

AFFIN BANK BERHAD
Registration No. 197501003274 (25046-T)
Condensed Interim Financial Statements
Unaudited Statements of Financial Position as at 30 September 2024

	Note	The Group		The Bank	
		30/9/2024 RM'000	31/12/2023 RM'000	30/9/2024 RM'000	31/12/2023 RM'000
ASSETS					
Cash and short-term funds		2,877,157	5,642,363	1,722,193	3,545,685
Deposits and placements with banks and other financial institutions		890,886	840,592	100,738	1,143,443
Reverse repurchase agreements with financial institutions		-	-	8,037	-
Investment accounts due from designated financial institutions		-	-	3,343,132	3,665,450
Financial assets at fair value through profit or loss ('FVTPL')	A10	2,516,355	606,734	2,184,097	1,302,516
Derivative financial instruments	A30	526,325	470,438	512,354	348,883
Financial investments at fair value through other comprehensive income ('FVOCI')	A11	14,305,454	10,027,767	6,442,216	3,979,219
Financial investments at amortised cost ('AC')	A12	15,235,560	16,604,902	11,251,239	11,180,419
Loans, advances and financing	A13	69,408,358	65,224,997	35,075,996	34,510,450
Trade receivables	A14	454,522	398,876	-	-
Other assets	A15	932,075	702,252	454,977	500,681
Amount due from subsidiaries		-	-	269,760	22,126
Amount due from joint ventures		3,683	32	-	-
Tax recoverable		227,281	255,645	190,754	178,043
Deferred tax assets		122,042	138,283	56,450	72,072
Statutory deposits with Bank Negara Malaysia		1,494,403	1,395,600	812,000	780,000
Investment in subsidiaries		-	-	3,304,665	3,204,123
Investment in associates		802,060	841,260	676,279	667,279
Property and equipment		1,455,313	1,383,137	1,439,529	1,368,091
Right-of-use assets		57,681	54,127	45,587	44,938
Intangible assets		765,182	660,680	319,161	214,276
TOTAL ASSETS		112,074,337	105,247,685	68,209,164	66,727,694
LIABILITIES AND EQUITY					
Deposits from customers	B7	73,973,518	70,834,111	41,690,009	41,782,111
Investment accounts of customers		-	359	-	-
Deposits and placements of banks and other financial institutions	B7	8,918,933	9,050,682	4,396,619	5,695,017
Obligation on securities sold under repurchase agreements		5,862,993	4,917,910	5,557,995	4,103,954
Derivative financial instruments	A30	1,480,130	395,726	1,436,643	328,579
Bills and acceptances payable		38,877	40,686	38,877	40,686
Recourse obligation on loans/financing sold to Cagamas Berhad		4,543,939	3,974,491	2,427,252	2,859,450
Trade payables		348,652	214,162	-	-
Lease liabilities	B7	49,767	45,721	40,528	38,278
Other liabilities	A16	1,509,647	1,360,615	716,385	657,093
Amount due to subsidiaries		-	-	274,764	292,935
Provision for taxation		22,991	6	-	-
Borrowings and Sukuk	B7	3,803,616	3,304,401	1,518,797	1,006,030
TOTAL LIABILITIES		100,553,063	94,138,870	58,097,869	56,804,133

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

AFFIN BANK BERHAD
Registration No. 197501003274 (25046-T)
Condensed Interim Financial Statements
Unaudited Statements of Financial Position as at 30 September 2024

	Note	The Group		The Bank	
		30/9/2024 RM'000	31/12/2023 RM'000	30/9/2024 RM'000	31/12/2023 RM'000
EQUITY					
Share capital		5,488,544	5,371,044	5,488,544	5,371,044
Reserves:					
FVOCI revaluation reserves	A17	229,325	169,540	224,169	204,573
Regulatory reserves	A17	276,954	337,761	140,563	270,563
Other reserves	A17	(130)	4,146	12,571	4,146
Retained profits	A17	5,526,581	5,226,324	4,245,448	4,073,235
TOTAL EQUITY		11,521,274	11,108,815	10,111,295	9,923,561
TOTAL LIABILITIES AND EQUITY		112,074,337	105,247,685	68,209,164	66,727,694
COMMITMENTS AND CONTINGENCIES	A29	76,471,492	87,430,950	58,251,655	63,141,622
CAPITAL ADEQUACY RATIOS	A31				
CET 1 capital ratio		13.271%	14.305%	12.211%	13.137%
Tier 1 capital ratio		14.679%	15.833%	13.323%	14.319%
Total capital ratio		17.217%	18.269%	15.405%	16.319%
CET 1 capital ratio (net of proposed dividends)		13.271%	14.259%	12.211%	13.066%
Tier 1 capital ratio (net of proposed dividends)		14.679%	15.787%	13.323%	14.247%
Total capital ratio (net of proposed dividends)		17.217%	18.223%	15.405%	16.247%
Net assets per share attributable to equity holders of the Bank (RM)		4.80	4.73	4.21	4.23

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

AFFIN BANK BERHAD
Registration No. 197501003274 (25046-T)
Condensed Interim Financial Statements
Unaudited Income Statements for the Financial Quarter Ended 30 September 2024

The Group	Note	Individual Quarter Ended		Cumulative Quarter Ended	
		30/9/2024	30/9/2023	30/9/2024	30/9/2023
		RM'000	RM'000	RM'000	RM'000
Interest income	A18	778,535	679,776	2,254,402	1,934,179
Interest expense	A19	(563,915)	(510,331)	(1,653,737)	(1,328,570)
Net interest income		214,620	169,445	600,665	605,609
Income from Islamic banking business		168,952	144,913	498,082	444,285
		383,572	314,358	1,098,747	1,049,894
Fee and commission income		78,929	59,829	231,147	196,444
Fee and commission expense		(4,593)	(3,120)	(11,885)	(8,082)
Net fee and commission income	A20	74,336	56,709	219,262	188,362
Net gains on financial instruments	A21	36,311	83,110	127,223	135,591
Other income	A22	118,549	46,264	166,844	125,743
Net income		612,768	500,441	1,612,076	1,499,590
Other operating expenses	A23	(455,920)	(374,307)	(1,202,629)	(1,020,735)
Operating profit before allowances		156,848	126,134	409,447	478,855
Write-back of/(allowance for) credit impairment losses	A24	54,758	(26,424)	88,603	(63,902)
Allowance for impairment losses on other assets	A25	(15,912)	(978)	(19,066)	-
Operating profit		195,694	98,732	478,984	414,953
Share of results of associates		7,945	7,322	20,391	37,415
Profit before zakat and taxation		203,639	106,054	499,375	452,368
Zakat		(2,013)	(1,972)	(4,693)	(2,629)
Profit before taxation		201,626	104,082	494,682	449,739
Taxation	B5	(55,809)	(3,631)	(120,075)	(87,083)
Net profit after zakat and taxation		145,817	100,451	374,607	362,656
Attributable to:					
Equity holders of the Bank		145,817	100,451	374,607	362,656
Earnings per share attributable to equity holders of the Bank (sen):					
- Basic	B10	6.07	4.38	15.82	15.80
- Diluted	B10	6.01	4.35	15.64	15.69

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

AFFIN BANK BERHAD
Registration No. 197501003274 (25046-T)
Condensed Interim Financial Statements
Unaudited Statements of Comprehensive Income
for the Financial Quarter Ended 30 September 2024

	Individual Quarter Ended		Cumulative Quarter Ended	
	30/9/2024	30/9/2023	30/9/2024	30/9/2023
The Group	RM'000	RM'000	RM'000	RM'000
Profit after zakat and taxation	145,817	100,451	374,607	362,656
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)	114,477	(8,811)	114,951	57,151
- Net credit impairment loss change in financial investments at FVOCI (debt instruments)	(18,566)	4,119	(21,130)	7,760
- Net loss on financial investments measured at FVOCI reclassified to profit or loss on disposal (debt instruments)	(12,394)	(326)	(16,843)	(1,714)
- Deferred tax on financial investments at FVOCI	(28,196)	(23)	(27,531)	(9,973)
- Share of other comprehensive (loss)/income of associates	26,176	(1,093)	8,910	5,545
<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)	-	-	1,428	844
Other comprehensive (loss)/ income for the financial period, net of tax	81,497	(6,134)	59,785	59,613
Total comprehensive income for the financial period	227,314	94,317	434,392	422,269
Total comprehensive income for the financial period attributable to:				
- Equity holders of the Bank	227,314	94,317	434,392	422,269

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

AFFIN BANK BERHAD
Registration No. 197501003274 (25046-T)
Condensed Interim Financial Statements
Unaudited Income Statements for the Financial Quarter Ended 30 September 2024

	Note	Individual Quarter Ended		Cumulative Quarter Ended	
		30/9/2024 RM'000	30/9/2023 RM'000	30/9/2024 RM'000	30/9/2023 RM'000
The Bank					
Interest income	A18	700,250	617,521	2,026,541	1,749,040
Interest expense	A19	(520,789)	(459,854)	(1,501,325)	(1,190,822)
Net interest income		179,461	157,667	525,216	558,218
Fee and commission income		37,015	34,821	126,307	126,118
Fee and commission expense		(4,593)	(3,120)	(11,885)	(8,082)
Net fee and commission income	A20	32,422	31,701	114,422	118,036
Net gains on financial instruments	A21	26,061	50,860	78,540	83,392
Other income	A22	193,788	198,871	253,319	319,807
Net income		431,732	439,099	971,497	1,079,453
Other operating expenses	A23	(314,127)	(262,453)	(805,353)	(706,229)
Operating profit before allowances		117,605	176,646	166,144	373,224
Write-back of/(allowance for) credit impairment losses	A24	27,443	(37,919)	56,626	(52,052)
Allowances for impairment losses on other assets	A25	(9,290)	-	(9,290)	-
Profit before zakat and taxation		135,758	138,727	213,480	321,172
Zakat		-	-	-	-
Profit before taxation		135,758	138,727	213,480	321,172
Taxation	B5	(24,611)	25,865	(36,110)	(15,621)
Net profit after taxation		111,147	164,592	177,370	305,551
Earnings per share attributable to equity holders of the Bank (sen):					
- Basic	B10	4.63	7.17	7.49	13.31
- Diluted	B10	4.59	7.14	7.42	13.25

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

AFFIN BANK BERHAD
Registration No. 197501003274 (25046-T)
Condensed Interim Financial Statements
Unaudited Statements of Comprehensive Income
for the Financial Quarter Ended 30 September 2024

	Individual Quarter Ended		Cumulative Quarter Ended	
	30/9/2024	30/9/2023	30/9/2024	30/9/2023
The Bank	RM'000	RM'000	RM'000	RM'000
Profit after zakat and taxation	111,147	164,592	177,370	305,551
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)	50,551	1,020	40,340	10,080
- Net credit impairment loss change in financial investments at FVOCI (debt instruments)	49	2,821	512	3,514
- Net loss on financial investments measured at FVOCI reclassified to profit or loss on disposal (debt instruments)	(7,556)	-	(11,544)	-
- Deferred tax on financial investments at FVOCI	(13,115)	(1,262)	(9,712)	913
Other comprehensive income for the financial period, net of tax	29,929	2,579	19,596	14,507
Total comprehensive income for the financial period	141,076	167,171	196,966	320,058

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

AFFIN BANK BERHAD
Registration No. 197501003274 (25046-T)
Condensed Interim Financial Statements
Unaudited Statements of Changes in Equity
for the Financial Quarter Ended 30 September 2024

The Group	Attributable to Equity Holders of the Bank					
	Non-distributable				Distributable	
	Share capital RM'000	FVOCI revaluation reserves RM'000	Regulatory reserves RM'000	Other reserves RM'000	Retained profits RM'000	Total equity RM'000
At 1 January 2024	5,371,044	169,540	337,761	4,146	5,226,324	11,108,815
Net profit for the financial period	-	-	-	-	374,607	374,607
Other comprehensive income (net of tax):						
- Financial investments at FVOCI	-	50,875	-	-	-	50,875
- Share of other comprehensive income of associates	-	8,910	-	-	-	8,910
Total comprehensive income for the financial period	-	59,785	-	-	374,607	434,392
Issuance of new shares	117,500	-	-	-	-	117,500
Share grant scheme granted	-	-	-	8,425	-	8,425
Transfer from regulatory reserves	-	-	(60,807)	-	60,807	-
Dividends	-	-	-	-	(135,157)	(135,157)
Insurance finance reserve	-	-	-	(12,701)	-	(12,701)
At 30 September 2024	5,488,544	229,325	276,954	(130)	5,526,581	11,521,274

	Attributable to Equity Holders of the Bank					
	Non-distributable				Distributable	
	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 period	-	-	-	-	362,656	362,656
Other comprehensive income (net of tax):						
- Financial investments at FVOCI	-	54,068	-	-	-	54,068
- Share of other comprehensive income of associates	-	5,545	-	-	-	5,545
Total comprehensive income for the financial period	-	59,613	-	-	362,656	422,269
Issuance of new shares	125,597	-	-	-	-	125,597
Transfer from regulatory reserves	-	-	(208,685)	-	208,685	-
Dividends	-	-	-	-	(176,681)	(176,681)
At 30 September 2023	5,371,044	104,419	271,114	-	5,253,436	11,000,013

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AFFIN BANK BERHAD
Registration No. 197501003274 (25046-T)
Condensed Interim Financial Statements
Unaudited Statements of Changes in Equity
for the Financial Quarter Ended 30 September 2024

The Bank	Non-distributable				Distributable	
	Share capital RM'000	FVOCI revaluation reserves RM'000	Regulatory reserves RM'000	Other reserves RM'000	Retained profits RM'000	Total equity RM'000
At 1 January 2024	5,371,044	204,573	270,563	4,146	4,073,235	9,923,561
Net profit for the financial period	-	-	-	-	177,370	177,370
Other comprehensive income (net of tax):						
- Financial investments at FVOCI	-	19,596	-	-	-	19,596
Total comprehensive income for the financial period	-	19,596	-	-	177,370	196,966
Issuance of new shares	117,500	-	-	-	-	117,500
Share grant scheme granted	-	-	-	8,425	-	8,425
Transfer from regulatory reserves	-	-	(130,000)	-	130,000	-
Dividends	-	-	-	-	(135,157)	(135,157)
At 30 September 2024	5,488,544	224,169	140,563	12,571	4,245,448	10,111,295

	Non-distributable			Distributable	
	Share capital RM'000	FVOCI revaluation reserves RM'000	Regulatory reserves RM'000	Retained profits RM'000	Total equity RM'000
At 1 January 2023	5,245,447	166,472	416,620	3,852,537	9,681,076
Net profit for the financial period	-	-	-	305,551	305,551
Other comprehensive income (net of tax):					
- Financial investments at FVOCI	-	14,507	-	-	14,507
Total comprehensive income for the financial period	-	14,507	-	305,551	320,058
Issuance of new shares	125,597	-	-	-	125,597
Transfer from regulatory reserves	-	-	(211,549)	211,549	-
Dividends	-	-	-	(176,681)	(176,681)
At 30 September 2023	5,371,044	180,979	205,071	4,192,956	9,950,050

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AFFIN BANK BERHAD
Registration No. 197501003274 (25046-T)
Condensed Interim Financial Statements
Unaudited Condensed Statements of Cash Flows
for the Financial Quarter Ended 30 September 2024

	The Group		The Bank	
	30/9/2024	30/9/2023	30/9/2024	30/9/2023
	RM'000	RM'000	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before taxation	494,682	449,739	213,480	321,172
Adjustments for items not involving the movement of cash and cash equivalents	713,516	(497,223)	579,295	(618,147)
Operating profit/(loss) before changes in working capital	1,208,198	(47,484)	792,775	(296,975)
Net changes in operating assets	(4,271,758)	(7,598,200)	151,249	(7,207,070)
Net changes in operating liabilities	4,321,147	9,313,822	135,357	8,684,941
Tax and zakat paid	(82,896)	(126,407)	(58,187)	(41,667)
Net cash generated from operating activities	1,174,691	1,541,731	1,021,194	1,139,229
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received:				
- financial investments at FVOCI	193,821	92,905	155,890	6,685
- financial investments at AC	322,567	315,846	317,038	1,257,723
Dividend income received:				
- financial assets at FVTPL	3,525	2,256	-	1,302
- financial investments at FVOCI	882	922	732	2,454
- subsidiaries and associates	-	-	66,169	151,295
Purchases of:				
- financial investments at FVOCI	(13,413,095)	(5,004,782)	(8,346,920)	(3,128,135)
- financial investments at AC	(192,913)	(935,645)	(1,542,808)	(181,413)
Redemptions/disposals of:				
- financial investments at FVOCI	9,000,627	(146,574)	5,783,039	(141,097)
- financial investments at AC	1,484,857	(1,905)	1,409,952	(1,600)
Purchases of:				
- property and equipment	(239,260)	316	(235,787)	-
- intangible assets	(5,092)	3,245	(4,942)	3,245
Partial disposal of equity interest in joint venture and associate	-	-	-	168,661
Proceeds from disposal of property and equipment	351	-	392	-
Investment in subsidiary	-	-	(100,040)	-
Investment in associates	(9,000)	-	(9,000)	-
Net cash used in investing activities	(2,852,730)	(5,673,416)	(2,506,285)	(1,860,880)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	-	(500,000)	-	(500,000)
Drawdown of borrowings	500,000	500,000	500,000	500,000
Interest/profit payment on borrowings	(98,793)	(84,183)	(34,407)	(59,450)
Payment of dividend to the equity holders of the Bank	(17,657)	(51,084)	(17,657)	(51,084)
Addition/(redemption) of recourse obligation on loans/financing sold to Cagamas Berhad	549,992	2,590,011	(450,008)	1,490,012
Proceeds from issuance of Commercial Paper	-	-	4,908	-
Interest/profit payment from recourse obligation on loans/financing sold to Cagamas Berhad	(90,427)	(41,808)	(55,748)	(29,589)
Lease payments	(26,424)	(19,447)	(21,417)	(16,561)
Net cash generated from/(used in) financing activities	816,691	2,393,489	(74,329)	1,333,328
Net (decrease)/increase in cash and cash equivalents	(861,348)	(1,738,196)	(1,559,420)	611,677
Effects of foreign exchange	(1,053,507)	320,150	(708,029)	289,502
Cash and cash equivalents at beginning of the financial period	4,435,730	5,005,328	3,545,685	2,237,521
Cash and cash equivalents at end of the financial period	2,520,875	3,587,282	1,278,236	3,138,700

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

AFFIN BANK BERHAD
Registration No. 197501003274 (25046-T)
Condensed Interim Financial Statements
Unaudited Condensed Statements of Cash Flows
for the Financial Quarter Ended 30 September 2024

	The Group		The Bank	
	30/9/2024	30/9/2023	30/9/2024	30/9/2023
	RM'000	RM'000	RM'000	RM'000
<u>Cash and cash equivalents comprise the following:</u>				
Cash and short-term funds	2,877,157	4,209,162	1,722,193	3,557,764
Deposits and placements of banks and other financial institutions	890,886	757,873	100,738	644,969
	3,768,043	4,967,035	1,822,931	4,202,733
Less: Amount held on behalf of commissioned dealer's representatives	-	(64,329)	-	-
Less: Cash and short-term funds and deposits and placements with banks and other financial institutions with original maturity of more than three months	(1,247,168)	(1,315,424)	(544,695)	(1,064,033)
	2,520,875	3,587,282	1,278,236	3,138,700

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

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

A1. BASIS OF PREPARATION

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

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

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

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

A2. ACCOUNTING POLICIES AND METHODS OF COMPUTATIONS

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

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

Amendments to MFRS 101 'Presentation of Financial Statements'

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

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

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

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

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

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

Amendments to MFRS 121 'Lack of Exchangeability'

Amendments to MFRS 121 'Lack of Exchangeability' (effective 1 January 2025) clarify that a currency is exchangeable when an entity is able to exchange it into another currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism that creates enforceable rights and obligations. If an entity can only obtain no more than an insignificant amount of the other currency at the measurement date for the specified purpose, then the currency is not exchangeable. In such cases, the entity is required to estimate the spot exchange rate at the measurement date.

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

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

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

A3. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

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

A4. SEASONAL OR CYCLICAL FACTORS

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

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

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group and the Bank during the financial period 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. BORROWINGS AND EQUITY SECURITIES

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

(a) Share capital

The share capital of the Bank increased from RM5,371,043,430 as at 31 December 2023 to RM5,488,543,516 as at 30 September 2024 via issuance of 53,998,201 new ordinary shares amounting to RM117,500,085 arising from the Dividend Reinvestment Plan ('DRP').

The outstanding ordinary shares of the Bank as at 30 September 2024 is 2,400,486,539 units (31 December 2023: 2,346,488,338 units).

(b) Borrowings and Sukuk

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

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

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

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

A8. DIVIDENDS PAID AND PROPOSED

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

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

A9. STATUS OF CORPORATE PROPOSAL

There were no corporate proposal reported during the financial period under review.

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

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

	The Group		The Bank	
	30/9/2024	31/12/2023	30/9/2024	31/12/2023
At fair value	RM'000	RM'000	RM'000	RM'000
<u>Money market instruments:</u>				
Malaysian Government treasury bills	234,412	79,679	234,412	79,679
Malaysian Government investment certificates	268,758	-	165,588	-
Cagamas Bonds/Sukuk	-	45,165	-	45,165
Bank Negara Malaysia Bills	367,266	-	367,266	-
Negotiable Instruments of Deposit	1,151,132	239,229	1,151,132	1,041,847
Negotiable Islamic Debt Certificates	99,409	-	99,409	-
	2,120,977	364,073	2,017,807	1,166,691
<u>Quoted securities:</u>				
Shares, warrants and REITs in Malaysia	126,996	89,123	-	-
Unit Trusts in Malaysia	1,289	1,257	-	-
	128,285	90,380	-	-
<u>Unquoted securities:</u>				
Shares in Malaysia	115,602	115,602	115,602	115,602
Corporate Bonds/Sukuk in Malaysia	76,061	20,225	35,765	20,223
Corporate Bonds/Sukuk outside Malaysia	75,430	16,454	14,923	-
	267,093	152,281	166,290	135,825
	2,516,355	606,734	2,184,097	1,302,516

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

	The Group		The Bank	
	30/9/2024	31/12/2023	30/9/2024	31/12/2023
At fair value	RM'000	RM'000	RM'000	RM'000
<u>Money market instruments:</u>				
Malaysian Government treasury bills	171,947	307,819	98,748	307,819
Malaysian Government securities	2,672,831	1,736,804	1,232,565	680,929
Malaysian Government investment issues	3,012,492	2,360,106	703,268	351,225
Cagamas Bonds/Sukuk	718,276	923,900	525,131	620,944
Bank Negara Malaysia Bills	-	9,994	-	-
Negotiable Instruments of Deposit	-	-	100,047	-
	6,575,546	5,338,623	2,659,759	1,960,917
<u>Unquoted securities:</u>				
Shares in Malaysia *	247,069	245,640	220,875	220,875
Corporate bonds/Sukuk in Malaysia #	4,457,107	3,669,088	1,727,543	1,211,290
Corporate Bonds/Sukuk outside Malaysia	3,025,732	774,416	1,834,039	586,137
	7,729,908	4,689,144	3,782,457	2,018,302
	14,305,454	10,027,767	6,442,216	3,979,219

* Equity securities designated at FVOCI.

Certain unquoted perpetual bonds are designated at FVOCI

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

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

	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				
30/9/2024				
At beginning of the financial period	533	21,156	-	21,689
Financial assets derecognised (other than write-off)	(300)	(29,707)	-	(30,007)
New financial assets purchased	1,157	120	-	1,277
Changes due to change in credit risk	263	8,445	-	8,708
Other adjustments	(118)	-	-	(118)
At end of the financial period	1,535	14	-	1,549
31/12/2023				
At beginning of the financial year	817	18,125	-	18,942
Total transfer between stages due to change in credit risk:	(393)	393	-	-
- Transfer to Lifetime ECL not credit impaired (Stage 2)	(393)	393	-	-
Financial assets derecognised (other than write-off)	(3,079)	-	-	(3,079)
New financial assets purchased	4,985	-	-	4,985
Changes due to change in credit risk	(1,797)	2,638	-	841
At end of the financial year	533	21,156	-	21,689

	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				
30/9/2024				
At beginning of the financial period	172	235	-	407
Financial assets derecognised (other than write-off)	(235)	-	-	(235)
New financial assets purchased	605	120	-	725
Changes due to change in credit risk	214	(126)	-	88
Other adjustments	(66)	-	-	(66)
At end of the financial period	690	229	-	919
31/12/2023				
At beginning of the financial year	-	-	-	-
Total transfer between stages due to change in credit risk:	(197)	197	-	-
- Transfer to Lifetime ECL not credit impaired (Stage 2)	(197)	197	-	-
Financial assets derecognised (other than write-off)	(2,148)	-	-	(2,148)
New financial assets purchased	3,468	-	-	3,468
Changes due to change in credit risk	(951)	38	-	(913)
At end of the financial year	172	235	-	407

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

	The Group		The Bank	
	30/9/2024	31/12/2023	30/9/2024	31/12/2023
	RM'000	RM'000	RM'000	RM'000
At amortised cost				
<u>Money market instruments:</u>				
Malaysian Government Securities	3,898,751	3,908,873	3,706,984	3,718,178
Malaysian Government Investment Issues	5,642,907	5,672,708	3,047,806	3,066,433
Cagamas Bonds/Sukuk	61,082	121,143	50,897	80,852
Bank Negara Malaysia Sukuk	673,921	-	673,921	-
Negotiable Instruments of Deposit and Islamic Debt Certificates	-	-	-	200,074
	10,276,661	9,702,724	7,479,608	7,065,537
<u>Unquoted securities:</u>				
Shares in Malaysia	14,915	14,915	14,915	14,915
Corporate Bonds/Sukuk in Malaysia	4,265,984	6,370,749	3,120,929	3,614,670
Corporate Bonds/Sukuk outside Malaysia	533,642	615,576	486,739	577,790
Foreign Treasury Bills	204,846	-	204,846	-
Loan stock in Malaysia	-	8,101	-	-
	5,019,387	7,009,341	3,827,429	4,207,375
	15,296,048	16,712,065	11,307,037	11,272,912
Fair value changes arising from fair value hedges	(3,201)	(2,582)	(3,238)	(2,582)
	15,292,847	16,709,483	11,303,799	11,270,330
Less: ECL	(57,287)	(104,581)	(52,560)	(89,911)
	15,235,560	16,604,902	11,251,239	11,180,419

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

The Group	Lifetime ECL not credit impaired		Lifetime ECL credit impaired		Total
	12-Month ECL Stage 1	Stage 2	Stage 3		
	RM'000	RM'000	RM'000	RM'000	RM'000
30/9/2024					
At beginning of the financial period	6,707	89,773	8,101		104,581
Financial assets derecognised (other than write-off)	(19)	(112,007)	-		(112,026)
New financial assets purchased	30	-	-		30
Changes due to change in credit risk	(1,745)	74,571	-		72,826
Write-offs	-	-	(7,936)		(7,936)
Other adjustments	(23)	-	(165)		(188)
At end of the financial period	4,950	52,337	-		57,287
31/12/2023					
At beginning of the financial year	9,985	55,736	15,560		81,281
Total transfer between stages due to change in credit risk:	(198)	198	-		-
- Transfer to Lifetime ECL not credit impaired (Stage 2)	(198)	198	-		-
Financial assets derecognised (other than write-off)	(1,137)	-	(7,064)		(8,201)
New financial assets purchased	407	-	-		407
Changes due to change in credit risk	(2,369)	33,839	-		31,470
Other adjustments	19	-	(395)		(376)
At end of the financial year	6,707	89,773	8,101		104,581
The Bank					
30/9/2024					
At beginning of the financial period	143	89,768	-		89,911
Financial assets derecognised (other than write-off)	(15)	(112,007)	-		(112,022)
New financial assets purchased	28	-	-		28
Changes due to change in credit risk	94	74,574	-		74,668
Other adjustments	(25)	-	-		(25)
At end of the financial period	225	52,335	-		52,560
31/12/2023					
At beginning of the financial year	2,616	55,736	-		58,352
Total transfer between stages due to change in credit risk:	(99)	99	-		-
- Transfer to Lifetime ECL not credit impaired (Stage 2)	(99)	99	-		-
Financial assets derecognised (other than write-off)	(677)	-	-		(677)
New financial assets purchased	260	-	-		260
Changes due to change in credit risk	(1,976)	33,933	-		31,957
Other adjustments	19	-	-		19
At end of the financial year	143	89,768	-		89,911

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A13. LOANS, ADVANCES AND FINANCING

(a) <u>BY TYPES</u>	The Group		The Bank	
	30/9/2024	31/12/2023	30/9/2024	31/12/2023
	RM'000	RM'000	RM'000	RM'000
Overdrafts	2,206,266	2,448,677	1,414,316	1,556,737
Term loans/financing:				
- Housing loans/financing	21,492,446	20,187,936	11,169,616	10,042,140
- Hire purchase receivables	15,565,464	14,844,361	8,244,503	8,900,963
- Syndicated financing	2,498,731	2,806,668	818,808	1,242,113
- Business term loans/financing	19,035,560	17,365,088	9,204,300	8,573,241
- Other term loans/financing	96,135	144,143	-	-
Bills receivables	1,167,475	877,094	488,921	606,365
Trust receipts	327,336	298,452	226,035	283,965
Claims on customers under acceptances credits	3,103,169	2,904,620	1,984,834	1,895,681
Staff loans/financing (of which RM Nil to Directors)	228,501	217,849	87,748	87,768
Credit cards	489,310	454,513	403,313	376,733
Revolving credits	2,511,622	2,489,684	1,797,536	1,902,535
Margin financing	1,906,843	1,623,784	-	-
Gross loans, advances and financing	70,628,858	66,662,869	35,839,930	35,468,241
Less: ECL	(1,220,500)	(1,437,872)	(763,934)	(957,791)
Total net loans, advances and financing	69,408,358	65,224,997	35,075,996	34,510,450

Included in the Group's other term loans/financing before expected credit losses as at reporting date is RM57.7 million (2023: RM56.8 million) of term financing disbursed by AFFIN ISLAMIC to its joint venture company Affin-i Nadayu Sdn Bhd.

(b) <u>BY MATURITY STRUCTURE</u>	The Group		The Bank	
	30/9/2024	31/12/2023	30/9/2024	31/12/2023
	RM'000	RM'000	RM'000	RM'000
Maturing within one year	13,335,971	12,275,006	6,770,308	7,119,792
One year to three years	3,277,857	3,913,266	2,361,372	2,375,510
Three years to five years	6,526,445	6,181,258	4,011,338	4,072,877
Over five years	47,488,585	44,293,339	22,696,912	21,900,062
	70,628,858	66,662,869	35,839,930	35,468,241

(c) <u>BY TYPES OF CUSTOMER</u>	The Group		The Bank	
	30/9/2024	31/12/2023	30/9/2024	31/12/2023
	RM'000	RM'000	RM'000	RM'000
Domestic banking institutions	11,393	7,287	11,393	7,287
Domestic non-banking institutions	630,209	669,501	212,569	211,984
Domestic business enterprises:				
- Small medium enterprises	11,427,003	11,087,598	8,292,214	7,998,011
- Others	12,106,773	12,560,264	6,712,019	7,448,727
Government and statutory bodies	1,519,910	904,324	2,111	1,436
Individuals	43,416,462	39,960,390	19,260,909	18,519,326
Other domestic entities	7,304	7,882	635	865
Foreign entities	1,509,804	1,465,623	1,348,080	1,280,605
	70,628,858	66,662,869	35,839,930	35,468,241

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A13. LOANS, ADVANCES AND FINANCING (Cont.)

	The Group		The Bank	
	30/9/2024	31/12/2023	30/9/2024	31/12/2023
	RM'000	RM'000	RM'000	RM'000
(d) <u>BY INTEREST / PROFIT RATE SENSITIVITY</u>				
Fixed rate:				
- Housing loans/financing	200,591	199,596	138,746	144,057
- Hire purchase receivables	15,068,404	14,694,074	8,244,497	8,900,963
- Other fixed rate loans/financing	1,440,505	1,514,610	554,704	530,490
Variable rate:				
- Base lending rate and base rate plus	29,349,348	29,829,841	15,507,898	15,446,225
- Cost plus	9,808,451	9,649,847	4,413,046	4,649,547
- Others variable rates	14,761,559	10,774,901	6,981,039	5,796,959
	70,628,858	66,662,869	35,839,930	35,468,241
(e) <u>BY ECONOMIC SECTORS</u>				
Primary agriculture	1,458,487	1,501,595	693,148	701,814
Mining and quarrying	116,326	393,026	51,093	284,353
Manufacturing	3,977,731	4,042,298	2,746,153	2,752,809
Electricity, gas and water supply	479,745	474,648	65,022	87,559
Construction	2,389,044	2,083,785	1,151,318	1,010,607
Real estate	4,533,027	4,938,887	3,347,538	3,578,499
Wholesale, retail trade, hotels and restaurants	6,144,963	6,226,712	4,637,097	4,793,959
Transport, storage and communication	3,028,005	2,420,702	1,889,175	1,536,815
Finance, insurance and business services	2,371,132	2,331,069	1,309,878	1,480,144
Education, health and others	2,515,521	2,113,853	548,923	604,066
Household	43,613,016	40,135,534	19,399,222	18,636,856
Others	1,861	760	1,363	760
	70,628,858	66,662,869	35,839,930	35,468,241
(f) <u>BY ECONOMIC PURPOSE</u>				
Purchase of securities	3,867,054	3,024,949	325,100	326,206
Purchase of transport vehicles	16,280,839	15,500,675	8,642,242	9,217,571
Purchase of landed properties of which:				
- Residential	21,847,117	20,548,761	11,320,041	10,185,729
- Non-residential	6,894,632	6,993,057	4,769,729	4,570,282
Fixed assets other than land and building	449,425	479,659	187,456	191,638
Personal use	4,414,720	3,746,713	660,948	691,031
Credit card	489,310	454,513	403,313	376,733
Consumer durable	149	237	15	17
Construction	2,189,976	2,353,404	1,333,352	1,449,449
Merger and acquisition	87,867	12,078	5,533	12,078
Working capital	11,761,051	11,613,969	6,593,701	7,064,878
Others	2,346,718	1,934,854	1,598,500	1,382,629
	70,628,858	66,662,869	35,839,930	35,468,241

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A13. LOANS, ADVANCES AND FINANCING (Cont.)

	The Group		The Bank	
	30/9/2024	31/12/2023	30/9/2024	31/12/2023
	RM'000	RM'000	RM'000	RM'000
(g) <u>BY GEOGRAPHICAL DISTRIBUTION</u>				
Perlis	143,442	129,564	17,389	23,142
Kedah	2,257,286	2,055,506	677,214	682,064
Pulau Pinang	4,104,349	4,084,333	2,352,209	2,352,305
Perak	2,031,594	1,847,668	827,084	872,516
Selangor	21,642,919	20,247,720	10,874,052	10,541,603
Wilayah Persekutuan	15,298,414	14,815,495	7,359,768	7,643,753
Negeri Sembilan	2,550,026	2,331,533	899,288	827,989
Melaka	1,214,065	1,199,734	609,856	674,944
Johor	10,176,140	9,476,772	6,292,207	5,854,763
Pahang	2,132,971	1,992,509	912,279	878,717
Terengganu	1,208,519	1,132,807	179,359	186,537
Kelantan	840,396	748,713	35,012	38,403
Sarawak	3,050,951	2,918,423	2,047,872	2,077,936
Sabah	2,536,978	2,504,646	1,556,069	1,675,413
Labuan	472,267	282,039	252,167	243,951
Outside Malaysia	968,541	895,407	948,105	894,205
	70,628,858	66,662,869	35,839,930	35,468,241
(h) <u>IMPAIRED LOANS, ADVANCES AND FINANCING</u>				
(i) <u>Movements of impaired loans, advances and financing</u>				
At beginning of the financial period/year	1,265,411	1,171,181	973,145	735,434
Classified as impaired	780,817	1,251,499	400,071	924,699
Reclassified as non-impaired	(351,472)	(884,100)	(179,068)	(526,219)
Amount recovered	(183,997)	(163,173)	(63,451)	(101,557)
Amount written-off	(273,152)	(109,996)	(227,032)	(59,212)
Other movements	(9,728)	-	-	-
At end of the financial period/year	1,227,879	1,265,411	903,665	973,145
Ratio of gross impaired loans, advances and financing to gross loans, advances and financing (*)	1.74%	1.90%	2.33%	2.49%

(*) For the Bank, RIA included in the ratio calculation amounting to RM3,366.2 million (2023: RM3,572.1 million) with impaired financing amounting to RM11.2 million (2023: RM Nil).

The outstanding contractual amounts of such assets written-off during the financial period amounting to RM273.2 million (2023: RM110.0 million) for the Group and RM227.0 million (2023: RM59.2 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

A13. LOANS, ADVANCES AND FINANCING (Cont.)

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

	The Group		The Bank	
	30/9/2024	31/12/2023	30/9/2024	31/12/2023
	RM'000	RM'000	RM'000	RM'000
(ii) <u>Impaired loans by economic sectors</u>				
Primary agriculture	10,207	9,686	10,036	9,513
Mining and quarrying	9,668	29,941	9,668	10,124
Manufacturing	43,704	40,733	37,286	34,007
Electricity, gas and water supply	11,221	4	11,171	1
Construction	138,353	179,913	109,987	121,028
Real estate	238,444	204,395	198,508	168,038
Wholesale, retail trade, hotels and restaurants	209,068	343,533	173,644	323,915
Transport, storage and communication	96,267	98,939	86,414	96,312
Finance, insurance and business services	25,706	21,211	10,943	10,617
Education, health and others	15,508	13,671	13,182	12,660
Household	429,733	323,385	242,826	186,930
	1,227,879	1,265,411	903,665	973,145
(iii) <u>Impaired loans by economic purpose</u>				
Purchase of securities	18,832	18,305	6	16
Purchase of transport vehicles	84,618	79,745	41,683	43,336
Purchase of landed properties of which:				
- Residential	321,815	242,475	201,151	147,602
- Non-residential	193,523	186,479	162,089	147,345
Fixed assets other than land and building	11,192	5,139	11,181	5,073
Personal use	44,989	18,434	15,669	9,234
Credit card	2,044	4,163	1,828	3,507
Construction	180,033	194,380	180,033	194,380
Working capital	342,758	490,761	268,261	403,096
Others	28,075	25,530	21,764	19,556
	1,227,879	1,265,411	903,665	973,145
(iv) <u>Impaired loans by geographical distribution</u>				
Perlis	4,125	4,437	89	621
Kedah	55,570	48,031	36,391	32,478
Pulau Pinang	70,536	129,073	54,606	119,639
Perak	18,123	15,768	8,223	9,111
Selangor	427,561	374,058	295,283	263,021
Wilayah Persekutuan	394,207	350,641	348,501	315,905
Negeri Sembilan	40,862	34,555	23,103	19,349
Melaka	79,208	132,140	62,727	123,206
Johor	59,765	54,104	32,214	30,132
Pahang	42,498	27,532	26,575	24,219
Terengganu	4,466	3,606	583	667
Kelantan	10,287	6,732	500	244
Sarawak	5,395	73,315	5,281	25,711
Sabah	15,275	11,373	9,588	8,796
Outside Malaysia	1	46	1	46
	1,227,879	1,265,411	903,665	973,145

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

A13. LOANS, ADVANCES AND FINANCING (Cont.)

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

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

The Group	12-Month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
30/9/2024	Stage 1	Stage 2	Stage 3	RM'000
	RM'000	RM'000	RM'000	RM'000
At beginning of the financial period	149,260	704,665	583,947	1,437,872
Total transfer between stages due to change in credit risk:	(322,393)	333,798	(11,405)	-
- Transfer to 12-month ECL (Stage 1)	47,804	(41,962)	(5,842)	-
- Transfer to Lifetime ECL not credit impaired (Stage 2)	(345,529)	427,568	(82,039)	-
- Transfer to Lifetime ECL credit impaired (Stage 3)	(24,668)	(51,808)	76,476	-
Loans/financing derecognised (other than write-off)	(46,083)	(446,678)	(45,695)	(538,456)
New loans/financing originated or purchased	415,746	-	-	415,746
Changes due to change in credit risk	(55,793)	12,365	158,976	115,548
Write-off	-	-	(197,461)	(197,461)
Other adjustments	(168)	(2,854)	(9,727)	(12,749)
At end of the financial period	140,569	601,296	478,635	1,220,500

The Group	12-Month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
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

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

A13. LOANS, ADVANCES AND FINANCING (Cont.)

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

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

The Bank 30/9/2024	12-Month ECL Stage 1 RM'000	Lifetime ECL not credit impaired Stage 2 RM'000	Lifetime ECL credit impaired Stage 3 RM'000	Total RM'000
At beginning of the financial period	95,645	392,797	469,349	957,791
Total transfer between stages due to change in credit risk:	(32,326)	25,627	6,699	-
- Transfer to 12-month ECL (Stage 1)	34,515	(30,873)	(3,642)	-
- Transfer to Lifetime ECL not credit impaired (Stage 2)	(43,903)	87,074	(43,171)	-
- Transfer to Lifetime ECL credit impaired (Stage 3)	(22,938)	(30,574)	53,512	-
Loans/financing derecognised (other than write-off)	(34,448)	(113,402)	(41,159)	(189,009)
New loans/financing originated or purchased	92,790	-	-	92,790
Changes due to change in credit risk	(38,937)	34,527	66,394	61,984
Write-off	-	-	(159,420)	(159,420)
Other adjustments	(164)	(38)	-	(202)
At end of the financial period	82,560	339,511	341,863	763,934

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

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A14. TRADE RECEIVABLES

	The Group	
	30/9/2024	31/12/2023
	RM'000	RM'000
Amount due from stock-broking clients:		
- performing accounts	226,859	337,519
- impaired accounts (i)	226	114
Amount due from brokers	113,647	34,991
Amount due from Bursa Securities Clearing Sdn Bhd	114,097	26,475
	454,829	399,099
Less: ECL (ii)	(307)	(223)
	454,522	398,876
(i) Movements of impaired trade receivables		
At beginning of the financial period/year	114	941
Classified as impaired	3,623	412
Reclassified as non-impaired	(3,511)	(1,239)
At end of the financial period/year	226	114
(ii) Movements in ECL		
At beginning of the financial period/year	223	756
Allowance made	3,758	506
Amount written-back	(3,674)	(1,039)
At end of the financial period/year	307	223

A15. OTHER ASSETS

	The Group		The Bank	
	30/9/2024	31/12/2023	30/9/2024	31/12/2023
	RM'000	RM'000	RM'000	RM'000
Other debtors	565,725	528,999	338,999	396,842
Prepayments and deposits	160,327	125,901	92,025	85,536
Cheque clearing accounts	202,413	51,287	18,052	33,368
Foreclosed properties (i)	8,724	19,316	5,901	5,901
	937,189	725,503	454,977	521,647
Less: ECL (ii)	(5,114)	(23,251)	-	(20,966)
	932,075	702,252	454,977	500,681
(i) Foreclosed properties				
At beginning of the financial period/year	19,316	23,950	5,901	8,485
Disposal	(10,592)	(4,634)	-	(2,584)
At end of the financial period/year	8,724	19,316	5,901	5,901
(ii) Movements in ECL				
At beginning of the financial period/year	23,251	4,749	20,966	-
Allowance made	15,800	22,500	1	20,966
Amount written-back	(33,937)	(2,983)	(20,967)	-
Amount written-off	-	(1,015)	-	-
At end of the financial period/year	5,114	23,251	-	20,966

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A16. OTHER LIABILITIES

	The Group		The Bank	
	30/9/2024 RM'000	31/12/2023 RM'000	30/9/2024 RM'000	31/12/2023 RM'000
BNM and CGC Funding programmes (a)	214,628	212,017	195,514	195,215
Margin and collateral deposits	146,642	125,111	121,630	104,773
Other creditors and accruals	309,432	316,832	154,901	115,297
Sundry creditors	168,434	78,757	60,923	56,650
Provision for zakat	7,972	5,383	939	710
Defined contribution plan (b)	66,962	61,048	64,904	59,074
Accrued employee benefits	118,200	109,736	88,643	73,183
Unearned income	19,001	127,312	13,910	37,124
Commissioned dealer's representatives trust balances	64,291	64,818	-	-
Securities borrowings and lending - borrow	317,935	151,709	-	-
Amounts payable to commissioned and salaried dealer's representatives	54,484	58,775	-	-
Add: ECL (c)				
- loan/financing commitments and financial guarantees	21,666	49,117	15,021	15,067
	1,509,647	1,360,615	716,385	657,093

(a) Includes monies received by the Group and the Bank under government financing scheme 'BNM SRF SME Fund' and 'SRF Tourism Fund' as part of the government support measures in response to COVID-19 for the purpose of SME lending with a six-year maturity amounting to RM160.8 million (2023: RM160.8 million). The financing under the government scheme is for lending at concession rates to SMEs.

(b) The Group and the Bank contribute to EPF, the national defined contribution plan. Once the contributions have been paid, the Group and the Bank have no further payment obligations.

	Group		Bank	
	30/9/2024 RM'000	31/12/2023 RM'000	30/9/2024 RM'000	31/12/2023 RM'000
(c) Movement in ECL				
At beginning of financial period/year	49,117	38,908	15,067	14,548
Net remeasurement of loss allowance	-	28,203	-	(2,132)
New loan commitments and financial guarantees issued	10,801	11,666	8,234	9,104
Loan commitment and financial guarantees derecognised	(38,252)	(29,660)	(8,280)	(6,453)
At end of the financial period/year	21,666	49,117	15,021	15,067

A17. RESERVES

	Group		Bank	
	30/9/2024 RM'000	31/12/2023 RM'000	30/9/2024 RM'000	31/12/2023 RM'000
FVOCI revaluation reserves (a)	229,324	169,540	224,169	204,573
Regulatory reserves (b)	276,954	337,761	140,563	270,563
Other reserves (c)	(130)	4,146	12,571	4,146
Retained profits	5,526,582	5,226,324	4,245,448	4,073,235
	6,032,730	5,737,771	4,622,751	4,552,517

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

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

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

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

A18. INTEREST INCOME

	Individual Quarter Ended		Cumulative Quarter Ended	
	30/9/2024	30/9/2023	30/9/2024	30/9/2023
The Group	RM'000	RM'000	RM'000	RM'000
Loan, advances and financing	556,455	492,001	1,609,873	1,435,974
Money at call and deposits placements with financial institutions	23,424	37,360	71,556	70,713
Reverse repurchase agreements with financial institutions	6	-	399	-
Financial investments at FVOCI	106,380	56,386	288,502	127,532
Financial investments at AC	89,903	92,175	278,137	294,565
Others	2,367	1,854	5,935	5,395
	778,535	679,776	2,254,402	1,934,179
The Bank				
Loan, advances and financing	461,009	434,152	1,357,070	1,247,059
Money at call and deposits placements with financial institutions	73,242	64,441	198,646	163,403
Reverse repurchase agreements with financial institutions	46	-	439	-
Financial investments at FVOCI	69,793	24,134	183,702	37,691
Financial investments at AC	95,545	94,467	285,283	299,564
Others	615	327	1,401	1,323
	700,250	617,521	2,026,541	1,749,040

A19. INTEREST EXPENSE

	Individual Quarter Ended		Cumulative Quarter Ended	
	30/9/2024	30/9/2023	30/9/2024	30/9/2023
The Group	RM'000	RM'000	RM'000	RM'000
Deposits from customers	387,355	386,740	1,171,723	1,025,471
Deposits and placements of banks and other financial institutions	74,602	46,213	200,454	102,290
Obligation on securities sold under repurchase agreements	50,344	31,632	146,749	98,121
Loans sold to Cagamas Berhad	24,480	23,319	74,683	47,751
Borrowing and sukuk	18,650	15,948	42,262	43,351
Others	8,484	6,479	17,866	11,586
	563,915	510,331	1,653,737	1,328,570
The Bank				
Deposits from customers	354,960	351,446	1,051,820	910,601
Deposits and placements of banks and other financial institutions	73,006	41,186	192,030	97,084
Obligation on securities sold under repurchase agreements	48,220	27,108	136,845	88,952
Loans sold to Cagamas Berhad	24,480	23,319	74,683	47,751
Borrowing and sukuk	18,654	15,948	42,266	43,351
Others	1,469	847	3,681	3,083
	520,789	459,854	1,501,325	1,190,822

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A20. NET FEE AND COMMISSION INCOME

	Individual Quarter Ended		Cumulative Quarter Ended	
	30/9/2024	30/9/2023	30/9/2024	30/9/2023
	RM'000	RM'000	RM'000	RM'000
The Group				
Fee and commission income:				
Net brokerage	29,509	15,995	72,731	45,169
Corporate advisory fees	1,351	1,906	4,026	3,389
Commission	12,641	13,347	36,207	37,220
Service charges and fees	20,772	18,100	79,953	78,875
Guarantee fees	3,958	3,466	10,932	10,629
Arrangement fees	726	25	1,336	1,286
Other fee income	9,972	6,990	25,962	19,876
	78,929	59,829	231,147	196,444
Fee and commission expense:				
Commission and referral expense	(4,593)	(3,120)	(11,885)	(8,082)
Net fee and commission income	74,336	56,709	219,262	188,362
The Bank				
Fee and commission income:				
Commission	12,602	13,177	35,995	37,050
Service charges and fees	20,691	18,087	79,704	78,634
Guarantee fees	3,420	3,309	9,944	10,186
Other fee income	302	248	664	248
	37,015	34,821	126,307	126,118
Fee and commission expense:				
Commission and referral expense	(4,593)	(3,120)	(11,885)	(8,082)
Net fee and commission income	32,422	31,701	114,422	118,036

A21. NET GAINS ON FINANCIAL INSTRUMENTS

The Group				
Income from financial instruments:				
Gains arising on financial assets at FVTPL:				
- net gain on disposal	6,401	16,792	39,752	36,205
- unrealised gain	693	13,781	11,554	15,610
- interest/profit income	21,186	33,853	52,156	51,932
- gross dividend income	1,836	1,916	3,525	2,256
(Losses)/gains on derivatives instruments:				
- realised (loss)/gain	(1,736)	(218)	(11,150)	1,574
- unrealised gain/(loss)	966	6,166	(4,945)	11,155
- interest/profit (expense)/income	(9,709)	1,775	11,809	4,227
Gains arising on financial investments at FVOCI:				
- net gain on disposal	9,543	1,811	10,197	4,165
- gross dividend income	220	260	882	922
Gains arising on financial investments at AC				
- net gain on redemption	-	-	-	62
Unrealised gains on fair value changes				
arising from fair value hedges	6,911	6,974	13,443	7,483
Net gains on financial instruments	36,311	83,110	127,223	135,591

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A21. NET GAINS ON FINANCIAL INSTRUMENTS (Cont.)

	Individual Quarter Ended		Cumulative Quarter Ended	
	30/9/2024	30/9/2023	30/9/2024	30/9/2023
The Bank	RM'000	RM'000	RM'000	RM'000
Income from financial instruments:				
Gains/(losses) arising on financial assets at FVTPL:				
- net gain on disposal	889	6,028	1,077	11,362
- unrealised gain/(loss)	4,233	(940)	9,729	9,112
- interest income	14,987	24,744	32,508	32,373
- gross dividend income	513	1,302	1,533	1,302
(Losses)/gains on derivatives instruments:				
- realised (loss)/gain	(364)	(4,577)	(136)	1,902
- unrealised gain/(loss)	1,319	13,283	(2,412)	14,231
- interest/profit (expense)/income	(10,166)	2,379	10,522	2,379
Gains arising on financial investments at FVOCI:				
- net gain on disposal	7,556	1,484	11,544	2,454
- gross dividend income	183	183	732	732
Gains arising on financial investments at AC				
- net gain on redemption	-	-	-	62
Unrealised gains on fair value changes arising from fair value hedges	6,911	6,974	13,443	7,483
Net gains on financial instruments	26,061	50,860	78,540	83,392

A22. OTHER INCOME

The Group				
Foreign exchange gains/(losses):				
- realised	1,130,128	112,704	1,216,640	(226,269)
- unrealised	(1,012,964)	(70,729)	(1,053,507)	320,150
Rental income	6,433	1,877	356	1,890
(Loss)/gain on sale of property and equipment	(113)	(3)	142	(2)
Gain on disposal of foreclosed properties	-	661	-	661
Other non-operating income	(4,935)	1,754	3,213	4,313
Net gain on disposal/dilution of interest in associates	-	-	-	25,000
Total other income	118,549	46,264	166,844	125,743
The Bank				
Foreign exchange gains/(losses):				
- realised	1,086,323	46,259	1,107,364	(201,649)
- unrealised	(964,855)	(7,691)	(944,699)	289,502
Rental income	1,748	1,913	6,213	1,983
Gain/(loss) on sale of property and equipment	2	(3)	112	(3)
Gain on disposal of foreclosed properties	-	661	-	661
Other non-operating income	5,770	7,732	18,160	21,701
Gross dividend received from subsidiaries and associates	64,800	150,000	66,169	151,295
Net gain on disposal/dilution of interest in associates	-	-	-	56,317
Total other income	193,788	198,871	253,319	319,807

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A23. OTHER OPERATING EXPENSES

The Group	Individual Quarter Ended		Cumulative Quarter Ended	
	30/9/2024 RM'000	30/9/2023 RM'000	30/9/2024 RM'000	30/9/2023 RM'000
<u>Personnel costs</u>				
Wages, salaries and bonus	215,057	190,505	560,471	488,387
Defined contribution plan	37,889	31,277	97,266	83,361
Voluntary separation scheme	797	-	797	-
Other personnel costs	28,511	10,925	78,657	58,638
	282,254	232,707	737,191	630,386
<u>Promotion and marketing-related expenses</u>				
Business promotion and advertisement	5,943	5,108	20,650	13,826
Entertainment	312	(596)	1,802	1,415
Traveling and accommodation	1,419	1,136	4,343	3,133
Commission and brokerage expenses	3,023	4,359	11,095	9,731
Other marketing expenses	1,554	1,503	5,453	5,504
	12,251	11,510	43,343	33,609
<u>Establishment expenses</u>				
Equipment rental	1,390	945	3,249	2,179
Repair and maintenance	58,970	37,622	131,037	82,450
Depreciation of property and equipment	17,372	14,904	52,485	44,086
Depreciation of right-of-use assets	8,814	6,051	26,044	21,189
Amortisation of intangible assets	4,503	4,887	14,731	15,660
IT consultancy fee	310	-	587	238
Dataline rental	9,993	6,378	28,611	14,077
Security services	4,750	4,725	14,351	12,098
Electricity, water and sewerage	4,486	4,033	12,622	11,401
Insurance/Takaful and indemnities	5,610	6,489	19,172	19,633
Other establishment costs	4,068	10,230	8,718	23,588
	120,266	96,264	311,607	246,599
<u>General and administrative expenses</u>				
Telecommunication expenses	3,529	3,105	10,787	8,992
Auditors' remuneration	915	840	2,773	2,530
Professional fees	3,885	4,563	12,962	11,311
Property and equipment written-off	845	1	2,776	3
Mail and courier charges	821	947	2,245	3,414
Stationery and consumables	4,870	2,360	12,443	8,708
Directors' fees and allowances	2,050	2,011	6,013	5,667
Donations	927	622	2,279	2,530
Settlement, clearing and bank charges	8,834	7,725	26,933	41,828
Stamp duties	1,375	48	1,511	182
Operational and litigation write-off expenses	10	1,673	16	1,678
Subscription fees	3,005	2,311	8,792	7,345
Other administration and general expenses	10,083	7,620	20,958	15,953
	41,149	33,826	110,488	110,141
Total other operating expenses	455,920	374,307	1,202,629	1,020,735

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

A23. OTHER OPERATING EXPENSES (Cont.)

	Individual Quarter Ended		Cumulative Quarter Ended	
	30/9/2024	30/9/2023	30/9/2024	30/9/2023
The Bank	RM'000	RM'000	RM'000	RM'000
<u>Personnel costs</u>				
Wages, salaries and bonus	136,180	125,172	347,463	325,132
Defined contribution plan	24,738	22,119	61,515	58,158
Voluntary separation scheme	797	-	797	-
Other personnel costs	25,028	11,596	66,728	43,685
	186,743	158,887	476,503	426,975
<u>Promotion and marketing-related expenses</u>				
Business promotion and advertisement	5,572	4,340	19,705	12,468
Entertainment	137	(301)	1,265	907
Travelling and accommodation	834	802	2,619	2,131
Commission and brokerage expenses	2,971	3,891	10,396	8,732
Others marketing expenses	794	195	2,173	2,990
	10,308	8,927	36,158	27,228
<u>Establishment expenses</u>				
Equipment rental	1,180	713	2,607	1,467
Repair and maintenance	42,456	28,863	80,584	56,793
Depreciation of property and equipment	16,696	14,122	50,342	41,626
Depreciation of right-of-use assets	7,091	4,697	21,811	16,233
Amortisation of intangible assets	4,295	4,676	14,050	14,921
IT consultancy fee	310	(90)	587	(33)
Dataline rental	7,545	4,148	21,274	7,375
Security services	3,211	3,648	9,724	8,900
Electricity, water and sewerage	2,860	2,992	7,929	8,158
Insurance/Takaful and indemnities	4,533	4,500	13,816	13,707
Other establishment costs	1,381	5,508	1,630	8,408
	91,558	73,777	224,354	177,555
<u>General and administrative expenses</u>				
Telecommunication expenses	521	588	1,702	1,663
Auditors' remuneration	661	600	2,007	1,802
Professional fees	232	262	669	2,133
Property and equipment written-off	842	(6)	2,518	(20)
Mail and courier charges	517	681	1,331	2,620
Stationery and consumables	2,946	1,433	6,683	5,917
Directors' fees and allowances	888	840	2,567	2,476
Donations	583	574	1,874	2,320
Settlement, clearing and bank charges	8,679	6,445	23,806	38,288
Stamp duties	41	47	86	128
Operational and litigation write-off expenses	10	1,673	16	1,678
Subscription fees	-	-	3	-
Other administration and general expenses	9,598	7,725	25,076	15,466
	25,518	20,862	68,338	74,471
Total other operating expenses	314,127	262,453	805,353	706,229

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

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

	Individual Quarter Ended		Cumulative Quarter Ended	
	30/9/2024	30/9/2023	30/9/2024	30/9/2023
	RM'000	RM'000	RM'000	RM'000
The Group				
ECL (written-back)/made on:				
- loans, advances and financing	(193)	49,550	(16,719)	80,108
- trade receivables	39	(23)	84	(531)
- securities and placements	(34,945)	6,723	(68,529)	31,999
- loan/financing commitments and financial guarantee	(15,669)	(822)	(27,451)	(236)
Bad debts and financing:				
- recovered	(21,108)	(30,198)	(37,704)	(53,420)
- written-off	17,118	1,194	61,716	5,982
	(54,758)	26,424	(88,603)	63,902
The Bank				
ECL (written-back)/made on:				
- loans, advances and financing	(8,682)	52,239	(35,628)	51,796
- securities and placements	(16,870)	6,726	(46,509)	36,222
- loan/financing commitments and financial guarantee	1,690	(902)	(46)	67
Bad debts and financing:				
- recovered	(15,784)	(20,762)	(25,704)	(40,353)
- written-off	12,203	618	51,261	4,320
	(27,443)	37,919	(56,626)	52,052

A25. ALLOWANCES FOR IMPAIRMENT LOSSES ON OTHER ASSETS

	Individual Quarter Ended		Cumulative Quarter Ended	
	30/9/2024	30/9/2023	30/9/2024	30/9/2023
	RM'000	RM'000	RM'000	RM'000
The Group				
Allowance for impairment made on:				
- amount due from joint ventures	-	-	32	-
- other debtors	15,912	978	19,034	-
	15,912	978	19,066	-
The Bank				
Allowance for impairment made on:				
- other debtors	9,290	-	9,290	-
	9,290	-	9,290	-

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

A26. SEGMENTAL INFORMATION ON REVENUE AND PROFIT

The segment analysis by activity for the individual and cumulative quarters ended 30 September 2024 and 30 September 2023 are as follows:

Current year's individual quarter ended 30 September 2024:

	Commercial Banking RM'000	Investment Banking RM'000	Insurance RM'000	Others RM'000	Elimination RM'000	Total RM'000
Revenue						
External revenue	576,985	32,937	-	2,846	-	612,768
Intersegment revenue	22,870	49,810	-	304	(72,984)	-
Segment revenue	599,855	82,747	-	3,150	(72,984)	612,768
Operating expenses	(398,718)	(57,996)	-	(5,584)	6,378	(455,920)
of which:						
Depreciation of property and equipment	(16,731)	(558)	-	(83)	-	(17,372)
Depreciation of right-of-use assets	(7,102)	(2,754)	-	(113)	1,155	(8,814)
Amortisation of intangible assets	(4,323)	(176)	-	(4)	-	(4,503)
(Allowances for)/write-back of impairment losses on loans, advances, financing and trade receivables/securities/other assets	(9,373)	47,920	-	-	299	38,846
Segment results	191,764	72,671	-	(2,434)	(66,307)	195,694
Share of results of associates (net of tax)	-	-	7,945	-	-	7,945
Profit before zakat and taxation	191,764	72,671	7,945	(2,434)	(66,307)	203,639
Zakat	(2,013)	-	-	-	-	(2,013)
Profit before taxation	189,751	72,671	7,945	(2,434)	(66,307)	201,626
Taxation						(55,809)
Net profit for the current individual quarter						145,817

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

The segment analysis by activity for the individual and cumulative quarters ended 30 September 2024 and 30 September 2023 are as follows (Cont.):

Preceding year's individual quarter ended 30 September 2023:

	Commercial Banking RM'000	Investment Banking RM'000	Insurance RM'000	Others RM'000	Elimination RM'000	Total RM'000
Revenue						
External revenue	454,435	42,764	-	3,242	-	500,441
Intersegment revenue	129,861	28,016	-	222	(158,099)	-
Segment revenue	584,296	70,780	-	3,464	(158,099)	500,441
Operating expenses	(330,462)	(47,378)	-	(2,912)	6,445	(374,307)
of which:						
Depreciation of property and equipment	(14,185)	(617)	-	(102)	-	(14,904)
Depreciation of right-of-use assets	(4,778)	(1,631)	-	(82)	440	(6,051)
Amortisation of intangible assets	(4,707)	(209)	-	29	-	(4,887)
(Allowances for)/write-back of impairment losses on loans, advances, financing and trade receivables/securities/other assets	(27,214)	(308)	-	-	120	(27,402)
Segment results	226,620	23,094	-	552	(151,534)	98,732
Share of results of associates (net of tax)	-	-	7,322	-	-	7,322
Profit before zakat and taxation	226,620	23,094	7,322	552	(151,534)	106,054
Zakat	(1,972)	-	-	-	-	(1,972)
Profit before taxation	224,648	23,094	7,322	552	(151,534)	104,082
Taxation						(3,631)
Net profit for the preceding individual quarter						100,451

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

The segment analysis by activity for the individual and cumulative quarters ended 30 September 2024 and 30 September 2023 are as follows (Cont.):

Current year's cumulative quarter ended 30 September 2024:

	Commercial Banking RM'000	Investment Banking RM'000	Insurance RM'000	Others RM'000	Elimination RM'000	Total RM'000
Revenue						
External revenue	1,446,083	156,830	-	9,163	-	1,612,076
Intersegment revenue	29,293	59,083	-	881	(89,257)	-
Segment revenue	1,475,376	215,913	-	10,044	(89,257)	1,612,076
Operating expenses	(1,064,827)	(142,527)	-	(15,679)	20,404	(1,202,629)
of which:						
Depreciation of property and equipment	(50,467)	(1,769)	-	(249)	-	(52,485)
Depreciation of right-of-use assets	(21,878)	(7,030)	-	(321)	3,185	(26,044)
Amortisation of intangible assets	(14,162)	(559)	-	(10)	-	(14,731)
Write-back of impairment losses on loans, advances, financing and trade receivables/securities/other assets	9,376	51,334	-	-	8,827	69,537
Segment results	419,925	124,720	-	(5,635)	(60,026)	478,984
Share of results of associates (net of tax)	-	-	20,391	-	-	20,391
Profit before zakat and taxation	419,925	124,720	20,391	(5,635)	(60,026)	499,375
Zakat	(3,356)	(1,337)	-	-	-	(4,693)
Profit before taxation	416,569	123,383	20,391	(5,635)	(60,026)	494,682
Taxation						(120,075)
Net profit for the current cumulative quarter						374,607

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

The segment analysis by activity for the individual and cumulative quarters ended 30 September 2024 and 30 September 2023 are as follows (Cont.):

Preceding year's cumulative quarter ended 30 September 2023:

	Commercial Banking RM'000	Investment Banking RM'000	Insurance RM'000	Others RM'000	Elimination RM'000	Total RM'000
Revenue						
External revenue	1,360,508	129,266	-	9,816	-	1,499,590
Intersegment revenue	163,750	38,773		615	(203,138)	-
Segment revenue	1,524,258	168,039	-	10,431	(203,138)	1,499,590
Operating expenses	(907,814)	(123,363)	-	(8,816)	19,258	(1,020,735)
of which:						
Depreciation of property and equipment	(41,850)	(1,948)	-	(288)	-	(44,086)
Depreciation of right-of-use assets	(16,472)	(4,899)	-	(258)	440	(21,189)
Amortisation of intangible assets	(15,026)	(626)	-	(8)	-	(15,660)
(Allowances for)/write-back of impairment losses on loans, advances, financing and trade receivables/securities/other assets	(73,742)	9,667	-	-	173	(63,902)
Segment results	542,702	54,343	-	1,615	(183,707)	414,953
Share of results of associates (net of tax)	-	-	37,415	-	-	37,415
Profit before zakat and taxation	542,702	54,343	37,415	1,615	(183,707)	452,368
Zakat	(2,629)	-	-	-	-	(2,629)
Profit before taxation	540,073	54,343	37,415	1,615	(183,707)	449,739
Taxation						(87,083)
Net profit for the preceeding cumulative quarter						362,656

A27. MATERIAL EVENT DURING AND SUBSEQUENT TO THE FINANCIAL PERIOD

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

On 27 September 2024, Lembaga Tabung Angkatan Tentera (LTAT), the substantial shareholder of the Bank, together with Boustead Holdings Berhad ('BHB'), a wholly-owned subsidiary of LTAT, had entered into a sale and purchase agreement with SG Assetfin Holdings Sdn Bhd ('SAH'), a wholly-owned special purpose vehicle of the State Financial Secretary, Sarawak. This agreement involves the divestment of approximately 634.7 million shares, representing a 26% stake of the Bank ('the Divestment').

Upon the completion of the Divestment, the collective shareholding of LTAT and BHB in the Bank will decrease to approximately 23%, based on the shareholding position as at 27 September 2024. Consequently, the State Government of Sarawak will become the single largest shareholder in the Bank, holding an aggregate shareholding interest of approximately 31%. The Divestment is expected to be completed in the 4th quarter of 2024.

Other than the significant change in the Bank's shareholding structure upon completion of the Divestment, there is no financial impact on the Group and on the Bank during or subsequent to the financial period ended 30 September 2024.

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

A28. CHANGES IN THE COMPOSITION OF THE GROUP

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

A29. COMMITMENTS AND CONTINGENCIES

In the normal course of business, the Group and the Bank make various commitments and incur certain contingent liabilities with legal recourse to their customers. No material losses are anticipated as a result of these transactions. These commitments and contingencies are not secured over the assets of the Group and the Bank. The principal amount of commitments and contingencies constitute the following:

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

	The Group Principal Amount		The Bank Principal Amount	
	30/9/2024 RM'000	31/12/2023 RM'000	30/9/2024 RM'000	31/12/2023 RM'000
Direct credit substitutes *	534,809	528,245	390,350	370,153
Transaction-related contingent items	1,118,508	1,385,471	703,004	840,151
Short-term self-liquidating trade-related contingencies	3,571,500	4,620,093	98,802	100,039
Obligations under an on-going underwriting agreement	33,300	-	-	-
Irrevocable commitments to extend credit				
- Maturity less than one year	8,290,343	7,383,227	4,473,965	4,480,382
- Maturity more than one year	2,727,948	2,826,847	1,874,716	1,924,957
Foreign exchange related contracts #				
- Less than one year	30,342,188	48,708,481	28,855,494	40,095,245
- One year to less than five years	155,240	326,889	44,906	-
Interest rate related contracts #				
- Less than one year	2,357,112	2,577,284	1,772,112	1,907,284
- One year to less than five years	18,267,929	11,343,119	13,441,263	7,734,449
- Five years and above	628,264	757,264	511,039	640,039
Equity related contracts	153,103	16,910	-	-
Any commitments that are unconditionally cancelled at any time by the Bank without prior notice or that effectively provide for automatic cancellation due to deterioration in a borrowers' creditworthiness.	1,848,219	1,624,905	-	-
Lending of Banks' securities or the posting of securities as collateral by Banks, including instances where these arise out of repo-style transactions. (i.e. repurchase / reverse repurchase and securities lending / borrowing transactions)	4,505,025	3,619,584	4,505,025	3,619,584
Unutilised credit card lines	1,938,004	1,712,631	1,580,979	1,429,339
	76,471,492	87,430,950	58,251,655	63,141,622

* Included in direct credit substitutes above are financial guarantee contracts of RM534.8 million and RM390.4 million at the Group and the Bank respectively (2023: RM528.2 million and RM370.2 million at the Group and the Bank respectively), of which fair value at the time of issuance is zero.

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

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

A30. DERIVATIVE FINANCIAL INSTRUMENTS

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

The Group	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
As at 30 September 2024												
Trading derivatives												
Foreign exchange derivatives:												
- Currency forwards	9,286,282	53,668	-	9,339,950	22,309	49	-	22,358	818,858	569	-	819,427
- Cross currency interest rate swaps	8,932	92,802	-	101,734	374	3,982	-	4,356	372	3,900	-	4,272
- Currency swaps	21,038,690	8,770	-	21,047,460	308,026	576	-	308,602	452,625	-	-	452,625
- Currency options	8,284	-	-	8,284	261	-	-	261	21	-	-	21
Interest/profit rate derivatives:												
- Interest/profit rate swaps	2,357,112	7,036,416	6,932,521	16,326,049	11,292	79,006	75,423	165,721	8,213	66,813	74,993	150,019
- Interest/profit rate options	-	-	529,422	529,422	1,781	4,479	2,963	9,223	-	-	1,398	1,398
Equity derivatives												
	153,103	-	-	153,103	-	-	-	-	15,498	-	-	15,498
Hedging derivatives												
Interest/profit rate derivatives:												
- Interest/profit rate swaps	-	2,010,058	2,387,776	4,397,834	-	9,164	12,900	22,064	-	5,400	31,470	36,870
	32,852,403	9,201,714	9,849,719	51,903,836	344,043	97,256	91,286	532,585	1,295,587	76,682	107,861	1,480,130
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												
	16,910	-	-	16,910	-	-	-	-	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
	51,362,113	3,986,318	8,451,710	63,800,141	333,430	24,636	112,372	470,438	268,635	22,771	104,320	395,726

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

A30. DERIVATIVE FINANCIAL INSTRUMENTS (Cont.)

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

	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 30 September 2024												
Trading derivatives												
Foreign exchange derivatives:												
- Currency forwards	8,071,056	44,906	-	8,115,962	15,647	49	-	15,696	742,218	-	-	742,218
- Currency swaps	20,776,154	-	-	20,776,154	335,596	-	-	335,596	544,674	-	-	544,674
- Currency options	8,284	-	-	8,284	261	-	-	261	21	-	-	21
Interest rate derivatives:												
- Interest rate swaps	1,772,112	5,018,416	4,902,625	11,693,153	10,137	63,130	65,374	138,641	7,695	51,948	59,886	119,529
- Interest rate options	-	-	529,422	529,422	-	-	2,963	2,963	-	-	1,398	1,398
Hedging derivatives												
Interest rate derivatives:												
- Interest rate swaps	-	1,463,168	2,038,671	3,501,839	-	6,297	12,900	19,197	-	4,202	24,601	28,803
	30,627,606	6,526,490	7,470,718	44,624,814	361,641	69,476	81,237	512,354	1,294,608	56,150	85,885	1,436,643
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 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 rate derivatives:												
- Interest rate swaps	-	710,000	1,909,830	2,619,830	-	5,479	15,969	21,448	-	5,492	15,101	20,593
	42,043,738	2,970,149	5,404,339	50,418,226	239,920	15,095	93,868	348,883	230,850	15,207	82,522	328,579

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

A30. DERIVATIVE FINANCIAL INSTRUMENTS (Cont.)

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

Market risk

Market risk is the potential change in value caused by movement in market rates or prices. The contractual amounts stated above provide only a measure of involvement in these types of transactions and do not represent the amount subject to market risk. Exposure to market risk may be reduced through offsetting on and off-balance sheet positions. As at the reporting date, the notional amount of foreign exchange exposure which was not hedged and hence, exposed to market risk was RM408.4 million (2023: RM204.7 million), while the notional amount of interest rate contract was RM3,688.5 million (2023: RM1,720.5 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 RM863.3 million (2023: RM770.2 million) and RM567.0 million (2023: RM333.6 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 2023.

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

A31. CAPITAL ADEQUACY

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

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

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

	The Group		The Bank	
	30/9/2024	31/12/2023	30/9/2024	31/12/2023
	RM'000	RM'000	RM'000	RM'000
a) The components of CET 1, Tier 1 and Tier 2 capital:				
<u>CET 1</u>				
Paid-up share capital	5,488,544	5,371,044	5,488,544	5,371,044
Retained profits	5,526,581	5,226,324	4,245,448	4,073,235
Unrealised gains on FVOCI instruments	229,325	169,540	224,169	204,573
Other disclosed reserves	(130)	4,146	12,571	4,146
	11,244,320	10,771,054	9,970,732	9,652,998
Less: Regulatory adjustments:				
- Goodwill and other intangibles	(765,182)	(660,680)	(319,161)	(214,275)
- Deferred tax assets	(122,042)	(138,283)	(56,450)	(72,072)
- 55% of cumulative unrealised gains on FVOCI instruments	(126,128)	(93,247)	(123,293)	(112,515)
- Investment in subsidiaries, joint ventures and associates	(802,060)	(841,260)	(3,980,944)	(3,871,402)
- Other CET 1 transitional adjustment	-	326,618	-	175,370
Total CET 1 Capital	9,428,908	9,364,202	5,490,884	5,558,104
<u>Additional Tier 1 Capital</u>				
Additional Tier 1 Capital	1,000,000	1,000,000	500,000	500,000
Total Tier 1 Capital	10,428,908	10,364,202	5,990,884	6,058,104
<u>Tier 2 Capital</u>				
Subordinated MTNs	1,000,000	1,000,000	500,000	500,000
Expected loss provisions #	803,539	594,530	435,874	346,186
Total Tier 2 Capital	1,803,539	1,594,530	935,874	846,186
Total Capital	12,232,447	11,958,732	6,926,758	6,904,290
b) The breakdown of risk-weighted assets:				
Credit risk	64,283,116	59,600,642	40,658,118	39,013,653
Market risk	2,906,270	1,828,658	2,144,662	1,230,139
Operational risk	3,859,021	4,029,830	2,163,009	2,063,846
Total risk-weighted assets	71,048,407	65,459,130	44,965,789	42,307,638
c) Capital adequacy ratios:				
<u>With transitional arrangements</u>				
CET 1 capital ratio	*N/A	14.305%	*N/A	13.137%
Tier 1 capital ratio	*N/A	15.833%	*N/A	14.319%
Total capital ratio	*N/A	18.269%	*N/A	16.319%
CET 1 capital ratio (net of proposed dividends) ^{Note 1}	*N/A	14.259%	*N/A	13.066%
Tier 1 capital ratio (net of proposed dividends) ^{Note 1}	*N/A	15.787%	*N/A	14.247%
Total capital ratio (net of proposed dividends) ^{Note 1}	*N/A	18.223%	*N/A	16.247%

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

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

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

A31. CAPITAL ADEQUACY (Cont.)

c) Capital adequacy ratios (cont.):	The Group		The Bank	
	30/9/2024	31/12/2023	30/9/2024	31/12/2023
<u>Without transitional arrangements</u>				
CET 1 capital ratio	13.271%	13.806%	12.211%	12.723%
Tier 1 capital ratio	14.679%	15.334%	13.323%	13.905%
Total capital ratio	17.217%	18.000%	15.405%	16.239%
CET 1 capital ratio (net of proposed dividends) ^{Note 1}	13.271%	13.760%	12.211%	12.651%
Tier 1 capital ratio (net of proposed dividends) ^{Note 1}	14.679%	15.288%	13.323%	13.833%
Total capital ratio (net of proposed dividends) ^{Note 1}	17.217%	17.954%	15.405%	16.167%

Note 1:

Under the Dividend Reinvestment Plan (DRP), the amount of declared dividend to be deducted in the calculation of CET 1 Capital Ratio is determined in accordance with BNM's Implementation Guidance on Capital Adequacy Framework (Capital Components) (Implementation Guidance) issued on 9 December 2020.

Under the said Implementation Guidance, where a portion of the dividend may be reinvested under a DRP (the electable portion), the amount of the declared dividend to be deducted in the calculation of CET 1 Capital Ratio may be reduced as follows:-

- (i) where an irrevocable written undertaking from shareholder has been obtained to reinvest the electable portion of the dividend; or
- (ii) where there is no irrevocable written undertaking provided, the average of the preceding 3-year take-up rates or if less than 3 preceding years, the available average historical take-up rates, subject to the amount being not more than 50% of the total electable portion of the dividend.

In arriving at the capital adequacy ratios, the portion of the proposed dividends where no irrevocable written undertaking from shareholders to reinvest the electable portion into new ordinary shares of the Bank is obtained, is assumed to be paid in cash and has been deducted from the calculation of CET 1 Capital Ratio.

In accordance with BNM's Guidelines on Investment Account, the credit and market risk weighted on the assets funded by the RIA are included in calculation of capital adequacy for the Bank. As at 30 September 2024, RIA assets included in the Total Capital Ratio calculation amounted to RM3,366.2 million (2023: RM3,572.1 million).

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

	Economic Entity		The Bank	
	30/9/2024	31/12/2023	30/9/2024	31/12/2023
<u>With transitional arrangements</u>				
CET 1 capital ratio	*N/A	12.733%	*N/A	12.733%
Tier 1 capital ratio	*N/A	15.100%	*N/A	15.100%
Total capital ratio	*N/A	18.473%	*N/A	18.473%
<u>Without transitional arrangements</u>				
CET 1 capital ratio	11.532%	12.076%	11.532%	12.076%
Tier 1 capital ratio	13.614%	14.443%	13.614%	14.443%
Total capital ratio	16.868%	17.985%	16.868%	17.985%

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

	The Group		The Bank	
	30/9/2024	31/12/2023	30/9/2024	31/12/2023
<u>With transitional arrangements</u>				
CET 1 capital ratio	*N/A	36.670%	*N/A	41.849%
Tier 1 capital ratio	*N/A	36.670%	*N/A	41.849%
Total capital ratio	*N/A	37.330%	*N/A	42.603%
<u>Without transitional arrangements</u>				
CET 1 capital ratio	35.398%	36.394%	37.653%	41.532%
Tier 1 capital ratio	35.398%	36.394%	37.653%	41.532%
Total capital ratio	36.064%	37.054%	38.362%	42.286%

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

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

A32. FAIR VALUE MEASUREMENTS

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

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

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
The Group				
30 September 2024				
Financial Assets				
Financial assets at FVTPL:				
- Money market instruments	-	2,120,977	-	2,120,977
- Corporate bonds/Sukuk	-	151,491	-	151,491
- Shares and unit trusts	128,285	-	115,602	243,887
	<u>128,285</u>	<u>2,272,468</u>	<u>115,602</u>	<u>2,516,355</u>
Derivative financial instruments	-	526,325	-	526,325
Financial investments at FVOCI:				
- Money market instruments	-	6,575,546	-	6,575,546
- Shares	-	-	247,069	247,069
- Corporate bonds/Sukuk	-	7,482,839	-	7,482,839
	<u>-</u>	<u>14,058,385</u>	<u>247,069</u>	<u>14,305,454</u>
	<u>128,285</u>	<u>16,857,178</u>	<u>362,671</u>	<u>17,348,134</u>
Financial Liabilities				
Derivative financial instruments	-	1,480,130	-	1,480,130
Other liabilities - structured warrants	76	-	-	76
	<u>76</u>	<u>1,480,130</u>	<u>-</u>	<u>1,480,206</u>
31 December 2023				
Financial Assets				
Financial assets at FVTPL:				
- Money market instruments	-	364,073	-	364,073
- Corporate bonds/Sukuk	-	36,679	-	36,679
- Shares and unit trusts	90,380	-	115,602	205,982
	<u>90,380</u>	<u>400,752</u>	<u>115,602</u>	<u>606,734</u>
Derivative financial instruments	-	470,438	-	470,438
Financial investments at FVOCI:				
- Money market instruments	-	5,338,623	-	5,338,623
- Shares	-	-	245,640	245,640
- Corporate bonds/Sukuk	-	4,443,504	-	4,443,504
	<u>-</u>	<u>9,782,127</u>	<u>245,640</u>	<u>10,027,767</u>
	<u>90,380</u>	<u>10,653,317</u>	<u>361,242</u>	<u>11,104,939</u>
Financial Liabilities				
Derivative financial instruments	-	395,726	-	395,726
Other liabilities - equities trading	981	-	-	981
	<u>981</u>	<u>395,726</u>	<u>-</u>	<u>396,707</u>

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

A32. FAIR VALUE MEASUREMENTS (Cont.)

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
The Bank				
30 September 2024				
Financial Assets				
Financial assets at FVTPL:				
- Money market instruments	-	2,017,807	-	2,017,807
- Corporate bonds/Sukuk	-	50,688	-	50,688
- Unquoted shares	-	-	115,602	115,602
	-	2,068,495	115,602	2,184,097
Derivative financial instruments	-	512,354	-	512,354
Financial investments at FVOCI:				
- Money market instruments	-	2,659,759	-	2,659,759
- Unquoted shares	-	-	220,875	220,875
- Corporate bonds/Sukuk	-	3,561,582	-	3,561,582
	-	6,221,341	220,875	6,442,216
	-	8,802,190	336,477	9,138,667
Financial Liabilities				
Derivative financial instruments	-	1,436,643	-	1,436,643
31 December 2023				
Financial Assets				
Financial assets at FVTPL:				
- Money market instruments	-	1,166,691	-	1,166,691
- Corporate bonds/Sukuk	-	20,223	-	20,223
- Unquoted shares	-	-	115,602	115,602
	-	1,186,914	115,602	1,302,516
Derivative financial instruments	-	348,883	-	348,883
Financial investments at FVOCI:				
- Money market instruments	-	1,960,917	-	1,960,917
- Unquoted shares	-	-	220,875	220,875
- Corporate bonds/Sukuk	-	1,797,427	-	1,797,427
	-	3,758,344	220,875	3,979,219
	-	5,294,141	336,477	5,630,618
Financial Liabilities				
Derivative financial instruments	-	328,579	-	328,579

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

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

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

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A32. FAIR VALUE MEASUREMENTS (Cont.)

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

The Group and the Bank recognise transfers between levels of the fair value hierarchy at the end of the reporting period during which the transfer has occurred. Transfers between fair value hierarchy primarily due to change in the level of trading activity, change in observable market activity related to an input, reassessment of available pricing information and change in the significance of the unobservable input. There were no transfers between Level 1, 2 and 3 of the fair value hierarchy during the financial period (2023: RM Nil).

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

	The Group		The Bank	
	30/9/2024	31/12/2023	30/9/2024	31/12/2023
	RM'000	RM'000	RM'000	RM'000
At beginning of the financial period/year	361,242	341,313	336,477	317,388
Total gains recognised in other comprehensive income	1,429	19,929	-	19,089
At end of the financial period/year	362,671	361,242	336,477	336,477

Effect of changes in significant unobservable assumptions to reasonably possible alternative

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

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A33. OPERATIONS OF ISLAMIC BANKING - AFFIN ISLAMIC BANK BERHAD

(i) Unaudited Statements of Financial Position

	Economic Entity	
	30/9/2024 RM'000	31/12/2023 RM'000
ASSETS		
Cash and short-term funds	1,290,148	3,161,757
Deposits and placements with banks and other financial institutions	1,053,169	400,526
Financial assets at fair value through profit or loss ('FVPTL')	189,036	-
Derivative financial instruments	28,901	18,907
Financial investments at fair value through other comprehensive income ('FVOCI')	3,850,276	1,674,282
Financial investments at amortised cost ('AC')	4,492,979	4,568,010
Financing and other financing	32,141,175	28,760,767
Other assets	312,995	135,546
Amount due from holding company	91,403	288,431
Amount due from joint ventures	3,683	32
Taxation recoverable	36,278	43,746
Deferred tax assets	30,063	39,040
Statutory deposits with Bank Negara Malaysia	556,000	485,000
Property and equipment	1,009	782
Right-of-use assets	177	238
Intangible assets	1,029	863
TOTAL ASSETS	44,078,321	39,577,927
LIABILITIES AND ISLAMIC BANKING CAPITAL FUNDS		
Deposits from customers	28,334,030	25,360,547
Investment accounts of customers	-	359
Deposits and placements of banks and other financial institutions	4,598,619	4,172,179
Investment accounts due to designated financial institutions	3,384,649	3,579,578
Derivative financial instruments	33,960	23,539
Recourse obligation on financing sold to Cagamas Berhad	2,116,687	1,115,041
Other liabilities	306,997	319,188
Lease liabilities	187	271
Subordinated and Senior Sukuk	2,395,896	2,363,770
TOTAL LIABILITIES	41,171,025	36,934,472
ISLAMIC BANKING CAPITAL FUNDS		
Share capital	1,310,000	1,210,000
Reserves	1,597,296	1,433,455
Total Islamic Banking Capital Funds	2,907,296	2,643,455
TOTAL LIABILITIES AND ISLAMIC BANKING CAPITAL FUNDS	44,078,321	39,577,927
COMMITMENTS AND CONTINGENCIES	11,708,358	11,396,972

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

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

(ii) Unaudited Income Statements

	Economic Entity			
	Individual Quarter Ended		Cumulative Quarter Ended	
	30/9/2024	30/9/2023	30/9/2024	30/9/2023
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds and others	431,784	366,574	1,232,803	1,069,831
Income derived from investment of investment accounts	45,878	40,579	141,845	119,142
Income derived from investment of shareholders' funds	39,018	33,807	115,324	97,655
Write-back of/(allowance for) impairment losses on financing and other financing	(20,611)	10,748	(31,013)	(21,570)
Allowance for impairment losses on other assets	(6,916)	-	(6,948)	-
Total distributable income	489,153	451,708	1,452,011	1,265,058
Income attributable to the depositors and others	(306,297)	(257,714)	(857,713)	(733,064)
Income attributable to the investment accounts holders	(42,313)	(38,075)	(128,627)	(108,946)
Total net income	140,543	155,919	465,671	423,048
Other operating expenses	(84,644)	(68,049)	(259,630)	(201,725)
Profit before zakat and taxation	55,899	87,870	206,041	221,323
Zakat	(2,013)	(1,972)	(3,356)	(2,629)
Profit before taxation	53,886	85,898	202,685	218,694
Taxation	(13,691)	(23,505)	(53,186)	(57,347)
Net profit for the financial period	40,195	62,393	149,499	161,347

(iii) Unaudited Statements of Comprehensive Income

	Economic Entity			
	Individual Quarter Ended		Cumulative Quarter Ended	
	30/9/2024	30/9/2023	30/9/2024	30/9/2023
	RM'000	RM'000	RM'000	RM'000
Net profit for the financial period	40,195	62,393	149,499	161,347
Other comprehensive income/(loss):				
<u>Items that may be reclassified subsequently to profit or loss:</u>				
- Net fair value change in financial investments at FVOCI	28,401	(5,160)	24,019	(2,663)
- Net credit impairment loss change in financial investments at FVOCI	188	931	351	1,054
- Net loss on financial investments measured at FVOCI reclassified to profit or loss on disposal (debt instruments)	(2,663)	-	(4,711)	-
- Deferred tax on financial investments at FVOCI	(7,077)	40	(5,819)	639
Other comprehensive income/(loss) for the financial period, net of tax	18,849	(4,189)	13,840	(970)
Total comprehensive income for the financial period	59,044	58,204	163,339	160,377

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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 2024	1,210,000	11,452	46,469	214	1,375,320	2,643,455
Net profit for the financial period	-	-	-	-	149,499	149,499
Other comprehensive income (net of tax): - Financial investments at FVOCI	-	13,840	-	-	-	13,840
Total comprehensive income for the financial period	-	13,840	-	-	149,499	163,339
Issued during the financial period	100,000	-	-	-	-	100,000
Share grant scheme granted	-	-	-	502	-	502
Transfer to regulatory reserves	-	-	45,999	-	(45,999)	-
At 30 September 2024	1,310,000	25,292	92,468	716	1,478,820	2,907,296

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	Retained profits RM'000		
At 1 January 2023	1,210,000	-	46,469	1,140,844	2,397,313	
Net profit for the financial period	-	-	-	161,347	161,347	
Other comprehensive income (net of tax): - Financial investments at FVOCI	-	(970)	-	-	(970)	
Total comprehensive income for the financial period	-	(970)	-	161,347	160,377	
Transfer from regulatory reserves	-	-	(1)	1	-	
At 30 September 2023	1,210,000	(970)	46,468	1,302,192	2,557,690	

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	
	30/9/2024	31/12/2023
	RM'000	RM'000
(v) Financing and other financing		
By type		
Cash Line-i	791,950	891,940
Term financing:		
- Housing financing	10,322,830	10,145,796
- Hire purchase receivables	7,320,961	5,943,398
- Syndicated financing	1,640,064	1,523,392
- Others term financing	9,831,260	8,791,847
Bills receivables	678,554	270,729
Trust receipts	101,301	14,487
Claims on customers under acceptance credits	1,118,335	1,008,939
Staff financing (of which RM Nil to Directors)	135,466	124,027
Credit/charge cards receivables	85,997	77,780
Revolving financing	546,352	397,810
Gross financing and other financing	32,573,070	29,190,145
Less: ECL	(431,895)	(429,378)
Total net financing and other financing	32,141,175	28,760,767
(vi) Movements of impaired financing		
At beginning of the financial period/year	220,978	357,422
Classified as impaired	368,458	323,439
Reclassified as non-impaired	(172,000)	(357,881)
Amount recovered	(71,788)	(51,218)
Amount written-off	(46,120)	(50,784)
At end of the financial period/year	299,528	220,978
Ratio of gross impaired financing and other financing to gross financing and other financing (exclude restricted investment accounts)*	0.99%	0.86%

(*) For the Bank, RIA excluded in the ratio calculation amounting to RM3,366.2 million (2023: RM3,572.1 million) with impaired financing amounting to RM11.2 million (2023: RM Nil).

The outstanding contractual amounts of such assets written-off during the period ended 30 September 2024 for the Bank is RM46.1 million (2023: RM50.8 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	
30/9/2024	Stage 1	Stage 2	Stage 3	RM'000
At beginning of the financial period	RM'000	RM'000	RM'000	RM'000
Total transfer between stages due to change in credit risk:	52,663	294,440	82,275	429,378
- Transfer to 12-month ECL (Stage 1)	(290,051)	308,157	(18,106)	-
- Transfer to Lifetime ECL not credit impaired (Stage 2)	13,289	(11,089)	(2,200)	-
- Transfer to Lifetime ECL credit impaired (Stage 3)	(301,612)	340,480	(38,868)	-
	(1,728)	(21,234)	22,962	-
Financing derecognised (other than write-off)	(11,611)	(321,862)	(4,457)	(337,930)
New financing originated or purchased	322,920	-	-	322,920
Changes due to change in credit risk	(16,964)	(19,972)	92,505	55,569
Write-off	(1)	-	(38,041)	(38,042)
At end of the financial period	56,956	260,763	114,176	431,895
Economic Entity				
31/12/2023				
At beginning of the financial year	65,218	302,452	87,445	455,115
Total transfer between stages due to change in credit risk:	(168,533)	204,749	(36,216)	-
- Transfer to 12-month ECL (Stage 1)	21,720	(19,994)	(1,726)	-
- Transfer to Lifetime ECL not credit impaired (Stage 2)	(190,123)	244,851	(54,728)	-
- Transfer to Lifetime ECL credit impaired (Stage 3)	(130)	(20,108)	20,238	-
Financing derecognised (other than write-off)	(22,024)	(13,709)	(2,189)	(37,922)
New financing originated or purchased	216,912	-	-	216,912
Changes due to change in credit risk	(38,912)	(199,052)	66,833	(171,131)
Write-off	-	-	(43,096)	(43,096)
Other adjustments	2	-	9,498	9,500
At end of the financial year	52,663	294,440	82,275	429,378

(viii) Deposits from customers

	Economic Entity	
	30/9/2024	31/12/2023
	RM'000	RM'000
<u>Qard</u>		
Demand deposits	6,470,807	5,181,358
Savings deposits	807,807	809,322
	7,278,614	5,990,680
<u>Mudarabah</u>		
General investment deposits	28,133	28,557
<u>Tawarruq</u>		
Murabahah term deposits	18,290,790	16,371,873
Commodity Murabahah	306,908	601,655
Savings deposits	1,195,825	1,111,106
Demand deposit	1,233,760	1,256,676
	21,027,283	19,341,310
Total deposits from customers	28,334,030	25,360,547

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 30 September 2024 against preceding year's corresponding quarter

	Individual Quarter Ended		Changes		Cumulative Quarter Ended		Changes	
	30/9/2024 RM'000	30/9/2023 RM'000	RM'000	%	30/9/2024 RM'000	30/9/2023 RM'000	RM'000	%
Net Income	612,768	500,441	112,327	22.4	1,612,076	1,499,590	112,486	7.5
Operating Profit	195,694	98,732	96,962	98.2	478,984	414,953	64,031	15.4
Profit Before Zakat and Tax	203,639	106,054	97,585	92.0	499,375	452,368	47,007	10.4
Profit Before Tax	201,626	104,082	97,544	93.7	494,682	449,739	44,943	10.0
Profit After Tax	145,817	100,451	45,366	45.2	374,607	362,656	11,951	3.3

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

The Group reported a Profit Before Tax ('PBT') of RM494.7 million for the nine months ended 30 September 2024, representing an increase of RM44.9 million or 10.0% compared to the RM449.7 million recorded in the previous corresponding period. The increase in PBT was primarily attributed to higher non-interest income and income from Islamic banking business by RM63.6 million and RM53.8 million respectively, as well as a higher write-back of credit impairment losses by RM133.5 million during the period. The increase was offset with higher operating expenses of RM181.9 million.

Gross loans and financing marked a year-over-year growth of 9.9%, reaching a value of RM70.6 billion, as compared to RM64.3 billion as of 30 September 2023. Customer deposits increased by 3.3% to RM74.0 billion, while the Current Account and Savings Account ('CASA') ratio continued to improve to 26.9% for the current period, as compared to 23.2% in the previous corresponding period.

As of the end of the reporting period on 30 September 2024, the CET 1 Capital Ratio, Tier 1 Capital Ratio and Total Capital Ratio stood at 13.3%, 14.7% and 17.2%, respectively.

Commercial Banking

ABB recorded a PBT of RM213.5 million for the nine months ended on 30 September 2024. This represented a reduction of RM107.7 million or 33.5% in comparison to the PBT of RM321.2 million reported in the previous corresponding period. The decrease in PBT was mainly due to lower net interest margins, higher personnel costs and establishment expenses during the period partially offset by a reduction in allowances for impairment losses by RM99.4 million.

For the nine months ended 30 September 2024, AiBB had recorded a PBT of RM202.7 million. This represented a decrease of 7.3%, or RM16.0 million, in comparison to the PBT of RM218.7 million reported in the previous corresponding period. The lower PBT was mainly attributable to a higher allowance for impairment losses during the period.

Investment Banking

For the nine months ended 30 September 2024, AHIB Group recorded a higher PBT of RM123.4 million, compared to RM54.3 million recorded in the previous corresponding period. The increase in PBT was primarily due to higher net fee and commission income and write-back for impairment losses of RM35.4 million and RM41.6 million respectively. The increase was partially offset by a rise in personnel costs during the period.

Insurance

For the nine months period ended 30 September 2024, the Group's insurance division reported a share of profit after tax amounting to RM20.4 million, representing a decline of RM17.0 million as compared to the previous corresponding period. The decrease was mainly due to higher operating expenses incurred during the period.

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

For the current quarter ended 30 September 2024, the Group recorded a PBT of RM201.6 million, an increase of RM97.5 million from the PBT of RM104.1 million recorded in the same quarter of the preceding year.

The increase in PBT was primarily attributed to higher interest income and income from Islamic banking business by RM45.2 million and RM24.0 million respectively, as well as a higher write-back of credit impairment losses by RM66.2 million and a higher net foreign exchange gains by RM75.2 million during the period. The increase was offset with higher operating expenses of RM81.6 million and lower net gains on financial instruments of RM46.8 million during the period.

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

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

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

Commercial Banking

ABB recorded a PBT of RM135.8 million for the quarter ended 30 September 2024, a slight decrease of RM3.0 million compared to the same quarter in the previous year. The decline was mainly due to lower net gains on financial instruments and higher operating expenses by RM24.8 million and RM51.7 million respectively, offset by a higher net interest income and a reduction in allowances for impairment losses by RM21.8 million and RM56.1 million respectively.

AiBB recorded a PBT of RM53.9 million for the quarter ended 30 September 2024, a decrease of RM32.0 million compared to the same quarter in the previous year. The decrease was mainly due to an increase in overhead expenses of RM16.6 million as well as an increase in allowance for impairment losses of RM27.5 million. The decrease was partially mitigated by a growth in net financing income by RM22.9 million.

Investment Banking

AHIB Group reported a PBT of RM72.7 million for the quarter ended 30 September 2024, an increase from the RM24.0 million reported in the same quarter in the previous year. The increase was primarily attributed to higher net interest income of RM11.9 million for the current quarter and higher write-back of impairment losses by RM47.3 million, offset by an increase in overhead expenses by RM10.6 million.

Insurance

The Group's share of profit after tax for its insurance segment slightly increased by RM0.6 million to RM7.9 million in the current quarter, compared to RM7.3 million in the previous corresponding quarter. The improvement was mainly due to better underwriting results.

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

	Current Financial Quarter	Preceding Financial Quarter	Changes	
	30/9/2024 RM'000	30/6/2024 RM'000	RM'000	%
Net income	612,768	494,768	118,000	23.8
Operating Profit	195,694	139,346	56,348	40.4
Profit Before Zakat and Tax	203,639	150,798	52,841	35.0
Profit Before Tax	201,626	149,007	52,619	35.3
Profit After Tax	145,817	118,582	27,235	23.0

For the current financial quarter, the Group's PBT reported at RM201.6 million, an increase of RM52.6 million or 35.3% over the RM149.0 million recorded in the immediate preceding quarter ended 30 June 2024. The higher PBT was mainly due to higher net income of RM118.0 million and higher write-back of impairment losses by RM26.5 million. This increase was offset by higher overhead expenses by RM88.1 million and lower share of results from associates by RM3.6 million.

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

B3. ECONOMIC AND BUSINESS OUTLOOK FOR 2024

The International Monetary Fund ('IMF') and World Bank have raised their global growth forecasts to 3.3% and 2.6% respectively. As global inflationary pressures ease, major economies are beginning to ease monetary policies in anticipation of interest rate cuts stimulating demand. The World Bank has increased Malaysia's 2024 economic growth forecast from 4.3% to 4.9%, driven by consumption growth, investment activities, and a recovery in external trade. Domestic demand, supported by a healthy labour market and infrastructure projects, is expected to remain the primary driver of Malaysia's economic growth. BNM is likely to maintain the Overnight Policy Rate ('OPR') at 3.0% throughout 2024, reflecting positive economic prospects and stable inflation.

The outlook for Malaysia's domestic banking sector for the remainder of 2024 is expected to be favourable, supported by steady loan and financing growth as well as stable asset quality. The competition for deposit is expected to persist and intensify towards the end of the year which may have implication on the overall industry's Cost of Deposits. The Group expects overall business to remain stable for the remaining of the year.

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	
	30/9/2024 RM'000	30/9/2023 RM'000	30/9/2024 RM'000	30/9/2023 RM'000
The Group				
Malaysian income tax				
Current tax	62,918	18,415	127,292	69,720
Under/(over) provision in prior financial period	4,073	(37,240)	4,073	(37,240)
Deferred tax income:				
- Relating to originating and reversal of temporary differences	(11,182)	22,456	(11,290)	54,603
	55,809	3,631	120,075	87,083

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

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

	Individual Quarter Ended		Cumulative Quarter Ended	
	30/9/2024 RM'000	30/9/2023 RM'000	30/9/2024 RM'000	30/9/2023 RM'000
The Bank				
Malaysian income tax				
Current tax	19,459	(10,839)	24,050	3,956
Under/(over) provision in prior financial period	6,150	(38,479)	6,150	(38,479)
Deferred tax income:				
- Relating to originating and reversal of temporary differences	(998)	23,453	5,910	50,144
	24,611	(25,865)	36,110	15,621

For the current period and preceding year's corresponding periods, 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.

B6. STATUS OF CORPORATE PROPOSALS

There was no corporate proposal reported during the financial period under review.

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	
	30/9/2024 RM'000	31/12/2023 RM'000	30/9/2024 RM'000	31/12/2023 RM'000
(i) <u>Deposits from Customers</u>				
<u>By Types of Deposit:</u>				
Demand Deposits	15,085,342	13,592,568	7,389,970	7,259,773
Savings Deposits	4,781,022	5,321,126	2,777,391	3,400,698
Fixed Deposits	52,437,699	50,613,977	30,194,908	30,436,648
Commodity Murabahah Deposits	-	601,655	-	-
Money Market Deposits	976,894	273,597	669,986	273,597
Negotiable Instruments of Deposits ('NID')	657,754	411,394	657,754	411,395
Others	34,807	19,794	-	-
	73,973,518	70,834,111	41,690,009	41,782,111
<u>By Maturity structure of fixed deposits, NID and others:</u>				
Due within six months	37,702,362	36,909,085	22,102,156	21,751,922
Six months to one year	15,327,486	13,815,130	8,667,461	8,865,763
One year to three years	97,245	294,052	80,275	228,643
Three years to five years	3,029	2,001	2,770	1,715
Five years and above	138	24,897	-	-
	53,130,260	51,045,165	30,852,662	30,848,043
<u>By Types of Customer:</u>				
Government and statutory bodies	11,967,068	10,092,396	2,502,547	1,857,667
Business enterprises	21,308,684	21,272,651	11,894,222	12,194,550
Individuals	33,007,226	32,748,571	23,102,254	24,081,177
Domestic Banking institutions	800,592	423,641	808,684	524,354
Domestic non-Banking financial institutions	4,885,005	4,486,579	1,994,929	1,862,856
Foreign entities	798,804	619,851	540,537	483,323
Others	1,206,139	1,190,422	846,836	778,184
	73,973,518	70,834,111	41,690,009	41,782,111
(ii) <u>Deposits and Placement of Banks and Other Financial Institutions</u>				
<u>By Types of Institution:</u>				
Licensed banks	720,574	4,416,132	1,482,232	4,513,756
Licensed investment banks	-	1,241,807	-	885,122
Other financial institutions	8,198,359	3,392,743	2,914,387	296,139
	8,918,933	9,050,682	4,396,619	5,695,017
<u>By Maturity structure of deposits:</u>				
Due within six months	8,362,162	9,013,954	4,396,619	5,659,790
Six months to one year	556,771	36,728	-	35,227
	8,918,933	9,050,682	4,396,619	5,695,017
(iii) <u>Lease Liabilities</u>				
At beginning of financial period/year	45,721	49,233	38,278	45,440
Additions	29,070	20,728	22,379	10,273
Interest/Profit expense	1,400	457	1,289	249
Lease payments	(26,424)	(24,697)	(21,417)	(17,684)
At end of the financial period/year	49,767	45,721	40,529	38,278

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

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

	The Group		The Bank	
	30/9/2024	31/12/2023	30/9/2024	31/12/2023
	RM'000	RM'000	RM'000	RM'000
(iv) Borrowings and Sukuk				
(a) Tier-2 Subordinated Medium Term Notes ('MTN')	504,589	510,890	504,589	510,890
(b) Additional Tier-1 Capital Securities ('AT1CS')	507,730	500,468	507,730	500,468
(c) Additional Tier-1 Sukuk Wakalah ('AT1S')	512,183	505,808	-	-
(d) MTN Tier-2 Sukuk Murabahah	475,499	505,113	-	-
(e) Senior Sukuk/MTN	1,825,525	1,287,450	523,478	-
(f) Commercial Paper ('CP')	-	-	4,910	-
	3,825,526	3,309,729	1,540,707	1,011,358
Fair value changes arising from fair value hedges	(21,910)	(5,328)	(21,910)	(5,328)
	3,803,616	3,304,401	1,518,797	1,006,030

(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/MTN

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

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

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

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

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

(iv) Borrowings and Sukuk (Cont.)

(f) Commercial Paper (CP)

ABB had, on 27 September 2024, issued CP of RM5.0 million for a tenure of 6 months from the issue date, at a discount rate of 3.70%. The CP was issued for the purpose of general banking business and working capital requirements of ABB.

AiBB had, on 27 September 2024, issued Islamic Commercial Paper (ICP) of RM5.0 million for a tenure of 6 months from the issue date, at a discount rate of 3.70%. The ICP was issued for the purpose of general banking business and working capital requirements of AiBB.

AHIB had, on 27 September 2024, issued CP of RM5.0 million for a tenure of 6 months from the issue date, at a discount rate of 3.70%. The CP was issued for the purpose of general banking business and working capital requirements of AHIB.

B8. MATERIAL LITIGATION

There is no material litigation during the financial period ended 30 September 2024.

B9. DIVIDENDS

No dividend has been proposed for the quarter under review.

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

B10. EARNINGS PER SHARE

(a) 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	
	30/9/2024	30/9/2023	30/9/2024	30/9/2023
Net profit attributable to the equity holders of the Bank (RM'000)	145,817	100,451	374,607	362,656
Weighted average number of ordinary shares in issue ('000)	2,400,487	2,295,695	2,368,364	2,295,695
Basic earnings per share (sen)	6.07	4.38	15.82	15.80

The Bank	Individual Quarter Ended		Cumulative Quarter Ended	
	30/9/2024	30/9/2023	30/9/2024	30/9/2023
Net profit attributable to the equity holders of the Bank (RM'000)	111,147	164,592	177,370	305,551
Weighted average number of ordinary shares in issue ('000)	2,400,487	2,295,695	2,368,364	2,295,695
Basic earnings per share (sen)	4.63	7.17	7.49	13.31

(b) Diluted

During the financial period ended 30 September 2024, diluted EPS is calculated by dividing the net profit attributable to equity holders of the Bank, which require no adjustment for the effects of dilutive potential ordinary shares, by the weighted average number of ordinary shares in issue during the financial period and the weighted average number of ordinary shares that would be issued on conversion of dilutive potential ordinary shares.

The Group	Individual Quarter Ended		Cumulative Quarter Ended	
	30/9/2024	30/9/2023	30/9/2024	30/9/2023
Net profit attributable to equity holders of the Bank (RM'000)	145,817	100,451	374,607	362,656
Weighted average number of ordinary shares in issue ('000)				
– during the period	2,400,487	2,295,695	2,368,364	2,295,695
– effect of dilutive of potential ordinary shares ¹	27,438	15,425	27,438	15,425
Weighted average number of potential ordinary shares	2,427,925	2,311,120	2,395,802	2,311,120
Diluted earnings per share (sen)	6.01	4.35	15.64	15.69

The Bank	Individual Quarter Ended		Cumulative Quarter Ended	
	30/9/2024	30/9/2023	30/9/2024	30/9/2023
Net profit attributable to equity holders of the Bank (RM'000)	111,147	164,592	177,370	305,551
Weighted average number of ordinary shares in issue ('000)				
– during the period	2,400,487	2,295,695	2,368,364	2,295,695
– effect of dilutive of potential ordinary shares ¹	20,674	10,858	20,674	10,858
Weighted average number of potential ordinary shares	2,421,161	2,306,553	2,389,038	2,306,553
Diluted earnings per share (sen)	4.59	7.14	7.42	13.25

¹ The dilutive potential ordinary shares is arising from Shares Grant Scheme ('SGS'). The SGS is a restricted share unit scheme where vesting is subject to performance conditions. The number of shares calculated as above is compared with the number of shares that would have been issued assuming performance conditions are achieved.