10 | 10,027,767 | 3,782,504 | 3,979,219 | 206,993 |
| Financial investments at amortised cost ('AC') | A11 | 16,604,902 | 16,853,101 | 11,180,419 | 12,229,974 |
| Loans, advances and financing | A12 | 65,224,997 | 57,931,856 | 34,510,450 | 30,557,921 |
| Trade receivables | A13 | 398,876 | 405,401 | - | - |
| Other assets | A14 | 702,252 | 460,851 | 500,681 | 265,246 |
| Amount due from subsidiaries | | - | - | 22,126 | 5,835 |
| Amount due from joint ventures | | 32 | 455 | - | - |
| Tax recoverable | | 255,645 | 168,480 | 178,043 | 109,350 |
| Deferred tax assets | | 138,283 | 233,973 | 72,072 | 125,964 |
| Statutory deposits with Bank Negara Malaysia | | 1,395,600 | 1,250,872 | 780,000 | 749,272 |
| Investment in subsidiaries | | - | - | 3,204,123 | 3,203,899 |
| Investment in associates | | 841,260 | 794,779 | 667,279 | 642,679 |
| Property and equipment | | 1,383,137 | 1,306,725 | 1,368,091 | 1,293,824 |
| Right-of-use assets | | 54,127 | 57,580 | 44,938 | 51,937 |
| Intangible assets | | 660,680 | 629,369 | 214,276 | 183,219 |
| TOTAL ASSETS | | 105,247,685 | 90,120,877 | 66,727,694 | 55,499,264 |
| LIABILITIES AND EQUITY | | | | | |
| Deposits from customers | B7 | 70,834,111 | 64,995,050 | 41,782,111 | 36,075,130 |
| Investment accounts of customers | | 359 | 859 | - | - |
| Deposits and placements of Banks and other financial institutions | B7 | 9,050,682 | 3,364,156 | 5,695,017 | 1,185,120 |
| Obligation on securities sold under repurchase agreements | | 4,917,910 | 4,813,407 | 4,103,954 | 4,813,407 |
| Derivative financial instruments | A29 | 395,726 | 542,254 | 328,579 | 436,209 |
| Bills and acceptances payable | | 40,686 | 35,471 | 40,686 | 35,471 |
| Recourse obligation on loans/financing sold to Cagamas Berhad | | 3,974,491 | 1,073,871 | 2,859,450 | 1,073,871 |
| Trade payables | | 214,162 | 338,867 | - | - |
| Lease liabilities | B7 | 45,721 | 49,233 | 38,278 | 45,440 |
| Other liabilities | A15 | 1,360,615 | 1,748,943 | 657,093 | 833,972 |
| Amount due to subsidiaries | | - | - | 292,935 | 300,371 |
| Provision for taxation | | 6 | 7 | - | - |
| Borrowings and Sukuk | B7 | 3,304,401 | 2,529,931 | 1,006,030 | 1,019,197 |
| TOTAL LIABILITIES | | 94,138,870 | 79,492,049 | 56,804,133 | 45,818,188 |

The Condensed Financial Statements should be read in conjunction with the Audited Financial Statements of the Group and the Bank for the financial year ended 31 December 2022.

AFFIN BANK BERHAD
Registration No. 197501003274 (25046-T)
Condensed Interim Financial Statements
Unaudited Statements of Financial Position as at 31 December 2023

| | Note | The Group | | The Bank | |
|---|------|----------------------|----------------------|----------------------|----------------------|
| | | 31/12/2023 RM'000 | 31/12/2022 RM'000 | 31/12/2023 RM'000 | 31/12/2022 RM'000 |
| EQUITY | | | | | |
| Share capital | | 5,371,044 | 5,245,447 | 5,371,044 | 5,245,447 |
| Reserves:- | | | | | |
| FVOCI revaluation reserves | A16 | 169,540 | 44,806 | 204,573 | 166,472 |
| Regulatory reserves | A16 | 337,761 | 479,799 | 270,563 | 416,620 |
| Other reserves | A16 | 4,146 | - | 4,146 | - |
| Retained profits | A16 | 5,226,324 | 4,858,776 | 4,073,235 | 3,852,537 |
| Equity attributable to equity holders of the Bank | | 11,108,815 | 10,628,828 | 9,923,561 | 9,681,076 |
| TOTAL LIABILITIES AND EQUITY | | 105,247,685 | 90,120,877 | 66,727,694 | 55,499,264 |
| COMMITMENTS AND CONTINGENCIES | | | | | |
| | A28 | 87,430,950 | 56,647,807 | 63,141,622 | 42,276,944 |
| CAPITAL ADEQUACY RATIOS | | | | | |
| | A30 | | | | |
| <u>With transitional arrangements</u> | | | | | |
| CET 1 capital ratio | | 14.305% | 15.700% | 13.137% | 14.753% |
| Tier 1 capital ratio | | 15.833% | 17.090% | 14.319% | 16.133% |
| Total capital ratio | | 18.269% | 19.539% | 16.319% | 17.333% |
| CET 1 capital ratio (net of proposed dividends) | | 14.259% | 15.597% | 13.066% | 14.588% |
| Tier 1 capital ratio (net of proposed dividends) | | 15.787% | 16.986% | 14.247% | 15.968% |
| Total capital ratio (net of proposed dividends) | | 18.223% | 19.435% | 16.247% | 17.169% |
| Net assets per share attributable to equity holders of the Bank (RM) | | 4.73 | 4.67 | 4.23 | 4.26 |

The Condensed Financial Statements should be read in conjunction with the Audited Financial Statements of the Group and the Bank for the financial year ended 31 December 2022.

AFFIN BANK BERHAD
Registration No. 197501003274 (25046-T)
Condensed Interim Financial Statements
Unaudited Income Statements for the Financial Quarter Ended 31 December 2023

| The Group | Note | Individual Quarter Ended | | Cumulative Quarter Ended | |
|---|------|--------------------------|----------------------|--------------------------|----------------------|
| | | 31/12/2023 RM'000 | 31/12/2022 RM'000 | 31/12/2023 RM'000 | 31/12/2022 RM'000 |
| Interest income | A17 | 715,519 | 578,630 | 2,649,698 | 2,053,451 |
| Interest expense | A18 | (538,247) | (311,259) | (1,866,817) | (1,030,878) |
| Net interest income | | 177,272 | 267,371 | 782,881 | 1,022,573 |
| Income from Islamic banking business | | 151,358 | 184,697 | 595,643 | 688,261 |
| | | 328,630 | 452,068 | 1,378,524 | 1,710,834 |
| Fee and commission income | | 65,064 | 64,912 | 261,508 | 248,581 |
| Fee and commission expense | | (2,848) | (2,368) | (10,930) | (9,111) |
| Net fee and commission income | A19 | 62,216 | 62,544 | 250,578 | 239,470 |
| Net gains on financial instruments | A20 | 32,493 | 28,904 | 168,084 | 70,663 |
| Other income | A21 | 62,854 | 23,525 | 188,597 | 33,668 |
| Net income | | 486,193 | 567,041 | 1,985,783 | 2,054,635 |
| Other operating expenses | A22 | (400,422) | (343,078) | (1,421,157) | (1,316,746) |
| Operating profit before allowances | | 85,771 | 223,963 | 564,626 | 737,889 |
| Allowances for credit impairment losses | A23 | (11,103) | (170,401) | (75,005) | (438,532) |
| (Allowances for)/write-back of impairment losses on other assets and goodwill | A24 | (3,200) | 17,269 | (3,200) | (68,577) |
| Operating profit | | 71,468 | 70,831 | 486,421 | 230,780 |
| Share of results of joint venture | | - | (58) | - | 791 |
| Share of results of associates | | (949) | (16,478) | 36,466 | 7,820 |
| Profit before zakat and taxation | | 70,519 | 54,295 | 522,887 | 239,391 |
| Zakat | | (1,971) | (2,000) | (4,600) | (4,150) |
| Profit before taxation | | 68,548 | 52,295 | 518,287 | 235,241 |
| Taxation | B5 | (29,013) | (35,397) | (116,096) | (157,209) |
| Profit from continuing operations | | 39,535 | 16,898 | 402,191 | 78,032 |
| Profit from discontinued operation | | - | (334) | - | 1,125,455 |
| Net profit after zakat and taxation | | 39,535 | 16,564 | 402,191 | 1,203,487 |
| Attributable to :- | | | | | |
| Equity holders of the Bank | | 39,535 | 16,564 | 402,191 | 1,178,523 |
| Non-controlling interest | | - | - | - | 24,964 |
| | | 39,535 | 16,564 | 402,191 | 1,203,487 |
| Attributable to equity holders of the Bank :- | | | | | |
| - Continuing operations | | 39,535 | 16,898 | 402,191 | 78,032 |
| - Discontinued operations | | - | (334) | - | 1,100,491 |
| | | 39,535 | 16,564 | 402,191 | 1,178,523 |
| Earnings per share attributable to equity holders of the Bank (sen): | | | | | |
| - Basic | | | | | |
| Continuing operations | B10 | 1.71 | 0.78 | 17.42 | 3.60 |
| Discontinued operations | B10 | - | (0.02) | - | 50.77 |

The Condensed Financial Statements should be read in conjunction with the Audited Financial Statements of the Group and the Bank for the financial year ended 31 December 2022.

AFFIN BANK BERHAD
Registration No. 197501003274 (25046-T)
Condensed Interim Financial Statements
Unaudited Statements of Comprehensive Income
for the Financial Quarter Ended 31 December 2023

| | Individual Quarter Ended | | Cumulative Quarter Ended | |
|---|--------------------------|----------------------|--------------------------|----------------------|
| | 31/12/2023 RM'000 | 31/12/2022 RM'000 | 31/12/2023 RM'000 | 31/12/2022 RM'000 |
| The Group | | | | |
| Profit after zakat and taxation | 39,535 | 16,564 | 402,191 | 1,203,487 |
| Other comprehensive income: | | | | |
| <u>Items that may be reclassified subsequently to profit or loss :</u> | | | | |
| - Net fair value change in financial investments at FVOCI (debt instruments) | 79,081 | 44,414 | 136,232 | (51,143) |
| - Net credit impairment (loss)/income change in financial investments at FVOCI (debt instruments) | (5,013) | (425) | 2,747 | (166) |
| - Net loss on financial investments measured at FVOCI reclassified to profit or loss on disposal (debt instruments) | (2,928) | - | (4,642) | (2,380) |
| - Exchange differences on translation of foreign operations | - | - | - | (39) |
| - Deferred tax on financial investments at FVOCI | (23,264) | (10,660) | (33,237) | 12,832 |
| - Share of other comprehensive (loss)/income of joint venture | - | (2,661) | - | 3,702 |
| - Share of other comprehensive income/(loss) of associates | 3,363 | 5,120 | 8,908 | (16,960) |
| <u>Items that may not be reclassified subsequently to profit or loss :</u> | | | | |
| - Net fair value change in financial investments designated at FVOCI (equity instruments) | 13,882 | 14,825 | 14,726 | 20,623 |
| Other comprehensive income/(loss) for the financial year, net of tax | 65,121 | 50,613 | 124,734 | (33,531) |
| Total comprehensive income for the financial year | 104,656 | 67,177 | 526,925 | 1,169,956 |
| Total comprehensive income for the financial year attributable to: | | | | |
| - Equity holders of the Bank | 104,656 | 67,177 | 526,925 | 1,144,992 |
| - Non-controlling interest | - | - | - | 24,964 |
| | 104,656 | 67,177 | 526,925 | 1,169,956 |
| Total comprehensive income attributable to the equity holders of the Bank: | | | | |
| - Continuing operations | 104,656 | 67,511 | 526,925 | 44,501 |
| - Discontinued operations | - | (334) | - | 1,100,491 |
| | 104,656 | 67,177 | 526,925 | 1,144,992 |

The Condensed Financial Statements should be read in conjunction with the Audited Financial Statements of the Group and the Bank for the financial year ended 31 December 2022.

AFFIN BANK BERHAD
Registration No. 197501003274 (25046-T)
Condensed Interim Financial Statements
Unaudited Income Statements for the Financial Quarter Ended 31 December 2023

| | Note | Individual Quarter Ended | | Cumulative Quarter Ended | |
|---|------|--------------------------|----------------------|--------------------------|----------------------|
| | | 31/12/2023 RM'000 | 31/12/2022 RM'000 | 31/12/2023 RM'000 | 31/12/2022 RM'000 |
| The Bank | | | | | |
| Interest income | A17 | 640,959 | 521,749 | 2,389,999 | 1,869,661 |
| Interest expense | A18 | (480,353) | (275,074) | (1,671,175) | (922,949) |
| Net interest income | | 160,606 | 246,675 | 718,824 | 946,712 |
| Fee and commission income | | 40,845 | 43,859 | 166,963 | 154,754 |
| Fee and commission expense | | (2,848) | (2,368) | (10,930) | (9,111) |
| Net fee and commission income | A19 | 37,997 | 41,491 | 156,033 | 145,643 |
| Net gains on financial instruments | A20 | 4,489 | 15,841 | 87,881 | 21,853 |
| Other income | A21 | 63,250 | 1,304,147 | 383,057 | 1,308,629 |
| Net income | | 266,342 | 1,608,154 | 1,345,795 | 2,422,837 |
| Other operating expenses | A22 | (286,626) | (242,196) | (992,855) | (894,102) |
| Operating profit before allowances | | (20,284) | 1,365,958 | 352,940 | 1,528,735 |
| (Write-back of)/allowances for credit impairment losses | A23 | (40,405) | 13,777 | (92,457) | (196,969) |
| Allowances for impairment losses on other assets | A24 | - | 5,046 | - | 1,894 |
| Profit before zakat and taxation | | (60,689) | 1,384,781 | 260,483 | 1,333,660 |
| Zakat | | - | - | - | - |
| Profit before taxation | | (60,689) | 1,384,781 | 260,483 | 1,333,660 |
| Taxation | B5 | 6,460 | (44,638) | (9,161) | (63,122) |
| Net profit after taxation | | (54,229) | 1,340,143 | 251,322 | 1,270,538 |
| Earnings per share attributable to equity holders of the Bank (sen): | | | | | |
| - Basic | B10 | (2.35) | 61.83 | 10.89 | 58.62 |

The Condensed Financial Statements should be read in conjunction with the Audited Financial Statements of the Group and the Bank for the financial year ended 31 December 2022.

AFFIN BANK BERHAD
Registration No. 197501003274 (25046-T)
Condensed Interim Financial Statements
Unaudited Statements of Comprehensive Income
for the Financial Quarter Ended 31 December 2023

| | Individual Quarter Ended | | Cumulative Quarter Ended | |
|---|--------------------------|----------------------|--------------------------|----------------------|
| | 31/12/2023 RM'000 | 31/12/2022 RM'000 | 31/12/2023 RM'000 | 31/12/2022 RM'000 |
| The Bank | | | | |
| Profit after zakat and taxation | (54,229) | 1,340,143 | 251,322 | 1,270,538 |
| Other comprehensive income: | | | | |
| <u>Items that may be reclassified subsequently to profit or loss :</u> | | | | |
| - Net fair value change in financial investments at FVOCI (debt instruments) | 25,224 | - | 35,304 | - |
| - Net credit impairment (loss)/income change in financial investments at FVOCI (debt instruments) | (3,107) | - | 407 | - |
| - Net loss on financial investments measured at FVOCI reclassified to profit or loss on disposal (debt instruments) | (2,454) | - | (2,454) | - |
| - Exchange differences on translation of foreign operations | | | | |
| - Deferred tax on financial investments at FVOCI | (9,951) | - | (9,038) | - |
| <u>Items that may not be reclassified subsequently to profit or loss :</u> | | | | |
| - Net fair value change in financial investments designated at FVOCI (equity instruments) | 13,882 | 14,825 | 13,882 | 18,205 |
| Other comprehensive income for the financial year, net of tax | 23,594 | 14,825 | 38,101 | 18,205 |
| Total comprehensive (loss)/income for the financial year | (30,635) | 1,354,968 | 289,423 | 1,288,743 |

The Condensed Financial Statements should be read in conjunction with the Audited Financial Statements of the Group and the Bank for the financial year ended 31 December 2022.

AFFIN BANK BERHAD
Registration No. 197501003274 (25046-T)
Unaudited Condensed Consolidated Statements Of Changes In Equity
for the Financial Quarter Ended 31 December 2023

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

The Condensed Financial Statements should be read in conjunction with the Audited Financial Statements of the Group and the Bank for the financial year ended 31 December 2022.

AFFIN BANK BERHAD
Registration No. 197501003274 (25046-T)
Unaudited Condensed Consolidated Statements Of Changes In Equity
for the Financial Quarter Ended 31 December 2023

<----- Attributable to Equity Holders of the Bank ----->

| The Group | Share capital RM'000 | FVOCI revaluation reserves RM'000 | Regulatory reserves RM'000 | Foreign exchange reserves RM'000 | Other reserves RM'000 | Retained profits RM'000 | Total shareholders' equity RM'000 | Non- controlling interest RM'000 | Total equity RM'000 |
|--|----------------------------|--|----------------------------------|---|-----------------------------|-------------------------------|--|---|---------------------------|
| At 1 January 2022 | 4,969,150 | 90,473 | 754,603 | 39 | (88,737) | 4,163,442 | 9,888,970 | 44,685 | 9,933,655 |
| Net profit for the financial year | - | - | - | - | - | 1,178,523 | 1,178,523 | 24,964 | 1,203,487 |
| Other comprehensive income (net of tax) : | | | | | | | | | |
| - Financial investments at FVOCI | - | (20,234) | - | - | - | - | (20,234) | - | (20,234) |
| - Share of other comprehensive income of joint venture | - | 3,702 | - | - | - | - | 3,702 | - | 3,702 |
| - Share of other comprehensive loss of an associate | - | (16,960) | - | - | - | - | (16,960) | - | (16,960) |
| - Exchange differences on translation of foreign operations | - | - | - | (39) | - | - | (39) | - | (39) |
| Total comprehensive income for the financial year | - | (33,492) | - | (39) | - | 1,178,523 | 1,144,992 | 24,964 | 1,169,956 |
| Issuance of new shares | 276,297 | - | - | - | - | - | 276,297 | - | 276,297 |
| Net gain on disposal of financial investment designated at FVOCI (equity instruments) | - | (12,175) | - | - | - | 12,175 | - | - | - |
| Lapse of the obligation to buy a subsidiary's shares from from non-controlling interest | - | - | - | - | 79,337 | 5,169 | 84,506 | 49,628 | 134,134 |
| Disposal of subsidiary | - | - | - | - | 9,400 | (9,400) | - | (82,278) | (82,278) |
| Transfer from regulatory reserves | - | - | (274,804) | - | - | 274,804 | - | - | - |
| Dividends | - | - | - | - | - | (765,937) | (765,937) | (36,999) | (802,936) |
| At 31 December 2022 | 5,245,447 | 44,806 | 479,799 | - | - | 4,858,776 | 10,628,828 | - | 10,628,828 |

The Condensed Financial Statements should be read in conjunction with the Audited Financial Statements of the Group and the Bank for the financial year ended 31 December 2022.

AFFIN BANK BERHAD
Registration No. 197501003274 (25046-T)
Unaudited Condensed Consolidated Statements Of Changes In Equity
for the Financial Quarter Ended 31 December 2023

| | <-----Non-distributable-----> | | | < Distributable > | | |
|---|-------------------------------|-----------------------------------|----------------------------|-----------------------|-------------------------|---------------------|
| The Bank | Share capital | FVOCI revaluation reserves | Regulatory reserves | Other reserves | Retained profits | Total equity |
| | RM'000 | RM'000 | RM'000 | | RM'000 | RM'000 |
| At 1 January 2023 | 5,245,447 | 166,472 | 416,620 | - | 3,852,537 | 9,681,076 |
| Net profit for the financial year | - | - | - | - | 251,322 | 251,322 |
| Other comprehensive income (net of tax) : | | | | | | |
| - Financial investments at FVOCI | - | 38,101 | - | - | - | 38,101 |
| Total comprehensive income for the financial year | - | 38,101 | - | - | 251,322 | 289,423 |
| Issuance of new shares | 125,597 | - | - | - | - | 125,597 |
| Share grant scheme granted | - | - | - | 4,146 | - | 4,146 |
| Transfer from regulatory reserves | - | - | (146,057) | - | 146,057 | - |
| Dividends | - | - | - | - | (176,681) | (176,681) |
| At 31 December 2023 | 5,371,044 | 204,573 | 270,563 | 4,146 | 4,073,235 | 9,923,561 |
| At 1 January 2022 | 4,969,150 | 157,267 | 636,095 | - | 3,119,461 | 8,881,973 |
| Net profit for the financial year | - | - | - | - | 1,270,538 | 1,270,538 |
| Other comprehensive income (net of tax) : | | | | | | |
| - Financial investments at FVOCI | - | 18,205 | - | - | - | 18,205 |
| Total comprehensive income for the financial year | - | 18,205 | - | - | 1,270,538 | 1,288,743 |
| Issuance of new shares | 276,297 | - | - | - | - | 276,297 |
| Net gain on disposal of financial investment designated at FVOCI (equity instruments) | - | (9,000) | - | - | 9,000 | - |
| Transfer from regulatory reserves | - | - | (219,475) | - | 219,475 | - |
| Dividends | - | - | - | - | (765,937) | (765,937) |
| At 31 December 2022 | 5,245,447 | 166,472 | 416,620 | - | 3,852,537 | 9,681,076 |

The Condensed Financial Statements should be read in conjunction with the Audited Financial Statements of the Group and the Bank for the financial year ended 31 December 2022.

AFFIN BANK BERHAD
Registration No. 197501003274 (25046-T)
Unaudited Condensed Consolidated Statements of Cash Flows
for the Financial Quarter Ended 31 December 2023

| | The Group | | The Bank | |
|---|----------------------|----------------------|----------------------|----------------------|
| | 31/12/2023 RM'000 | 31/12/2022 RM'000 | 31/12/2023 RM'000 | 31/12/2022 RM'000 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Profit before taxation : | | | | |
| - Continuing operations | 518,287 | 235,241 | 260,483 | 1,333,660 |
| - Discontinued operations | - | 1,141,599 | - | - |
| | <u>518,287</u> | <u>1,376,840</u> | <u>260,483</u> | <u>1,333,660</u> |
| Adjustments for items not involving the movement of cash and cash equivalents | <u>(338,957)</u> | <u>(735,821)</u> | <u>(384,360)</u> | <u>(1,222,047)</u> |
| Operating profit/(loss) before changes in working capital | 179,330 | 641,019 | (123,877) | 111,613 |
| Net changes in operating assets | (9,637,712) | (9,450,334) | (6,943,788) | (4,887,698) |
| Net changes in operating liabilities | 11,084,419 | 11,591,102 | 9,310,900 | 6,674,461 |
| Tax and zakat paid | (188,270) | (236,431) | (77,917) | (69,500) |
| Tax refund | 54,091 | - | 44,917 | - |
| Net cash generated from operating activities | <u>1,491,858</u> | <u>2,545,356</u> | <u>2,210,235</u> | <u>1,828,876</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Interest received : | | | | |
| - financial investments at FVOCI | 166,332 | 138,895 | 31,888 | - |
| - financial investments at AC | (439,163) | 396,187 | 456,773 | 422,182 |
| Dividend income : | | | | |
| - financial assets at FVTPL | 3,201 | 4,374 | 1,826 | - |
| - financial investments at FVOCI | 922 | 922 | 732 | 732 |
| - subsidiaries | - | - | 151,295 | 1,281,045 |
| Net purchase/redemption/disposal : | | | | |
| - financial investments at FVOCI | (6,051,946) | 37,848 | (3,673,056) | 9,360 |
| - financial investments at AC | 1,083,822 | (5,428,237) | 983,519 | (3,195,335) |
| Purchase of : | | | | |
| - property and equipment | (187,258) | (284,104) | (181,009) | (280,495) |
| - intangible assets | (2,130) | (4,427) | (1,767) | (2,066) |
| Proceeds from disposal of : | | | | |
| - property and equipment | 1,313 | 2,661 | 1,227 | - |
| - foreclosed properties | 5,295 | - | - | - |
| Investment in subsidiary | - | - | (224) | (150,000) |
| Investment in associate | (24,600) | (12,300) | (24,600) | (12,300) |
| Net disposal of equity interest in joint venture and associate | - | 168,661 | - | 168,661 |
| Net cash inflow from disposal of subsidiary | - | 982,769 | - | - |
| Net cash used in investing activities | <u>(5,444,212)</u> | <u>(3,996,751)</u> | <u>(2,253,396)</u> | <u>(1,758,216)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | |
| Repayment of borrowings | (1,200,000) | (2,000,000) | (500,000) | (2,000,000) |
| Drawdown of borrowings | 2,035,000 | 1,250,000 | 500,000 | 500,000 |
| Interest payment on borrowings | (209,755) | (141,946) | (68,683) | (106,397) |
| Payment of dividend to the equity holders of the Bank | (51,084) | (489,640) | (51,084) | (489,640) |
| Payment of dividend to non-controlling interest | - | (36,999) | - | - |
| Addition/(redemption) of recourse obligation on loans/financing sold to Cagamas Berhad | 2,872,012 | 381,251 | 1,772,013 | 431,254 |
| Interest/profit payment from recourse obligation on loans/financing sold to Cagamas Berhad | (84,596) | (7,104) | (62,127) | (5,865) |
| Lease payments | (24,697) | (41,064) | (17,684) | (33,649) |
| Net cash generated from/(used in) financing activities | <u>3,336,880</u> | <u>(1,085,502)</u> | <u>1,572,435</u> | <u>(1,704,297)</u> |
| Net (decrease)/increase in cash and cash equivalents | (615,474) | (2,536,897) | 1,529,274 | (1,633,637) |
| Effects of foreign exchange | 119,399 | (17,883) | 52,124 | (25,692) |
| Cash and cash equivalents at beginning of the financial year | 4,931,805 | 7,486,585 | 1,964,287 | 3,623,616 |
| Cash and cash equivalents at end of the financial year | <u>4,435,730</u> | <u>4,931,805</u> | <u>3,545,685</u> | <u>1,964,287</u> |
| <u>Cash and cash equivalents comprise the following :</u> | | | | |
| Cash and short-term funds | 5,642,363 | 4,903,601 | 3,545,685 | 1,986,132 |
| Deposits and placements of banks and other financial institutions | 840,592 | 301,438 | 1,143,443 | 251,389 |
| | <u>6,482,955</u> | <u>5,205,039</u> | <u>4,689,128</u> | <u>2,237,521</u> |
| Less : Cash and short-term funds and deposits and placements with banks and other financial institutions with original maturity of more than three months | (2,047,225) | (273,234) | (1,143,443) | (273,234) |
| | <u>4,435,730</u> | <u>4,931,805</u> | <u>3,545,685</u> | <u>1,964,287</u> |

The Condensed Financial Statements should be read in conjunction with the Audited Financial Statements of the Group and the Bank for the financial year ended 31 December 2022.

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

A1. BASIS OF PREPARATION

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

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

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

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2022. The explanatory notes to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group and the Bank since the financial year ended 31 December 2022.

A2. ACCOUNTING POLICIES AND METHODS OF COMPUTATIONS

The material accounting policies and methods of computation applied in the condensed interim financial statements are consistent with those applied in the annual financial statements for the financial year ended 31 December 2022, except for the adoption of the following during the current financial year:

The annual improvements and amendments to MFRS which are effective for the Group and the Bank for the financial year beginning 1 January 2023:

- Amendments to MFRS 101 and MFRS Practice Statement 2 on Disclosure of Accounting Policies
- Amendments to MFRS 108 on Definition of Accounting Estimates
- Amendments to MFRS 112 on 'Deferred Tax related to Assets and Liabilities arising from a Single Transaction'

The adoption of MFRS 112 'Deferred Tax related to Assets and Liabilities arising from a Single Transaction' and Amendments to MFRS 112 'International Tax Reform - Pillar Two Model Rules' resulted in changes in accounting policies.

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.

Amendments to MFRS 101 and MFRS Practice Statement 2 on Disclosure of Accounting Policies

The amendments to MFRS 101 require the Group and the Bank to disclose material accounting policies rather than material accounting policies. The Group and the Bank are expected to make disclosure of accounting policies specific to the Group and the Bank and not generic disclosures on MFRS applications.

The amendment explains an accounting policy is material if, when considered together with other information included in the Group and the Bank financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

Also, accounting policy information is expected to be material if, without it, the users of the financial statements would be unable to understand other material information in the financial statements. Accordingly, immaterial accounting policy information need not be disclosed. However, if it is disclosed, it should not obscure material accounting policy information.

MFRS Practice Statement 2 was amended to provide guidance on how to apply the concept of materiality to accounting policy disclosures.

Amendments to MFRS 108 'Definition of Accounting Estimates'

The amendments to MFRS 108, redefined accounting estimates as "monetary amounts in financial statements that are subject to measurement uncertainty". To distinguish from changes in accounting policies, the amendments clarify that effects of a change in an input or measurement technique used to develop an accounting estimate is a change in accounting estimate, if they do not arise from prior period errors.

Examples of accounting estimates include expected credit losses; net realisable value of inventory; fair value of an asset or liability; depreciation for property, plant and equipment; and provision for warranty obligations.

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

A2. ACCOUNTING POLICIES AND METHODS OF COMPUTATIONS (Cont.)

Amendments to MFRS 112 'Deferred Tax related to Assets and Liabilities arising from a Single Transaction'

The amendments clarify that the initial recognition exception does not apply to transactions where both an asset and a liability are recognised at the same time such as leases and decommissioning obligations.

In accordance with the transition provisions, the Group and the Bank applied the amendments and recognises both deferred tax assets (to the extent that it is probable that they can be utilised) and deferred tax liabilities as at 1 January 2022 for all deductible and taxable temporary differences arising from:

- right-of-use assets and lease liabilities; and
- decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related assets.

The cumulative effect of recognising these adjustments was recognised in the opening balance of retained earnings as at 1 January 2022.

A3. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the audited financial statements for the financial year ended 31 December 2022 was not subjected to any qualification.

A4. SEASONAL OR CYCLICAL FACTORS

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

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

Except for item disclosed on Note B6, there were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group and the Bank during the financial year under review.

A6. CHANGES IN ESTIMATES

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

A7. SUKUK AND EQUITY SECURITIES

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

Issuance/Redemption Sukuk and Equity Securities by AFFIN Bank Berhad

| Issuance/Redemption | Issuance Date | First Call Date | Maturity Date | Nominal Value | Description | Tenor |
|---------------------|---------------|-----------------|---------------|-----------------|--------------------------------------|----------|
| Issuance | 23 June 2023 | 23 June 2028 | 23 June 2032 | RM500.0 million | Additional Tier-1 Capital Securities | 10 years |
| Redemption | 31 July 2018 | 31 July 2023 | 31 July 2028 | RM500.0 million | Additional Tier-1 Capital Securities | 10 years |

Issuance/Redemption Sukuk and Equity Securities by AFFIN Islamic Bank Berhad

| Issuance/Redemption | Issuance Date | First Call Date | Maturity Date | Nominal Value | Description | Tenor |
|---------------------|------------------|------------------|------------------|-----------------|--|----------|
| Issuance | 10 October 2023 | 10 October 2028 | 10 October 2033 | RM500.0 million | Additional Tier-1 Sukuk | 10 years |
| Issuance | 13 October 2023 | 13 October 2028 | 13 October 2033 | RM500.0 million | Medium Term Notes Tier-2 Sukuk Murabahah (MTN) | 10 years |
| Redemption | 18 October 2018 | 18 October 2023 | 18 October 2028 | RM300.0 million | Additional Tier-1 Sukuk | 10 years |
| Redemption | 23 October 2018 | 23 October 2023 | 23 October 2028 | RM800.0 million | Medium Term Notes Tier-2 Sukuk Murabahah (MTN) | 10 years |
| Issuance | 12 December 2023 | 12 December 2026 | 12 December 2026 | RM600.0 million | Senior Sukuk Murabahah | 3 years |

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

A8. DIVIDENDS PAID AND PROPOSED

A single-tier interim dividend of 7.77 sen per ordinary share amounting to dividend payable of RM176,681,185 in respect of the financial year ended 31 December 2023 was paid on 23 July 2023.

On 29 February 2024, the Board of Directors proposed a single-tier final dividend of 5.76 sen per share amounting to RM135,157,728 in respect of the financial year ended 31 December 2023, based on the Bank's issued share capital of 2,346,488,388 ordinary shares at 31 December 2023.

A9. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS ('FVTPL')

| | The Group | | The Bank | |
|---|----------------|----------------|------------------|----------------|
| | 31/12/2023 | 31/12/2022 | 31/12/2023 | 31/12/2022 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| At fair value | | | | |
| <u>Money market instruments</u> | | | | |
| Malaysian Government Treasury Bills | 79,679 | 99,589 | 79,679 | 99,589 |
| Cagamas Bonds/Sukuk | 45,165 | 50,293 | 45,165 | 50,293 |
| Negotiable Instruments of Deposit | 239,229 | 233,043 | 1,041,847 | 233,043 |
| | 364,073 | 382,925 | 1,166,691 | 382,925 |
| <u>Quoted securities:</u> | | | | |
| Shares, warrants and REITs in Malaysia | 89,123 | 34,631 | - | - |
| Shares, warrants and REITs outside Malaysia | - | 230 | - | - |
| Unit Trusts in Malaysia | 1,257 | 1,207 | - | - |
| | 90,380 | 36,068 | - | - |
| <u>Unquoted securities:</u> | | | | |
| Shares in Malaysia | 115,602 | 110,395 | 115,602 | 110,395 |
| Corporate Bonds/Sukuk in Malaysia | 20,225 | 15,115 | 20,223 | 15,113 |
| Corporate Bonds/Sukuk outside Malaysia | 16,454 | - | - | - |
| | 152,281 | 125,510 | 135,825 | 125,508 |
| | 606,734 | 544,503 | 1,302,516 | 508,433 |

A10. FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME ('FVOCI')

| | The Group | | The Bank | |
|--|-------------------|------------------|------------------|----------------|
| | 31/12/2023 | 31/12/2022 | 31/12/2023 | 31/12/2022 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| At fair value | | | | |
| <u>Money market instruments:</u> | | | | |
| Malaysian Government Securities | 1,838,531 | 797,643 | 680,929 | - |
| Malaysian Government Investment Issues | 2,360,106 | 1,090,216 | 351,225 | - |
| Cagamas Bonds/Sukuk | 923,900 | 124,487 | 620,944 | - |
| Khazanah Bonds/Sukuk/BNM Interbank Bills Islamic | - | 9,797 | - | - |
| Bank Negara Malaysia Bills | 9,994 | - | - | - |
| Malaysian Government Treasury Bills | 307,819 | - | 307,819 | - |
| | 5,440,350 | 2,022,143 | 1,960,917 | - |
| <u>Unquoted securities:</u> | | | | |
| Shares in Malaysia * | 245,640 | 230,918 | 220,875 | 206,993 |
| Corporate bonds/Sukuk in Malaysia | 3,567,361 | 1,529,443 | 1,211,290 | - |
| Corporate Bonds/Sukuk outside Malaysia | 774,416 | - | 586,137 | - |
| | 4,587,417 | 1,760,361 | 2,018,302 | 206,993 |
| | 10,027,767 | 3,782,504 | 3,979,219 | 206,993 |

* Equity securities designated at FVOCI.

Certain unquoted perpetual bonds are designated at FVOCI

Included in the financial investments at fair value through other comprehensive income are Corporate bonds/Sukuk outside Malaysia, Malaysian Government Islamic Investment Issues and Malaysian Government Securities which are pledged as collateral for obligations on securities sold under repurchase agreements for the Group amounting to RM904,087,261 (2022: RMNil), while for the Bank is Corporate bonds/Sukuk outside Malaysia amounting to RM45,187,261 (2022: RM Nil).

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

A10. FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME ('FVOCI') (Cont.)

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 | | | | |
| 31/12/2023 | | | | |
| At beginning of the financial year | 817 | 18,125 | - | 18,942 |
| Total transfer between stages due to change in credit risk: | (393) | 393 | - | |
| - Transfer to Lifetime ECL not credit impaired (Stage 2) | (393) | 393 | - | - |
| Financial assets derecognised (other than write-off) | (3,079) | - | - | (3,079) |
| New financial assets purchased | 4,985 | - | - | 4,985 |
| Changes due to change in credit risk | (2,034) | 2,638 | - | 604 |
| At end of the financial year | 296 | 21,156 | - | 21,452 |
| | | | | |
| 31/12/2022 | | | | |
| At beginning of the financial year | 252 | 18,856 | - | 19,108 |
| Financial assets derecognised (other than write-off) | (12) | (731) | - | (743) |
| New financial assets purchased | 204 | - | - | 204 |
| Changes due to change in credit risk | 373 | - | - | 373 |
| At end of the financial year | 817 | 18,125 | - | 18,942 |
| | | | | |
| | 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 | | | | |
| 31/12/2023 | | | | |
| At beginning of the financial period | - | - | - | - |
| 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 period | 172 | 235 | - | 407 |
| | | | | |
| 31/12/2022 | | | | |
| At beginning/end of the financial year | - | - | - | - |

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

A11. FINANCIAL INVESTMENTS AT AMORTISED COST ('AC')

| | The Group | | The Bank | |
|---|-------------------|-------------------|-------------------|-------------------|
| | 31/12/2023 | 31/12/2022 | 31/12/2023 | 31/12/2022 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| <u>At amortised cost</u> | | | | |
| Malaysian Government Treasury Bills | - | 49,822 | - | - |
| Malaysian Government Securities | 3,908,873 | 3,635,264 | 3,718,178 | 3,568,139 |
| Malaysian Government Investment Issues | 5,672,707 | 5,742,314 | 3,066,433 | 3,077,857 |
| Cagamas Bonds/Sukuk | 121,143 | 272,271 | 80,852 | 181,624 |
| Bank Negara Malaysia Sukuk | - | 10,139 | - | - |
| Negotiable Instruments of Deposit and Islamic Debt Certificates | - | - | 200,074 | 754,595 |
| | 9,702,723 | 9,709,810 | 7,065,537 | 7,582,215 |
| <u>Unquoted securities:</u> | | | | |
| Shares in Malaysia | 14,915 | 14,915 | 14,915 | 14,915 |
| Corporate Bonds/Sukuk in Malaysia | 6,370,750 | 6,715,837 | 3,614,671 | 4,227,952 |
| Corporate Bonds/Sukuk outside Malaysia | 615,576 | 481,153 | 577,789 | 466,137 |
| Loan stock in Malaysia | 8,101 | 15,560 | - | - |
| | 7,009,342 | 7,227,465 | 4,207,375 | 4,709,004 |
| | 16,712,065 | 16,937,275 | 11,272,912 | 12,291,219 |
| Fair value changes arising from fair value hedges | (2,582) | (2,893) | (2,582) | (2,893) |
| | 16,709,483 | 16,934,382 | 11,270,330 | 12,288,326 |
| Less: ECL | (104,581) | (81,281) | (89,911) | (58,352) |
| | 16,604,902 | 16,853,101 | 11,180,419 | 12,229,974 |

Included in the financial investments at amortised cost are Malaysian Government securities, Malaysian Government investment issues and Corporate bonds/Sukuk outside Malaysia which are pledged as collateral for obligations on securities sold under repurchase agreements for the Group amounting to RM3,592,471,865 (2022: RM6,596,150,920) and the Bank amounting to RM3,582,471,865 (2022: RM6,596,150,920).

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

| | Lifetime ECL | | Lifetime ECL | | Total |
|---|--------------|---------------------|-----------------|-----------------|-------|
| | 12-Month ECL | not credit impaired | credit impaired | credit impaired | |
| | Stage 1 | Stage 2 | Stage 3 | | |
| | RM'000 | RM'000 | RM'000 | RM'000 | |
| The Group | | | | | |
| 31/12/2023 | | | | | |
| At beginning of the financial year | 9,985 | 55,736 | 15,560 | 81,281 | |
| Total transfer between stages due to change in credit risk: | (198) | 198 | - | - | |
| - Transfer to Lifetime ECL not credit impaired (Stage 2) | (198) | 198 | - | - | |
| Financial assets derecognised (other than write-off) | (1,137) | - | (7,064) | (8,201) | |
| New financial assets purchased | 407 | - | - | 407 | |
| Changes due to change in credit risk | (2,369) | 33,839 | - | 31,470 | |
| Other adjustments : Foreign exchange and other movements | 19 | - | (395) | (376) | |
| At end of the financial year | 6,707 | 89,773 | 8,101 | 104,581 | |
| 31/12/2022 | | | | | |
| At beginning of the financial year | 5,099 | 83,426 | 15,000 | 103,525 | |
| Financial assets derecognised (other than write-off) | (607) | - | - | (607) | |
| New financial assets purchased | 2,725 | - | - | 2,725 | |
| Changes due to change in credit risk | 2,748 | (27,690) | - | (24,942) | |
| Other adjustments : Foreign exchange and other movements | 20 | - | 560 | 580 | |
| At end of the financial year | 9,985 | 55,736 | 15,560 | 81,281 | |
| The Bank | | | | | |
| 31/12/2023 | | | | | |
| At beginning of the financial year | 2,616 | 55,736 | - | 58,352 | |
| Total transfer between stages due to change in credit risk: | (99) | 99 | - | - | |
| - Transfer to Lifetime ECL not credit impaired (Stage 2) | (99) | 99 | - | - | |
| Financial assets derecognised (other than write-off) | (677) | - | - | (677) | |
| New financial assets purchased | 260 | - | - | 260 | |
| Changes due to change in credit risk | (1,976) | 33,933 | - | 31,957 | |
| Other adjustments : Foreign exchange and other movements | 19 | - | - | 19 | |
| At end of the financial year | 44 | 89,867 | - | 89,911 | |
| 31/12/2022 | | | | | |
| At beginning of the financial year | 1,426 | 83,426 | - | 84,852 | |
| Financial assets derecognised (other than write-off) | (402) | - | - | (402) | |
| New financial assets purchased | 1,707 | - | - | 1,707 | |
| Changes due to change in credit risk | (134) | (27,690) | - | (27,824) | |
| Other adjustments : Foreign exchange and other movements | 19 | - | - | 19 | |
| At end of the financial year | 2,616 | 55,736 | - | 58,352 | |

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

A12. LOANS, ADVANCES AND FINANCING

| | The Group | | The Bank | |
|--|-------------------|-------------------|-------------------|-------------------|
| | 31/12/2023 | 31/12/2022 | 31/12/2023 | 31/12/2022 |
| (a) <u>BY TYPE</u> | RM'000 | RM'000 | RM'000 | RM'000 |
| Overdrafts | 2,448,677 | 2,101,930 | 1,556,737 | 1,401,411 |
| Term loans/financing: | | | | |
| - Housing loans/financing | 20,187,936 | 17,070,281 | 10,042,140 | 7,741,034 |
| - Hire purchase receivables | 14,844,361 | 13,142,578 | 8,900,963 | 7,952,640 |
| - Syndicated financing | 2,806,668 | 1,806,320 | 1,242,113 | 539,422 |
| - Business term loans/financing | 17,365,088 | 16,129,552 | 8,573,241 | 8,436,896 |
| - Other term loans/financing | 144,143 | 112,621 | - | - |
| Bills receivables | 877,094 | 524,475 | 606,365 | 373,227 |
| Trust receipts | 298,452 | 118,989 | 283,965 | 105,019 |
| Claims on customers under acceptances credits | 2,904,620 | 2,674,388 | 1,895,681 | 1,887,330 |
| Staff loans/financing (of which RM Nil to Directors) | 217,849 | 215,411 | 87,768 | 92,774 |
| Credit cards | 454,513 | 366,556 | 376,733 | 305,699 |
| Revolving credits | 2,489,684 | 3,883,788 | 1,902,535 | 2,613,435 |
| Margin financing | 1,623,784 | 1,195,788 | - | - |
| Gross loans, advances and financing | 66,662,869 | 59,342,677 | 35,468,241 | 31,448,887 |
| Less: ECL | (1,437,872) | (1,410,821) | (957,791) | (890,966) |
| Total net loans, advances and financing | 65,224,997 | 57,931,856 | 34,510,450 | 30,557,921 |

Included in the Group's other term loans/financing before expected credit losses as at reporting date is RM56.8 million (2022: RM57.4 million) of term financing disbursed by AFFIN Islamic to its joint venture company AFFIN-i Nadayu Sdn Bhd.

| | The Group | | The Bank | |
|---|-------------------|-------------------|-------------------|-------------------|
| | 31/12/2023 | 31/12/2022 | 31/12/2023 | 31/12/2022 |
| (b) <u>BY MATURITY STRUCTURE</u> | RM'000 | RM'000 | RM'000 | RM'000 |
| Maturing within one year | 12,275,006 | 11,388,930 | 7,119,792 | 6,885,471 |
| One year to three years | 3,913,266 | 3,910,370 | 2,375,510 | 2,378,538 |
| Three years to five years | 6,181,258 | 5,750,025 | 4,072,877 | 3,915,002 |
| Over five years | 44,293,339 | 38,293,352 | 21,900,062 | 18,269,876 |
| | 66,662,869 | 59,342,677 | 35,468,241 | 31,448,887 |

| | The Group | | The Bank | |
|---------------------------------------|-------------------|-------------------|-------------------|-------------------|
| | 31/12/2023 | 31/12/2022 | 31/12/2023 | 31/12/2022 |
| (c) <u>BY TYPE OF CUSTOMER</u> | RM'000 | RM'000 | RM'000 | RM'000 |
| Domestic banking institutions | 7,287 | 10,452 | 7,287 | 10,452 |
| Domestic non-banking institutions | 669,501 | 534,770 | 211,984 | 165,925 |
| Domestic business enterprises: | | | | |
| - Small medium enterprises | 11,087,598 | 10,288,102 | 7,998,011 | 7,466,478 |
| - Others | 12,560,264 | 13,307,420 | 7,484,034 | 8,121,386 |
| Government and statutory bodies | 904,324 | 795,660 | 1,436 | 6,444 |
| Individuals | 39,960,390 | 33,848,784 | 18,519,326 | 15,303,577 |
| Other domestic entities | 7,882 | 862 | 865 | 707 |
| Foreign entities | 1,465,623 | 556,627 | 1,245,298 | 373,918 |
| | 66,662,869 | 59,342,677 | 35,468,241 | 31,448,887 |

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

A12. LOANS, ADVANCES AND FINANCING (Cont.)

| | The Group | | The Bank | |
|---|-------------------|-------------------|-------------------|-------------------|
| | 31/12/2023 | 31/12/2022 | 31/12/2023 | 31/12/2022 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| (d) <u>BY INTEREST / PROFIT RATE SENSITIVITY</u> | | | | |
| Fixed rate: | | | | |
| - Housing loans/financing | 199,596 | 204,381 | 144,057 | 157,077 |
| - Hire purchase receivables | 14,694,074 | 13,143,921 | 8,900,963 | 7,952,640 |
| - Other fixed rate loans/financing | 1,514,610 | 1,472,212 | 530,490 | 474,818 |
| Variable rate: | | | | |
| - Base lending rate and base rate plus | 29,829,841 | 29,245,941 | 15,446,225 | 14,404,061 |
| - Cost plus | 9,649,847 | 10,257,940 | 4,649,547 | 5,484,204 |
| - Others variable rates | 10,774,901 | 5,018,282 | 5,796,959 | 2,976,087 |
| | 66,662,869 | 59,342,677 | 35,468,241 | 31,448,887 |
| (e) <u>BY ECONOMIC SECTOR</u> | | | | |
| Primary agriculture | 1,501,595 | 1,365,361 | 701,814 | 658,238 |
| Mining and quarrying | 393,026 | 226,642 | 284,353 | 78,390 |
| Manufacturing | 4,042,298 | 3,986,495 | 2,752,809 | 2,721,219 |
| Electricity, gas and water supply | 474,648 | 524,815 | 87,559 | 75,821 |
| Construction | 2,083,785 | 1,886,093 | 1,010,607 | 904,683 |
| Real estate | 4,938,887 | 5,319,183 | 3,578,499 | 3,832,281 |
| Wholesale, retail trade, hotels and restaurants | 6,226,712 | 5,514,688 | 4,793,959 | 4,208,002 |
| Transport, storage and communication | 2,420,702 | 2,049,447 | 1,536,815 | 1,450,534 |
| Finance, insurance and business services | 2,331,069 | 2,304,699 | 1,480,144 | 1,384,783 |
| Education, health and others | 2,113,853 | 2,180,709 | 604,066 | 747,224 |
| Household | 40,135,534 | 33,984,433 | 18,636,856 | 15,387,600 |
| Others | 760 | 112 | 760 | 112 |
| | 66,662,869 | 59,342,677 | 35,468,241 | 31,448,887 |
| (f) <u>BY ECONOMIC PURPOSE</u> | | | | |
| Purchase of securities | 3,024,949 | 2,617,025 | 326,206 | 365,490 |
| Purchase of transport vehicles | 15,500,675 | 13,711,407 | 9,217,571 | 8,275,966 |
| Purchase of landed properties of which: | | | | |
| - Residential | 20,548,761 | 17,403,630 | 10,185,729 | 7,891,028 |
| - Non-residential | 6,993,057 | 6,617,393 | 4,570,282 | 4,244,458 |
| Fixed assets other than land and building | 479,659 | 546,492 | 191,638 | 250,740 |
| Personal use | 3,746,713 | 2,743,248 | 691,031 | 625,008 |
| Credit card | 454,513 | 366,556 | 376,733 | 305,699 |
| Consumer durable | 237 | 334 | 17 | 4 |
| Construction | 2,353,404 | 2,261,816 | 1,449,449 | 1,321,128 |
| Merger and acquisition | 12,078 | 77,588 | 12,078 | 56,052 |
| Working capital | 11,613,969 | 11,320,779 | 7,064,878 | 7,273,936 |
| Others | 1,934,854 | 1,676,409 | 1,382,629 | 839,378 |
| | 66,662,869 | 59,342,677 | 35,468,241 | 31,448,887 |

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

A12. LOANS, ADVANCES AND FINANCING (Cont.)

| | The Group | | The Bank | |
|--|-------------------|-------------------|-------------------|-------------------|
| | 31/12/2023 | 31/12/2022 | 31/12/2023 | 31/12/2022 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| (g) <u>BY GEOGRAPHICAL DISTRIBUTION</u> | | | | |
| Perlis | 129,564 | 127,996 | 23,142 | 22,862 |
| Kedah | 2,055,506 | 1,770,004 | 682,064 | 589,872 |
| Pulau Pinang | 4,084,333 | 3,597,189 | 2,352,305 | 2,159,262 |
| Perak | 1,847,668 | 1,674,743 | 872,516 | 848,537 |
| Selangor | 20,247,720 | 19,085,253 | 10,541,603 | 10,043,686 |
| Wilayah Persekutuan | 14,815,495 | 13,296,991 | 7,643,753 | 6,971,473 |
| Negeri Sembilan | 2,331,533 | 1,973,865 | 827,989 | 664,273 |
| Melaka | 1,199,734 | 1,121,516 | 674,944 | 664,916 |
| Johor | 9,476,772 | 7,985,757 | 5,854,763 | 4,786,541 |
| Pahang | 1,992,509 | 1,858,859 | 878,717 | 871,519 |
| Terengganu | 1,132,807 | 1,098,455 | 186,537 | 196,242 |
| Kelantan | 748,713 | 627,189 | 38,403 | 43,859 |
| Sarawak | 2,918,423 | 2,518,818 | 2,077,936 | 1,818,402 |
| Sabah | 2,504,646 | 2,340,854 | 1,675,413 | 1,520,315 |
| Labuan | 282,039 | 47,548 | 243,951 | 29,497 |
| Outside Malaysia | 895,407 | 217,640 | 894,205 | 217,631 |
| | 66,662,869 | 59,342,677 | 35,468,241 | 31,448,887 |

(h) IMPAIRED LOANS, ADVANCES AND FINANCING

(i) Movements of impaired loans, advances and financing

| | | | | |
|--|------------------|------------------|----------------|----------------|
| At beginning of the financial year | 1,171,181 | 1,305,953 | 735,434 | 841,839 |
| Classified as impaired | 1,251,499 | 511,707 | 924,698 | 273,510 |
| Reclassified as non-impaired | (884,100) | (293,450) | (526,219) | (150,186) |
| Amount recovered | (163,173) | (314,298) | (101,556) | (206,984) |
| Amount written-off | (109,996) | (122,762) | (59,212) | (84,431) |
| Other movements | - | 84,031 | - | 61,686 |
| At end of the financial year | 1,265,411 | 1,171,181 | 973,145 | 735,434 |
| Ratio of gross impaired loans, advances and financing to gross loans, advances and financing (*) | 1.90% | 1.97% | 2.49% | 2.58% |

(*) For the Bank, RIA included in the ratio calculation amounting to RM3,572.1 million (2022: RM2,723.1 million) with impaired financing amounting to RM Nil (2022: RM145.6 million).

The outstanding contractual amounts of such assets written-off during the financial year amounting to RM110.0 million (2022: RM122.8 million) for the Group and RM59.2 million (2022: RM84.4 million) for the Bank respectively.

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

A12. LOANS, ADVANCES AND FINANCING (Cont.)

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

| | The Group | | The Bank | |
|--|------------------|------------------|----------------|----------------|
| | 31/12/2023 | 31/12/2022 | 31/12/2023 | 31/12/2022 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| (ii) <u>Impaired loans by economic sector</u> | | | | |
| Primary agriculture | 9,686 | 18,955 | 9,513 | 18,657 |
| Mining and quarrying | 29,941 | 27,531 | 10,124 | 6,907 |
| Manufacturing | 40,733 | 49,997 | 34,007 | 41,763 |
| Electricity, gas and water supply | 4 | - | 1 | - |
| Construction | 179,913 | 99,804 | 121,028 | 46,338 |
| Real estate | 204,395 | 133,373 | 168,038 | 58,692 |
| Wholesale, retail trade, hotels and restaurants | 343,533 | 74,697 | 323,915 | 68,622 |
| Transport, storage and communication | 98,939 | 316,154 | 96,312 | 157,203 |
| Finance, insurance and business services | 21,211 | 24,251 | 10,617 | 20,731 |
| Education, health and others | 13,671 | 195,051 | 12,660 | 194,224 |
| Household | 323,385 | 231,368 | 186,930 | 122,297 |
| | 1,265,411 | 1,171,181 | 973,145 | 735,434 |
| (iii) <u>Impaired loans by economic purpose</u> | | | | |
| Purchase of securities | 18,305 | 22,443 | 16 | 35 |
| Purchase of transport vehicles | 79,745 | 356,931 | 43,336 | 177,182 |
| Purchase of landed properties of which: | | | | |
| - Residential | 242,475 | 157,364 | 147,602 | 79,071 |
| - Non-residential | 186,479 | 258,512 | 147,345 | 186,299 |
| Fixed assets other than land and building | 5,139 | 1,956 | 5,073 | 1,956 |
| Personal use | 18,434 | 16,360 | 9,234 | 7,390 |
| Credit card | 4,163 | 2,104 | 3,507 | 1,909 |
| Construction | 194,380 | 160,153 | 194,380 | 160,153 |
| Working capital | 490,761 | 185,038 | 403,096 | 117,270 |
| Others | 25,530 | 10,320 | 19,556 | 4,169 |
| | 1,265,411 | 1,171,181 | 973,145 | 735,434 |
| (iv) <u>Impaired loans by geographical distribution</u> | | | | |
| Perlis | 4,437 | 3,572 | 621 | 81 |
| Kedah | 48,031 | 52,952 | 32,478 | 41,498 |
| Pulau Pinang | 129,073 | 56,812 | 119,639 | 47,091 |
| Perak | 15,768 | 10,651 | 9,111 | 5,569 |
| Selangor | 374,058 | 243,513 | 263,021 | 147,135 |
| Wilayah Persekutuan | 350,641 | 82,190 | 315,905 | 51,821 |
| Negeri Sembilan | 34,555 | 23,389 | 19,349 | 15,096 |
| Melaka | 132,140 | 38,930 | 123,206 | 20,520 |
| Johor | 54,104 | 258,135 | 30,132 | 203,596 |
| Pahang | 27,532 | 25,127 | 24,219 | 23,096 |
| Terengganu | 3,606 | 292,567 | 667 | 144,800 |
| Kelantan | 6,732 | 2,969 | 244 | 591 |
| Sarawak | 73,315 | 68,205 | 25,711 | 23,674 |
| Sabah | 11,373 | 12,135 | 8,796 | 10,832 |
| Outside Malaysia | 46 | 34 | 46 | 34 |
| | 1,265,411 | 1,171,181 | 973,145 | 735,434 |

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

A12. LOANS, ADVANCES AND FINANCING (Cont.)

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

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

| The Group | 12-Month ECL | Lifetime ECL | Lifetime ECL | Total |
|---|---------------------|----------------------------|------------------------|------------------|
| | | not credit impaired | credit impaired | |
| 31/12/2022 | Stage 1 | Stage 2 | Stage 3 | RM'000 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| At beginning of the financial year | 237,148 | 314,020 | 338,104 | 889,272 |
| Total transfer between stages due to change in credit risk: | 38,317 | 29,274 | (67,591) | - |
| - Transfer to 12-month ECL (Stage 1) | 89,510 | (80,338) | (9,172) | - |
| - Transfer to Lifetime ECL not credit impaired (Stage 2) | (51,146) | 127,435 | (76,289) | - |
| - Transfer to Lifetime ECL credit impaired (Stage 3) | (47) | (17,823) | 17,870 | - |
| Loans/financing derecognised (other than write-off) | (64,117) | (31,143) | (21,636) | (116,896) |
| New loans/financing originated or purchased | 112,914 | - | - | 112,914 |
| Changes due to change in credit risk | (112,981) | 465,820 | 172,723 | 525,562 |
| Write-off | - | - | (84,397) | (84,397) |
| Other adjustments | 92 | 243 | 84,031 | 84,366 |
| At end of the financial year | 211,373 | 778,214 | 421,234 | 1,410,821 |

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

A12. LOANS, ADVANCES AND FINANCING (Cont.)

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

| The Bank 31/12/2023 | 12-Month | Lifetime ECL | Lifetime ECL | Total RM'000 |
|---|-------------------|-------------------------------|-------------------------------|-----------------|
| | ECL | not credit | credit | |
| | Stage 1 RM'000 | impaired Stage 2 RM'000 | impaired Stage 3 RM'000 | |
| At beginning of the financial year | 144,574 | 448,993 | 297,399 | 890,966 |
| Total transfer between stages due to change in credit risk: | (1,009) | 100,548 | (99,539) | - |
| - Transfer to 12-month ECL (Stage 1) | 25,133 | (21,763) | (3,370) | - |
| - Transfer to Lifetime ECL not credit impaired (Stage 2) | (25,554) | 191,214 | (165,660) | - |
| - Transfer to Lifetime ECL credit impaired (Stage 3) | (588) | (68,903) | 69,491 | - |
| Loans/financing derecognised (other than write-off) | (45,423) | (44,966) | (21,126) | (111,515) |
| New loans/financing originated or purchased | 73,097 | - | - | 73,097 |
| Changes due to change in credit risk | (75,819) | (112,039) | 309,046 | 121,188 |
| Write-off | - | - | (26,627) | (26,627) |
| Other adjustments | 225 | 261 | 10,196 | 10,682 |
| At end of the financial year | 95,645 | 392,797 | 469,349 | 957,791 |

| The Bank 31/12/2022 | 12-Month | Lifetime ECL | Lifetime ECL | Total RM'000 |
|---|-------------------|-------------------------------|-------------------------------|-----------------|
| | ECL | not credit | credit | |
| | Stage 1 RM'000 | impaired Stage 2 RM'000 | impaired Stage 3 RM'000 | |
| At beginning of the financial year | 163,175 | 214,857 | 251,437 | 629,469 |
| Total transfer between stages due to change in credit risk: | 19,470 | 11,686 | (31,156) | - |
| - Transfer to 12-month ECL (Stage 1) | 50,931 | (47,132) | (3,799) | - |
| - Transfer to Lifetime ECL not credit impaired (Stage 2) | (31,456) | 72,179 | (40,723) | - |
| - Transfer to Lifetime ECL credit impaired (Stage 3) | (5) | (13,361) | 13,366 | - |
| Loans/financing derecognised (other than write-off) | (29,825) | (18,162) | (13,586) | (61,573) |
| New loans/financing originated or purchased | 57,436 | - | - | 57,436 |
| Changes due to change in credit risk | (65,768) | 240,369 | 81,725 | 256,326 |
| Write-off | - | - | (52,707) | (52,707) |
| Other adjustments | 86 | 243 | 61,686 | 62,015 |
| At end of the financial year | 144,574 | 448,993 | 297,399 | 890,966 |

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

A13. TRADE RECEIVABLES

| | The Group | |
|--|-------------------|-------------------|
| | 31/12/2023 | 31/12/2022 |
| | RM'000 | RM'000 |
| Amount due from stock-broking clients: | | |
| - performing accounts | 337,519 | 376,714 |
| - impaired accounts (i) | 114 | 941 |
| Amount due from brokers | 34,991 | 28,502 |
| Amount due from Bursa Securities Clearing Sdn Bhd | 26,475 | - |
| | 399,099 | 406,157 |
| Less: ECL (ii) | (223) | (756) |
| | 398,876 | 405,401 |
| (i) Movements of impaired trade receivables | | |
| At beginning of the financial year | 941 | 942 |
| Classified as impaired | 412 | 1,504 |
| Reclassified as non-impaired | (1,239) | (1,505) |
| At end of the financial year | 114 | 941 |
| (ii) Movements in ECL in trade receivables | | |
| At beginning of the financial year | 756 | 1,533 |
| Allowance made | 506 | 3,094 |
| Amount written-back | (1,039) | (3,601) |
| Disposal of a subsidiary | - | (270) |
| At end of the financial year | 223 | 756 |

A14. OTHER ASSETS

| | The Group | | The Bank | |
|------------------------------------|-------------------|-------------------|-------------------|-------------------|
| | 31/12/2023 | 31/12/2022 | 31/12/2023 | 31/12/2022 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Other debtors | 528,999 | 274,519 | 396,842 | 175,261 |
| Prepayments and deposits | 125,901 | 99,453 | 85,536 | 75,275 |
| Cheque clearing accounts | 51,287 | 67,678 | 33,368 | 6,225 |
| Foreclosed properties (i) | 19,316 | 23,950 | 5,901 | 8,485 |
| | 725,503 | 465,600 | 521,647 | 265,246 |
| Less: ECL (ii) | (23,251) | (4,749) | (20,966) | - |
| | 702,252 | 460,851 | 500,681 | 265,246 |
| (i) Foreclosed properties | | | | |
| At beginning of the financial year | 23,950 | 13,358 | 8,485 | 8,485 |
| Purchased | - | 13,240 | - | - |
| Disposal | (4,634) | - | (2,584) | - |
| Diminution in value | - | (2,648) | - | - |
| At end of the financial year | 19,316 | 23,950 | 5,901 | 8,485 |
| (ii) Movements in ECL | | | | |
| At beginning of the financial year | 4,749 | 4,039 | - | - |
| Allowance made | 22,500 | 2,417 | 20,966 | - |
| Amount written-back | (2,983) | (1,707) | - | - |
| Amount written-off | (1,015) | - | - | - |
| At end of the financial year | 23,251 | 4,749 | 20,966 | - |

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

A15. OTHER LIABILITIES

| | The Group | | The Bank | |
|---|------------------|------------------|----------------|----------------|
| | 31/12/2023 | 31/12/2022 | 31/12/2023 | 31/12/2022 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| BNM and CGC Funding programmes (a) | 212,017 | 245,602 | 195,215 | 227,297 |
| Margin and collateral deposits | 125,111 | 122,545 | 104,773 | 102,946 |
| Other creditors and accruals | 316,832 | 164,622 | 115,297 | 84,038 |
| Sundry creditors | 78,757 | 308,594 | 56,650 | 233,550 |
| Clearing accounts | - | 451,311 | - | - |
| Treasury and cheque clearing accounts | - | 22,525 | - | 22,525 |
| Provision for zakat | 5,383 | 3,474 | 710 | 190 |
| Defined contribution plan (b) | 61,048 | 31,552 | 59,074 | 30,210 |
| Accrued employee benefits | 109,736 | 139,849 | 73,183 | 103,084 |
| Unearned income | 127,312 | 20,716 | 37,124 | 15,584 |
| Commissioned dealer's representatives trust balances | 64,818 | 64,495 | - | - |
| Securities borrowings and lending - borrow | 151,709 | 71,962 | - | - |
| Amounts payable to commissioned and salaried dealer's representatives | 58,775 | 62,788 | - | - |
| Add : ECL (c) | | | | |
| - loan/financing commitments and financial guarantees | 49,117 | 38,908 | 15,067 | 14,548 |
| | 1,360,615 | 1,748,943 | 657,093 | 833,972 |

(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 (2022: RM196.7 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.

| | Group | | Bank | |
|---|---------------|---------------|---------------|---------------|
| | 31/12/2023 | 31/12/2022 | 31/12/2023 | 31/12/2022 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| (c) Movement in ECL | | | | |
| At beginning of financial period/year | 38,908 | 56,914 | 14,548 | 31,322 |
| Net remeasurement of loss allowance | 28,203 | (875) | (2,132) | 1,548 |
| New loan commitments and financial guarantees issued | 11,666 | 10,244 | 9,104 | 7,354 |
| Loan commitment and financial guarantees derecognised | (29,660) | (27,375) | (6,453) | (25,676) |
| At end of the financial period/year | 49,117 | 38,908 | 15,067 | 14,548 |

A16. RESERVES

| | Group | | Bank | |
|--------------------------------|------------------|------------------|------------------|------------------|
| | 31/12/2023 | 31/12/2022 | 31/12/2023 | 31/12/2022 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| FVOCI revaluation reserves (a) | 169,540 | 44,806 | 204,573 | 166,472 |
| Regulatory reserves (b) | 337,761 | 479,799 | 270,563 | 416,620 |
| Other reserves (c) | 4,146 | - | 4,146 | - |
| Retained profits | 5,226,324 | 4,858,776 | 4,073,235 | 3,852,537 |
| | 5,737,771 | 5,383,381 | 4,552,517 | 4,435,629 |

(a) FVOCI revaluation reserves represent the unrealised gains or losses arising from the change in fair value of investments classified as financial investments at FVOCI. The gains or losses are transferred to the income statement upon disposal or when the securities become impaired.

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

(c) Other reserves arose from the Long Term Incentive Plan ("LTIP").

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

A17. INTEREST INCOME

| | Individual Quarter Ended | | Cumulative Quarter Ended | |
|---|--------------------------|----------------|--------------------------|------------------|
| | 31/12/2023 | 31/12/2022 | 31/12/2023 | 31/12/2022 |
| The Group | RM'000 | RM'000 | RM'000 | RM'000 |
| Loan, advances and financing | 517,169 | 427,860 | 1,953,143 | 1,503,878 |
| Money at call and deposits placements with financial institutions | 26,497 | 16,910 | 97,210 | 70,925 |
| Financial investments at FVOCI | 69,978 | 27,302 | 197,510 | 109,627 |
| Financial investments at AC | 99,304 | 104,758 | 393,869 | 361,190 |
| Others | 2,571 | 1,800 | 7,966 | 7,831 |
| | 715,519 | 578,630 | 2,649,698 | 2,053,451 |
| The Bank | | | | |
| Loan, advances and financing | 443,539 | 379,011 | 1,690,598 | 1,348,764 |
| Money at call and deposits placements with financial institutions | 63,486 | 35,519 | 226,889 | 128,987 |
| Financial investments at FVOCI | 35,275 | - | 72,966 | - |
| Financial investments at AC | 98,017 | 106,531 | 397,581 | 388,162 |
| Others | 642 | 688 | 1,965 | 3,748 |
| | 640,959 | 521,749 | 2,389,999 | 1,869,661 |

A18. INTEREST EXPENSE

| | Individual Quarter Ended | | Cumulative Quarter Ended | |
|---|--------------------------|----------------|--------------------------|------------------|
| | 31/12/2023 | 31/12/2022 | 31/12/2023 | 31/12/2022 |
| The Group | RM'000 | RM'000 | RM'000 | RM'000 |
| Deposits from customers | 389,238 | 247,535 | 1,414,709 | 808,381 |
| Deposits and placements of banks and other financial institutions | 68,745 | 9,009 | 171,035 | 35,212 |
| Obligation on securities sold under repurchase agreements | 40,905 | 30,278 | 139,026 | 69,435 |
| Loans sold to Cagamas Berhad | 24,499 | 7,576 | 72,250 | 29,303 |
| Subordinated medium term notes | 13,485 | 13,611 | 56,836 | 81,521 |
| Others | 1,375 | 3,250 | 12,961 | 7,026 |
| | 538,247 | 311,259 | 1,866,817 | 1,030,878 |
| The Bank | | | | |
| Deposits from customers | 350,877 | 213,497 | 1,261,478 | 704,661 |
| Deposits and placements of banks and other financial institutions | 57,160 | 8,688 | 154,244 | 33,694 |
| Obligation on securities sold under repurchase agreements | 34,080 | 30,168 | 123,032 | 69,176 |
| Loans sold to Cagamas Berhad | 24,499 | 7,576 | 72,250 | 29,303 |
| Subordinated medium term notes | 13,485 | 13,611 | 56,836 | 81,521 |
| Others | 252 | 1,534 | 3,335 | 4,594 |
| | 480,353 | 275,074 | 1,671,175 | 922,949 |

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

A19. NET FEE AND COMMISSION INCOME

| The Group | Individual Quarter Ended | | Cumulative Quarter Ended | |
|--------------------------------------|--------------------------|---------------|--------------------------|----------------|
| | 31/12/2023 | 31/12/2022 | 31/12/2023 | 31/12/2022 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Fee and commission income: | | | | |
| Net brokerage | 15,293 | 15,657 | 60,462 | 68,600 |
| Corporate advisory fees | 1,307 | 777 | 4,696 | 4,888 |
| Commission | 16,854 | 12,993 | 54,074 | 50,106 |
| Service charges and fees | 20,581 | 27,162 | 99,456 | 89,174 |
| Guarantee fees | 3,544 | 3,800 | 14,173 | 15,594 |
| Arrangement fees | 637 | 552 | 1,923 | 3,333 |
| Other fee income | 6,848 | 3,971 | 26,724 | 16,886 |
| | 65,064 | 64,912 | 261,508 | 248,581 |
| Fee and commission expenses: | | | | |
| Commission and referral expense | (2,848) | (2,368) | (10,930) | (9,111) |
| Net fee and commission income | 62,216 | 62,544 | 250,578 | 239,470 |
| The Bank | | | | |
| Fee and commission income: | | | | |
| Commission | 16,793 | 13,148 | 53,843 | 51,040 |
| Service charges and fees | 20,496 | 27,085 | 99,130 | 88,869 |
| Guarantee fees | 3,388 | 3,626 | 13,574 | 14,845 |
| Other fee income | 168 | - | 416 | - |
| | 40,845 | 43,859 | 166,963 | 154,754 |
| Fee and commission expense: | | | | |
| Commission and referral expense | (2,848) | (2,368) | (10,930) | (9,111) |
| Net fee and commission income | 37,997 | 41,491 | 156,033 | 145,643 |

A20. NET GAINS ON FINANCIAL INSTRUMENTS

| The Group | | | | |
|--|---------------|---------------|----------------|---------------|
| Income from financial instruments: | | | | |
| Gains/(Losses) arising on financial assets at FVTPL: | | | | |
| - net gain on disposal | 8,687 | 9,865 | 44,892 | 24,560 |
| - unrealised gain/(loss) | 676 | 9,043 | 16,286 | (9,576) |
| - interest/profit income | 26,370 | 6,857 | 78,302 | 33,245 |
| - gross dividend income | 945 | 2,825 | 3,201 | 4,374 |
| Gains/(Losses) on derivatives instruments: | | | | |
| - realised gain | 13,920 | (44) | 15,494 | 1,153 |
| - unrealised (loss)/gain | (11,912) | (1,894) | (757) | 9,696 |
| - interest/profit (expense)/income | 2,936 | 2,365 | 7,163 | 745 |
| Gain arising on financial investments at FVOCI: | | | | |
| - net gain on disposal | 40 | - | 4,205 | 2,417 |
| - gross dividend income | - | - | 922 | 922 |
| Gains arising on financial investments at AC | | | | |
| - net gain on redemption | - | - | 62 | 1 |
| Unrealised loss on fair value changes arising from fair value hedges | (9,169) | (113) | (1,686) | 3,126 |
| Net gains on financial instruments | 32,493 | 28,904 | 168,084 | 70,663 |

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

A20. NET GAINS ON FINANCIAL INSTRUMENTS (Cont.)

| | Individual Quarter Ended | | Cumulative Quarter Ended | |
|--|--------------------------|---------------|--------------------------|---------------|
| | 31/12/2023 | 31/12/2022 | 31/12/2023 | 31/12/2022 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| The Bank | | | | |
| Income from financial instruments: | | | | |
| Gains/(Losses) arising on financial assets at FVTPL: | | | | |
| - net gain on disposal | 3,412 | 6,538 | 14,774 | 4,392 |
| - unrealised (loss)/gain | (4,406) | 5,566 | 4,706 | (13,070) |
| - interest/profit income | 20,675 | 3,248 | 53,048 | 15,618 |
| - gross dividend income | 524 | - | 1,826 | - |
| Gains/(Losses) on derivatives instruments: | | | | |
| - realised | 3,941 | - | 5,843 | 1,156 |
| - unrealised | (13,040) | 1,813 | 1,191 | 15,268 |
| - interest/profit (expense)/income | 2,552 | 1,929 | 4,931 | (2,230) |
| Gains arising on financial investments at FVOCI: | | | | |
| - net gain on disposal | - | - | 2,454 | - |
| - gross dividend income | - | - | 732 | 732 |
| Gains arising on financial investments at AC | | | | |
| - net gain on redemption | - | - | 62 | 1 |
| Unrealised loss on fair value changes arising from fair value hedges | (9,169) | (3,253) | (1,686) | (14) |
| Net gains on financial instruments | 4,489 | 15,841 | 87,881 | 21,853 |

A21. OTHER INCOME

The Group

| | | | | |
|---|---------------|---------------|----------------|---------------|
| Foreign exchange gains/(losses): | | | | |
| - realised | 262,254 | 80,875 | 35,985 | 40,588 |
| - unrealised | (200,751) | (64,469) | 119,399 | (17,883) |
| Rental income | (1,663) | 1 | 227 | 13 |
| Gain on sale of property and equipment | 1,045 | 1 | 1,043 | 408 |
| Gain on disposal of foreclosed properties | - | - | 661 | - |
| Other non-operating income | 1,969 | 7,117 | 6,282 | 10,542 |
| Net gain on disposal/dilution of interest in associates | - | - | 25,000 | - |
| Total other income | 62,854 | 23,525 | 188,597 | 33,668 |

The Bank

| | | | | |
|---|---------------|------------------|----------------|------------------|
| Foreign exchange gains/(losses): | | | | |
| - realised | 290,540 | 89,753 | 88,891 | 43,346 |
| - unrealised | (237,378) | (72,457) | 52,124 | (25,692) |
| Rental income | 1,035 | 25 | 3,018 | 107 |
| Gain on sale of property and equipment | 1,035 | 1 | 1,032 | 1 |
| Gain on disposal of foreclosed properties | - | - | 661 | - |
| Other non-operating income | 8,018 | 6,625 | 29,719 | 9,822 |
| Gross dividend received from subsidiaries | - | 1,280,200 | 151,295 | 1,281,045 |
| Net gain on disposal/dilution of interest in associates | - | - | 56,317 | - |
| Total other income | 63,250 | 1,304,147 | 383,057 | 1,308,629 |

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

A22. OTHER OPERATING EXPENSES

| The Group | Individual Quarter Ended | | Cumulative Quarter Ended | |
|---|--------------------------|----------------|--------------------------|------------------|
| | 31/12/2023 | 31/12/2022 | 31/12/2023 | 31/12/2022 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| <u>Personnel costs</u> | | | | |
| Wages, salaries and bonus | 184,662 | 173,991 | 673,049 | 643,078 |
| Defined contribution plan | 33,348 | 27,589 | 116,709 | 108,219 |
| Other personnel costs | 35,984 | 21,502 | 94,622 | 83,823 |
| | 253,994 | 223,082 | 884,380 | 835,120 |
| <u>Promotion and marketing-related expenses</u> | | | | |
| Business promotion and advertisement | 8,746 | 6,596 | 22,572 | 20,802 |
| Entertainment | 239 | 1,358 | 1,654 | 5,169 |
| Traveling and accommodation | 1,479 | 1,241 | 4,612 | 3,800 |
| Commission and brokerage expenses | 3,439 | 2,424 | 13,170 | 6,859 |
| Other marketing expenses | 986 | (5,112) | 6,490 | 4,408 |
| | 14,889 | 6,507 | 48,498 | 41,038 |
| <u>Establishment expenses</u> | | | | |
| Equipment rental | 709 | 7,166 | 2,888 | 7,166 |
| Repair and maintenance | 44,371 | 36,989 | 126,821 | 95,697 |
| Depreciation of property and equipment | 15,655 | 8,199 | 59,741 | 29,672 |
| Depreciation of right-of-use assets | 6,346 | 11,858 | 27,535 | 38,300 |
| Amortisation of intangible assets | 5,991 | 5,539 | 21,651 | 23,333 |
| IT consultancy fee | 729 | (26,006) | 967 | 16,903 |
| Dataline rental | 7,110 | 7,485 | 21,187 | 28,410 |
| Security services | 4,857 | 4,926 | 16,955 | 16,331 |
| Electricity, water and sewerage | 4,385 | 3,619 | 15,786 | 12,576 |
| Insurance/Takaful and indemnities | 6,091 | 11,739 | 25,724 | 25,178 |
| Other establishment costs | 3,293 | 7,071 | 26,881 | 18,021 |
| | 99,537 | 78,585 | 346,136 | 311,587 |
| <u>General and administrative expenses</u> | | | | |
| Telecommunication expenses | 180 | 2,739 | 9,172 | 11,000 |
| Auditors' remuneration: | | | | |
| (i) Statutory audit fees | 515 | 609 | 2,539 | 2,179 |
| (ii) Regulatory related fees | - | 192 | - | 216 |
| (iii) Tax fees | 1 | (351) | 7 | 123 |
| (iv) Non-audit fees | 396 | 160 | 896 | 330 |
| Professional fees | 11,017 | 1,472 | 22,328 | 25,483 |
| Property and equipment written-off | - | 17 | 3 | 126 |
| Mail and courier charges | 1,049 | 1,006 | 4,463 | 3,916 |
| Stationery and consumables | 3,561 | 3,388 | 12,269 | 10,657 |
| Directors' fees and allowances | 2,111 | 5,211 | 7,778 | 7,807 |
| Donations | 403 | 424 | 2,933 | 2,053 |
| Settlement, clearing and bank charges | 8,330 | 12,426 | 50,158 | 36,846 |
| Stamp duties | 43 | 20 | 225 | 168 |
| Operational and litigation write-off expenses | - | 109 | 1,678 | 121 |
| Subscription fees | 2,653 | 2,155 | 9,998 | 8,755 |
| Other administration and general expenses | 1,743 | 5,327 | 17,696 | 19,221 |
| | 32,002 | 34,904 | 142,143 | 129,001 |
| Total other operating expenses | 400,422 | 343,078 | 1,421,157 | 1,316,746 |

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

A22. OTHER OPERATING EXPENSES (Cont.)

| | Individual Quarter Ended | | Cumulative Quarter Ended | |
|---|--------------------------|----------------|--------------------------|----------------|
| | 31/12/2023 | 31/12/2022 | 31/12/2023 | 31/12/2022 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| The Bank | | | | |
| <u>Personnel costs</u> | | | | |
| Wages, salaries and bonus | 134,974 | 115,931 | 460,106 | 412,216 |
| Defined contribution plan | 23,642 | 18,934 | 81,800 | 71,092 |
| Other personnel costs | 14,071 | 20,403 | 57,756 | 67,318 |
| | 172,687 | 155,586 | 599,662 | 550,944 |
| <u>Promotion and marketing-related expenses</u> | | | | |
| Business promotion and advertisement | 8,267 | 5,960 | 20,735 | 18,913 |
| Entertainment | 78 | 1,194 | 985 | 4,581 |
| Travelling and accommodation | 1,011 | 879 | 3,142 | 2,799 |
| Commission and brokerage expenses | 3,160 | 2,171 | 11,892 | 5,906 |
| Others marketing expenses | 326 | (5,547) | 3,316 | 1,900 |
| | 12,842 | 4,657 | 40,070 | 34,099 |
| <u>Establishment expenses</u> | | | | |
| Equipment rental | 463 | 1,915 | 1,930 | 1,915 |
| Repair and maintenance | 36,162 | 27,875 | 92,955 | 60,145 |
| Depreciation of property and equipment | 14,948 | 7,490 | 56,574 | 25,973 |
| Depreciation of right-of-use assets | 7,770 | 10,395 | 24,003 | 32,876 |
| Amortisation of intangible assets | 5,757 | 5,286 | 20,678 | 22,195 |
| IT consultancy fee | 638 | (22,910) | 605 | 1,780 |
| Dataline rental | 4,875 | 5,544 | 12,250 | 20,627 |
| Security services | 3,822 | 3,544 | 12,722 | 10,669 |
| Electricity, water and sewerage | 3,366 | 1,725 | 11,524 | 4,961 |
| Insurance/Takaful and indemnities | 5,411 | 9,943 | 19,118 | 17,797 |
| Other establishment costs | (601) | 4,837 | 7,807 | 16,751 |
| | 82,611 | 55,644 | 260,166 | 215,689 |
| <u>General and administrative expenses</u> | | | | |
| Telecommunication expenses | 573 | 681 | 2,236 | 2,756 |
| Auditors' remuneration : | | | | |
| (i) Statutory audit fees | 70 | (90) | 1,420 | 1,046 |
| (ii) Non-audit fees | - | 353 | 452 | 772 |
| Professional fees | 5,052 | 1,195 | 7,185 | 21,911 |
| Property and equipment written-off | 25 | (2) | 5 | 107 |
| Mail and courier charges | 785 | 731 | 3,405 | 2,818 |
| Stationery and consumables | 2,762 | 2,639 | 8,679 | 7,265 |
| Directors' fees and allowances | 861 | 842 | 3,337 | 3,438 |
| Donations | 321 | 429 | 2,641 | 1,897 |
| Settlement, clearing and bank charges | 7,095 | 13,300 | 45,383 | 35,222 |
| Stamp duties | 42 | 23 | 170 | 165 |
| Operational and litigation write-off expenses | - | 109 | 1,678 | 121 |
| Other administration and general expenses | 900 | 6,099 | 16,366 | 15,852 |
| | 18,486 | 26,309 | 92,957 | 93,370 |
| Total other operating expenses | 286,626 | 242,196 | 992,855 | 894,102 |

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

A23. ALLOWANCES FOR/(WRITE-BACK OF) CREDIT IMPAIRMENT LOSSES

| | Individual Quarter Ended | | Cumulative Quarter Ended | |
|--|--------------------------|-----------------|--------------------------|----------------|
| | 31/12/2023 | 31/12/2022 | 31/12/2023 | 31/12/2022 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| The Group | | | | |
| ECL made on/(written-back) : | | | | |
| - loans, advances and financing | 14,578 | 173,395 | 94,686 | 521,915 |
| - trade receivables | (2) | 272 | (533) | (544) |
| - securities and placements | (6,265) | 1,911 | 25,734 | (22,791) |
| - loan/financing commitments and financial guarantee | 10,445 | 790 | 10,209 | (18,006) |
| Bad debts and financing : | | | | |
| - recovered | (11,973) | (9,299) | (65,393) | (74,571) |
| - written-off | 4,320 | 3,332 | 10,302 | 32,529 |
| | 11,103 | 170,401 | 75,005 | 438,532 |
| The Bank | | | | |
| ECL made on/(written-back) : | | | | |
| - loans, advances and financing | 52,427 | (4,916) | 104,223 | 252,518 |
| - securities and placements | (4,377) | (1,023) | 31,845 | (26,489) |
| - loan/financing commitments and financial guarantee | 453 | 257 | 520 | (16,775) |
| Bad debts and financing : | | | | |
| - recovered | (9,967) | (7,784) | (50,320) | (41,295) |
| - written-off | 1,869 | (311) | 6,189 | 29,010 |
| | 40,405 | (13,777) | 92,457 | 196,969 |

A24. ALLOWANCES FOR/(WRITE-BACK OF) IMPAIRMENT LOSSES ON OTHER ASSETS AND GOODWILL

| | Individual Quarter Ended | | Cumulative Quarter Ended | |
|--|--------------------------|-----------------|--------------------------|----------------|
| | 31/12/2023 | 31/12/2022 | 31/12/2023 | 31/12/2022 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| The Group | | | | |
| Allowance for impairment made/(written-back) on: | | | | |
| - goodwill | - | (10,000) | - | 64,644 |
| - amount due from joint ventures/associates | 4,649 | (2,676) | 4,649 | 3,513 |
| - other debtors | (1,449) | 420 | (1,449) | 420 |
| | 3,200 | (12,256) | 3,200 | 68,577 |
| The Bank | | | | |
| Allowance for impairment made/(written-back) on: | | | | |
| - amount due from joint ventures | - | (42) | - | (42) |
| - amount due from associates | - | (5,004) | - | (1,852) |
| - other debtors | - | (5,046) | - | (1,894) |
| | - | (10,092) | - | (3,788) |

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

A25. SEGMENTAL INFORMATION ON REVENUE AND PROFIT

The segment analysis by activity for the individual and cumulative quarters ended 31 December 2023 and 31 December 2022 are as follows:

Current year's individual quarter ended 31 December 2023 :

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

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

A25. SEGMENTAL INFORMATION ON REVENUE AND PROFIT (Cont.)

The segment analysis by activity for the individual and cumulative quarters ended 31 December 2023 and 31 December 2022 are as follows (Cont.) :

Preceding year's individual quarter ended 31 December 2022 :

| | Continuing Operations | | | | | Total RM'000 | Discontinued Operations RM'000 | Total RM'000 |
|---|---------------------------------|---------------------------------|---------------------|------------------|-----------------------|-----------------|--------------------------------------|-----------------|
| | Commercial Banking RM'000 | Investment Banking RM'000 | Insurance RM'000 | Others RM'000 | Elimination RM'000 | | | |
| Revenue | | | | | | | | |
| External revenue | 508,805 | 55,411 | - | 2,825 | - | 567,041 | (334) | 566,707 |
| Intersegment revenue | 1,282,248 | 282 | - | 160 | (1,282,690) | - | - | - |
| Segment revenue | <u>1,791,053</u> | <u>55,693</u> | <u>-</u> | <u>2,985</u> | <u>(1,282,690)</u> | <u>567,041</u> | <u>(334)</u> | <u>566,707</u> |
| Operating expenses | (302,606) | (40,688) | - | (2,369) | 2,585 | (343,078) | - | (343,078) |
| of which :- | | | | | | | | |
| Depreciation of property and equipment | (7,510) | (738) | - | 49 | - | (8,199) | (1) | (8,200) |
| Depreciation of right-of-use assets | (10,559) | (2,060) | - | (88) | 849 | (11,858) | 1 | (11,857) |
| Amortisation of intangible assets | (5,340) | (197) | - | (2) | - | (5,539) | 1 | (5,538) |
| (Allowances for)/write-back of impairment losses on loans, advances, financing and trade receivables/securities/other assets/goodwill | (162,524) | (7,759) | - | - | 17,151 | (153,132) | - | (153,132) |
| Segment results | <u>1,325,923</u> | <u>7,246</u> | <u>-</u> | <u>616</u> | <u>(1,262,954)</u> | <u>70,831</u> | <u>(334)</u> | <u>70,497</u> |
| Share of results of joint venture (net of tax) | - | - | (58) | - | - | (58) | - | (58) |
| Share of results of associate (net of tax) | - | - | (16,478) | - | - | (16,478) | - | (16,478) |
| Profit before zakat and taxation | <u>1,325,923</u> | <u>7,246</u> | <u>(16,536)</u> | <u>616</u> | <u>(1,262,954)</u> | <u>54,295</u> | <u>(334)</u> | <u>53,961</u> |
| Zakat | (2,000) | - | - | - | - | (2,000) | (1) | (2,001) |
| Profit before taxation | <u>1,323,923</u> | <u>7,246</u> | <u>(16,536)</u> | <u>616</u> | <u>(1,262,954)</u> | <u>52,295</u> | <u>(335)</u> | <u>51,960</u> |
| Taxation | | | | | | (35,397) | 1 | (35,396) |
| Net profit for the individual and cumulative quarter | | | | | | <u>16,898</u> | <u>(334)</u> | <u>16,564</u> |

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

A25. SEGMENTAL INFORMATION ON REVENUE AND PROFIT (Cont.)

The segment analysis by activity for the individual and cumulative quarters ended 31 December 2023 and 31 December 2022 are as follows (Cont.) :

Current year's cumulative quarter ended 31 December 2023 :

| | Continuing Operations | | | | | Total RM'000 |
|---|---------------------------------|---------------------------------|---------------------|------------------|-----------------------|------------------|
| | Commercial Banking RM'000 | Investment Banking RM'000 | Insurance RM'000 | Others RM'000 | Elimination RM'000 | |
| Revenue | | | | | | |
| External revenue | 1,749,614 | 223,758 | - | 12,411 | - | 1,985,783 |
| Intersegment revenue | 190,778 | 16,877 | - | 864 | (208,519) | - |
| Segment revenue | 1,940,392 | 240,635 | - | 13,275 | (208,519) | 1,985,783 |
| Operating expenses | (1,262,736) | (173,416) | - | (13,577) | 28,572 | (1,421,157) |
| of which :- | | | | | | |
| Depreciation of property and equipment | (56,852) | (2,519) | - | (370) | - | (59,741) |
| Depreciation of right-of-use assets | (24,305) | (7,207) | - | (359) | 4,336 | (27,535) |
| Amortisation of intangible assets | (20,812) | (826) | - | (13) | - | (21,651) |
| (Allowances for)/write-back of impairment losses on loans, advances, financing and trade receivables/securities/other assets/goodwill | (94,715) | 25,276 | - | - | (8,766) | (78,205) |
| Segment results | 582,941 | 92,495 | - | (302) | (188,713) | 486,421 |
| Share of results of joint venture (net of tax) | - | - | - | - | - | - |
| Share of results of associate (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 cumulative quarter | | | | | | 402,191 |

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

A25. SEGMENTAL INFORMATION ON REVENUE AND PROFIT (Cont.)

The segment analysis by activity for the individual and cumulative quarters ended 31 December 2023 and 31 December 2022 are as follows (Cont.) :

Preceding year's cumulative quarter ended 31 December 2022 :

| | Continuing Operations | | | | | Total RM'000 | Discontinued Operations RM'000 | Total RM'000 |
|---|---------------------------------|---------------------------------|---------------------|------------------|-----------------------|------------------|--------------------------------------|------------------|
| | Commercial Banking RM'000 | Investment Banking RM'000 | Insurance RM'000 | Others RM'000 | Elimination RM'000 | | | |
| Revenue | | | | | | | | |
| External revenue | 1,809,722 | 232,908 | - | 12,005 | - | 2,054,635 | 1,242,672 | 3,297,307 |
| Intersegment revenue | 1,289,359 | (4,373) | | 681 | (1,285,667) | - | - | - |
| Segment revenue | <u>3,099,081</u> | <u>228,535</u> | <u>-</u> | <u>12,686</u> | <u>(1,285,667)</u> | <u>2,054,635</u> | <u>1,242,672</u> | <u>3,297,307</u> |
| Operating expenses | (1,144,636) | (167,206) | - | (10,605) | 5,701 | (1,316,746) | (100,692) | (1,417,438) |
| of which :- | | | | | | | | |
| Depreciation of property and equipment | (26,331) | (3,189) | - | (152) | - | (29,672) | (1,886) | (31,558) |
| Depreciation of right-of-use assets | (33,386) | (6,263) | - | (350) | 1,699 | (38,300) | (2,084) | (40,384) |
| Amortisation of intangible assets | (22,409) | (914) | - | (10) | - | (23,333) | (951) | (24,284) |
| (Allowances for)/write-back of impairment losses on loans, advances, financing and trade receivables/securities/other assets/goodwill | (443,414) | (6,130) | - | - | (57,565) | (507,109) | (37) | (507,146) |
| Segment results | <u>1,511,031</u> | <u>55,199</u> | <u>-</u> | <u>2,081</u> | <u>(1,337,531)</u> | <u>230,780</u> | <u>1,141,943</u> | <u>1,372,723</u> |
| Share of results of joint venture (net of tax) | - | - | 791 | - | - | 791 | - | 791 |
| Share of results of associate (net of tax) | - | - | 7,820 | - | - | 7,820 | - | 7,820 |
| Profit before zakat and taxation | <u>1,511,031</u> | <u>55,199</u> | <u>8,611</u> | <u>2,081</u> | <u>(1,337,531)</u> | <u>239,391</u> | <u>1,141,943</u> | <u>1,381,334</u> |
| Zakat | (4,000) | (150) | - | - | - | (4,150) | (345) | (4,495) |
| Profit before taxation | <u>1,507,031</u> | <u>55,049</u> | <u>8,611</u> | <u>2,081</u> | <u>(1,337,531)</u> | <u>235,241</u> | <u>1,141,598</u> | <u>1,376,839</u> |
| Taxation | | | | | | (157,209) | (16,143) | (173,352) |
| Net profit for the cumulative quarter | | | | | | <u>78,032</u> | <u>1,125,455</u> | <u>1,203,487</u> |

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

A26. SUBSEQUENT MATERIAL EVENT

There were no material events subsequent to the balance sheet date that require disclosure or adjustments to the unaudited condensed interim financial statements.

A27. CHANGES IN THE COMPOSITION OF THE GROUP

Except for item disclosed on Note B6, there were no significant changes in the composition of the Group during the financial period under review.

A28. 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 notional amounts of the commitments and contingencies of the Group and the Bank are as follows :

| | The Group Principal Amount | | The Bank Principal Amount | |
|--|-------------------------------|----------------------|------------------------------|----------------------|
| | 31/12/2023 RM'000 | 31/12/2022 RM'000 | 31/12/2023 RM'000 | 31/12/2022 RM'000 |
| Direct credit substitutes * | 528,245 | 500,774 | 370,153 | 381,708 |
| Transaction-related contingent items | 1,385,471 | 1,331,367 | 840,151 | 854,221 |
| Short-term self-liquidating trade-related contingencies | 4,620,093 | 413,248 | 100,039 | 112,285 |
| Irrevocable commitments to extend credit | | | | |
| - Maturity less than one year | 7,383,227 | 5,557,413 | 4,480,382 | 3,831,479 |
| - Maturity more than one year | 2,826,847 | 2,869,597 | 1,924,957 | 1,869,128 |
| Foreign exchange related contracts # | | | | |
| - Less than one year | 48,697,725 | 26,850,314 | 40,095,245 | 21,557,832 |
| - One year to less than five years | 337,646 | 842,979 | - | - |
| Interest rate related contracts # | | | | |
| - Less than one year | 2,577,284 | 2,535,790 | 1,907,284 | 1,595,790 |
| - One year to less than five years | 11,343,119 | 7,155,483 | 7,734,449 | 4,995,483 |
| - Five years and above | 757,264 | 670,000 | 640,039 | 670,000 |
| Equity related contracts | 16,909 | - | - | - |
| Other/Miscellaneous Commitments and Contingencies | - | 7,421 | - | - |
| Any commitments that are unconditionally cancelled at any time by the Bank without prior notice or that effectively provide for automatic cancellation due to deterioration in a borrowers' creditworthiness. | 1,624,905 | 1,279,899 | - | - |
| 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 | 5,175,091 | 3,619,584 | 5,175,091 |
| Unutilised credit card lines | 1,712,631 | 1,458,431 | 1,429,339 | 1,233,927 |
| | 87,430,950 | 56,647,807 | 63,141,622 | 42,276,944 |

* Included in direct credit substitutes above are financial guarantee contracts of RM528.2 million and RM370.2 million at the Group and the Bank respectively (2022: RM500.8 million and RM381.7 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 assets" and "derivative financial liabilities" in the statement of financial position.

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

A29. DERIVATIVE FINANCIAL INSTRUMENTS (Cont.)

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

Market risk

Market risk is the potential change in value caused by movement in market rates or prices. The contractual amounts stated above provide only a measure of involvement in these types of transactions and do not represent the amount subject to market risk. Exposure to market risk may be reduced through offsetting on and off-balance sheet positions. As at the reporting date, the notional amount of foreign exchange exposure which was not hedged and hence, exposed to market risk was RM204.7 million (2022 : RM19.0 million), while the notional amount of interest rate contract was RM1,720.5 million (2022 : RM854.3 million).

Credit risk

Credit risk arises from the possibility that a counter-party may be unable to meet the terms of a contract in which the commercial bank has a gain position. As at the reporting date, the amounts of foreign exchange and interest rate credit risk, measured in terms of the cost to replace the profitable contracts, was RM770.2 million (2022 : RM680.7 million) and RM333.6 million (2022 : RM262.6 million) respectively. This amount will increase or decrease over the life of the contracts, mainly as a function of maturity dates and market rates or prices.

Liquidity risk

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

Cash Requirement of the Derivatives

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

Related Accounting Policies

The related accounting policies for off-balance sheet financial instruments applied in the condensed interim financial statements are consistent with those applied in the annual financial statements for the year ended 31 December 2022.

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

A29. DERIVATIVE FINANCIAL INSTRUMENTS

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

| | <----- Contract/Notional Amount -----> | | | | <----- Positive Fair Value -----> | | | | <----- Negative Fair Value -----> | | | |
|--------------------------------------|--|-------------------------|---------------------|-------------------|-----------------------------------|-------------------------|---------------------|-----------------|-----------------------------------|-------------------------|---------------------|-----------------|
| | Up To 1 Year RM'000 | > 1 - 3 Years RM'000 | > 3 Years RM'000 | Total RM'000 | Up To 1 Year RM'000 | > 1 - 3 Years RM'000 | > 3 Years RM'000 | Total RM'000 | Up To 1 Year RM'000 | > 1 - 3 Years RM'000 | > 3 Years RM'000 | Total RM'000 |
| The Group | | | | | | | | | | | | |
| As at 31 December 2023 : | | | | | | | | | | | | |
| Trading derivatives | | | | | | | | | | | | |
| Foreign exchange derivatives : | | | | | | | | | | | | |
| - Currency forwards | 9,343,062 | 95,892 | - | 9,438,954 | 33,210 | 3,044 | - | 36,254 | 100,310 | 704 | - | 101,014 |
| - Cross currency interest rate swaps | - | 8,932 | 106,476 | 115,408 | - | 85 | 1,258 | 1,343 | - | 80 | 1,136 | 1,216 |
| - Currency swaps | 39,341,906 | 126,345 | - | 39,468,251 | 282,052 | 1,471 | - | 283,523 | 147,804 | 3,712 | - | 151,516 |
| - Currency options | 82,951 | - | - | 82,951 | 514 | - | - | 514 | 504 | - | - | 504 |
| Interest/profit rate derivatives: | | | | | | | | | | | | |
| - Interest/profit rate swaps | 2,577,284 | 3,045,149 | 5,561,289 | 11,183,722 | 17,654 | 14,557 | 84,589 | 116,800 | 17,455 | 12,783 | 74,589 | 104,827 |
| Equity Derivatives | 16,909 | - | - | 16,909 | - | - | - | - | 2,562 | - | - | 2,562 |
| Hedging derivatives | | | | | | | | | | | | |
| Interest/profit rate derivatives : | | | | | | | | | | | | |
| - Interest/profit rate swaps | - | 710,000 | 2,783,945 | 3,493,945 | - | 5,479 | 26,525 | 32,004 | - | 5,492 | 28,595 | 34,087 |
| | 51,362,112 | 3,986,318 | 8,451,710 | 63,800,140 | 333,430 | 24,636 | 112,372 | 470,438 | 268,635 | 22,771 | 104,320 | 395,726 |
| As at 31 December 2022 | | | | | | | | | | | | |
| Trading derivatives | | | | | | | | | | | | |
| Foreign exchange derivatives : | | | | | | | | | | | | |
| - Currency forwards | 6,999,196 | 265,350 | 8,762 | 7,273,308 | 29,196 | 1,139 | 7 | 30,342 | 192,323 | 5,306 | 41 | 197,670 |
| - Cross currency interest rate swaps | - | 8,932 | 136,915 | 145,847 | 2,337 | - | - | 2,337 | - | 140 | 2,014 | 2,154 |
| - Currency swaps | 19,851,118 | 414,250 | 8,770 | 20,274,138 | 336,106 | 8,175 | 47 | 344,328 | 238,200 | 3,809 | 5 | 242,014 |
| Interest/profit rate derivatives: | | | | | | | | | | | | |
| - Interest rate swaps | 2,535,790 | 3,127,988 | 3,997,495 | 9,661,273 | 9,886 | 22,813 | 85,638 | 118,337 | 11,183 | 19,063 | 67,815 | 98,061 |
| Hedging derivatives | | | | | | | | | | | | |
| Interest/profit rate derivatives : | | | | | | | | | | | | |
| - Interest rate swaps | - | - | 700,000 | 700,000 | - | - | 45 | 45 | - | - | 2,355 | 2,355 |
| | 29,386,104 | 3,816,520 | 4,851,942 | 38,054,566 | 377,525 | 32,127 | 85,737 | 495,389 | 441,706 | 28,318 | 72,230 | 542,254 |

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

A29. DERIVATIVE FINANCIAL INSTRUMENTS (Cont.)

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

| | <-----Contract/Notional Amount-----> | | | | <----- Positive Fair Value-----> | | | | <----- Negative Fair Value -----> | | | |
|------------------------------------|--------------------------------------|-------------------------|---------------------|-------------------|----------------------------------|-------------------------|---------------------|-----------------|-----------------------------------|-------------------------|---------------------|-----------------|
| | Up To 1 Year RM'000 | > 1 - 3 Years RM'000 | > 3 Years RM'000 | Total RM'000 | Up To 1 Year RM'000 | > 1 - 3 Years RM'000 | > 3 Years RM'000 | Total RM'000 | Up To 1 Year RM'000 | > 1 - 3 Years RM'000 | > 3 Years RM'000 | Total RM'000 |
| The Bank | | | | | | | | | | | | |
| As at 31 December 2023 : | | | | | | | | | | | | |
| Trading derivatives | | | | | | | | | | | | |
| Foreign exchange derivatives : | | | | | | | | | | | | |
| - Currency forwards | 6,726,288 | - | - | 6,726,288 | 23,446 | - | - | 23,446 | 58,497 | - | - | 58,497 |
| - Currency swaps | 33,327,215 | - | - | 33,327,215 | 200,789 | - | - | 200,789 | 156,640 | - | - | 156,640 |
| - Currency options | 82,951 | - | - | 82,951 | 514 | - | - | 514 | 504 | - | - | 504 |
| Interest/profit rate derivatives: | | | | | | | | | | | | |
| - Interest rate swaps | 1,907,284 | 2,260,149 | 3,494,509 | 7,661,942 | 15,171 | 9,616 | 77,899 | 102,686 | 15,209 | 9,715 | 67,421 | 92,345 |
| Hedging derivatives | | | | | | | | | | | | |
| Interest/profit rate derivatives : | | | | | | | | | | | | |
| - Interest rate swaps | - | 710,000 | 1,909,830 | 2,619,830 | - | 5,479 | 15,969 | 21,448 | - | 5,492 | 15,101 | 20,593 |
| | 42,043,738 | 2,970,149 | 5,404,339 | 50,418,226 | 239,920 | 15,095 | 93,868 | 348,883 | 230,850 | 15,207 | 82,522 | 328,579 |
| As at 31 December 2022 | | | | | | | | | | | | |
| Trading derivatives | | | | | | | | | | | | |
| Foreign exchange derivatives : | | | | | | | | | | | | |
| - Currency forwards | 3,816,746 | - | - | 3,816,746 | 10,612 | - | - | 10,612 | 115,692 | - | - | 115,692 |
| - Currency swaps | 17,741,086 | - | - | 17,741,086 | 293,397 | - | - | 293,397 | 231,343 | - | - | 231,343 |
| Interest/profit rate derivatives: | | | | | | | | | | | | |
| - Interest rate swaps | 1,595,790 | 2,017,988 | 2,947,495 | 6,561,273 | 8,221 | 17,337 | 77,905 | 103,463 | 10,551 | 15,735 | 60,533 | 86,819 |
| Hedging derivatives | | | | | | | | | | | | |
| Interest/profit rate derivatives : | | | | | | | | | | | | |
| - Interest rate swaps | - | - | 700,000 | 700,000 | - | - | 45 | 45 | - | - | 2,355 | 2,355 |
| | 23,153,622 | 2,017,988 | 3,647,495 | 28,819,105 | 312,230 | 17,337 | 77,950 | 407,517 | 357,586 | 15,735 | 62,888 | 436,209 |

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

A30. CAPITAL ADEQUACY

Capital adequacy ratios of the Group and the Bank are computed in accordance with BNM's Capital Adequacy Framework (Capital Components) updated on 15 December 2023.

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 2023.

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 | | The Bank | |
|--|-------------------|------------|-------------------|-------------|
| | 31/12/2023 | 31/12/2022 | 31/12/2023 | 31/12/2022 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| a) The components of CET 1, Tier 1 and Tier 2 capital : | | | | |
| <u>CET 1</u> | | | | |
| Paid-up share capital | 5,371,044 | 5,245,447 | 5,371,044 | 5,245,447 |
| Retained profits | 5,226,324 | 4,858,776 | 4,073,235 | 3,852,537 |
| Unrealised gains on FVOCI instruments | 169,540 | 44,806 | 204,573 | 166,472 |
| Other disclosed reserves | 4,146 | - | 4,146 | - |
| | 10,771,054 | 10,149,029 | 9,652,998 | 9,264,456 |
| Less: Regulatory adjustments: | | | | |
| - Goodwill and other intangibles | (660,680) | (629,369) | (214,275) | (183,216) |
| - Deferred tax assets | (138,283) | (233,973) | (72,072) | (125,964) |
| - 55% of cumulative unrealised gains on FVOCI instruments | (93,247) | (24,644) | (112,515) | (91,560) |
| - Investment in subsidiaries, joint ventures and associates | (841,260) | (794,779) | (3,871,402) | (3,846,578) |
| - Other CET1 transitional adjustment | 326,618 | 571,609 | 175,370 | 327,591 |
| Total CET 1 Capital | 9,364,202 | 9,037,873 | 5,558,104 | 5,344,729 |
| <u>Additional Tier 1 Capital</u> | | | | |
| Additional Tier 1 Capital | 1,000,000 | 800,000 | 500,000 | 500,000 |
| Total Tier 1 Capital | 10,364,202 | 9,837,873 | 6,058,104 | 5,844,729 |
| <u>Tier 2 Capital</u> | | | | |
| Subordinated MTNs | 1,000,000 | 955,000 | 500,000 | 500,000 |
| Expected loss provisions # | 594,530 | 454,429 | 346,186 | 280,013 |
| Less: Regulatory adjustments: | | | | |
| - Investment in capital instruments of unconsolidated financial and insurance entities | - | - | - | (345,000) |
| Total Tier 2 Capital | 1,594,530 | 1,409,429 | 846,186 | 435,013 |
| Total Capital | 11,958,732 | 11,247,302 | 6,904,290 | 6,279,742 |
| b) The breakdown of risk-weighted assets: | | | | |
| Credit risk | 59,600,642 | 52,982,623 | 39,013,653 | 33,967,295 |
| Market risk | 1,828,658 | 631,065 | 1,230,139 | 403,534 |
| Operational risk | 4,029,830 | 3,951,028 | 2,063,846 | 1,858,354 |
| Total risk-weighted assets | 65,459,130 | 57,564,716 | 42,307,638 | 36,229,183 |
| c) Capital adequacy ratios: | | | | |
| <u>With transitional arrangements</u> | | | | |
| CET 1 capital ratio | 14.305% | 15.700% | 13.137% | 14.753% |
| Tier 1 capital ratio | 15.833% | 17.090% | 14.319% | 16.133% |
| Total capital ratio | 18.269% | 19.539% | 16.319% | 17.333% |
| CET 1 capital ratio (net of proposed dividends) ^{Note 1} | 14.259% | 15.597% | 13.066% | 14.588% |
| Tier 1 capital ratio (net of proposed dividends) ^{Note 1} | 15.787% | 16.986% | 14.247% | 15.968% |
| Total capital ratio (net of proposed dividends) ^{Note 1} | 18.223% | 19.435% | 16.247% | 17.169% |

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

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

A30. CAPITAL ADEQUACY (Cont.)

| | The Group | | The Bank | |
|--|----------------|------------|----------------|------------|
| | 31/12/2023 | 31/12/2022 | 31/12/2023 | 31/12/2022 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| c) Capital adequacy ratios (cont.): | | | | |
| <u>Without transitional arrangements</u> | | | | |
| CET 1 capital ratio | 13.806% | 14.707% | 12.723% | 13.848% |
| Tier 1 capital ratio | 15.334% | 16.097% | 13.905% | 15.228% |
| Total capital ratio | 18.000% | 18.907% | 16.239% | 16.828% |
| CET 1 capital ratio (net of proposed dividends) ^{Note 1} | 13.760% | 14.604% | 12.651% | 13.684% |
| Tier 1 capital ratio (net of proposed dividends) ^{Note 1} | 15.288% | 15.993% | 13.833% | 15.064% |
| Total capital ratio (net of proposed dividends) ^{Note 1} | 17.954% | 18.803% | 16.167% | 16.664% |

Note 1 :

Under the Dividend Reinvestment Plan ('DRP'), the amount of declared dividend to be deducted in the calculation of CET 1 Capital Ratio is determined in accordance with BNM's Implementation Guidance on Capital Adequacy Framework (Capital Components) (Implementation Guidance) issued on 2 February 2019.

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 2023, RIA assets included in the Total Capital Ratio calculation amounted to RM3,572.1 million (2022: RM2,723.1 million).

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

| | Economic Entity | | The Bank | |
|--|-----------------|------------|----------------|------------|
| | 31/12/2023 | 31/12/2022 | 31/12/2023 | 31/12/2022 |
| <u>With transitional arrangements</u> | | | | |
| CET 1 capital ratio | 12.733% | 12.965% | 12.733% | 12.965% |
| Tier 1 capital ratio | 15.100% | 14.502% | 15.100% | 14.502% |
| Total capital ratio | 18.473% | 19.363% | 18.473% | 19.363% |
| <u>Without transitional arrangements</u> | | | | |
| CET 1 capital ratio | 12.076% | 11.813% | 12.076% | 11.813% |
| Tier 1 capital ratio | 14.443% | 13.351% | 14.443% | 13.351% |
| Total capital ratio | 17.985% | 18.635% | 17.985% | 18.635% |

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

| | The Group | | The Bank | |
|--|----------------|------------|----------------|------------|
| | 31/12/2023 | 31/12/2022 | 31/12/2023 | 31/12/2022 |
| <u>With transitional arrangements</u> | | | | |
| CET 1 capital ratio | 36.670% | 42.923% | 41.849% | 55.446% |
| Tier 1 capital ratio | 36.670% | 42.923% | 41.849% | 55.446% |
| Total capital ratio | 37.330% | 43.516% | 42.603% | 56.214% |
| <u>Without transitional arrangements</u> | | | | |
| CET 1 capital ratio | 36.394% | 42.127% | 41.532% | 54.413% |
| Tier 1 capital ratio | 36.394% | 42.127% | 41.532% | 54.413% |
| Total capital ratio | 37.054% | 42.720% | 42.286% | 55.181% |

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

A31. FAIR VALUE MEASUREMENTS

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

- (a) Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities
(b) Level 2 - quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
(c) Level 3 - valuations derived from valuation techniques in which one or more significant inputs are not based on observable market data.

| The Group | Level 1 | Level 2 | Level 3 | Total |
|--|----------------|------------------|------------------|-------------------|
| | RM'000 | RM'000 | RM'000 | RM'000 |
| 31 December 2023 : | | | | |
| Financial Assets | | | | |
| Financial assets at FVTPL: | | | | |
| - Money market instruments | - | 364,073 | - | 364,073 |
| - Corporate bonds/Sukuk | - | 16,456 | 20,223 | 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 | - | 2,711,475 | 1,732,029 | 4,443,504 |
| | 90,380 | 8,901,065 | 2,113,494 | 11,104,939 |
| Financial Liabilities | | | | |
| Derivative financial instruments | - | 395,726 | - | 395,726 |
| Other liabilities - equities trading/call option | 981 | - | - | 981 |
| | 981 | 395,726 | - | 396,707 |
| 31 December 2022 | | | | |
| Financial Assets | | | | |
| Financial assets at FVTPL : | | | | |
| - Money market instruments | - | 382,925 | - | 382,925 |
| - Corporate bonds/Sukuk | - | 15,115 | - | 15,115 |
| - Shares and unit trusts | 36,068 | - | 110,395 | 146,463 |
| Derivative financial instruments | - | 495,389 | - | 495,389 |
| Financial investments at FVOCI: | | | | |
| - Money market instruments | - | 2,022,143 | - | 2,022,143 |
| - Shares | - | - | 230,918 | 230,918 |
| - Corporate bonds/Sukuk | - | 1,529,443 | - | 1,529,443 |
| | 36,068 | 4,445,015 | 341,313 | 4,822,396 |
| Financial Liabilities | | | | |
| Derivative financial instruments | - | 542,254 | - | 542,254 |
| Other liabilities - equities trading | 149 | - | - | 149 |
| | 149 | 542,254 | - | 542,403 |

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

A31. FAIR VALUE MEASUREMENTS (Cont.)

| | Level 1 RM'000 | Level 2 RM'000 | Level 3 RM'000 | Total RM'000 |
|----------------------------------|-------------------|-------------------|-------------------|-----------------|
| The Bank | | | | |
| 31 December 2023 : | | | | |
| Financial Assets | | | | |
| Financial assets at FVTPL: | | | | |
| - Money market instruments | - | 1,166,691 | - | 1,166,691 |
| - Corporate bonds/Sukuk | - | - | 20,223 | 20,223 |
| - Unquoted shares | - | - | 115,602 | 115,602 |
| Derivative financial instruments | - | 348,883 | - | 348,883 |
| Financial investments at FVOCI: | | | | |
| - Money market instruments | - | 1,960,917 | - | 1,960,917 |
| - Unquoted shares | - | - | 220,875 | 220,875 |
| - Corporate bonds/Sukuk | - | - | 1,797,427 | 1,797,427 |
| | - | 3,476,491 | 2,154,127 | 5,630,618 |
| Financial Liabilities | | | | |
| Derivative financial instruments | - | 328,579 | - | 328,579 |
| | | | | |
| 31 December 2022 | | | | |
| Financial Assets | | | | |
| Financial assets at FVTPL: | | | | |
| - Money market instruments | - | 382,925 | - | 382,925 |
| - Unquoted shares | - | 15,113 | - | 15,113 |
| - Corporate bonds/Sukuk | - | - | 110,395 | 110,395 |
| Derivative financial instruments | - | 407,517 | - | 407,517 |
| Financial investments at FVOCI: | | | | |
| - Unquoted shares | - | - | 206,993 | 206,993 |
| | - | 805,555 | 317,388 | 1,122,943 |
| Financial Liabilities | | | | |
| Derivative financial instruments | - | 436,209 | - | 436,209 |

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.

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

A31. FAIR VALUE MEASUREMENTS (Cont.)

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

The Group and the Bank recognise transfers between levels of the fair value hierarchy at the end of the reporting period during which the transfer has occurred. Transfers between fair value hierarchy primarily due to change in the level of trading activity, change in observable market activity related to an input, reassessment of available pricing information and change in the significance of the unobservable input. There were no transfers between Level 1, 2 and 3 of the fair value hierarchy during the financial period (2022: RM Nil).

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

| | The Group | | The Bank | |
|---|-------------------|-------------------|-------------------|-------------------|
| | 31/12/2023 | 31/12/2022 | 31/12/2023 | 31/12/2022 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| At beginning of the financial period/year | 341,313 | 329,026 | 317,388 | 302,319 |
| Sales/Redemption | 1,700,149 | (360) | 1,765,551 | (360) |
| Total gains/(losses) recognised in other comprehensive income | 50,800 | 12,647 | 49,956 | 15,429 |
| Net changes in income accrued | 21,232 | - | 21,232 | - |
| At end of the financial period/year | 2,113,494 | 341,313 | 2,154,127 | 317,388 |

Effect of changes in significant unobservable assumptions to reasonably possible alternative

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

A32. CREDIT EXPOSURES ARISING FROM CREDIT TRANSACTIONS WITH CONNECTED PARTIES

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

| | The Group | | The Bank | |
|--|-------------------|-------------------|-------------------|-------------------|
| | 31/12/2023 | 31/12/2022 | 31/12/2023 | 31/12/2022 |
| (i) The aggregate value of outstanding credit exposures with connected parties (RM'000) | 6,603,913 | 6,349,089 | 4,796,082 | 3,986,727 |
| (ii) The percentage of outstanding credit exposures to connected parties as proportion of total credit exposures | 6% | 7% | 8% | 8% |
| (iii) The percentage of outstanding credit exposures with connected parties which is impaired or in default | Nil | Nil | Nil | Nil |

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

A33. OPERATIONS OF ISLAMIC BANKING - AFFIN ISLAMIC BANK BERHAD

(i) Unaudited Statements of Financial Position

| | Economic Entity | |
|--|----------------------|----------------------|
| | 31/12/2023 RM'000 | 31/12/2022 RM'000 |
| ASSETS | | |
| Cash and short-term funds | 3,161,762 | 3,227,179 |
| Deposits and placements with Banks and other financial institutions | 400,521 | 50,049 |
| Derivative financial instruments | 18,907 | 14,985 |
| Financial investments at fair value through other comprehensive income (FVOCI) | 1,674,282 | - |
| Financial investments at amortised cost ('AC') | 4,568,010 | 4,849,793 |
| Financing and other financing | 28,760,767 | 25,803,930 |
| Other assets | 135,546 | 159,967 |
| Amount due from holding company | 288,431 | 297,504 |
| Amount due from joint ventures | 32 | 455 |
| Taxation recoverable | 43,746 | 21,603 |
| Deferred tax assets | 39,040 | 45,332 |
| Statutory deposits with Bank Negara Malaysia | 485,000 | 400,000 |
| Property and equipment | 782 | 1,570 |
| Right-of-use assets | 238 | 133 |
| Intangible assets | 863 | 524 |
| TOTAL ASSETS | 39,577,927 | 34,873,024 |
| LIABILITIES AND ISLAMIC BANKING CAPITAL FUNDS | | |
| Deposits from customers | 25,360,547 | 25,175,621 |
| Investment accounts of customers | 359 | 859 |
| Deposits and placements of banks and other financial institutions | 4,172,179 | 2,098,939 |
| Investment accounts due to designated financial institutions | 3,579,578 | 2,720,263 |
| Derivative financial liabilities | 23,539 | 37,736 |
| Recourse obligation on financing sold to Cagamas Berhad | 1,115,041 | - |
| Other liabilities | 319,188 | 579,144 |
| Lease liabilities | 271 | 573 |
| Subordinated and Senior Sukuk | 2,363,770 | 1,862,576 |
| TOTAL LIABILITIES | 36,934,472 | 32,475,711 |
| ISLAMIC BANKING CAPITAL FUNDS | | |
| Share capital | 1,210,000 | 1,210,000 |
| Reserves | 1,433,455 | 1,187,313 |
| Total Islamic Banking Capital Funds | 2,643,455 | 2,397,313 |
| TOTAL LIABILITIES AND ISLAMIC BANKING CAPITAL FUNDS | 39,577,927 | 34,873,024 |
| COMMITMENTS AND CONTINGENCIES | 11,396,972 | 5,069,740 |

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

A33. OPERATIONS OF ISLAMIC BANKING - AFFIN ISLAMIC BANK BERHAD (Cont.)

(ii) Unaudited Income Statements

| | Economic Entity | | | |
|---|--------------------------|-----------------|--------------------------|------------------|
| | Individual Quarter Ended | | Cumulative Quarter Ended | |
| | 31/12/2023 | 31/12/2022 | 31/12/2023 | 31/12/2022 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Income derived from investment of depositors' funds and others | 372,692 | 325,586 | 1,442,523 | 1,141,282 |
| Income derived from investment of investment accounts | 42,662 | 28,426 | 161,804 | 88,746 |
| Income derived from investment of shareholders' funds | 34,113 | 30,595 | 131,768 | 104,499 |
| Allowances for impairment losses on financing and other financing | 24,153 | (184,275) | 2,583 | (243,213) |
| Allowance for impairment losses on other assets | (4,649) | 2,920 | (4,649) | (5,117) |
| Total distributable income | 468,971 | 203,252 | 1,734,029 | 1,086,197 |
| Income attributable to the depositors and others | (260,675) | (178,184) | (993,739) | (580,072) |
| Income attributable to the investment accounts holders | (38,943) | (23,766) | (147,889) | (78,677) |
| Total net income | 169,353 | 1,302 | 592,401 | 427,448 |
| Other operating expenses | (68,356) | (60,132) | (270,081) | (250,385) |
| Profit before zakat and taxation | 100,997 | (58,830) | 322,320 | 177,063 |
| Zakat | (1,971) | (2,000) | (4,600) | (4,000) |
| Profit before taxation | 99,026 | (60,830) | 317,720 | 173,063 |
| Taxation | (25,897) | 12,111 | (83,244) | (72,379) |
| Net profit for the financial year | 73,129 | (48,719) | 234,476 | 100,684 |

(iii) Unaudited Statements of Comprehensive Income

| | Economic Entity | | | |
|---|--------------------------|-----------------|--------------------------|----------------|
| | Individual Quarter Ended | | Cumulative Quarter Ended | |
| | 31/12/2023 | 31/12/2022 | 31/12/2023 | 31/12/2022 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Net profit for the financial year | 73,129 | (48,719) | 234,476 | 100,684 |
| Other comprehensive income : | | | | |
| <u>Items that may be reclassified subsequently to profit or loss :</u> | | | | |
| - Net fair value change in financial investments at FVOCI | 18,799 | - | 16,136 | - |
| - Net credit impairment loss change in financial investments at FVOCI | (1,012) | - | 42 | - |
| - Net loss on financial investments measured at FVOCI reclassified to profit or loss on disposal (debt instruments) | (464) | - | (464) | - |
| - Deferred tax on financial investments at FVOCI | (4,901) | - | (4,262) | - |
| Other comprehensive income for the financial year, net of tax | 12,422 | - | 11,452 | - |
| Total comprehensive income/(loss) for the financial year | 85,551 | (48,719) | 245,928 | 100,684 |

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

A33. OPERATIONS OF ISLAMIC BANKING - AFFIN ISLAMIC BANK BERHAD (Cont.)

(iv) Unaudited Condensed Statement Of Changes In Equity

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

| Economic Entity | Attributable to Equity Holder of the Bank | | | | | Total equity RM'000 |
|---|---|---|-------------------------------|--------------------------|----------------------------|------------------------|
| | Share capital RM'000 | FVOCI revaluation reserves RM'000 | Regulatory reserves RM'000 | Other reserves RM'000 | Retained profits RM'000 | |
| At 1 January 2022 | 1,060,000 | - | 105,613 | - | 981,016 | 2,146,629 |
| Net profit for the financial year | - | - | - | - | 100,684 | 100,684 |
| Total comprehensive income for the financial year | - | - | - | - | 100,684 | 100,684 |
| Issued during the financial year | 150,000 | - | - | - | - | 150,000 |
| Transfer from regulatory reserves | - | - | (59,144) | - | 59,144 | - |
| At 31 December 2022 | 1,210,000 | - | 46,469 | - | 1,140,844 | 2,397,313 |

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

A33. OPERATIONS OF ISLAMIC BANKING - AFFIN ISLAMIC BANK BERHAD (Cont.)

| | Economic Entity | |
|--|-------------------|-------------------|
| | 31/12/2023 | 31/12/2022 |
| | RM'000 | RM'000 |
| (v) Financing and other financing | | |
| By type | | |
| Cash Line-i | 891,940 | 700,519 |
| Term financing : | | |
| - Housing financing | 10,145,796 | 9,329,247 |
| - Hire purchase receivables | 5,943,398 | 5,189,938 |
| - Syndicated financing | 1,523,392 | 1,167,643 |
| - Others term loan/financing | 8,791,862 | 7,692,656 |
| Bills receivables | 270,714 | 151,248 |
| Trust receipts | 14,487 | 13,969 |
| Claims on customers under acceptance credits | 1,008,939 | 787,059 |
| Staff financing (of which RM Nil to Directors) | 124,027 | 119,698 |
| Credit/charge cards receivables | 77,780 | 60,857 |
| Revolving financing | 397,810 | 1,046,211 |
| Gross financing and other financing | 29,190,145 | 26,259,045 |
| Less : ECL | (429,378) | (455,115) |
| Total net financing and other financing | 28,760,767 | 25,803,930 |
| | | |
| (vi) Movements of impaired financing | | |
| At beginning of the financial year | 357,422 | 381,586 |
| Classified as impaired | 323,439 | 238,197 |
| Reclassified as non-impaired | (357,881) | (143,264) |
| Amount recovered | (52,218) | (95,333) |
| Amount written-off | (49,784) | (38,331) |
| Other movements | - | 14,567 |
| At end of the financial year | 220,978 | 357,422 |
| | | |
| Ratio of gross impaired financing and other financing to gross financing and other financing (exclude restricted investment accounts)* | 0.86% | 0.90% |

(*): For the Bank, RIA excluded in the ratio calculation amounting to RM3,572.1 million (2022: RM2,723.1 million) with impaired financing amounting to RM Nil (2022: RM145.6 million).

The outstanding contractual amounts of such assets written-off during the year ended 31 December 2023 for the Bank is RM49.8 million (2022: RM38.3 million).

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

A33. OPERATIONS OF ISLAMIC BANKING - AFFIN ISLAMIC BANK BERHAD (Cont.)

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

| Economic Entity | 12-Month | Lifetime ECL | Lifetime ECL | Total |
|--|-----------|--------------|--------------|-----------|
| | ECL | not credit | credit | |
| 31/12/2023 | (Stage 1) | (Stage 2) | (Stage 3) | RM'000 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| At beginning of the financial year | 65,218 | 302,452 | 87,445 | 455,115 |
| Total transfer between stages due to change in credit risk : | (168,533) | 204,749 | (36,216) | - |
| - Transfer to 12-month ECL (Stage 1) | 21,720 | (19,994) | (1,726) | - |
| - Transfer to Lifetime ECL not credit impaired (Stage 2) | (190,123) | 244,851 | (54,728) | - |
| - Transfer to Lifetime ECL credit impaired (Stage 3) | (130) | (20,108) | 20,238 | - |
| Financing derecognised (other than write-off) | (22,024) | (13,709) | (2,189) | (37,922) |
| New financing originated or purchased | 216,912 | - | - | 216,912 |
| Changes due to change in credit risk | (83,929) | (155,948) | 78,244 | (161,633) |
| Write-off | - | - | (43,096) | (43,096) |
| Other adjustments | 2 | - | - | 2 |
| At end of the financial year | 7,646 | 337,544 | 84,188 | 429,378 |
| Economic Entity | | | | |
| 31/12/2022 | | | | |
| At beginning of the financial year | 72,928 | 76,859 | 53,915 | 203,702 |
| Total transfer between stages due to change in credit risk : | 18,847 | 17,588 | (36,435) | - |
| - Transfer to 12-month ECL (Stage 1) | 38,579 | (33,206) | (5,373) | - |
| - Transfer to Lifetime ECL not credit impaired (Stage 2) | (19,690) | 55,256 | (35,566) | - |
| - Transfer to Lifetime ECL credit impaired (Stage 3) | (42) | (4,462) | 4,504 | - |
| Financing derecognised (other than write-off) | (34,265) | (12,981) | (3,580) | (50,826) |
| New financing originated or purchased | 54,564 | - | - | 54,564 |
| Changes due to change in credit risk | (46,861) | 220,986 | 90,668 | 264,793 |
| Write-off | - | - | (31,690) | (31,690) |
| Other adjustments | 5 | - | 14,567 | 14,572 |
| At end of the financial year | 65,218 | 302,452 | 87,445 | 455,115 |

(viii) Deposits from customers

| | Economic Entity | |
|--------------------------------------|-------------------|-------------------|
| | 31/12/2023 | 31/12/2022 |
| | RM'000 | RM'000 |
| <u>Qard</u> | | |
| Demand deposits | 5,181,358 | 4,209,633 |
| Savings deposits | 809,322 | 850,109 |
| | 5,990,680 | 5,059,742 |
| <u>Mudarabah</u> | | |
| General investment deposits | 28,557 | 32,895 |
| <u>Tawarruq</u> | | |
| Murabahah term deposits | 16,371,873 | 17,512,129 |
| Commodity Murabahah | 601,655 | 1,238,215 |
| Savings deposits | 1,111,106 | 625,502 |
| Demand deposit | 1,256,676 | 707,138 |
| | 19,341,310 | 20,082,984 |
| Total deposits from customers | 25,360,547 | 25,175,621 |

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

A34. LIQUIDITY RISK

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

The maturities of on-balance sheet assets and liabilities as well as other off-balance sheet assets and liabilities, commitments and counter-guarantees are important factors in assessing the liquidity of the Group and the Bank.

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

| Group | Up to 1 month RM'000 | > 1-3 months RM'000 | > 3-12 months RM'000 | > 1-5 years RM'000 | Over 5 years RM'000 | No specific maturity RM'000 | Total RM'000 |
|---|-------------------------|------------------------|-------------------------|-----------------------|------------------------|--------------------------------|--------------------|
| As at 31 December 2023 : | | | | | | | |
| Assets | | | | | | | |
| Cash and short-term funds | 5,642,363 | - | - | - | - | - | 5,642,363 |
| Deposits and placements with banks and other financial institutions | - | 632,283 | 208,309 | - | - | - | 840,592 |
| Financial assets at FVTPL | 15,604 | 2,334 | 349 | 16,454 | 381,127 | 190,866 | 606,734 |
| Derivative financial instruments | 161,652 | 197,542 | 28,913 | 66,785 | 15,546 | - | 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 | 37,407 | 757,065 | 133,069 | 7,236,509 | 8,440,852 | - | 16,604,902 |
| Loans, advances and financing | 4,251,378 | 2,350,701 | 2,215,013 | 9,914,487 | 46,450,742 | 42,676 | 65,224,997 |
| Trade receivables | 398,876 | - | - | - | - | - | 398,876 |
| Other assets | 509,539 | 740 | 116,849 | 10,662 | 2,766 | 3,244 | 643,800 |
| Amount due from associates | 32 | - | - | - | - | - | 32 |
| Statutory deposits with BNM | 1,395,600 | - | - | - | - | - | 1,395,600 |
| Other non-financial assets ⁽¹⁾ | 167,120 | - | 1,588 | 3,881 | - | 3,218,995 | 3,391,584 |
| Total assets | 12,589,665 | 4,036,872 | 3,386,469 | 19,248,888 | 56,917,142 | 9,068,649 | 105,247,685 |
| Liabilities | | | | | | | |
| Deposits from customers | 28,284,953 | 8,172,586 | 23,753,931 | 10,622,241 | 400 | - | 70,834,111 |
| Investment accounts of customers | 346 | - | - | 13 | - | - | 359 |
| Deposits and placements with banks and other financial institutions | - | - | - | - | - | - | - |
| Obligation on securities sold under repurchase agreements | 6,483,196 | 2,264,658 | 302,828 | - | - | - | 9,050,682 |
| Derivative financial instruments | 552,830 | 290,171 | 4,074,909 | - | - | - | 4,917,910 |
| Bills and acceptances payable | 94,478 | 162,791 | 43,967 | 76,381 | 18,109 | - | 395,726 |
| Recourse obligation on loans/financing sold to Cagamas Berhad | 40,686 | - | - | - | - | - | 40,686 |
| Trade payables | - | - | - | - | 3,974,491 | - | 3,974,491 |
| Lease liabilities | 214,162 | - | - | - | - | - | 214,162 |
| Other liabilities | 38,649 | 723 | 3,894 | 2,455 | - | - | 45,721 |
| Borrowings and Sukuk | 330,035 | 15,680 | 578,810 | 243,251 | 22,055 | - | 1,189,831 |
| Other non-financial liabilities ⁽²⁾ | 9,986 | 10,315 | 11,034 | 750,000 | 500,000 | 2,023,066 | 3,304,401 |
| Total liabilities | 36,186,685 | 10,920,740 | 28,798,982 | 11,694,341 | 4,515,055 | 2,023,067 | 94,138,870 |
| Net liquidity gap | (23,597,020) | (6,883,868) | (25,412,513) | 7,554,547 | 52,402,087 | 7,045,582 | |

⁽¹⁾ Other non-financial assets include tax recoverable, deferred tax assets, investment in associates, property and equipment, right-of-use assets, intangibles assets,

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

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

A34. LIQUIDITY RISK (Cont.)

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

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

| Group | Up to 1 month RM'000 | > 1-3 months RM'000 | > 3-12 months RM'000 | > 1-5 years RM'000 | Over 5 years RM'000 | No specific maturity RM'000 | Total RM'000 |
|--|----------------------------|---------------------------|----------------------------|--------------------------|---------------------------|-----------------------------------|-------------------|
| As at 31 December 2022 : | | | | | | | |
| Assets | | | | | | | |
| Cash and short-term funds | 4,903,601 | - | - | - | - | - | 4,903,601 |
| Deposits and placements with banks and other financial institutions | - | 301,438 | - | - | - | - | 301,438 |
| Financial assets at FVTPL | - | 99,591 | 65,406 | 103,922 | 129,120 | 146,464 | 544,503 |
| Derivative financial instruments | 122,882 | 189,988 | 62,318 | 101,318 | 18,883 | - | 495,389 |
| Financial investments at FVOCI | - | 20,243 | 175,956 | 2,328,630 | 1,026,757 | 230,918 | 3,782,504 |
| Financial investments at AC | 4,999 | 210,641 | 842,489 | 7,133,020 | 8,661,952 | - | 16,853,101 |
| Loans, advances and financing | 4,302,562 | 2,202,174 | 1,688,058 | 9,501,110 | 40,196,015 | 41,937 | 57,931,856 |
| Trade receivables | 405,401 | - | - | - | - | - | 405,401 |
| Other assets | 319,722 | 1,709 | 60,300 | 11,030 | 2,823 | 3,069 | 398,653 |
| Amount due from joint ventures | 455 | - | - | - | - | - | 455 |
| Statutory deposits with BNM | 1,250,872 | - | - | - | - | - | 1,250,872 |
| Other non-financial assets ⁽¹⁾ | 173,422 | 125 | 37,631 | 40,986 | 93 | 3,000,847 | 3,253,104 |
| Total assets | 11,483,916 | 3,025,909 | 2,932,158 | 19,220,016 | 50,035,643 | 3,423,235 | 90,120,877 |
| Liabilities | | | | | | | |
| Deposits from customers | 28,751,272 | 12,369,291 | 22,893,951 | 980,536 | - | - | 64,995,050 |
| Investment accounts of customers | - | - | - | 859 | - | - | 859 |
| Deposits and placements with banks and other financial institutions | 1,739,021 | 1,354,765 | 221,790 | - | 48,580 | - | 3,364,156 |
| Obligation on securities sold under repurchase agreements | 1,643,168 | 2,134,497 | 1,035,742 | - | - | - | 4,813,407 |
| Derivative financial instruments | 140,454 | 237,361 | 63,889 | 82,441 | 18,109 | - | 542,254 |
| Bills and acceptances payable | 35,471 | - | - | - | - | - | 35,471 |
| Recourse obligation on loans/financing sold to Cagamas Berhad | - | 5,030 | 618,841 | 450,000 | - | - | 1,073,871 |
| Trade payables | 338,867 | - | - | - | - | - | 338,867 |
| Lease liabilities | 3,459 | 380 | 16,916 | 28,378 | 100 | - | 49,233 |
| Other liabilities | 236,689 | 14,093 | 1,032,643 | 273,109 | 21,008 | - | 1,577,542 |
| Borrowings and Sukuk | 23,205 | - | 760,734 | 1,250,000 | 495,992 | - | 2,529,931 |
| Other non-financial liabilities ⁽²⁾ | 140,071 | 3,105 | 28,224 | - | - | 8 | 171,408 |
| Total liabilities | 33,051,677 | 16,118,522 | 26,672,730 | 3,065,323 | 583,789 | 8 | 79,492,049 |
| Net liquidity gap | (21,567,761) | (13,092,613) | (23,740,572) | 16,154,693 | 49,451,854 | 3,423,227 | |

⁽¹⁾ Other non-financial assets include tax recoverable, deferred tax assets, investment in associates, property and equipment, right-of-use assets, intangibles assets,

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

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

A34. LIQUIDITY RISK (Cont.)

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.

| Bank | Up to 1 month RM'000 | > 1-3 months RM'000 | > 3-12 months RM'000 | > 1-5 years RM'000 | Over 5 years RM'000 | No specific maturity RM'000 | Total RM'000 |
|--|-------------------------------------|---------------------------------------|--|--------------------------------------|------------------------------------|--|-------------------------|
| As at 31 December 2023 : | | | | | | | |
| Assets | | | | | | | |
| Cash and short-term funds | 3,545,685 | - | - | - | - | - | 3,545,685 |
| Deposits and placements with banks and other financial institutions | - | 1,135,538 | 7,905 | - | - | - | 1,143,443 |
| Investment accounts due from designated financial institutions | 371,615 | 20,000 | 247,395 | 1,243,244 | 1,783,196 | - | 3,665,450 |
| Financial assets at FVTPL | 100,193 | 150,861 | 60,303 | 795,878 | 79,679 | 115,602 | 1,302,516 |
| Derivative financial instruments | 222,438 | 34,924 | 44,090 | 43,048 | 4,383 | - | 348,883 |
| Financial investments at FVOCI | - | - | - | - | - | 3,979,219 | 3,979,219 |
| Financial investments at AC | 200,071 | 55,776 | 653,131 | 6,755,830 | 3,515,611 | - | 11,180,419 |
| Loans, advances and financing | 1,494,135 | 1,560,106 | 1,618,878 | 6,340,258 | 23,497,073 | - | 34,510,450 |
| Other assets | 408,840 | - | 42,880 | 5,878 | 2,709 | - | 460,307 |
| Amount due from subsidiaries | 22,126 | - | - | - | - | - | 22,126 |
| Statutory deposits with BNM | 780,000 | - | - | - | - | - | 780,000 |
| Other non-financial assets ⁽¹⁾ | 74,144 | 281 | 38,893 | 29,651 | - | 5,646,227 | 5,789,196 |
| Total assets | 7,219,247 | 2,957,486 | 2,713,475 | 15,213,787 | 28,882,651 | 9,741,048 | 66,727,694 |
| Liabilities | | | | | | | |
| Deposits from customers | 17,564,109 | 8,063,818 | 15,902,349 | 251,835 | - | - | 41,782,111 |
| Deposits and placements of banks and other financial institutions | 3,461,987 | 1,697,185 | 535,845 | - | - | - | 5,695,017 |
| Obligation on securities sold under repurchase agreements | 1,683,918 | 1,914,076 | 505,960 | - | - | - | 4,103,954 |
| Derivative financial instruments | 111,921 | 65,682 | 105,324 | 41,789 | 3,863 | - | 328,579 |
| Bills and acceptances payable | 40,686 | - | - | - | - | - | 40,686 |
| Lease liabilities | 2,308 | 291 | 4,580 | 31,099 | - | - | 38,278 |
| Recourse obligation on loans/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 |
| Total liabilities | 23,301,011 | 12,196,089 | 17,375,798 | 3,417,632 | 513,603 | - | 56,804,133 |
| Net liquidity gap | (16,081,764) | (9,238,603) | (14,662,323) | 11,796,155 | 28,369,048 | 9,741,048 | |

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

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

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

A34. LIQUIDITY RISK (Cont.)

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

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

| Bank | Up to 1 month RM'000 | > 1-3 months RM'000 | > 3-12 months RM'000 | > 1-5 years RM'000 | Over 5 years RM'000 | No specific maturity RM'000 | Total RM'000 |
|--|----------------------------|---------------------------|----------------------------|--------------------------|---------------------------|-----------------------------------|-------------------|
| As at 31 December 2022 : | | | | | | | |
| Assets | | | | | | | |
| Cash and short-term funds | 1,986,132 | - | - | - | - | - | 1,986,132 |
| Deposits and placements with banks and other financial institutions | - | 251,389 | - | - | - | - | 251,389 |
| Investment accounts due from designated financial institutions | - | - | 200,000 | 1,147,488 | 1,372,192 | - | 2,719,680 |
| Financial assets at FVTPL | - | 99,590 | 65,406 | 103,922 | 129,120 | 110,395 | 508,433 |
| Derivative financial instruments | 115,160 | 141,251 | 55,819 | 76,404 | 18,883 | - | 407,517 |
| Financial investments at FVOCI | - | - | - | - | - | 206,993 | 206,993 |
| Financial investments at AC | 5,000 | 403,665 | 1,108,235 | 5,344,613 | 5,368,461 | - | 12,229,974 |
| Loans, advances and financing | 2,192,705 | 1,438,605 | 1,217,033 | 6,238,337 | 19,471,241 | - | 30,557,921 |
| Other assets | 181,090 | - | 33,031 | 7,981 | 2,596 | - | 224,698 |
| Amount due from subsidiaries | 5,835 | - | - | - | - | - | 5,835 |
| Amount due from associate | - | - | - | - | - | - | - |
| Statutory deposits with BNM | 749,272 | - | - | - | - | - | 749,272 |
| Other non-financial assets ⁽¹⁾ | 128,740 | 125 | 35,621 | 36,497 | - | 5,450,437 | 5,651,420 |
| Total assets | 5,363,934 | 2,334,625 | 2,715,145 | 12,955,242 | 26,362,493 | 5,767,825 | 55,499,264 |
| Liabilities | | | | | | | |
| Deposits from customers | 15,106,828 | 6,347,762 | 13,904,935 | 715,605 | - | - | 36,075,130 |
| Deposits and placements of banks and other financial institutions | 1,027,073 | 157,640 | 407 | - | - | - | 1,185,120 |
| Obligation on securities sold under repurchase agreements | 1,643,168 | 2,134,497 | 1,035,742 | - | - | - | 4,813,407 |
| Derivative financial instruments | 125,421 | 174,105 | 58,060 | 60,514 | 18,109 | - | 436,209 |
| Bills and acceptances payable | 35,471 | - | - | - | - | - | 35,471 |
| Lease liabilities | 3,311 | 138 | 15,956 | 26,035 | - | - | 45,440 |
| Recourse obligation on loans/financing sold to Cagamas Berhad | - | 5,030 | 618,841 | 450,000 | - | - | 1,073,871 |
| Other liabilities | 22,525 | - | 436,309 | 227,297 | 14,547 | - | 700,678 |
| Amount due to subsidiaries | 300,371 | - | - | - | - | - | 300,371 |
| Borrowings and Sukuk | 23,205 | - | - | 500,000 | 495,992 | - | 1,019,197 |
| Other non-financial liabilities ⁽²⁾ | 133,294 | - | - | - | - | - | 133,294 |
| Total liabilities | 18,420,667 | 8,819,172 | 16,070,250 | 1,979,451 | 528,648 | - | 45,818,188 |
| Net liquidity gap | (13,056,733) | (6,484,547) | (13,355,105) | 10,975,791 | 25,833,845 | 5,767,825 | |

⁽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.

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

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

B1. REVIEW OF PERFORMANCE OF THE COMPANY AND ITS PRINCIPAL SUBSIDIARIES

Table 1 : Financial review for individual and cumulative quarter ended 31 December 2023 against preceding year's corresponding quarter (continuing operations)

| | Individual Quarter Ended | | Changes | | Cumulative Quarter Ended | | Changes | |
|-------------------------------|--------------------------|----------------------|-----------|--------|--------------------------|----------------------|-----------|--------|
| | 31/12/2023 RM'000 | 31/12/2022 RM'000 | RM'000 | % | 31/12/2023 RM'000 | 31/12/2022 RM'000 | RM'000 | % |
| Net Income | 486,193 | 567,041 | (80,848) | (14.3) | 1,985,783 | 2,054,635 | (68,852) | (3.4) |
| Operating Profit | 85,771 | 223,963 | (138,192) | (61.7) | 486,421 | 230,780 | 255,641 | 110.8 |
| Profit Before Zakat and Tax | 70,519 | 54,295 | 16,224 | 29.9 | 522,887 | 239,391 | 283,496 | 118.4 |
| Profit Before Tax | 68,548 | 52,295 | 16,253 | 31.1 | 518,287 | 235,241 | 283,046 | 120.3 |
| Profit After Tax | 39,535 | 16,898 | 22,637 | 134.0 | 402,191 | 78,032 | 324,159 | 415.4 |
| Profit attributable to equity | 39,535 | 16,564 | 22,971 | 138.7 | 402,191 | 1,178,523 | (776,332) | (65.9) |

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

The Group registered a Profit Before Tax ("PBT") of RM518.3 million for the 12 months ended 31 December 2023, an increase of RM235.2 million or 120.3% as compared to RM283.1 million recorded in the previous corresponding period.

The increase in PBT was mainly due to lower allowance impairment losses of RM428.9 million for the current period to-date 31 December 2023 as compared to RM507.1 million in the previous corresponding period as well as an increase in net gains on financial instruments of RM97.4 million compared to RM70.7 million in the previous corresponding period.

Net interest income reduced by RM239.7 million to RM782.9 million for the current period to date due to a disproportionate increase in interest expense throughout the year owing to market competition.

Gross loans and financing grew by 12.3% year-on-year to RM66.7 billion compared to the position as at 31 December 2022 of RM59.3 billion. Customer deposits increased by 9.0% to RM70.8 billion while the CASA ratio improved to 26.7% for the current period as compared to 23.5% in the previous corresponding period.

CET 1 Capital Ratio, Tier 1 Capital Ratio and Total Capital Ratio were 14.305%, 15.833% and 18.269% respectively as at 31 December 2023.

Commercial Banking

ABB posted a PBT of RM260.5 million for the 12 months ended 31 December 2023, a decrease of RM1,073.2 million compared to a profit before tax of RM1,333.7 million in the previous corresponding period. The reduction was due to lower dividend received from subsidiaries of RM151.2 million in 2023 compared to RM1,281.0 million recorded in the previous corresponding period. The 2022 dividend paid by the subsidiaries mainly arose from the gains made on the divestment of the Affin Hwang Investment Bank's ("AHIB") stake in Affin Hwang Asset Management during the year.

AiBB registered a higher Profit Before Tax ("PBT") of RM317.7 million for the period ended 31 December 2023, an increase of RM144.7 million or 83.6% compared to RM173.1 million recorded in the previous corresponding period. The increase was mainly due to lower allowance for impairment losses of RM246.3 million which was partially offset by a lower gain in net financing income of RM81.3 million.

Investment Banking

AHIB Group recorded a PBT of RM92.5 million for the 12 months ended 31 December 2023, an increase of RM37.4 million as compared to the previous corresponding period of RM55.1 million. The increased was due to higher operating income representing fees and commission, net gain and losses on financial instruments and other income at RM176.0 million compared to RM139.7 million in previous year. Higher writeback in allowance made on credit impairment losses was recorded at RM25.3 million for current year, as compared to RM0.9 million in the previous corresponding year.

Insurance

The Group's share of profit after tax for its insurance segment increased by RM28.6 million to RM36.5 million for the 12 months ended 31 December 2023, mainly due higher earned premium and investment income, offset by higher net claims and commission as well as overhead expenses.

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

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

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

The Group recorded a PBT of RM68.5 million for the current quarter ended 31 December 2023, an increase of RM16.3 million compared to a profit before tax amounting to RM52.3 million the previous corresponding quarter ended 31 December 2022. This was mainly due to lower allowance for impairment losses of RM138.8 million and higher interest income of RM136.9 million.

Net interest income reduced by RM90.1 million to RM177.3 million for the current period to date due to a disproportionate increase in interest expense throughout the year owing to market competition.

Overhead expenses were 16.7% higher as compared to the same quarter last year mainly due to higher establishment expenses.

Commercial Banking

ABB registered a loss before tax of RM60.7 million for the current quarter ended 31 December 2023 which is lower by RM1,445.5 million as compared to the previous quarter last year. This was mainly due to dividend income of RM1,280.0 million in fourth quarter 2022.

AiBB registered a PBT of RM99.0 million for the current quarter ended 31 December 2023 as opposed to a Loss Before Tax of RM60.8 million in the previous year's corresponding quarter. This was mainly due to lower charge of impairment losses amounting to RM200.9 million which was offset by a decrease in net financing income of RM32.8 million.

Investment Banking

AHIB Group recorded a profit before zakat and taxation of RM38.2 million for current quarter ended 31 December 2023 compared to RM7.2 million from the same previous quarter last year, mainly due to net gains on financial instruments, other income and lower charge of impairment losses at RM13.3 million, RM7.8 million and RM14.9 million respectively. This was mainly due to net investment gains generated by the investment banking and higher net foreign exchange gains.

Insurance

The Group's share of loss after tax for its insurance segment decreased by RM12.8 million to RM3.7 million in the current quarter as compared to the loss after tax of RM16.5 million in previous corresponding quarter, mainly due to improved underwriting results.

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

| | Current Financial Quarter | Preceding Financial Quarter | Changes | |
|---|---------------------------|-----------------------------|----------|--------|
| | 31/12/2023 RM'000 | 30/9/2023 RM'000 | RM'000 | % |
| Net income | 486,193 | 500,441 | (14,248) | (2.8) |
| Operating Profit | 85,771 | 126,134 | (40,363) | (32.0) |
| Profit Before Tax | 68,548 | 104,082 | (35,534) | (34.1) |
| Profit After Tax | 39,535 | 100,451 | (60,916) | (60.6) |
| Profit attributable to equity holders of the Bank | 39,535 | 100,451 | (60,916) | (60.6) |

For the current financial quarter, the Group reported a lower PBT of RM68.5 million as compared to RM104.1 million achieved in the preceding quarter ended 30 September 2023. The decreased was mainly due to higher overhead expenses of RM24.2 million, a significant portion of which was attributed to increases in personnel costs and establishment expenses.

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

B3. ECONOMIC AND BUSINESS OUTLOOK FOR 2024

Malaysia's Gross Domestic Product ('GDP') is expected to increase to 4.5% from 3.8% in 2023 supported by continued growth in tourism activity, increased foreign direct investment and improved trade performance. Household spending will remain an anchor for growth, buoyed by increasing income levels and improving labour market conditions. The Malaysian Ringgit is expected to strengthen in 2024, reflecting the country's improving economic fundamentals and domestic headline inflation is expected to remain modest between 3.0% - 3.5% in 2024.

The forecasted GDP growth for 2024 signals economic expansion, providing opportunities for the banking industry to grow through increased lending/financing activities and rising demand for financial services. Margin compression may continue into 2024 as banks compete for deposits but is expected to be moderated by higher credit growth and lower credit costs. Strong capitalization and adequate impairment buffers are expected to cushion moderate increases in credit stress.

The outlook in 2024 will hinge on domestic political factors and potential adverse global developments such as escalating geopolitical tensions may contribute to global financial market uncertainties.

BUSINESS STRATEGY MOVING FORWARD

The Affin Group strategy remains on track going into 2024 with the key objectives of providing unrivalled customer service, building towards digital leadership and ensuring that the Group practices responsible banking with impact. This strategy was formulated in 2021 as part of the A25 Transformation Plan which the group will continue to pursue as it improves on productivity and efficiency of its services and operations.

Guided by these principles, the Affin Group is committed to its strategic priorities into 2025 to include:

1. Gaining traction on CASA growth momentum through branch expansion and strategic collaborations.
2. Continuing to build stable income by prioritizing high margin products, maintaining steady loan growth and adopting a selective segmental strategy.
3. Enhancing on our digital capabilities by expanding our offerings via Mobile Internet Banking and other channels.
4. Improving on efforts to effectively manage costs and safeguard asset quality.
5. Intensifying our commitment towards sustainable financing and fostering a team high performance culture within the organization.

B4. VARIANCE OF ACTUAL PROFIT FROM FORECAST PROFIT

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

B5. TAXATION

| | Individual Quarter Ended | | Cumulative Quarter Ended | |
|---|--------------------------|---------------|--------------------------|----------------|
| | 31/12/2023 | 31/12/2022 | 31/12/2023 | 31/12/2022 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| The Group | | | | |
| Malaysian income tax | | | | |
| Current tax | 21,162 | 52,446 | 90,882 | 165,277 |
| Over provision in prior financial period | 1 | 4,412 | (37,239) | 4,350 |
| Deferred tax income : | | | | |
| - Relating to originating temporary differences | 7,850 | (21,461) | 62,453 | (12,418) |
| | 29,013 | 35,397 | 116,096 | 157,209 |

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

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

| | Individual Quarter Ended | | Cumulative Quarter Ended | |
|---|--------------------------|---------------|--------------------------|---------------|
| | 31/12/2023 | 31/12/2022 | 31/12/2023 | 31/12/2022 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| The Bank | | | | |
| Malaysian income tax | | | | |
| Current tax | (1,170) | 49,750 | 2,786 | 74,046 |
| Over provision in prior financial year | - | 3,140 | (38,479) | 3,140 |
| Deferred tax income : | | | | |
| - Relating to originating temporary differences | (5,290) | (8,252) | 44,854 | (14,064) |
| | (6,460) | 44,638 | 9,161 | 63,122 |

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

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

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

B6. STATUS OF CORPORATE PROPOSALS

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.

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.

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

B7. DEPOSITS, LEASE LIABILITIES AND BORROWINGS

| | The Group | | The Bank | |
|--|----------------------|----------------------|----------------------|----------------------|
| | 31/12/2023 RM'000 | 31/12/2022 RM'000 | 31/12/2023 RM'000 | 31/12/2022 RM'000 |
| (i) Deposits from Customers | | | | |
| <u>By Type of Deposit:</u> | | | | |
| Demand Deposits | 13,592,568 | 11,073,400 | 7,259,773 | 6,182,379 |
| Savings Deposits | 5,321,126 | 4,176,804 | 3,400,698 | 2,701,194 |
| Fixed Deposits | 50,613,977 | 47,730,252 | 30,436,648 | 26,513,154 |
| Commodity Murabahah Deposits | 601,655 | 1,238,215 | - | - |
| Money Market Deposits | 273,597 | 415,034 | 273,597 | 415,034 |
| Negotiable Instruments of Deposits ('NID') | 411,394 | 263,369 | 411,395 | 263,369 |
| Others | 19,794 | 97,976 | - | - |
| | 70,834,111 | 64,995,050 | 41,782,111 | 36,075,130 |
| <u>By Maturity structure of fixed deposits, NID and others:</u> | | | | |
| Due within six months | 36,909,085 | 34,347,860 | 21,751,922 | 17,977,704 |
| Six months to one year | 13,815,130 | 13,438,321 | 8,865,763 | 8,083,231 |
| One year to three years | 294,052 | 223,683 | 228,643 | 713,795 |
| Three years to five years | 2,001 | 1,940 | 1,715 | 1,793 |
| Five years and above | 24,897 | 79,793 | - | - |
| | 51,045,165 | 48,091,597 | 30,848,043 | 26,776,523 |
| <u>By Type of Customer:</u> | | | | |
| Government and statutory bodies | 10,092,396 | 11,150,332 | 1,857,667 | 1,313,722 |
| Business enterprises | 21,272,651 | 18,036,571 | 12,194,550 | 10,202,954 |
| Individuals | 32,748,571 | 31,054,474 | 24,081,177 | 22,407,042 |
| Domestic Banking institutions | 423,641 | 371,612 | 524,354 | 371,362 |
| Domestic non-Banking financial institutions | 4,486,579 | 2,833,080 | 1,862,856 | 602,036 |
| Foreign entities | 619,851 | 552,973 | 483,323 | 429,923 |
| Others | 1,190,422 | 996,008 | 778,184 | 748,091 |
| | 70,834,111 | 64,995,050 | 41,782,111 | 36,075,130 |
| (ii) Deposits and placement of Banks and other financial institutions | | | | |
| <u>By Type of Institution:</u> | | | | |
| Licensed Banks | 4,416,132 | 866,809 | 4,513,756 | 474,046 |
| Licensed investment Banks | 1,241,807 | 657,559 | 885,122 | 448,948 |
| Other financial institutions | 3,392,743 | 1,839,788 | 296,139 | 262,126 |
| | 9,050,682 | 3,364,156 | 5,695,017 | 1,185,120 |
| <u>By Maturity structure of deposits:</u> | | | | |
| Due within six months | 9,013,954 | 3,142,856 | 5,659,790 | 1,185,120 |
| Six months to one year | 36,728 | 221,300 | 35,227 | - |
| | 9,050,682 | 3,364,156 | 5,695,017 | 1,185,120 |
| (iii) Lease Liabilities | | | | |
| At beginning of financial year | 49,233 | 36,872 | 45,440 | 29,232 |
| Additions | 20,728 | 52,909 | 10,273 | 48,268 |
| Interest/Profit expense | 457 | 2,674 | 249 | 1,589 |
| Lease payments | (24,697) | (41,064) | (17,684) | (33,649) |
| Disposal of subsidiary | - | (2,158) | - | - |
| At end of the financial year | 45,721 | 49,233 | 38,278 | 45,440 |

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

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

| | The Group | | The Bank | |
|--|------------------|------------|------------------|------------|
| | 31/12/2023 | 31/12/2022 | 31/12/2023 | 31/12/2022 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| (iv) <u>Borrowings and Sukuk</u> | | | | |
| (a) Tier-2 Subordinated Medium Term Notes (MTN) | 510,890 | 510,890 | 510,890 | 510,890 |
| (b) Additional Tier-1 Capital Securities ('AT1CS') | 500,468 | 512,315 | 500,468 | 512,315 |
| (c) Additional Tier-1 Sukuk Wakalah ('AT1S') | 505,808 | 303,425 | - | - |
| (d) MTN Tier-2 Sukuk Murabahah | 505,113 | 455,768 | - | - |
| (e) Senior Sukuk | 1,287,450 | 751,541 | - | - |
| | 3,309,729 | 2,533,939 | 1,011,358 | 1,023,205 |
| Fair value changes arising from fair value hedges | (5,328) | (4,008) | (5,328) | (4,008) |
| | 3,304,401 | 2,529,931 | 1,006,030 | 1,019,197 |

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

ABB had on 7 February 2017 and 20 September 2017 issued RM1.0 billion in nominal value each of Subordinated MTNs. Both Subordinated MTNs were fully redeemed on its first callable date of 7 February 2022 and 20 September 2022 respectively.

ABB had, on 26 July 2022, issued the 3rd series of the Subordinated MTNs amounting to RM500.0 million out of its approved BASEL III Compliant MTN Programme of up to RM6.0 billion in nominal value. The Subordinated MTNs were issued for a tenure of 10 years from the issue date on a 10-year non-callable 5-year basis, at a coupon rate of 5.00%. The Subordinated MTNs were issued for the purpose of general banking business and working capital requirements of the ABB.

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

ABB had, on 31 July 2018, issued first series of AT1CS of RM500.0 million out of its approved BASEL III Compliant AT1CS Programme of up to RM3.0 billion in nominal value. The first series AT1CS was issued on perpetual non-callable 5-year basis, at a coupon rate of 5.80%. The Bank had on, 31 July 2023 fully redeemed the first series of AT1CS of RM500.0 million and on 23 June 2023, the Bank had issued a second series of AT1CS of RM500.0 million. The second series AT1CS was issued on perpetual non-callable 5-year basis, at a fixed coupon rate of 5.70%. The second series AT1CS was issued for the purpose of general banking business and working capital requirements of the ABB.

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

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

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

(d) MTN Tier-2 Sukuk Murabahah

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

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

(e) Senior Sukuk

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

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

B8. MATERIAL LITIGATION

There is no material litigation during the financial period ended 31 December 2023.

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

B9. DIVIDENDS

The Board proposed a single-tier final dividend of 5.76 sen per share ("Proposed Dividend") in respect of the financial year ended 31 December 2023, amounting to dividend payable RM135,157,728 (based on ordinary shares issued share capital of 2,346,488,388 ordinary shares at 31 December 2023).

B10. EARNINGS PER SHARE

Basic

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

| The Group | Individual Quarter Ended | | Cumulative Quarter Ended | |
|--|---------------------------------|-------------------|---------------------------------|-------------------|
| | 31/12/2023 | 31/12/2022 | 31/12/2023 | 31/12/2022 |
| <u>Continuing operations</u> | | | | |
| Net profit attributable to the equity holders of the Bank (RM'000) | 39,535 | 16,898 | 402,191 | 78,032 |
| Weighted average number of ordinary shares in issue ('000) | 2,308,498 | 2,167,445 | 2,308,498 | 2,167,445 |
| Basic earnings per share (sen) | 1.71 | 0.78 | 17.42 | 3.60 |
| <u>Discontinued operations</u> | | | | |
| Profit attributable to the equity holders of the Bank (RM'000) | - | (334) | - | 1,100,491 |
| Weighted average number of ordinary shares in issue ('000) | 2,308,498 | 2,167,445 | 2,308,498 | 2,167,445 |
| Basic earnings per share (sen) | - | (0.02) | - | 50.77 |
| <u>The Bank</u> | | | | |
| | Individual Quarter Ended | | Cumulative Quarter Ended | |
| | 30/9/2023 | 30/9/2022 | 30/9/2023 | 30/9/2022 |
| Net profit attributable to the equity holders of the Bank (RM'000) | (54,229) | 1,340,143 | 251,322 | 1,270,538 |
| Weighted average number of ordinary shares in issue ('000) | 2,308,498 | 2,167,445 | 2,308,498 | 2,167,445 |
| Basic earnings per share (sen) | (2.35) | 61.83 | 10.89 | 58.62 |