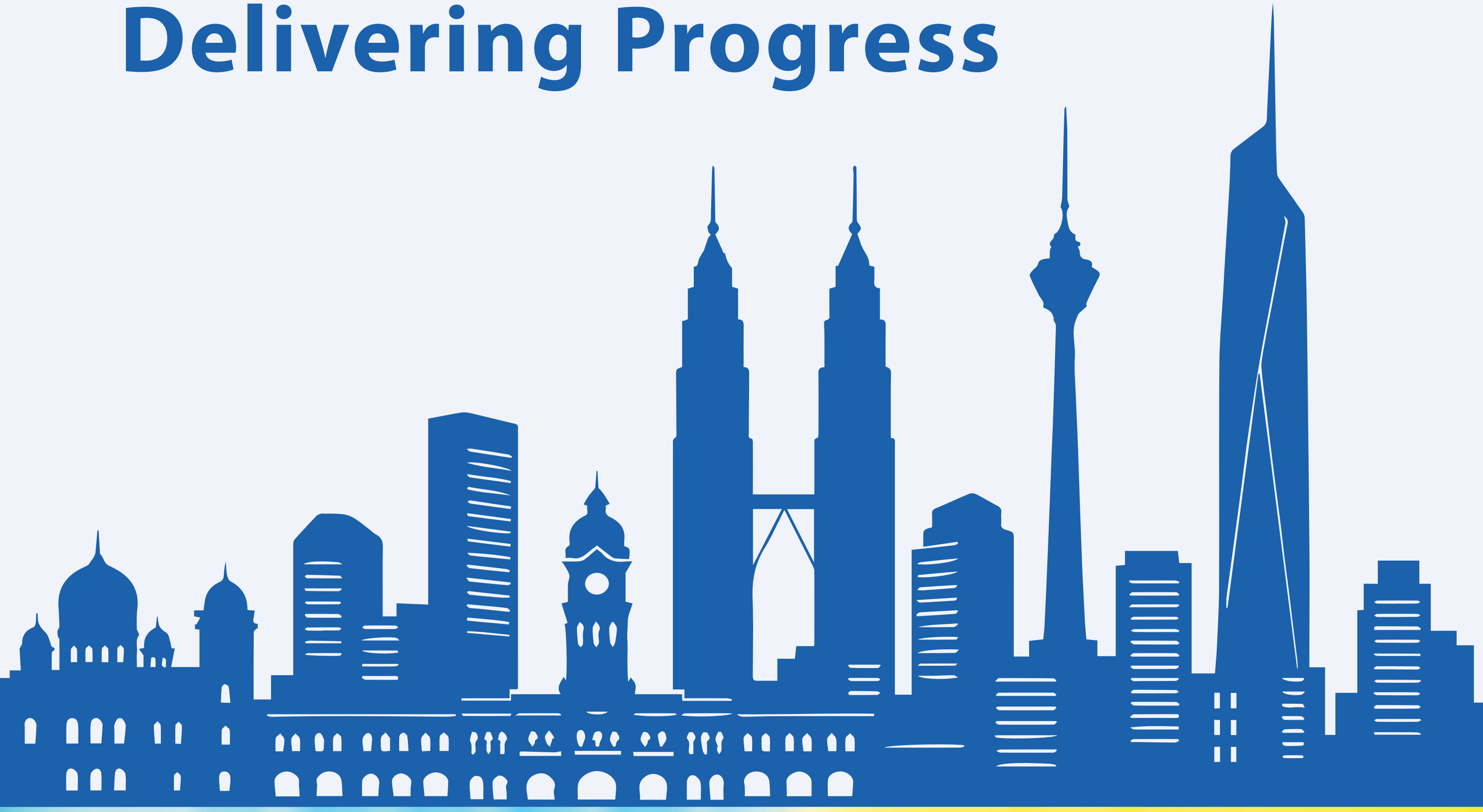
BPMB
Malaysia Development Bank

Driving Impact, Delivering Progress



2024
FINANCIAL STATEMENTS

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CONTENTS

This interactive PDF allows you to access information easily, search for a specific item or navigate between pages, sections and links

Content List   Link   Search

Previous Page   Next Page

DIRECTORS' REPORT

Directors' Report

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Bank for the financial year ended 31 December 2024.

Principal Activities

The Bank is principally engaged to provide medium to long term credit and financing facilities including provision of guarantees and other related financing activities under both Conventional and Islamic finance business to finance infrastructure projects, maritime, oil & gas, technology and capital intensive industries in manufacturing as well as other identified sectors in line with Malaysia's development policy.

Information relating to principal activities of the subsidiaries are disclosed in Note 48 to the financial statements.

Results

	Group RM'000	Bank RM'000
Net profit for the year	429,065	405,783
Attributable to:		
Equity holders of the Bank	428,118	405,783
Non-controlling interests	947	-
	429,065	405,783

There were no material transfers to or from reserves, allowances or provisions during the financial year other than those disclosed in Notes 7, 8, 9, 10, 11, 12, 13, 25, 39 and 40 to the financial statements and the statements of changes in equity.

In the opinion of the directors, the results of the operations of the Group and of the Bank during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

Dividends

The amount of dividends paid by the Bank since 31 December 2023 were as follows:

Final single tier tax exempt dividend on 3,451,584,988 ordinary shares, amounting to RM123,000,000 (3.56 sen net per ordinary share), in respect of the financial year ended 31 December 2023 was approved on 28 February 2024 and paid on 2 July 2024.

At the forthcoming Annual General Meeting, a final single tier tax exempt dividend in respect of the financial year ended 31 December 2024, on 3,451,584,988 ordinary shares, amounting to a dividend payable of RM151,000,000 (4.37 sen net per ordinary share) will be proposed for the shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained profits in the financial year ending 31 December 2025.

Issuance of shares

There were no changes to the issued and paid-up capital of the Bank during the financial year.

Directors

The names of the directors of the Bank in office since the beginning of the financial year to the date of this report are:

Dato' Sulaiman bin Mohd Tahir
Ts. Dr. Othman bin Abdullah
Tan Sri Datuk Seri Rashpal Singh Randhay
Datuk Rashidah binti Mohd Sies
Imri Dolhadi bin Ab Wahab
Nor Darina binti Mohd Yusof (appointed on 1 October 2024)
Norazilla binti Md Tahir (retired with effect from 14 August 2024)

The names of the directors of the subsidiaries of the Bank since the beginning of the financial year to the date of this report are:

(i) Danajamin Nasional Berhad (under Members' Voluntary Winding-Up)

Huang Swee Lin *(representative from Boardroom Corporate Services Sdn. Bhd.)* (appointed on 29 June 2024)
Marlina binti Budin *(representative from Boardroom Corporate Services Sdn. Bhd.)* (appointed on 29 June 2024)
Tan Sri Datuk Seri Rashpal Singh Randhay (retired with effect from 30 June 2024)
Rosnah binti Kamarul Zaman (retired with effect from 30 June 2024)

(ii) Global Maritime Ventures Berhad

Aidil Haznul bin Zulkifli
Tan Ming Yew (appointed on 14 August 2024)
Norazilla binti Md Tahir (resigned on 14 August 2024)

(iii) Pembangunan Leasing Corporation Sdn Bhd

Aidil Haznul bin Zulkifli
Mohamed Nazri bin Omar
Datuk Rashidah binti Mohd Sies (appointed on 14 August 2024)
Norazilla binti Md Tahir (resigned on 14 August 2024)

(iv) SME Growth Acceleration Fund Sdn Bhd

Nik Nor Aini binti Nik Mohamed
Elioskarma bin Abdul Aziz

(v) Emerald Upline Sdn Bhd

Amreen bin Mohamed
Nik Nor Aini binti Nik Mohamed

(vi) Maju Nominees (Tempatan) Sdn Bhd

Elioskarma bin Abdul Aziz
Amreen bin Mohamed

Directors (cont'd.)

The names of the directors of the subsidiaries of the Bank since the beginning of the financial year to the date of this report are (cont'd.):

(vii) BPMB Dana Sdn Bhd (formerly known as Ecologitec Sdn Bhd)

Tan Sri Datuk Seri Rashpal Singh Randhay
Hisham bin Zainal Mokhtar
Nor Darina binti Mohd Yusof (appointed on 10 April 2025)
Ts. Dr. Othman bin Abdullah (resigned on 30 April 2025)

Directors' Benefits

Neither at the end of the financial year, nor at any time during the year, did there subsist any arrangement to which the Bank was a party, whereby the directors might acquire benefits by means of the acquisition of shares in or debentures of the Bank or any other corporate body.

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors, or the fixed salary of a full time employee of the Bank and the subsidiaries as disclosed below) by reason of a contract made by the Bank or a related corporation with any director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

The details of the directors' remuneration paid or payable to the Directors of the Group and of the Bank during the financial year are as follows:

	Group RM'000	Bank RM'000
Fees	466	394
Other emoluments	660	586
	1,126	980

Directors' Interests

According to the register of directors' shareholdings, none of the directors in office at the end of the financial year had any interest in shares in the Bank or its related corporations during the financial year.

Indemnities to Directors or Officers

The Bank maintained on a group basis a Directors' and Officers' Liability Takaful for the purpose of Section 289 of the Companies Act 2016, throughout the year, which provides appropriate takaful cover for any directors and officers of the Group and the Bank.

The total takaful coverage of the Group and the Bank amounts to RM70,000,000 and the annual premium paid amounts to RM797,208 during the financial year. The directors and officers shall not be indemnified by such takaful for any deliberate negligence, fraud, intentional breach of law or breach of trust proven against them.

Immediate Holding Company

The immediate holding company of the Bank is the Minister of Finance (Incorporated) ("MOF (Inc.)"), a corporate body established under the Minister of Finance (Incorporation) Act 1957 in Malaysia.

Rating by External Rating Agencies

Details of the Bank's ratings are as follows:

Rating agency	Date	Rating classification	Rating
RAM Rating	16 December 2024	Financial Institution Ratings	AAA/Stable/P1
		RM7.0 billion Conventional Medium-Term Notes Programme and/or Islamic Murabahah Medium-Term Notes Programmes (2006/2036)	AAA/Stable
MARC Rating	28 November 2024	Financial Institution Ratings	AAA/Stable
		RM5.0 billion Islamic Medium-Term Note (Sukuk Wakalah) Programme	AAA/Stable

Business Outlook

The Malaysian economy rebounded strongly to 5.1% in 2024 (compared to 3.7% in 2023), driven by improved performance across all sectors. Notably, stronger private investment helped fuel the export-led recovery in the manufacturing and construction sector.

Looking ahead to 2025, the Group expects domestic economic growth to maintain momentum despite global uncertainties, particularly the United States ("US") new protectionist approach to global trade, which has heightened volatility in commodity and financial markets. Domestically, interest rates are expected to remain stable, in line with Bank Negara Malaysia's ("BNM") supportive monetary policy. The proposed reduction in fuel subsidies is expected to have a mixed impact on inflation and household spending, but the government's efforts to target assistance to lower-income groups should mitigate some of the potential adverse effects. Prospectively, Malaysia's economy is projected to moderate to 4.6% growth in 2025 (from 5.1% in 2024).

The MADANI government has outlined several key initiatives in the National Budget 2025, which are expected to positively impact the Group's growth trajectory, accentuating our role as a Development Financial Institution ("DFI"). The Group is positioned to play a pivotal role in supporting and complementing the government's efforts in shaping Malaysia's economic future. Sectors with growth potential in the Group's portfolio include transport & logistics, real estate, construction and information and communication technology ("ICT") are expected to benefit from a continued rise in direct investment approvals in 2024, with steady growth projected into 2025.

However, the Group remains cautiously optimistic, as downside risks to global economic performance have increased, particularly following the newly announced tariffs by the US.

Other Statutory Information

(a) Before the statements of profit or loss, statements of comprehensive income and statements of financial position of the Group and of the Bank were made out, the directors took reasonable steps:

   (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and financing and the making of impairment and allowance for doubtful debts and financing and satisfied themselves that all known bad debts and financing had been written off and that adequate impairment and allowance had been made for doubtful debts and financing; and

   (ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

(b) At the date of this report, the directors are not aware of any circumstances which would render:

   (i) the amount written off for bad financing and debts or the amount of the impairment and allowance for doubtful debts and financing in the financial statements of the Group and of the Bank inadequate to any substantial extent; and

   (ii) the values attributed to the current assets in the financial statements of the Group and of the Bank misleading.

(c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Bank misleading or inappropriate.

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

(e) As at the date of this report, there does not exist:

   (i) any charge on the assets of the Group or of the Bank which has arisen since the end of the financial year which secures the liabilities of any other person; or

   (ii) any contingent liability of the Group or of the Bank which has arisen since the end of the financial year other than those arising in the normal course of business of the Group or of the Bank.

(f) In the opinion of the directors:

   (i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Bank to meet their obligations as and when they fall due other than those incurred in the normal course of business; and

   (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Bank for the financial year which this report is made.

Significant and Subsequent Events

The significant and subsequent events during the financial year are as disclosed in Note 54 to the financial statements.

Auditors

The auditors, Ernst & Young PLT, have expressed their willingness to continue in office.

Auditors' remunerations for the Group and the Bank amounting to RM1,298,000 and RM903,500, respectively are disclosed in Note 36(iv) to the financial statements.

Signed on behalf of the Board of Directors in accordance with a resolution of the directors dated 23 May 2025.

Dato' Sulaiman bin Mohd Tahir

Ts. Dr. Othman bin Abdullah

Kuala Lumpur, Malaysia

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251 (2) OF THE COMPANIES ACT 2016

We, Dato' Sulaiman bin Mohd Tahir and Ts. Dr. Othman bin Abdullah, being two of the directors of Bank Pembangunan Malaysia Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on **pages 17 to 208** are drawn up in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act, 2016 in Malaysia, so as to give a true and fair view of the financial position of the Group and of the Bank as at 31 December 2024 and of their financial performance and cash flows for the year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the directors dated 23 May 2025.

Dato' Sulaiman bin Mohd Tahir

Ts. Dr. Othman bin Abdullah

Kuala Lumpur, Malaysia

STATUTORY DECLARATION

PURSUANT TO SECTION 251 (1) (B) OF THE COMPANIES ACT 2016 AND SECTION 73 (1) (E) OF THE DEVELOPMENT FINANCIAL INSTITUTION ACT 2002

We, Ts. Dr. Othman bin Abdullah and Dato' Muzaffar bin Hisham, a Director and the Group Chief Executive Officer, respectively, of the Bank who are primarily being responsible for the financial management of Bank Pembangunan Malaysia Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on **pages 17 to 208** are to the best of our knowledge and belief, correct and we make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovenamed at Kuala Lumpur in the Federal Territory on 23 May 2025.

Ts. Dr. Othman bin Abdullah

Dato' Muzaffar bin Hisham

Before me,

PESURUHJAYA SUMPAH
W746
ROSLIZAM
BIN RAHIM
01.01.2024 - 31.12.2026
MALAYSIA
No. 1-26, JALAN PANDAN PRIMA 2
DATARAN PANDAN PRIMA
55100 KUALA LUMPUR

SHARIAH COMMITTEE'S REPORT

In the Name of Allah, The Compassionate, The Most Merciful
Praise be to Allah and peace be upon His messenger, his family and his companions.

Assalamualaikum Warahmatullahi Wabarakatuh

To the shareholders, customers and stakeholders of Bank Pembangunan Malaysia Berhad Group and its subsidiaries ("the Bank" or "BPMB Group"):

INTRODUCTION

In carrying out the roles and the responsibilities of the Shariah Committee ("SC") of the Bank as prescribed in the Shariah Governance Policy Document ("SGPD") issued by Bank Negara Malaysia ("BNM") and in compliance with our terms of appointment, we hereby submit the following report for the financial year ended 31 December 2024.

Management's Responsibility

The Management of the Bank shall at all times be responsible for ensuring that the Bank's aims and operations, business affairs and activities in relation to its Islamic finance business are conducted in accordance with Shariah.

Shariah Committee's Responsibility

The SC is mandated by the Board of Directors ("Board") to perform its oversight responsibilities in the implementation of Shariah governance within BPMB Group. This mandate held the SC of the Bank responsible to form an objective, sound and independent opinion, based on our review of the aims and operations, business, affairs and activities in relation to the Islamic finance business of the Bank and to produce this report.

The SC of the Bank is assisted by the Secretariat to the SC and the internal control functions which are established to carry out the specified roles under the Bank Shariah governance requirements. The Secretariat to the SC is undertaken by Group Shariah Management ("GSM") and this function includes conducting research and studies on Shariah issues, providing Shariah advisory to the Bank based on the rulings of the Shariah Advisory Council ("SAC") of BNM and Securities Commission Malaysia as well the decisions or advice of the SC and managing the allocation and distribution of the business zakat for the Bank as advised by the SC. Meanwhile, the internal control functions under the Bank Shariah governance are entrusted to Shariah Risk, Shariah Review and Shariah Audit.

During the financial year, we had convened a total of fifteen (15) meetings inclusive of three (3) special meetings, in which we reviewed and deliberated on, amongst others; the products and services, transactions, processes and documents which were presented to us by the Bank. All six (6) members of the SC, including one (1) member whose term ended in July 2024, met the minimum 75% attendance requirement for the financial year's meetings, as set by BNM's SGPD. In performing our roles and responsibilities, we had obtained the information and explanations which we considered necessary to provide us with sufficient evidence to give reasonable assurance on whether the Bank has complied with Shariah. Accordingly, we have assessed the independent work carried out by Shariah review and Shariah audit for this purpose.

SIGNIFICANT DEVELOPMENTS AND ACTIVITIES

Among the key developments and activities during the financial year are the endorsements and/or approvals given by the SC for various Shariah-compliant financing initiatives, reinforcing the SC commitment to supporting BPMB in expanding its product offerings and strengthening its Shariah governance framework.

SIGNIFICANT DEVELOPMENTS AND ACTIVITIES (cont'd.)

The SC endorsed several key initiatives, financing schemes and product-related proposals, including the Green Technology Financing Scheme-i 4.0 ("GTFS-i 4.0"), the BPMB Waqf Development Model and the SME Digital Partnership with selected Peer-to-Peer ("P2P") Platforms for investments through their Shariah-linked instruments. Additionally, the SC approved the implementation of Straight-Through-Processing ("STP") to automate the purchase of Commodity Murabahah ("CM") transactions on the appointed commodity trading platform via the Treasury Management System.

The SC approved the treatment of unutilised transaction or trading fees for BPMB Tawarruq facilities, whereby a brokerage fee/Wakalah fee is applied, while the transaction fee/trading fee with Bursa is absorbed by BPMB. To facilitate this operationally, the relevant documentation was reviewed to incorporate the treatment of unutilized transaction/trading fees under the wakalah fee structure. Additionally, the SC endorsed the proposal to charge a fee for prepayment/early settlement, which is embedded into the ibra' (rebate) mechanism, subject to conditions that the fee quantum is determined internally at the Bank's discretion and disclosed only upon a prepayment/early settlement request. Furthermore, the SC endorsed the implementation plan for BNM's Policy Document on Hajah and Darurah, new initiatives for developing Musharakah-based products and the Standard Operating Procedures ("SOPs") for the Islamic Profit Rate Swap ("IPRS").

In an effort to enhance BPMB's Shariah governance framework, the SC reviewed and approved revisions to the appointment criteria for Shariah Designated Officers ("SDOs") and Alternate SDOs ("ASDOs"), requiring the appointed officer performing the responsibilities to have a minimum of five years of experience with Shariah qualification. Additionally, the SC also reviewed the revised Shariah Non-Compliance ("SNC") Event Materiality Assessment Matrix ("MAM") which categorises risks into financial and non-financial aspects.

The SC endorsement, approval and support of various structures, mechanisms and documentation related to Shariah-compliant financial solutions reaffirm their dedication to developing innovative, Shariah-compliant financial solutions that align with regulatory requirements and industry best practices, while ensuring effective monitoring and governance of Shariah considerations.

GSM contributes to the Credit Value Chain 3.1 Project, aiming to reduce the turnaround time for credit processing to six months, thereby enhancing customer satisfaction and operational efficiency. Shariah-related turnaround time is improved through a delegation of some of the SC authority to the Group Head of GSM, based on clear parameters and precedents. All approvals made under this delegation will be properly recorded and subsequently notified to the SC, ensuring transparency and accountability. Additionally, GSM collaborates with other functions, including Shariah organs and the Product Development team, to provide refresher courses and training to BPMB staff, such as Shariah Awareness, Shariah Governance and Product Refresher courses. This effort aims to strengthen the culture of Shariah compliance and promote the pursuit of Islamic knowledge across the organisation.

In fostering meaningful engagement, the SC, Board and Management actively participate in joint training and development programs, SC offsite and social finance activities organised by the Bank. These engagements help the SC, Board and Management understand each other's roles, responsibilities and perspectives. They ensure that all groups are aligned on the organisation's strategic goals and how Shariah principles integrate with these goals. Additionally, these engagements promote consistency in decision-making processes, ensuring that Shariah compliance is considered in all strategic decisions, while fostering collaboration and transparency across organisational levels.

Since the merger of BPMB and Danajamin, the SC has been actively monitoring the integration of Islamic businesses within the merged entities. This is done through monthly financial updates on the thresholds of Islamic and conventional financing portfolios, as well as SNC income, during SC meetings. This ensures that the offering of Islamic products and services is based on the Islamic First policy, while also adhering to Shariah and regulatory requirements.

SIGNIFICANT DEVELOPMENTS AND ACTIVITIES (cont'd.)

In support of the government and BNM's mandate on the advance value-based finance through Islamic finance leadership, the SC participated in various activities. This included representing BPMB in the "Persidangan Meja Bulat Wakaf dan Pasaran Modal Islam Tahun 2024", engaging in BPMB Business Zakat presentation ceremonies and participating in the BPMB Integrity & Internal Control Excellence Day (IICED) 2024 event.

During these activities, the SC was updated on sustainability and climate change, including the latest trends, challenges, regulatory requirements and risk management relevant to the banking industry.

Recognising the importance of continuously developing a reasonable understanding of the Bank's business and operations and staying abreast of relevant market and regulatory developments, the SC actively pursued professional development. This included participating in Certified Shariah Advisory ("CSA") and Certified Shariah Practitioner ("CSP") programs, as well as attending various conferences and forums such as Muzakarah events, Nadwah of Shariah Advisers in Islamic Capital Market and Digital Shariah Screening Methodology sessions. These initiatives ensure that the SC is well-equipped with the latest knowledge in areas beyond Islamic finance, including risk management, cybersecurity, accounting and economics.

Demonstrating a deep commitment to social responsibility and Shariah-aligned philanthropy, the SC has actively engaged in various community development initiatives organized by the Bank. This includes participation in the BPMB Community Outreach Programme, which featured mangrove planting and the presentation of zakat-funded food baskets to asnaf community in Tanjung Piai, Johor, as well as the BPMB Award of Group's Undergraduate Scholarship ceremony. This is not only emphasising the SC's commitment to social responsibility but also ensures proper utilisation of funds in alignment with Shariah principles.

Recognising the critical role of social finance role in Islamic financial institutions, the SC approved zakat distribution strategies for 2023, including the sponsorship of the Water2Survive Project by Muslim Care Malaysia Society and the refinement of zakat fund governance to uphold asnaf eligibility requirements. Additionally, the SC endorsed the MIND Model for Zakat Projects, an innovative framework developed by Zakat Management of GSM to evaluate and prioritize zakat allocations based on impact-driven assessments.

In conclusion, the SC, Board and Management of BPMB have demonstrated a comprehensive and proactive approach to address key concerns and drive significant developments in Islamic finance. Through continuous learning, community engagement and strategic initiatives, the Bank remains steadfast in upholding Shariah principles and contributing to the sustainable development of the financial industry.

Additionally, the followings are the other major developments and initiatives in relation to Shariah governance that took place during the financial year:

a. Secretariat to the Shariah Committee

GSM undertakes the secretariat function to serve the SC and has the responsibility to provide operational support for effective functioning of the SC, which includes coordinating communications and disseminating information among the SC, the Board of Director and Senior Management; performing research and studies on Shariah issues; providing day-to-day Shariah advisory to relevant parties within the Bank on Shariah matters based on the rulings of the SAC of BNM and Securities Commission Malaysia as well as the decisions or advice of the SC.

This includes providing the preliminary review of Shariah issues that arise from the proposals and documents provided by internal business and support functions prior to submitting for SC's approval, deliberation and information. The proposals and documents include, amongst others; the financing proposals, letter of offers, legal documentation, policies and procedures, internal guidelines, the Bank's annual report and other operational support activities.

SIGNIFICANT DEVELOPMENTS AND ACTIVITIES (cont'd.)

a. Secretariat to the Shariah Committee (cont'd.)

For efficiency purposes, GSM has also been authorised by the SC to provide Shariah endorsement based on the delegated matters specified under the SC Authority Matrix.

GSM is also responsible for the management of business zakat distribution to ensure the business zakat is properly distributed in timely manner.

b. Shariah Risk

Operational & Shariah Risk continues to assess and monitor the Shariah risk profile of BPMB through implementation of its tools i.e. Shariah Key Risk Indicator ("KRI") and Risk & Control Self-Assessment ("RCSA") and Scenario Analysis ("SA"). This implementation is facilitated by Operational Risk & Compliance Management System ("ORCMS") which was newly onboard in April 2024 for more systematic and effective monitoring.

Outcome from the risk monitoring tool related to Shariah risk are regularly updated to SC. Further, RCSA reporting frequency has been increased to ensure Shariah risk profile to SC is at current for informed deliberation and decision.

c. Shariah Review

Group Compliance (via the Compliance Review team) continued to play a vital role in performing regular Shariah compliance reviews in the financial year on BPMB Group's compliance with regulatory requirements including Shariah principles and policy documents/guidelines issued by BNM.

The reviews were performed in relation to the Group's operations, products, business affairs and activities, of the Islamic finance business carried out by the Group and to ensure that the Bank does not contravene with any Shariah and regulatory requirements and improves the overall Shariah compliance to Shariah principles and regulations.

There were three (3) Shariah compliance reviews conducted by Group Compliance in accordance with the approved Shariah Compliance Review Plan as follows:

1. BPMB's Tawarruq financing;
2. Bank Guarantee-i; and
3. Tawarruq Deposit

The outcomes of the Shariah review comprise of areas of concern and enhancement identified, including corrective and preventive measures proposed to the Management, were presented to, deliberated and approved by the SC.

The progress updates of the corrective and preventive measures proposed to the Management were regularly updated to SC throughout the financial year. This is to ensure that the Bank has resolved the issues highlighted within the target date and continues to comply with the applicable Shariah and regulatory requirements.

SIGNIFICANT DEVELOPMENTS AND ACTIVITIES (cont'd.)

d. Shariah Audit

The Shariah Audit Section resides in Group Internal Audit ("GIA") function, plays a crucial role in supporting the SC by delivering independent and objective evaluations of BPMB's internal controls, risk management frameworks and Shariah governance processes. In addition, the Shariah Audit function strengthens the overall compliance of the bank's operations, business activities and affairs, ensuring alignment with the Shariah requirements set by BNM, the Securities Commission Malaysia and the resolutions of the SC.

The Shariah Audit had conducted assessments across various functions within BPMB and its subsidiaries, focusing on adding value and strengthening internal controls. These evaluations contribute to the establishment of robust Shariah governance and compliance practices within BPMB's management, operations and business activities. The scope of the Shariah Audit is defined in accordance with the guidelines set out in BNM's SGPD, the Shariah Audit Risk-Based Assessment ("RBA") and applicable auditing standards.

During the financial year 2024, there were four (4) Shariah Audits conducted by GIA in accordance with the approved Shariah Audit Plan 2024, as follows:

1. Shariah Audit on Recovery Activities;
2. Shariah Audit on Credit Origination and Evaluation;
3. Shariah Audit on Group Shariah Management's Activities; and
4. Shariah Audit on Compliance Review Activities

Throughout the financial year, all audit findings and areas for improvement highlighted in the audit reports were presented to the Audit Issues Resolution Committee ("AIRC") and subsequently reviewed by the SC and the Board Audit Committee ("BAC").

INITIATIVES ON TRAINING AND AWARENESS

In year 2024, a total of 205 staffs had attended various Islamic finance, Shariah-related training programs and internal/external seminars includes among others as follows:

1. Islamic Corporate Banking Products and Instruments
2. 2nd Nadwah of Shariah Advisers Islamic Capital Market 2024
3. Shariah and Legal Issues in Islamic Finance
4. Structuring Islamic Hedging Products
5. Shariah Governance and Compliance
6. Annual Refresher Training on Product, Dedicated Scheme and Shariah Issues & Awareness Session
7. Kuala Lumpur Islamic Finance Forum ("KLIFF") 2024
8. Tawarruq and Wa'd Application Islamic Treasury
9. Harmonising Credit Practices with Shariah Principles
10. Persidangan Meja Bulat Wakaf dan Pasaran Modal Islam Tahun 2024
11. Muzakarah Cendekiawan Syariah Nusantara

SHARIAH NON-COMPLIANT EVENTS AND DERECOGNISED INCOME

During the financial year 2024, nothing has come to the SC's attention that causes the SC to believe that the operations, business, affairs and activities of the Bank involve any material SNC.

ZAKAT ON BUSINESS

The Bank had fulfilled its obligation to pay zakat on its business which amount has been computed using the capital growth method at the rate of 2.5775%. Throughout the year, the zakat amount paid by the Bank had been distributed to the states' zakat authorities and other eligible beneficiaries (asnaf) under the category of poor, needy, al-gharimin and fisabilillah as approved by the Shariah Committee.

SHARIAH COMMITTEE OPINION

We had also reviewed the audited financial statements of the Group's and the Bank's Islamic finance business for the financial year and confirmed that the financial statements are in compliance with Shariah.

Based on the above, in our opinion:

1. The contracts, transactions and dealings entered into by the Group and the Bank in relation to its Islamic finance business during the financial year ended 31 December 2024 that were reviewed by us, are in compliance with Shariah; and

2. The computation and distribution of zakat fund are in compliance with Shariah.

We, being two (2) of the members of the Shariah Committee of Bank Pembangunan Malaysia Berhad, do hereby confirm that on behalf of the Shariah Committee, to the best of our knowledge and belief, the aims and operations, business, affairs and activities of the Bank in relation to its Islamic finance business for the financial year ended 31 December 2024 have been conducted in conformity with Shariah.

We bear witness only to what we know and we could not well guard against the unseen! (Surah Yusuf, verse:81)

We beg Allah the Almighty to grant us all the Success and Straight-Forwardness and Allah Knows Best.

Signed on behalf of the Shariah Committee in accordance with a resolution of the Shariah Committee dated 23 May 2025.

Prof. Dr. Aznan bin Hasan
Chairman

Mohd Fadhly bin Md Yusoff
Member of the Committee

Kuala Lumpur, Malaysia

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF BANK PEMBANGUNAN MALAYSIA BERHAD (INCORPORATED IN MALAYSIA)

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Bank Pembangunan Malaysia Berhad, which comprise the statements of financial position as at 31 December 2024 of the Group and of the Bank and statements of profit or loss and statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Bank for the year then ended and notes to the financial statements, including material accounting policy information, as set out on **pages 17 to 208**.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of Bank as at 31 December 2024 and of their financial performance and their cash flows for the year then ended in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the financial statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence and other ethical responsibilities

We are independent of the Group and of the Bank in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Code of Ethics for Professional Accountants (including International Independence standards) ("IESBA Code") as applicable to audits of financial statements of public interest entities and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Information other than the financial statements and auditors' report thereon

The directors of the Bank are responsible for the other information. The other information comprises the information included in the Directors' Report and the Annual Report but does not include the financial statements of the Group and of the Bank and our auditors' report thereon.

The Annual Report is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements of the Group and of the Bank does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Bank, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Bank or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report the fact. We have nothing to report in this regard on the Directors' Report.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors of the Bank and take appropriate action.

Independent auditors' report to the members of Bank Pembangunan Malaysia Berhad (cont'd.) (Incorporated in Malaysia)

Responsibilities of the directors for the financial statements

The directors of the Bank are responsible for the preparation of financial statements of the Group and of the Bank that give a true and fair view in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Bank that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Bank, the directors are responsible for assessing the Group's and the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Bank or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Bank as a whole are free from material misstatement, whether due to fraud or error and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Bank, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Bank's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Bank or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Bank to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Bank, including the disclosures and whether the financial statements of the Group and of the Bank represent the underlying transactions and events in a manner that achieves fair presentation.

Independent auditors' report to the members of Bank Pembangunan Malaysia Berhad (cont'd.)
(Incorporated in Malaysia)

Auditors' responsibilities for the audit of the financial statements (cont'd.)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also (cont'd.):

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis of the entities or business units within the group as a basis for forming an opinion on the financial statements of the Group. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other matters

This report is made solely to the members of the Bank, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young PLT
202006000003 (LLP0022760-LCA) & AF 0039
Chartered Accountants

Ahmad Qadri Bin Jahubar Sathik
No. 03254/05/2026 J
Chartered Accountant

Kuala Lumpur, Malaysia
23 May 2025

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

		Group		Bank	
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Assets					
Cash and short term deposits	4	**1,919,059**	1,108,807	**1,904,930**	907,318
Deposits and placements with financial institutions	5	**150,786**	105,844	**150,336**	-
Financial investments at fair value through profit or loss ("FVTPL")	6	**10,090**	7,495	**10,090**	7,495
Financial investments at fair value through other comprehensive income ("FVOCI")	7	**12,682,127**	9,842,666	**12,682,127**	9,842,666
Financial investments at amortised cost ("AC")	8	**64,086**	61,346	**59,410**	61,346
Loans, financing and advances	9	**18,427,053**	16,676,511	**18,160,642**	16,448,771
Financial guarantee recoverable	10	**137,683**	137,683	**137,683**	137,683
Financial guarantee fee receivables	11	**199,027**	359,468	**199,027**	359,468
Other assets	12	**442,850**	277,979	**433,367**	279,112
Investments in subsidiaries	13	**-**	-	**2,093,207**	2,095,850
Interest in associates	14	**693**	683	**-**	-
Interest in joint ventures	15	**-**	-	**-**	-
Property, plant and equipment	16	**42,884**	112,864	**42,479**	112,346
Investment properties	17	**65,802**	307	**65,802**	307
Intangible assets	18	**24,976**	30,278	**23,736**	30,275
Right-of-use assets	19	**58,959**	112	**58,922**	65
Deferred tax assets	20	**432,603**	534,345	**432,304**	534,046
Total assets		**34,658,678**	29,256,388	**36,454,062**	30,816,748
Liabilities					
Deposits from customers	21	**13,672,697**	9,055,121	**13,946,886**	9,055,121
Deposits and placements from financial institutions	22	**1,443,589**	787,492	**1,443,589**	787,492
Collateralised Commodity Murabahah	23	**278,342**	-	**278,342**	-
Financial guarantee deferred income	24	**232,416**	393,545	**232,416**	393,545
Other liabilities	25	**667,331**	472,671	**2,435,182**	2,256,557
Redeemable notes	26	**8,375,742**	8,932,140	**8,375,742**	8,932,140
Borrowings	27	**152,540**	152,520	**152,540**	152,520
Deferred income	29	**379,714**	388,726	**379,714**	388,726
Lease liabilities	28	**64,483**	120	**64,442**	71
Deferred tax liabilities	20	**128**	128	**-**	-
Total liabilities		**25,266,982**	20,182,463	**27,308,853**	21,966,172
Equity attributable to equity holders of the Bank					
Share capital	30	**4,018,781**	4,018,781	**4,018,781**	4,018,781
Reserves	31	**5,360,037**	5,043,213	**5,126,428**	4,831,795
		9,378,818	9,061,994	**9,145,209**	8,850,576
Non-controlling interests		**12,878**	11,931	**-**	-
Total equity		**9,391,696**	9,073,925	**9,145,209**	8,850,576
Total equity and liabilities		**34,658,678**	29,256,388	**36,454,062**	30,816,748
Commitments and contingencies	44(a)	**6,772,310**	8,061,739	**6,582,386**	7,779,209

The accompanying notes form an integral part of the financial statements

STATEMENTS OF PROFIT OR LOSS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

		Group		Bank	
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Interest income	33	**113,018**	163,653	**111,215**	141,517
Interest expense	34	**(28,234)**	(37,881)	**(28,232)**	(37,878)
Net interest income (before modification loss)		**84,784**	125,772	**82,983**	103,639
Modification loss		**(3,393)**	(524)	**(3,867)**	(507)
Net interest income (after modification loss)		**81,391**	125,248	**79,116**	103,132
Net income from Islamic finance business	51	**839,430**	1,310,854	**809,534**	1,290,193
Non-interest income	35	**50,088**	27,629	**48,351**	40,479
Net income		**970,909**	1,463,731	**937,001**	1,433,804
Overhead expenses	36	**(218,961)**	(210,344)	**(210,421)**	(196,135)
Loss arising from dissolution of subsidiaries	13(b)	**(2,362)**	(11,018)	**-**	-
Writeback of/(allowance for) impairment losses on loans, financing and advances	39	**235,105**	(669,688)	**231,462**	(675,988)
(Allowance for)/writeback of impairment losses on financial guarantee	25(a)	**(339,049)**	85,941	**(339,049)**	82,400
Allowance for impairment losses on other assets	40	**(62,972)**	(100,760)	**(72,101)**	(117,774)
Operating profit		**582,670**	557,862	**546,892**	526,307
Share of profit of associates and joint ventures		**10**	45	**-**	-
Profit before taxation and zakat		**582,680**	557,907	**546,892**	526,307
Taxation	41	**(139,898)**	(146,727)	**(129,630)**	(132,455)
Zakat		**(13,717)**	(10,403)	**(11,479)**	(10,020)
Net profit for the year		**429,065**	400,777	**405,783**	383,832
Attributable to:					
Equity holders of the Bank					
Profit for the year attributable to equity holders of the Bank		**428,118**	402,475	**405,783**	383,832
Non-controlling interests					
Income/(loss) for the year attributable to non-controlling interests of the Bank		**947**	(1,698)	**-**	-
		429,065	400,777	**405,783**	383,832
Earnings per share attributable to the equity holders of the Bank:					
Basic/diluted earnings per share (sen)	43	**12.40**	11.66		

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF COMPREHENSIVE INCOME

AS AT 31 DECEMBER 2024

	Group		Bank	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Net profit for the year	**429,065**	400,777	**405,783**	383,832
Other comprehensive income/(loss)				
Items that will not be reclassified to profit or loss:				
Net change in revaluation of equity instruments at fair value through other comprehensive income	**666**	1,193	**666**	1,193
Items that may be reclassified to profit or loss:				
Translation differences in respect of foreign operations	**(144)**	5,858	**-**	-
Debt instruments at fair value through other comprehensive income:				
- Net change in fair value during the year	**33,567**	187,673	**33,567**	180,973
- Changes in allowance for expected credit losses	**(14,327)**	38,614	**(14,327)**	38,852
	19,762	233,338	**19,906**	221,018
Income tax effect (Note 20)	**(8,056)**	(49,683)	**(8,056)**	(48,168)
	(8,056)	(49,683)	**(8,056)**	(48,168)
Other comprehensive income for the year, net of tax	**11,706**	183,655	**11,850**	172,850
Total comprehensive income for the year	**440,771**	584,432	**417,633**	556,682
Total comprehensive income attributable to:				
Equity holders of the Bank	**439,824**	587,530	**417,633**	556,682
Non-controlling interests	**947**	(3,098)	**-**	-
	440,771	584,432	**417,633**	556,682

The accompanying notes form an integral part of the financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

		Attributable to equity holders of the Bank									
		Non-distributable									
Group	Note	Share capital RM'000	Capital reserve RM'000	Statutory reserve RM'000	Merger deficit RM'000	Unrealised FVOCI reserve RM'000	Exchange translation reserve RM'000	Distributable retained profits RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 January 2024		**4,018,781**	**1,000**	**2,243,317**	**(20,188)**	**199,320**	**589**	**2,619,175**	**9,061,994**	**11,931**	**9,073,925**
Profit for the year		-	-	-	-	-	-	428,118	428,118	947	429,065
Other comprehensive income/(loss) for the year		-	-	-	-	11,850	(144)	-	11,706	-	11,706
Total comprehensive income/(loss) for the year		-	-	-	-	11,850	(144)	428,118	439,824	947	440,771
Transfer to retained profits on the disposal of equity instruments at FVOCI		-	-	-	-	(666)	-	666	-	-	-
Transfer to statutory reserve		-	-	101,446	-	-	-	(101,446)	-	-	-
Dividend paid	42	-	-	-	-	-	-	(123,000)	(123,000)	-	(123,000)
At 31 December 2024		**4,018,781**	**1,000**	**2,344,763**	**(20,188)**	**210,504**	**445**	**2,823,513**	**9,378,818**	**12,878**	**9,391,696**

The accompanying notes form an integral part of the financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (cont'd.)

		Attributable to equity holders of the Bank									
		Non-distributable									
Group	Note	Share capital RM'000	Capital reserve RM'000	Statutory reserve RM'000	Merger deficit RM'000	Unrealised FVOCI reserve RM'000	Exchange translation reserve RM'000	Distributable retained profits RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
At 31 January 2023		4,018,781	1,000	2,147,359	(20,188)	21,737	(6,669)	2,397,444	8,559,464	15,029	8,574,493
Profit/(loss) for the year		-	-	-	-	-	-	402,475	402,475	(1,698)	400,777
Other comprehensive income/(loss) for the year		-	-	-	-	177,797	7,258	-	185,055	(1,400)	183,655
Total comprehensive income/(loss) for the year		-	-	-	-	177,797	7,258	402,475	587,530	(3,098)	584,432
Transfer to retained profits on the disposal of equity instruments at FVOCI		-	-	-	-	(214)	-	214	-	-	-
Transfer to statutory reserve		-	-	95,958	-	-	-	(95,958)	-	-	-
Dividend paid	42	-	-	-	-	-	-	(85,000)	(85,000)	-	(85,000)
At 31 December 2023		4,018,781	1,000	2,243,317	(20,188)	199,320	589	2,619,175	9,061,994	11,931	9,073,925

The accompanying notes form an integral part of the financial statements

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

		◄ Non-distributable		►		
Bank	**Note**	**Share capital RM'000**	**Statutory reserve RM'000**	**Unrealised FVOCI reserve RM'000**	**Distributable retained profits RM'000**	**Total RM'000**
At 1 January 2024		**4,018,781**	**2,243,317**	**216,828**	**2,371,650**	**8,850,576**
Profit for the year		**-**	**-**	**-**	**405,783**	**405,783**
Other comprehensive income for the year		**-**	**-**	**11,850**	**-**	**11,850**
Total comprehensive income for the year		**-**	**-**	**11,850**	**405,783**	**417,633**
Transfer to retained profits on the disposal of equity instruments at FVOCI		**-**	**-**	**(666)**	**666**	**-**
Transfer to statutory reserve		**-**	**101,446**	**-**	**(101,446)**	**-**
Dividend paid	42	**-**	**-**	**-**	**(123,000)**	**(123,000)**
At 31 December 2024		**4,018,781**	**2,344,763**	**228,012**	**2,553,653**	**9,145,209**
At 1 January 2023		4,018,781	2,147,359	26,801	2,168,562	8,361,503
Profit for the year		-	-	-	383,832	383,832
Other comprehensive income for the year		-	-	172,850	-	172,850
Total comprehensive income for the year		-	-	172,850	383,832	556,682
Effect of Business Transfer Scheme	53	-	-	17,391	-	17,391
Transfer to retained profits on the disposal of equity instruments at FVOCI		-	-	(214)	214	-
Transfer to statutory reserve		-	95,958	-	(95,958)	-
Dividend paid	42	-	-	-	(85,000)	(85,000)
At 31 December 2023		4,018,781	2,243,317	216,828	2,371,650	8,850,576

The accompanying notes form an integral part of the financial statements

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Group		**Bank**	
	2024 RM'000	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**
Cash flows from operating activities				
Profit before taxation and zakat	**582,680**	557,907	**546,892**	526,307
Adjustments for:				
Share of profit of associates and joint ventures	**(10)**	(45)	**-**	-
Depreciation of property, plant and equipment (Note 36(ii))	**10,128**	6,357	**9,966**	6,189
Depreciation of investment properties (Note 36(ii))	**724**	7	**724**	7
Amortisation of intangible assets (Note 36(ii))	**6,775**	4,401	**6,482**	4,349
Depreciation of right-of-use assets (Note 36(ii))	**5,709**	120	**5,699**	76
Property, plant and equipment written off (Note 36(iv))	**-**	5	**-**	5
Loss on disposal of property, plant and equipment (Note 51(q))	**-**	8	**-**	8
Gain on redemption of financial investments at FVTPL (Note 51(q))	**-**	(600,177)	**-**	(600,177)
Net gain on disposal of financial investments at FVOCI (Note 35 and 51(q))	**(10,782)**	(1,111)	**(10,782)**	(1,111)
Net gain on disposal of financial investments at FVTPL (Note 51(q))	**(1,315)**	-	**(1,315)**	-
Dividend income from subsidiaries (Note 35(a))	**-**	-	**-**	(24,600)
Accretion of discount less amortisation of premium of financial investments (Note 33 and 51(q))	**43,479**	27,494	**43,479**	27,633
Impairment allowance for:				
Financial investments at FVOCI (Note 40)	**51,720**	38,614	**51,720**	38,852
Financial investments at AC (Note 40)	**396**	-	**(1)**	-
(Writeback)/loss on corporate guarantees (Note 40)	**(6,619)**	57	**-**	-
Investments in subsidiaries (Note 40)	**-**	-	**2,643**	16,833
(Writeback of)/allowance for impairment losses on loans, financing and advances, net (Note 39)	**(165,767)**	676,075	**(162,447)**	681,534
Allowance for impairment losses on financial guarantee recoverable (Note 40)	**-**	61,591	**-**	61,591
Allowances for/(writeback of) impairment losses on financial guarantee (Note 25(a))	**339,049**	(85,941)	**339,049**	(82,400)
Allowance for impairment losses on financial guarantee fee receivable (Note 40)	**17,747**	-	**17,747**	-
Impaired loans/financing assets written off (Note 39)	**43,929**	27,721	**43,820**	27,679
Writeback of ex-staff loan/financing (Note 40)	**(143)**	(439)	**(143)**	(439)
Allowance for impairment losses on property, plant and equipment (Note 40)	**24**	-	**24**	-
Allowance for impairment losses on intangible assets (Note 40)	**111**	937	**111**	937
Modification loss	**21,149**	7,256	**21,631**	7,268
Unrealised (gain)/loss on financial investments at FVTPL (Note 51(q))	**(2,973)**	26,391	**(2,973)**	26,391
Capital distribution (Note 35(b))	**-**	(641)	**-**	(588)
Balance carried forward	**936,011**	746,587	**912,326**	716,344

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (cont'd.)

	Group		Bank	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Cash flows from operating activities (cont'd.)				
Balance brought forward	**936,011**	746,587	**912,326**	716,344
Compensation from the Government (Note 51(q))	**(92,399)**	(110,661)	**(92,399)**	(110,661)
Interest expense on lease liabilities (Note 28)	**3,298**	9	**3,296**	7
Loss arising from dissolution of subsidiaries (Note 13(b))	**2,362**	11,018	**-**	-
Operating cash flows before working capital changes	**849,272**	646,953	**823,223**	605,690
(Increase)/decrease in operating assets:				
Deposits and placements with financial institutions	**(44,942)**	1,473,141	**(150,336)**	131,652
Loans, financing and advances	**(1,649,859)**	(2,646,495)	**(1,614,875)**	(2,571,462)
Financial guarantee fee receivables	**142,694**	126,552	**142,694**	(50,976)
Financial guarantee recoverable	**-**	(199,274)	**-**	(199,274)
Other assets	**497,026**	868,264	**508,679**	81,559
	(1,055,081)	(377,812)	**(1,113,838)**	(2,608,501)
Increase/(decrease) in operating liabilities:				
Deposits from customers	**4,617,576**	1,898,998	**4,891,765**	1,898,998
Deposits and placements from financial institutions	**656,097**	(1,065,060)	**656,097**	(1,065,060)
Financial guarantee deferred income	**(161,129)**	(53,419)	**(161,129)**	150,884
Other liabilities	**(25,775)**	(27,045)	**(34,231)**	1,963,502
	5,086,769	753,474	**5,352,502**	2,948,324
Cash generated from operating activities	**4,880,960**	1,022,615	**5,061,887**	945,513
Proceeds from Government compensation	**58,772**	99,261	**58,772**	99,261
Income taxes paid	**(294,142)**	(231,468)	**(290,633)**	(206,975)
Zakat paid	**(10,807)**	(13,318)	**(10,289)**	(13,318)
Net cash generated from operating activities	**4,634,783**	877,090	**4,819,737**	824,481
Cash flows from investing activities				
Capital reduction	**-**	-	**-**	715
Dividend income from subsidiaries (Note 35(a))	**-**	-	**-**	24,600
Purchase of financial investments at FVOCI	**(4,731,004)**	(3,367,287)	**(4,731,004)**	(3,367,287)
Purchase of financial investments at AC	**-**	(61,346)	**-**	(61,346)
Purchase of property, plant and equipment (Note 16)	**(7,208)**	(35,937)	**(6,342)**	(35,786)
Purchase of intangible assets (Note 18)	**(6,225)**	(22,765)	**(4,695)**	(22,765)
Proceeds from disposal of financial investments at FVTPL	**1,694**	-	**1,694**	-
Proceeds from disposal of financial investments at FVOCI	**1,316,408**	785,375	**1,316,361**	785,375
Proceeds from disposal of property, plant and equipment	**-**	3	**-**	3
Net cash outflow on dissolution of subsidiaries (Note 13(b))	**(47)**	(522)	**-**	-
Net cash used in investing activities	**(3,426,382)**	(2,702,479)	**(3,423,986)**	(2,676,491)
Cash flows from financing activities				
Net payment/repayment of Sukuk/redeemable notes (Note 26)	**(550,000)**	(300,000)	**(550,000)**	(300,000)
Sukuk issuance (Note 26)	**-**	1,000,000	**-**	1,000,000
Repayment of revolving credit-i from financial institution (Note 27)	**-**	(10,000)	**-**	-
Increase in Collateralised Commodity Murabahah	**278,342**	-	**278,342**	-
Payment of lease liabilities	**(3,491)**	(133)	**(3,481)**	(86)
Dividend paid (Note 42)	**(123,000)**	(85,000)	**(123,000)**	(85,000)
Net cash (used in)/generated from financing activities	**(398,149)**	604,867	**(398,139)**	614,914

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (cont'd.)

	Group		Bank	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Net increase/(decrease) in cash and cash equivalents	**810,252**	(1,220,522)	**997,612**	(1,237,096)
Cash and cash equivalents at beginning of the year	**1,108,807**	2,329,329	**907,318**	2,144,414
Cash and cash equivalents at end of the year	**1,919,059**	1,108,807	**1,904,930**	907,318
Cash and cash equivalents comprise:				
Cash and short term deposits (Note 4)	**1,919,059**	1,108,807	**1,904,930**	907,318

The accompanying notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. Corporate Information

Bank Pembangunan Malaysia Berhad ("the Bank") is a public limited liability company, incorporated and domiciled in Malaysia.

The registered office of the Bank is located at Level 32, Menara Bank Pembangunan, Plaza Conlay, Jalan Conlay, 50450 Kuala Lumpur.

The holding company of the Bank is the Minister of Finance (Incorporated) ("MOF (Inc.)") a corporate body established under the Minister of Finance (Incorporation) Act 1957 in Malaysia.

The Bank is principally engaged to provide medium to long term credit and financing facilities including provision of guarantees and other related financing activities under both Conventional and Islamic finance business principles to finance infrastructure projects, maritime, oil & gas, technology and capital intensive industries in manufacturing as well as other identified sectors in line with the Malaysia's development policy. The principal activities of the subsidiary companies are as disclosed in Note 48.

There have been no significant changes in the nature of the principal activities of the Bank and the subsidiaries during the financial year other than those disclosed in Note 48 to the financial statements.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Board of Directors on 23 May 2025.

2. Material Accounting Policies

2.1 Statement of Compliance and Basis of Preparation

The financial statements of the Group and of the Bank have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") Accounting Standards, International Financial Reporting Standards ("IFRS") Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

The financial statements incorporate those activities relating to Islamic finance business, which have been undertaken by the Group. Islamic finance business refers generally to the business activities in accordance with Shariah principles.

The Group and the Bank present the statements of financial position in order of liquidity. An analysis regarding the recovery or settlement within 12 months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in Note 49(c).

The financial statements of the Group and of the Bank have been prepared under the historical cost basis unless otherwise indicated in the summary of significant accounting policies below. The financial statements are presented in Ringgit Malaysia ("RM") and all values are rounded to the nearest thousand ("RM'000") except where otherwise indicated.

2.2 Changes in Accounting Policies

The accounting policies adopted are consistent with those of the previous financial year except as follows:

On 1 January 2024, the Group and the Bank adopted the following amended MFRS Accounting Standards mandatory for annual financial periods beginning on or after 1 January 2024.

Description	Effective for annual period beginning on or after
Lease Liability in a Sale and Leaseback (Amendments to MFRS 16 Leases)	1 January 2024
Non-Current Liabilities with Covenants (Amendments to MFRS 101 Presentation of Financial Statements)	1 January 2024
Supplier Finance Arrangements (Amendments to MFRS 107 Statement of Cash Flows and MFRS 7 Financial Instruments: Disclosures)	1 January 2024

The adoption of the amendments to MFRS Accounting Standards above did not have any significant impact on the financial statements of the Group and of the Bank in the current financial year.

2. Material Accounting Policies (cont'd.)

2.3 Standards Issued but not yet Effective

The standards, amendments and annual improvements that are issued but not yet effective up to the date of issuance of the financial statements of the Group and of the Bank are disclosed below. The Group and the Bank intend to adopt these standards, if applicable, when they become effective.

Description	Effective for annual period beginning on or after
Lack of Exchangeability (Amendments to MFRS 121)	1 January 2025
Amendments to the Classification and Measurement of Financial Instruments (Amendments to MFRS 9 and MFRS 7)	1 January 2026
Contracts Referencing Nature - dependent Electricity (Amendments to MFRS 9 and MFRS 7)	1 January 2026
Annual Improvements to MFRS Accounting Standards - Volume 11	1 January 2026
MFRS 18 - Presentation and Disclosure in Financial Statements	1 January 2027
MFRS 19 - Subsidiaries without Public Accountability: Disclosures	1 January 2027
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to MFRS 10 and MFRS 128)	Deferred

These standards, amendments and annual improvements are not expected to have a significant impact on the Group and the Bank financial statements other than MFRS 18 - Presentation and Disclosure in Financial Statements which the Group and the Bank are in the midst of evaluating the potential impact of adopting this standard on the required effective date.

2.4 Summary of Material Accounting Policies

(a) Subsidiaries and basis of consolidation

(i) Subsidiaries

Subsidiaries are entities controlled by the Bank. The Group controls an investee if and only if the Group has:

- Power over the investee i.e. existing rights that give the current ability to direct the relevant activities of the investee;
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its return.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether Group has power over an investee, including:

- The contractual arrangements with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

2. Material Accounting Policies (cont'd.)

2.4 Summary of Material Accounting Policies (cont'd.)

(a) Subsidiaries and basis of consolidation (cont'd.)

(i) Subsidiaries (cont'd.)

In the Bank's separate financial statements, investments in subsidiaries are stated at cost less any impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Notes 3(a)(ii) and 3(b)(i). On disposal of such investments, the difference between the net disposal proceeds and their carrying amounts is recognised as gain or loss on disposal in the statements of profit or loss. Dividends received from subsidiaries are recorded as a component of revenue in the Bank's separate statement of profit or loss.

(ii) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Bank and its subsidiaries including the equity accounting of interest in associates and joint ventures as at the reporting date. The financial statements of the subsidiaries, associates and joint ventures are prepared for the same reporting date as the Bank.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control and continue to be consolidated until the date that such control ceases. In preparing the consolidated financial statements, intragroup balances, transactions and unrealised gains or losses are eliminated in full. Uniform accounting policies are adopted in the consolidated financial statements for transactions and events in similar circumstances.

Non-controlling interests ("NCI") represent the portion of profit or loss and net assets in subsidiaries not wholly-owned, directly or indirectly by the Bank. NCI are presented separately in the consolidated statement of profit or loss and statement of comprehensive income and within equity in the consolidated statement of financial position, but separate from parent shareholders' equity. Total profit or loss and other comprehensive income is allocated against the interest of NCI, even if this results in the NCI having a deficit balance. Acquisition of NCI are accounted for using the parent entity extension method, whereby the difference between the consideration and the fair value of the share of the net assets acquired is recognised as equity.

A change in the ownership interest of a subsidiary, without loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts;
- Derecognises the carrying amount of any non-controlling interest in the former subsidiary;
- Derecognises the cumulative foreign exchange translation differences recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained in the former subsidiary;
- Recognises any surplus or deficit in the profit or loss; and
- Reclassifies the parent's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, if required in accordance with other MFRS Accounting Standards.

All of the above will be accounted for from the date when control is lost.

2. Material Accounting Policies (cont'd.)

2.4 Summary of Material Accounting Policies (cont'd.)

(a) Subsidiaries and basis of consolidation (cont'd.)

(iii) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent considerations to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of MFRS 9 Financial Instruments ("MFRS 9") is measured at fair value with changes in fair value recognised either in the statements of profit or loss or statements of comprehensive income in accordance with MFRS 9. Other contingent considerations that is not within the scope of MFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in the statements of profit or loss.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for NCI and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the re-assessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed off, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

(iv) Merger accounting for common control business combinations

Acquisitions which result in a business combination involving common control entities, are outside the scope of MFRS 3. Accordingly, common control business combinations are accounted for using the merger accounting method.

A business combination involving entities under common control is a business combination in which all the combining entities or subsidiaries are ultimately controlled by the same party and parties both before and after the business combination and that control is not transitory.

2. **Material Accounting Policies (cont'd.)**

2.4 Summary of Material Accounting Policies (cont'd.)

(a) Subsidiaries and basis of consolidation (cont'd.)

(iv) Merger accounting for common control business combinations (cont'd.)

Subsidiaries acquired which have met the criteria for pooling of interest are accounted for using merger accounting principles. The results of the subsidiaries are accounted and presented from the acquisition date onwards.

The assets and liabilities combined are accounted for based on the carrying amounts from the perspective of the acquiree at the date of transfer. No amount is recognised in respect of goodwill and excess of the acquirer's interest in the carrying value of the acquiree's identifiable assets and liabilities and contingent liabilities over cost at the time of the common control business combination to the extent of the continuation of the interests of the controlling party or parties.

When the merger method is used, the cost of investment in the subsidiary is recorded at the nominal value of shares issued, cash and deferred consideration. The difference between the cost of investment in the subsidiary and the carrying value of the net tangible assets of the subsidiary at acquisition date is treated as a merger deficit or merger reserve as applicable. The results of the subsidiaries being merged are included from the acquisition date onwards.

(b) Interest in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture ("JV") is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the JV. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. The Group has interests in JV that is disclosed in Note 15.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

The Group's interest in its associate and JV are accounted for using the equity method.

Under the equity method, the interest in an associate or a JV is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or JV since the acquisition date. Goodwill relating to the associate or JV is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The consolidated statement of profit or loss reflects the Group's share of the results of operations of the associate or JV. Any change in other comprehensive income ("OCI") of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or JV, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or JV are eliminated to the extent of the interest in the associate or JV.

2. **Material Accounting Policies (cont'd.)**

2.4 Summary of Material Accounting Policies (cont'd.)

(b) Interest in associates and joint ventures (cont'd.)

The aggregate of the Group's share of profit or loss of an associate and a JV is shown on the face of the consolidated statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate or JV.

The financial statements of the associate or JV are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or JV. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or JV is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or JV and its carrying value, then recognises the loss as share of loss of an associate or JV.

Upon loss of significant influence over the associate or joint control over the JV, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or JV upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

(c) Foreign currency transactions

(i) Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Bank's functional currency. All values are rounded to nearest thousand (RM'000), unless otherwise stated.

(ii) Foreign currency transactions

Transactions in foreign currencies are measured in the respective functional currencies of the Group and the Bank and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translation of monetary items at the reporting date are recognised in the statements of profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to the statement of profit or loss of the Group and on disposal of the foreign operation.

2. Material Accounting Policies (cont'd.)

2.4 Summary of Material Accounting Policies (cont'd.)

(c) Foreign currency transactions (cont'd.)

(ii) Foreign currency transactions (cont'd.)

Exchange differences arising on the translation of non-monetary items carried at fair value are included in the statements of profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

(iii) Foreign operations

The assets and liabilities of foreign operations are translated into RM at the rate of exchange ruling at the reporting date and income and expenses are translated at exchange rates at the dates of the transactions. The exchange differences arising on the translation are taken directly to OCI. On disposal of a foreign operation, the cumulative amount recognised in OCI and accumulated in the separate component of equity, is reclassified from equity to profit or loss (as a reclassification) when the gain or loss on disposal is recognised.

(d) Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if and only if, it is probable that future economic benefits associated with the item will flow to the Group and the Bank and the cost of the item can be measured reliably.

Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. The policy for recognition and measurement of impairment is in accordance with Note 3(a)(iv), below. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group and the Bank recognise such parts as individual assets with specific useful lives and depreciation, respectively.

Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statements of profit or loss as incurred.

The carrying values of property, plant and equipment are reviewed for impairment when events or change in circumstances indicate that the carrying value may not be recoverable.

Freehold land has an unlimited useful life and therefore is not depreciated. Capital work-in-progress is not depreciated until the assets are available for use. Depreciation of other property, plant and equipment is provided for on a straight-line basis over the estimated useful life, as follows:

Leasehold land and buildings	19 - 50 years
Furniture and equipment	3 - 10 years
Partitioning, installation and renovations	3 - 20 years
Motor vehicles	5 years
Mechanical and electrical	7 years

The residual values, useful life and depreciation method are reviewed at each financial year end and adjusted prospectively if appropriate.

2. Material Accounting Policies (cont'd.)

2.4 Summary of Material Accounting Policies (cont'd.)

(d) Property, plant and equipment (cont'd.)

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any and the net carrying amount is recognised in the statements of profit or loss.

(e) Investment properties

Investment properties principally comprise properties held for long term rental yields or capital appreciation or both and which are not occupied by the Group and the Bank. Investment property is carried at cost less accumulated depreciation and any impairment losses. The policy for recognition and measurement of impairment is in accordance with Note 3(d), below.

Freehold land is not depreciated. Freehold building is depreciated at an annual rate of 2%, calculated on a straight line basis to write off the cost of each building over the estimated useful life.

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria is met and excludes the cost of day-to-day servicing of that property.

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

(f) Intangible assets

Intangible assets acquired separately are measured initially at cost. The cost of intangible assets acquired in a business combination is their fair values as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed to be either finite or infinite. Intangible assets with finite lives are amortised on straight line basis over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end. The amortisation expense on intangible asset with finite lives is recognised in statements of profit or loss in the expense category consistent with the function of the intangible asset.

Computer softwares were acquired separately and are amortised on a straight line basis over the useful lives of 3 - 5 years.

(g) Leases

The Group and the Bank assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

2. Material Accounting Policies (cont'd.)

2.4 Summary of Material Accounting Policies (cont'd.)

(g) Leases (cont'd.)

(i) Right-of-use assets

The Group and the Bank recognises right-of-use ("ROU") assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Building	10 years
Other equipment	5 years

If ownership of the leased asset transfers to the Group and the Bank at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

(ii) Lease liabilities

At the commencement date of the lease, the Group and the Bank recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group and the Bank uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

(iii) Short-term leases and leases of low-value assets

The Group and the Bank applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

2. Material Accounting Policies (cont'd.)

2.4 Summary of Material Accounting Policies (cont'd.)

(g) Leases (cont'd.)

(iv) Operating lease - the Group as lessor

Assets leased out under operating leases are presented on the statements of financial position according to the nature of the assets. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

(h) Financial assets

Financial assets and liabilities are recognised in the statements of financial position when the Group and the Bank has become a party to the contractual provisions of the instruments.

All regular way purchases and sales of financial assets that require delivery within the period generally established by regulation or market convention are recognised or derecognised on the trade date.

When financial assets or financial liabilities are recognised initially, they are measured at fair value, plus, in the case of financial assets or financial liabilities not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial assets or financial liabilities, such as fees and commissions. Transaction costs of financial assets or financial liabilities carried at fair value through profit or loss ("FVTPL") are expensed in profit or loss.

Immediately after initial recognition, expected credit loss ("ECL") is recognised for financial assets measured at amortised cost and debt instruments measured at fair value through other comprehensive income ("FVOCI"), which results in an accounting loss being recognised in profit or loss when an asset is newly originated.

Classification and subsequent measurement

Financial assets

The Group and the Bank determines the classification of their financial assets at initial recognition based on the following measurement categories:

- FVTPL;
- FVOCI; or
- Amortised cost.

To determine their classification and measurement category, the financial assets, except equity instruments and derivatives, is assessed based on a combination of the Bank business model for managing the assets and the instruments' contractual cash flow characteristics.

<u>Business model assessment</u>

The Group and the Bank determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objectives.

2. Material Accounting Policies (cont'd.)

2.4 Summary of Material Accounting Policies (cont'd.)

(h) Financial assets (cont'd.)

Classification and subsequent measurement (cont'd.)

Financial assets (cont'd.)

Business model assessment (cont'd.)

(a) Business model 1 - Hold to Collect (Amortised cost)

Business objective is to collect contractual cash flows over the life of the financial assets. Sales should be insignificant in value or infrequent.

(b) Business model 2 - Hold to Collect and Sell (FVOCI)

Business objective is both to collect contractual cash flows and sell financial assets. Debt instruments under this business model are mainly those with the objectives to:

(i) Manage everyday liquidity needs e.g. frequent sales activity of significant value to demonstrate liquidity or to cover everyday liquidity needs, without the intention of short-term profit taking;

(ii) Maintain a particular interest/profit yield profile e.g. active management of the portfolio on an opportunistic basis to increase return by reinvesting in higher yielding financial assets; and

(iii) Match the duration of the financial assets to the duration of the liabilities which funds those assets.

(c) Business Model 3 - FVTPL

Business objective is neither Business Model 1 nor Business Model 2. Debt instruments are mainly held for trading and managed on a fair value basis.

Solely Payments of Principal and Interest/Profit ("SPPI/SPPP") test

As a second step, SPPI/SPPP test must be carried out for all financial assets to identify if contractual cash flows are 'solely payment of principal and interest/profit on the principal amount outstanding' which is consistent with a 'basic lending/financing arrangement'.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition.

The most significant elements of interest/profit within a lending/financing arrangement are typically the consideration for the time value of money, credit risk, other basic lending/financing risks and a profit margin that is consistent with a basic lending/financing arrangement. To perform the SPPI/SPPP assessment, the Group and the Bank applies judgement and considers relevant factors such as the currency in which the financial asset is denominated and the period for which the interest/profit rate is set.

In contrast, contractual terms that introduce a more than *de minimis* exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending/financing arrangement do not give rise to contractual cash flows that are solely payments of principal and interest/profit on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

2. Material Accounting Policies (cont'd.)

2.4 Summary of Material Accounting Policies (cont'd.)

(h) Financial assets (cont'd.)

Classification and subsequent measurement (cont'd.)

Financial assets (cont'd.)

Solely Payments of Principal and Interest/Profit ("SPPI/SPPP") test (cont'd.)

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest/profit.

The Group and the Bank reclassified debt instruments when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent and none occured during the period.

Financial assets - Amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent SPPI/SPPP and that are not designated at FVTPL, are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit allowance recognised and measured. Interest/finance income from these financial assets is measured using the effective interest/profit rate method.

Financing and advances

Financing and advances consist of *Murabahah, Tawarruq, Ijarah (includes Ijarah Muntahiyah bi Tamlik), Istisna', Kafalah and Bai' Bithaman Ajil* . These contracts, except for *Kafalah* , are recognised at amortised cost, including direct and incremental transaction costs using effective profit method. These contracts are stated at net of unearned income and any amounts written off and/or impaired.

Definition of Shariah concept:

(a) *Murabahah* : It refers to a sale and purchase of an asset where the acquisition cost and the mark-up are disclosed to the purchaser. The sale price is payable by the purchaser usually on deferred terms.

(b) *Tawarruq* : It basically consists of two sale and purchase contracts. The first involves the sale of an asset by a seller to a purchaser on a deferred basis. Subsequently, the purchaser of the first sale will sell the same asset to a third party on a cash and spot basis.

(c) *Istisna'* : It refers to a contract which a seller sells to a purchaser an asset which is yet to be constructed, built or manufactured according to agreed specifications and delivered on an agreed specified future date at an agreed pre-determined sale price.

2. Material Accounting Policies (cont'd.)

2.4 Summary of Material Accounting Policies (cont'd.)

(h) Financial assets (cont'd.)

Financing and advances (cont'd.)

Definition of Shariah concept (cont'd.):

(d) *Ijarah* : It refers to a contract that transfers ownership of a permitted usufruct and/or service for a specified period in exchange for a specified consideration. It includes variations of this contract i.e. Ijarah Muntahiyah bi Tamlik, where it is accompanied with an option to transfer the ownership of the leased asset to the lessee at the end of the lease period via acceptable means of ownership transfer. For financial reporting purpose the Ijarah contract meets the definition of finance lease.

(e) *Kafalah* : It refers to a contract where the guarantor conjoins the guaranteed party in assuming the latter's specified liability for a specified period.

(f) *Bai' Bithaman Ajil* : It refers to a sale contract based on deferred payment at certain price.

Debt instruments at FVOCI

Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payments of principal and interest/profit and that are not designated at FVTPL, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest/finance revenue and foreign exchange gains and losses on the instrument's amortised cost which are recognised in profit or loss. When the debt instrument is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in "Net gain on disposal". Interest/finance income from these financial assets is measured using the effective interest/profit rate method.

Financial assets at FVTPL

Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on a financial investment that is substantially measured at FVTPL and is not part of hedging relationship is recognised in profit or loss and presented in the profit or loss statement within "Net investment income" in the period in which it arises. Interest/finance income from these financial assets is measured using the effective interest/profit rate method.

Derivatives that are linked to and must be settled by delivery of unquoted equity instruments whose fair values cannot be reliably measured are measured at cost.

Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets.

The Group and the Bank measures all equity investments at FVTPL, except where the Group and the Bank has elected, at initial recognition, to irrevocably designate an equity investment at FVOCI (with no recycling) provided that is neither held for trading nor a contingent consideration recognised by acquirer in a business combination.

For equity instruments elected on FVOCI (with no recycling), gain or loss on disposal is recognised in equity and dividends are recognised in profit or loss.

2. Material Accounting Policies (cont'd.)

2.4 Summary of Material Accounting Policies (cont'd.)

(h) Financial assets (cont'd.)

Impairment

The Group and the Bank assesses on a forward-looking basis the ECL associated with its financial assets carried at amortised cost and FVOCI. Equity instruments are not subject to impairment assessment.

The allowance is based on the ECL associated with the probability of default in the next twelve months unless there has been a significant increase in credit risk since origination.

The ECL model also applies to contract assets under MFRS 15 Revenue from Contracts with Customers and lease receivables under MFRS 16 Leases. The Group and the Bank will be generally required to apply a three-stage approach based on the change in credit quality since initial recognition:

- Stage 1: 12-month ECL

  For exposures where there has not been a significant increase in credit risk since initial recognition or where credit risk has improved and that are not credit impaired upon origination, the ECL associated with the probability of default events occurring within next 12 months will be recognised.

- Stage 2: Lifetime ECL – non-credit impaired

  For exposures where there has been a significant increase in credit risk since initial recognition but that are non-credit impaired, the lifetime ECL will be recognised.

- Stage 3: Lifetime ECL – credit impaired

  Financial assets are assessed as credit impaired when one or more events that have detrimental impact on the estimated future cash flows of that asset have occurred. For financial assets that are credit impaired, the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flow.

The assessment of credit risk and the estimation of ECL are required to be unbiased and probability-weighted and should incorporate all available information relevant to the assessment, including information about past events, current conditions and reasonable and supportable forecasts of economic conditions at the reporting date. In addition, the estimation of ECL should take into account the time value of money.

Both 12-month ECL and lifetime ECL are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments.

The calculation of ECL

The Group and the Bank calculates ECL to measure the expected cash shortfalls, discounted at an approximation to the Effective Interest Rate/Profit Rate ("EIR/EPR"). A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

- Probability of Default ("PD")

  The PD is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.

2. **Material Accounting Policies (cont'd.)**

2.4 Summary of Material Accounting Policies (cont'd.)

(h) Financial assets (cont'd.)

Impairment (cont'd.)

The calculation of ECL (cont'd.)

- Exposure at Default ("EAD")

  The EAD is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest/profit, whether scheduled by contract or otherwise, expected draw downs on committed facilities.

- Loss Given Default ("LGD")

  The LGD is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender/financier would expect to receive, including from the realisation of any collateral. It is usually expressed as a percentage of the EAD.

The mechanics of the ECL methods are summarised below:

- Stage 1

  The 12-month ECL is calculated as the portion of lifetime ECL that represent the ECL that result from default events on a financial instrument that are possible within the 12-month after the reporting date. The Group and the Bank calculates the 12-month ECL allowance based on the expectation of a default occurring in the 12-month following the reporting date. This expected 12-month default probability is applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR/EPR.

- Stage 2

  When a financial asset has shown a significant increase in credit risk since origination, the Group and the Bank records an allowance for the lifetime ECL. The mechanics are similar to those explained above, but PD and LGD are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR/EPR.

- Stage 3

  If the financial asset is credit impaired, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the statements of profit or loss. Where appropriate, the calculation of the present value of the estimated future cash flows of a collateralised loans/financing or receivable reflect the cash flows that may result from foreclosure less costs of obtaining and selling the collateral, whether or not foreclosure is probable. Interest/finance income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest/profit used to discount the future cash flows for the purpose of measuring the impairment loss. The interest/finance income is recorded as part of 'interest/finance income' in the statements of profit or loss.

2. **Material Accounting Policies (cont'd.)**

2.4 Summary of Material Accounting Policies (cont'd.)

(h) Financial assets (cont'd.)

Impairment (cont'd.)

The calculation of ECL (cont'd.)

- Loan, financing and advances commitments and letters of credit

  When estimating lifetime ECL for undrawn loan, financing and advances commitments, the Group and the Bank estimates the expected portion of the loan, financing and advances commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the loan, financing and advances is drawn down. The expected cash shortfalls are discounted at an approximation to the expected EIR/EPR on the instrument.

- Other financial assets

  The Group and the Bank apply a simplified approach to assess the ECL for other financial assets. The simplified approach eliminates the need to calculate 12-month ECL and to assess when a significant increase in credit risk has occurred. The loss allowance should be measured at initial recognition and throughout the life of the other financial assets at an amount equal to lifetime ECL. The simplified approach adopted for the Group and the Bank is based on weighted average of the historical loss experience.

Modification of loans, financing and advances

The Group may renegotiate or otherwise modify the contractual cash flows of loans/financing to customers. When this happens, the Group assesses whether or not the new terms are substantially different to the original terms.

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

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

Debt instruments measured at FVOCI

The ECL for debt instruments measured at FVOCI do not reduce the carrying amount of these financial assets in the statements of financial position, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI reserve as an accumulated impairment amount, with a corresponding charge to profit or loss. The accumulated loss recognised in OCI reserve is recycled to the profit or loss upon derecognition of the assets.

2. Material Accounting Policies (cont'd.)

2.4 Summary of Material Accounting Policies (cont'd.)

(h) Financial assets (cont'd.)

Fair value determination

For financial instruments measured at fair value, the fair value is determined by reference to quoted market prices or by using valuation models. The fair value of financial instruments traded in active markets are based on quoted market price or dealer price quotation.

For all other financial assets, fair value is determined using appropriate valuation techniques. In such cases, the fair values are estimated using discounted cash flow models, based on observable data in respect of similar financial instruments and using inputs (such as yield curve) existing at the reporting date.

Derecognition

Financial instruments are derecognised when the risks and rewards associated with the instruments are substantially transferred, cancelled or expired. Upon derecognition, the difference between the carrying amount of the instruments and the consideration received/paid, less the cumulative gain or loss that has been recognised in the equity are taken to the statements of profit or loss.

(i) Financial guarantee contracts

The Bank provides financial guarantee insurance ("FGI") over private debt securities and financing facilities for companies incorporated in Malaysia.

Bond issuers and/or obligors will pay a guarantee fee to the Group and the Bank in return for guarantee to cover the outstanding amounts upon a default. The financial guarantee fee is calculated based on a percentage of the nominal value of the outstanding issue guaranteed amounts and is paid annually in advance.

The nominal contractual value of financial guarantees are not recorded in the statements of financial position.

The Group and the Bank mitigates the risks associated with its provision of financial guarantee insurance by:

- Securing its exposures against tangible security to be provided by the obligor where possible;
- Establishing designated accounts with specific disbursement conditions which are controlled by Facility/Security Agents; and/or
- Imposing various financial and non-financial covenants on the obligor in ensuring financial discipline.

The Group and the Bank is also able to impose additional conditions as it deems fit upon the occurrence of a breach in covenant or a material adverse event.

Guarantee fee receivable

Guarantee fee receivables are amounts due from obligors for services rendered in the ordinary course of business. Fee receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest/profit method, less allowance for impairment. The policy for recognition and measurement of allowance for impairment is in accordance with Note 2.4(h).

2. Material Accounting Policies (cont'd.)

2.4 Summary of Material Accounting Policies (cont'd.)

(i) Financial guarantee contracts (cont'd.)

Guarantee fee receivable (cont'd.)

Guarantee fee receivables met the requirements of a significant financing component. As such, the transaction price for the contracts is discounted using the interest/profit rate implicit in the contract. This rate is commensurate with the rate that would be reflected in a separate financing transaction between the Group and the Bank with customer at contract inception.

Financial guarantee recoverable

Financial guarantee recoverable represent the full exposure on defaulted obligors. The initial recognition is based on the exposure at default less allowance for ECL. The policy for recognition and measurement of ECL is in accordance with Note 2.4(h).

FGI liabilities

FGI liabilities are recognised when contracts are entered into and premium are charged. The FGI liabilities refer to deferred income and provision for ECL on financial guarantees.

FGI liabilities are initially recognised in the financial statements at fair value, being the financial guarantee fee received. The financial guarantee fee received is amortised in the profit or loss on a straight-line basis over the life of the guarantee. Subsequent to initial recognition, the Group and the Bank's liability under each financial guarantee is measured at the higher of the amount initially recognised less cumulative financial guarantee fee amortised in the profit or loss and an ECL allowance. The policy for recognition and measurement of ECL is in accordance with Note 2.4(h).

The unamortised premium received on these financial guarantees is included within 'deferred income' and any additional loss allowance determined is included within 'provision for ECL' in the statements of financial position.

Annual service fees for Danajamin PRIHATIN Guarantee Scheme ("DPGS")

The Group has been appointed by Syarikat Jaminan Pembiayaan Perniagaan Berhad ("SJPP") to manage the DPGS on behalf of the Government of Malaysia. In managing the DPGS, the Group charges one time processing fee and annual monitoring fee. The one time processing fee is fully recognised upfront upon the financial institution's acceptance of the letter of approval issued by the Group for the relevant financing facility to be admitted into the DPGS and the issuance of the guarantee certificate by SJPP. The processing fee is charged for the various work performed for deal assessments prior to issuance of the letter of approval. The Group also charges annual monitoring fee for each approved and accepted offer. The monitoring fee is charged annually up to the maturity of the guarantee issued pursuant to the DPGS and is recognised as deferred income. This annual monitoring fee is recognised upon the guarantee commencement date in certificate issued by SJPP and up to the maturity of the guarantee.

(j) Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities are recognised in the statements of financial position when and only when, the Group and the Bank become a party to the contractual provisions of the financial instrument.

2. Material Accounting Policies (cont'd.)

2.4 Summary of Material Accounting Policies (cont'd.)

(j) Financial liabilities (cont'd.)

Financial liabilities are recognised at amortised cost. Financial liabilities measured at amortised cost include deposits from customers, debt securities/sukuk issued and other borrowed funds. Financial liabilities are derecognised when they are redeemed or extinguished.

(k) Equity instruments

An equity instrument is any contract that evidences a residual interest/profit in the assets of the Group and the Bank after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

(l) Employee benefits

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A provision is recognised for the amount expected to be paid under short-term cash bonus if the Group and the Bank have a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

The Group's and the Bank's contribution to the Employees Provident Fund ("EPF") are charged to the statements of profit or loss in the year to which they relate. Once the contributions have been paid, the Group and the Bank have no further payment obligations.

(m) Government grants

Government grants are recognised at their fair value in the statements of financial position where there is a reasonable assurance that the grants will be received and all attaching conditions will be complied with. The Government grants are presented in the statements of financial position as "Infrastructure Support Fund" ("ISF") and "deferred income".

ISF relates to fund received from the Government to cover the potential risk of loan/financing default, any allowance for impairment losses, write-off and other liquidity requirements that may arise. It is also to cover the contingent liabilities of the Bank i.e. guarantees, standby credits and performance bonds.

Deferred income comprises claims received in relation to profit rate differentials on financing of Government infrastructure project.

Grants that compensate the Group and the Bank for expenses incurred are recognised as income over the period necessary to match the grants on a systematic basis to the costs that it is intended to compensate.

2. Material Accounting Policies (cont'd.)

2.4 Summary of Material Accounting Policies (cont'd.)

(n) Provisions

Provisions are recognised when the Group and the Bank have a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Where the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as finance cost.

(o) Contingent liabilities

Contingent liabilities consist of secured guarantees given to third parties on behalf of borrowers/customers and litigation cases against the Group and the Bank. Contingent liabilities are disclosed in the notes to the accounts, unless the possibility of an outflow of resources embodying economic benefits is remote.

Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(p) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the Bank and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable.

(i) Interest/finance income and similar income

For all financial instruments measured at amortised cost, interest/profit bearing financial assets classified as FVOCI and financial instruments designated at FVTPL, interest/finance income is recorded using the effective interest/profit rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. The calculation takes into account all contractual terms of the financial instrument (for example, repayment options) and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the effective interest/profit rate, but not future credit losses.

For impaired financial assets where the value of the financial asset have been written down as a result of an impairment loss, interest/finance income continues to be recognised using the rate of interest/profit used to discount the future cash flows for the purpose of measuring the impairment loss.

(ii) Islamic Finance Business income recognition

Income from financing and receivables is recognised in the statements of profit or loss using the effective profit method. The effective profit rate is the rate that discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability to the carrying amount of the financial asset or liability. The calculation of the effective profit rate includes all contractual terms of the financial instruments and includes any fees incremental costs that are directly attributable to the instruments and are an integral part of the effective profit rate.

Sale-based Financing *(Murabahah, Tawarruq, Istisna' and Bai' Bithaman Ajil)*

Income are accrued on monthly basis on the cost outstanding at the prevailing effective profit rate over the duration of the financing.

2. Material Accounting Policies (cont'd.)

2.4 Summary of Material Accounting Policies (cont'd.)

(p) Revenue (cont'd.)

(ii) Islamic Finance Business income recognition (cont'd.)

Lease-based Financing *(Ijarah and Ijarah Muntahiyah bi Tamlik)*

Finance income is recognised on the effective profit rate of the cost of the leased asset over the lease period.

Fee income

Fee-based income from charging administrative fees such as processing fee, arrangement fee and facility fee is recognised upon satisfaction of performance obligation. Fee-based income is also derived from provision of guarantee based on *kafalah* contract.

(iii) Income recognition for leasing, hire purchase financing, pre-factoring and factoring

Income earned on leasing, hire purchase, pre-factoring and factoring financing is recognised based on the effective interest/profit method.

(iv) Other revenue recognition

The Group and the Bank charges other guarantee related fees such as upfront fees and processing fees arising from FGI contracts separately from the guarantee premium.

Upfront fee is charged by the Group and the Bank on various work performed for deal assessments prior to new issuance of FGI contract. Upfront fee is recognised upon the Group committing to provide financial guarantee contract and obligors accepting the Group and the Bank offer to provide such commitment. The upfront fee is recognised over the period which the Group and the Bank is committed to provide the FGI contract and is based on the earlier of validity period of the Group and the Bank commitment or expected drawdown/issuance of debt facilities. The upfront fee is non-refundable. There is no element of significant financing as the period of commitment is wholly upon the discretion of the obligors.

(v) Dividend income

Dividend income is recognised when the Group and the Bank is right to receive payment is established.

(q) Income taxes

(i) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in the statements of profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

2. Material Accounting Policies (cont'd.)

2.4 Summary of Material Accounting Policies (cont'd.)

(q) Income taxes (cont'd.)

(ii) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets and deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of transaction, affect neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not be reversed in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside the statements of profit or loss is recognised outside the statements of profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(r) Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, bank balances and deposits placements with original maturity of less than one month held for the purpose of meeting short-term commitments and readily convertible into cash without significant risk of changes in value.

3. Significant Accounting Judgements, Estimates and Assumptions

The preparation of financial statements involved making certain judgements and estimates, that affect the accounting policies applied and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the financial statements in the period of which the estimate is revised and in any future periods affected.

In the process of applying the Group and the Bank accounting policies, management has made the following judgements, estimates and assumptions which have material effect on the amounts recognised in the financial statements.

(a) Impairment of financial investments portfolio (Note 7, Note 8 and Note 40)

The Group and the Bank review the debt instruments at FVOCI and financial investments at amortised cost under MFRS 9 which requires the recognition of ECL at each reporting date to reflect changes in credit risk of the financial investments not at FVTPL. MFRS 9 incorporates forward-looking and historical, current and forecasted information into ECL estimation.

In carrying out the review, the following management's judgment are required:

(i) Determination whether the investment is impaired or has significant increase in credit risk based on certain indicators such as, amongst others, prolonged decline in fair value, significant financial difficulties of the issuer or obligors, the disappearance of an active trading market and deterioration of the credit quality of the issuers or obligors; and

(ii) Determination of ECL that reflect:

(a) An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;

(b) The time value of money; and

(c) Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

(b) Impairment of loans, financing and advances (Note 9 and Note 39)

The Group and the Bank make certain judgement in determining the ECL to be recognised on loans, financing and advances. The Group and the Bank ECL calculations under MFRS 9 are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

(i) Internal credit grading model, which assigns PD to the individual grades;

(ii) Criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a lifetime ECL basis and the qualitative assessment;

(iii) The segmentation of financial assets when their ECL is assessed on a collective basis;

(iv) Development of ECL models, including the various formulas and the choice of inputs;

(v) Determination of associations between macroeconomic scenarios and, economic inputs, such as oil price forecast, USD exchange rate and the effect on PD, EAD and LGD.

(vi) Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models; and

(vii) The net realisable value of collateral.

3. Significant Accounting Judgements, Estimates and Assumptions (cont'd.)

(b) Impairment of loans, financing and advances (Note 9 and Note 39) (cont'd.)

ECL overlay and adjustments

As the current MFRS 9 models are not expected to generate levels of ECL with sufficient reliability yet in view of emerging risks, overlays and post-model adjustments have been applied to determine a sufficient overall level of ECL for the year ended and as at 31 December 2024.

These overlays and post-model adjustments were taken to reflect the latest macroeconomic outlook not captured in the modelled outcome and the potential impact to delinquencies and defaults.

The overlays or post-model adjustments involved significant level of judgement and reflect the management's views of possible paths of recovery in the forward looking assessment for ECL estimation purposes.

The overlays were generally made at individual customer level in determining the sufficient level of ECL.

The impact of these overlays were estimated at portfolio level, remain outside the core MFRS 9 process and amounts to RM465.6 million (2023: RM1,108.5 million) representing 12.0% (2023: 27.8%) of total ECL of the Bank as at 31 December 2024. Overlays made amounting to RM456.6 million (2023: RM1,539.5 million) represents 11.9% (2023: 27.6%) of total ECL of the Group as at 31 December 2024.

(c) Impairment of investment in subsidiaries (Note 13), interest in associates (Note 14) and JV (Note 15)

The Group and the Bank assess whether there is any indication that an investment in subsidiaries, interest in associates and JV may be impaired at each reporting date.

If indicators are present, these investments are subjected to impairment review which comprises a comparison of the carrying amount of the investment and the investment's estimated recoverable amount.

Judgments made by management in the process of applying the Group's accounting policies in respect of investment in subsidiaries, interest in an associates and JV are as follows:

(i) The Group and the Bank determine whether the investments are impaired following certain indications of impairment such as, amongst others, significant changes with adverse effects on the investment and deteriorating financial performance of the investment due to observed changes in the economic environment; and

(ii) Depending on their nature and the location in which the investments relate to, judgments are made by management to select suitable methods of valuation such as, amongst others, discounted future cash flows or estimated fair value based on quoted market price of the most recent transactions.

Once a suitable method of valuation is selected, management makes certain assumptions concerning the future to estimate the recoverable amount of the specific individual investment. These assumptions and other key sources of estimation uncertainty at the reporting date, may have a significant risk of causing a material adjustment to the carrying amounts of the investments within the next financial year.

Depending on the specific individual investment, assumptions made by management may include, amongst others, assumptions on expected future cash flows, revenue growth, terminal value, discount rate used for purposes of discounting future cash flows which incorporates the relevant risks and expected future outcome based on certain past trends.

3. Significant Accounting Judgements, Estimates and Assumptions (cont'd.)

(d) Impairment of non-financial assets (Note 16, Note 18 and Note 19)

The carrying amounts of non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If there is such indication or when annual impairment testing for an asset is required, the Group and the Bank estimate the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its value-in-use ("VIU"). When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

The Group and the Bank bases its VIU calculation on detailed budgets and forecast calculations. In assessing VIU, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account. If no such transactions can be identified, an apropriate valuation model is used.

(e) Leases (Note 28)

Excercising extension options

The Group and the Bank assesses at lease commencement by applying significant judgement on whether it is reasonably certain to exercise the extension option. The Group and the Bank considers all facts and circumstances including their past practice and any cost that will be incurred to change the asset if an option to extend is not taken, to help determine the lease term.

Estimating the incremental borrowing rate

The Group and the Bank cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group and the Bank would have to pay to borrow over a similar term and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group and the Bank 'would have to pay', which requires estimation when no observable rates are available (such as for subsidiaries that do not enter into financing transactions) or when they need to be adjusted to reflect the terms and conditions of the lease (for example, when leases are not in the subsidiary's functional currency). The Group and the Bank estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

(f) Income taxes (Note 41)

Significant judgment is required in estimating the provision for income taxes. There are many transactions and interpretations of tax law for which the final outcome will not be established until some time later. Liabilities for taxation are recognised based on estimates of whether additional taxes will be payable. The estimation process includes seeking advice on the tax treatments where appropriate. Where the final liability for taxation is different from the amounts that were initially recorded, the differences will affect the income tax and deferred tax provisions in the period in which the estimate is revised or the final liability is established.

4. Cash and Short Term Deposits

	Group		Bank	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Cash and balances with other financial institutions	**11,752**	11,091	**2,636**	1,972
Money at call and deposits placements maturing within one month	**1,907,307**	1,097,716	**1,902,294**	905,346
	1,919,059	1,108,807	**1,904,930**	907,318

5. Deposits and Placements with Financial Institutions

	Group		Bank	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Licensed banks	**150,786**	105,844	**150,336**	-

The weighted average effective interest rates ("WAEIR") of deposits and the average maturity of deposits of the Group and the Bank at the reporting date were as follows:

	Group		Bank	
	2024	2023	2024	2023
WAEIR (%)	**3.72**	3.81	**3.72**	-
Average maturity (Days)	**91**	266	**90**	-

6. Financial Investments at FVTPL

	Group and Bank	
	2024 RM'000	2023 RM'000
At fair value		
Equity Securities:		
Unquoted shares	**10,090**	7,495
Total financial investments at FVTPL	**10,090**	7,495

7. Financial Investments at FVOCI

	Group and Bank	
	2024 RM'000	2023 RM'000
At fair value		
Debt Instruments:		
Money market instruments:		
Government investment issues	**7,700,079**	4,745,885
	7,700,079	4,745,885
Unquoted securities:		
Corporate bonds and sukuk	**4,982,048**	5,096,781
	4,982,048	5,096,781
Total financial investments at FVOCI	**12,682,127**	9,842,666

(i) During the year, a total unrealised gain for the Group and the Bank amounting to RM666,348 (2023: RM1,192,750) was recognised in other comprehensive income. The Group and the Bank recognised a gain of RM10,782,357 (2023: RM1,111,260) to the profit or loss from disposal of debt instruments at FVOCI.

(ii) During the year, financial investments at FVOCI includes MFRS 9 reclassification that resulted in a net decrease of RM12,368 (2023: nil) for the Group and the Bank, as a result of change in business model.

Movements in allowances for impairment which reflect the ECL allowance are as follows:

		Lifetime ECL		
Group	12-Month ECL Stage 1 RM'000	Not Credit Impaired Stage 2 RM'000	Credit Impaired Stage 3 RM'000	Total RM'000
2024				
At 1 January	**4,120**	**194,689**	**-**	**198,809**
Reclassified to amortised costs	**(1,949)**	**(64,098)**	**-**	**(66,047)**
Net (writeback)/allowance made	**(1,351)**	**53,071**	**-**	**51,720**
New financial investments purchased	**267**	**-**	**-**	**267**
Net (writeback)/allowance made	**(1,618)**	**53,071**	**-**	**51,453**
At 31 December	**820**	**183,662**	**-**	**184,482**
2023				
At 1 January	1,487	158,708	-	160,195
Net allowance made	2,633	35,981	-	38,614
New financial investments purchased	970	40,335	-	41,305
Net allowance made/(writeback)	1,663	(4,354)	-	(2,691)
At 31 December	4,120	194,689	-	198,809

7. Financial Investments at FVOCI (cont'd.)

Movements in allowances for impairment which reflect the ECL allowance are as follows (cont'd.):

		Lifetime ECL		
Bank	12-Month ECL Stage 1 RM'000	Not Credit Impaired Stage 2 RM'000	Credit Impaired Stage 3 RM'000	Total RM'000
2024				
At 1 January	**4,120**	**194,689**	**-**	**198,809**
Reclassified to amortised costs	**(1,949)**	**(64,098)**	**-**	**(66,047)**
Net (writeback)/allowance made	**(1,351)**	**53,071**	**-**	**51,720**
New financial investments purchased	**267**	**-**	**-**	**267**
Net (writeback)/allowance made	**(1,618)**	**53,071**	**-**	**51,453**
At 31 December	**820**	**183,662**	**-**	**184,482**
2023				
At 1 January	365	158,708	-	159,073
Effect of Business Transfer (Note 53)	884	-	-	884
Net allowance made	2,871	35,981	-	38,852
New financial investments purchased	970	40,335	-	41,305
Net allowance made/(writeback)	1,901	(4,354)	-	(2,453)
At 31 December	4,120	194,689	-	198,809

8. Financial Investments at AC

	Group		Bank	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
At amortised cost				
Debt Instruments:				
Unquoted securities:				
Sukuk	**125,456**	61,346	**125,456**	61,346
Peer-to-peer ("P2P")	**5,073**	-	**-**	-
	130,529	61,346	**125,456**	61,346
Less: ECL	**(66,443)**	-	**(66,046)**	-
	64,086	61,346	**59,410**	61,346

(i) During the year, financial investments at amortised cost includes MFRS 9 reclassification that resulted in a net increase of RM12,368 (2023: nil) for the Group and the Bank, as a result of change in business model.

8. Financial Investments at AC (cont'd.)

Movements in allowances for impairment which reflect the ECL allowance are as follows:

Group	12-Month ECL Stage 1 RM'000	Lifetime ECL Not Credit Impaired Stage 2 RM'000	Lifetime ECL Credit Impaired Stage 3 RM'000	Total RM'000
2024				
At 1 January	-	-	-	-
Reclassified from FVOCI	1,949	64,098	-	66,047
Net allowance made	388	8	-	396
New financial investments purchased	389	8	-	397
Net writeback	(1)	-	-	(1)
At 31 December	2,337	64,106	-	66,443

2023

As at the end of the reporting period, the Group did not recognise any allowance for impairment during the year.

Bank	12-Month ECL Stage 1 RM'000	Lifetime ECL Not Credit Impaired Stage 2 RM'000	Lifetime ECL Credit Impaired Stage 3 RM'000	Total RM'000
2024				
At 1 January	-	-	-	-
Reclassified from FVOCI	1,949	64,098	-	66,047
Net writeback	(1)	-	-	(1)
At 31 December	1,948	64,098	-	66,046

2023

As at the end of the reporting period, the Bank did not recognise any allowance for impairment.

9. Loans, Financing and Advances

	Group 2024 RM'000	Group 2023 RM'000	Bank 2024 RM'000	Bank 2023 RM'000
At amortised cost				
Loans, financing and advances to industries	**22,353,825**	20,780,371	**22,055,540**	20,517,437
Loans, financing and advances to others:				
Staff loan/financing	**1,323**	2,197	**1,323**	2,197
Gross loans, financing and advances	**22,355,148**	20,782,568	**22,056,863**	20,519,634
Allowance for impairment on loans, financing and advances				
- Stage 1: 12-Month ECL	**(768,904)**	(1,610,534)	**(761,341)**	(1,605,603)
- Stage 2: Lifetime ECL not credit impaired	**(1,799,752)**	(1,359,850)	**(1,799,132)**	(1,356,781)
- Stage 3: Lifetime ECL credit impaired	**(1,359,439)**	(1,135,673)	**(1,335,748)**	(1,108,479)
	(3,928,095)	(4,106,057)	**(3,896,221)**	(4,070,863)
Net loans, financing and advances	**18,427,053**	16,676,511	**18,160,642**	16,448,771

(i) Loans, financing and advances analysed by type are as follows:

	Group 2024 RM'000	Group 2023 RM'000	Bank 2024 RM'000	Bank 2023 RM'000
Bai' Bithaman Ajil	-	256	-	-
Istisna'	**629,201**	897,491	**629,201**	897,491
Ijarah Muntahiyah bi Tamlik	**43,725**	70,072	-	1,313
Tawarruq financing asset	**19,233,860**	17,183,220	**19,224,474**	17,171,888
Tawarruq financing working capital	**691,465**	384,927	**691,465**	384,927
Tawarruq revolving working capital	**96,166**	94,585	**96,166**	94,585
Factoring-i	**52,509**	54,461	-	-
Hire purchase-i	**161,972**	106,354	-	-
Term loan	**1,416,390**	1,966,833	**1,414,234**	1,964,933
Revolving working capital	-	2,300	-	2,300
Factoring	**19,959**	5,226	-	-
Hire purchase	**8,536**	14,603	-	-
Leasing	**42**	43	-	-
Staff loan/financing	**1,323**	2,197	**1,323**	2,197
Gross loans, financing and advances	**22,355,148**	20,782,568	**22,056,863**	20,519,634
Allowance for impairment on loans, financing and advances:				
- Stage 1: 12-Month ECL	(768,904)	(1,610,534)	**(761,341)**	(1,605,603)
- Stage 2: Lifetime ECL not credit impaired	**(1,799,752)**	(1,359,850)	**(1,799,132)**	(1,356,781)
- Stage 3: Lifetime ECL credit impaired	**(1,359,439)**	(1,135,673)	**(1,335,748)**	(1,108,479)
	(3,928,095)	(4,106,057)	**(3,896,221)**	(4,070,863)
Net loans, financing and advances	**18,427,053**	16,676,511	**18,160,642**	16,448,771

9. Loans, Financing and Advances (cont'd.)

(ii) Loans, financing and advances analysed by type of borrowers/customers are as follows:

	Group 2024 RM'000	Group 2023 RM'000	Bank 2024 RM'000	Bank 2023 RM'000
Domestic business enterprises	**22,353,825**	20,780,371	**22,055,540**	20,517,437
Individuals	**1,323**	2,197	**1,323**	2,197
	22,355,148	20,782,568	**22,056,863**	20,519,634

(iii) Loans, financing and advances analysed by interest/profit rate sensitivity are as follows:

	Group 2024 RM'000	Group 2023 RM'000	Bank 2024 RM'000	Bank 2023 RM'000
Fixed rate:				
Housing loans/financing	**1,323**	2,197	**1,323**	2,197
Hire purchase receivables	**170,508**	120,957	**-**	-
Other fixed rate loans/ financing	**7,645,561**	8,107,599	**7,517,784**	7,965,622
Variable rate:				
Cost plus	**4,004,319**	3,220,868	**4,004,319**	3,220,868
Other variable rates	**10,533,437**	9,330,947	**10,533,437**	9,330,947
	22,355,148	20,782,568	**22,056,863**	20,519,634

(iv) Loans, financing and advances analysed by industry are as follows:

	Group 2024 RM'000	Group 2023 RM'000	Bank 2024 RM'000	Bank 2023 RM'000
Construction	**2,204,033**	2,711,432	**2,181,868**	2,686,562
Electricity, gas and water supply	**1,355,705**	1,283,750	**1,355,631**	1,281,917
Finance, insurance/takaful and business	**10,397**	8,452	**-**	-
Hotels and restaurants	**1,574,441**	1,650,299	**1,492,231**	1,646,303
Housing	**1,323**	2,197	**1,323**	2,197
Infrastucture	**10,126,547**	9,208,705	**10,126,547**	9,208,705
Manufacturing	**935,590**	725,927	**914,062**	703,931
Other community, social and personal service activities	526,566	373,980	**403,084**	226,074
Real estate	**2,330,616**	1,903,625	**2,321,044**	1,891,308
Transport, storage and communication	**3,289,930**	2,914,201	**3,261,073**	2,872,637
	22,355,148	20,782,568	**22,056,863**	20,519,634

9. Loans, Financing and Advances (cont'd.)

(v) The maturity structure of loans, financing and advances is as follows:

	Group 2024 RM'000	Group 2023 RM'000	Bank 2024 RM'000	Bank 2023 RM'000
Maturity within one year	**2,060,028**	1,990,613	**1,975,975**	1,916,930
One year to three years	**3,691,125**	3,149,649	**3,645,460**	3,118,947
Three years to five years	**2,062,053**	2,481,303	**1,893,486**	2,322,754
Over five years	**14,541,942**	13,161,003	**14,541,942**	13,161,003
	22,355,148	20,782,568	**22,056,863**	20,519,634

(vi) Loans, financing and advances analysed by geographical distribution are as follows:

	Group 2024 RM'000	Group 2023 RM'000	Bank 2024 RM'000	Bank 2023 RM'000
Within Malaysia	**22,355,148**	20,782,568	**22,056,863**	20,519,634

(vii) Movements in gross loans, financing and advances are as follows:

Group	12-Month ECL Stage 1 RM'000	Lifetime ECL Not Credit Impaired Stage 2 RM'000	Lifetime ECL Credit Impaired Stage 3 RM'000	Total RM'000
2024				
At 1 January	**14,660,482**	**4,054,586**	**2,067,500**	**20,782,568**
- Transfer to 12-month ECL (Stage 1)	**74,425**	**(74,425)**	**-**	**-**
- Transfer to Lifetime ECL not credit impaired (Stage 2)	**(2,695,067)**	**2,695,067**	**-**	**-**
- Transfer to Lifetime ECL credit impaired (Stage 3)	**(33,961)**	**(349,492)**	**383,453**	**-**
Remeasurement, net	**(329,282)**	**57,609**	**35,057**	**(236,616)**
Newly originated accounts	**1,002,728**	**1,888,056**	**-**	**2,890,784**
Settled accounts	**(460,695)**	**(404,281)**	**(160,597)**	**(1,025,573)**
Written-off	**-**	**-**	**(56,015)**	**(56,015)**
At 31 December	**12,218,630**	**7,867,120**	**2,269,398**	**22,355,148**

9. Loans, Financing and Advances (cont'd.)

(vii) Movements in gross loans, financing and advances are as follows (cont'd.):

Group	12-Month ECL Stage 1 RM'000	Lifetime ECL Not Credit Impaired Stage 2 RM'000	Lifetime ECL Credit Impaired Stage 3 RM'000	Total RM'000
2023				
At 1 January	11,245,719	4,876,106	2,075,218	18,197,043
- Transfer to 12-month ECL (Stage 1)	1,200,150	(1,200,099)	(51)	-
- Transfer to Lifetime ECL not credit impaired (Stage 2)	(460,578)	460,578	-	-
- Transfer to Lifetime ECL credit impaired (Stage 3)	-	(134,785)	134,785	-
Remeasurement, net	456,414	60,972	(20,881)	496,505
Newly originated accounts	3,557,481	-	388	3,557,869
Settled accounts	(1,338,704)	(8,186)	(68,223)	(1,415,113)
Written-off	-	-	(53,736)	(53,736)
At 31 December	14,660,482	4,054,586	2,067,500	20,782,568

Bank	12-Month ECL Stage 1 RM'000	Lifetime ECL Not Credit Impaired Stage 2 RM'000	Lifetime ECL Credit Impaired Stage 3 RM'000	Total RM'000
2024				
At 1 January	**14,438,393**	**4,040,935**	**2,040,306**	**20,519,634**
- Transfer to 12-month ECL (Stage 1)	**72,612**	**(72,612)**	**-**	**-**
- Transfer to Lifetime ECL not credit impaired (Stage 2)	**(2,695,067)**	**2,695,067**	**-**	**-**
- Transfer to Lifetime ECL credit impaired (Stage 3)	**(33,961)**	**(348,975)**	**382,936**	**-**
Remeasurement, net	**(351,813)**	**62,012**	**25,613**	**(264,188)**
Newly originated accounts	**684,516**	**1,888,056**	**-**	**2,572,572**
Settled accounts	**(164,456)**	**(403,551)**	**(147,133)**	**(715,140)**
Written-off	**-**	**-**	**(56,015)**	**(56,015)**
At 31 December	**11,950,224**	**7,860,932**	**2,245,707**	**22,056,863**

9. Loans, Financing and Advances (cont'd.)

(vii) Movements in gross loans, financing and advances are as follows (cont'd.):

Bank	12-Month ECL Stage 1 RM'000	Lifetime ECL Not Credit Impaired Stage 2 RM'000	Lifetime ECL Credit Impaired Stage 3 RM'000	Total RM'000
2023				
At 1 January	11,098,960	4,869,238	2,040,978	18,009,176
- Transfer to 12-month ECL (Stage 1)	1,200,099	(1,200,099)	-	-
- Transfer to Lifetime ECL not credit impaired (Stage 2)	(453,316)	453,316	-	-
- Transfer to Lifetime ECL credit impaired (Stage 3)	-	(134,785)	134,785	-
Remeasurement, net	109,935	61,451	(15,254)	156,132
Newly originated accounts	3,382,496	-	-	3,382,496
Settled accounts	(899,781)	(8,186)	(66,467)	(974,434)
Written-off	-	-	(53,736)	(53,736)
At 31 December	14,438,393	4,040,935	2,040,306	20,519,634

(viii) Impaired loans, financing and advances analysed by industry are as follows:

	Group 2024 RM'000	Group 2023 RM'000	Bank 2024 RM'000	Bank 2023 RM'000
Construction	**446,490**	411,088	**446,490**	411,088
Electricity, gas and water supply	**300,148**	325,262	**300,074**	323,891
Finance, insurance/takaful and business	**7,960**	7,960	**-**	-
Hotels and restaurants	**671,365**	557,410	**671,365**	557,335
Infrastructure	**410,913**	287,059	**410,913**	287,059
Manufacturing	**-**	13,899	**-**	13,735
Other community, social and personal service activities	**72,238**	82,129	**70,082**	72,149
Real estate	**206,276**	199,885	**198,009**	199,885
Transport, storage and communication	**154,008**	182,808	**148,774**	175,164
	2,269,398	2,067,500	**2,245,707**	2,040,306
Gross impaired loans, financing and advances as a % of gross loans, financing and advances	**10.15%**	9.95%	**10.18%**	9.94%

9. Loans, Financing and Advances (cont'd.)

(ix) Movements in the allowance for impairment of loans, financing and advances are as follows:

Group	12-Month ECL Stage 1 RM'000	Lifetime ECL Not Credit Impaired Stage 2 RM'000	Lifetime ECL Credit Impaired Stage 3 RM'000	Total RM'000
2024				
At 1 January	**1,610,534**	**1,359,850**	**1,135,673**	**4,106,057**
- Transfer to 12-month ECL (Stage 1)	**32,148**	**(32,148)**	**-**	**-**
- Transfer to Lifetime ECL not credit impaired (Stage 2)	**(588,736)**	**588,736**	**-**	**-**
- Transfer to Lifetime ECL credit impaired (Stage 3)	**(14,399)**	**(266,868)**	**281,267**	**-**
Remeasurement, net	**(270,643)**	**150,182**	**(45,306)**	**(165,767)**
Amount written off	**-**	**-**	**(12,195)**	**(12,195)**
At 31 December	**768,904**	**1,799,752**	**1,359,439**	**3,928,095**
2023				
At 1 January	1,027,416	1,254,465	1,174,158	3,456,039
- Transfer to 12-month ECL (Stage 1)	280,077	(280,077)	-	-
- Transfer to Lifetime ECL not credit impaired (Stage 2)	(239,234)	239,234	-	-
- Transfer to Lifetime ECL credit impaired (Stage 3)	-	(47,538)	47,538	-
Remeasurement, net	542,275	193,766	(59,966)	676,075
Amount written off	-	-	(26,057)	(26,057)
At 31 December	1,610,534	1,359,850	1,135,673	4,106,057

9. Loans, Financing and Advances (cont'd.)

(ix) Movements in the allowance for impairment of loans, financing and advances are as follows (cont'd.):

Bank	12-Month ECL Stage 1 RM'000	Lifetime ECL Not Credit Impaired Stage 2 RM'000	Lifetime ECL Credit Impaired Stage 3 RM'000	Total RM'000
2024				
At 1 January	**1,605,603**	**1,356,781**	**1,108,479**	**4,070,863**
- Transfer to 12-month ECL (Stage 1)	**32,148**	**(32,148)**	**-**	**-**
- Transfer to Lifetime ECL not credit impaired (Stage 2)	**(588,736)**	**588,736**	**-**	**-**
- Transfer to Lifetime ECL credit impaired (Stage 3)	**(14,399)**	**(266,868)**	**281,267**	**-**
Remeasurement, net	**(273,275)**	**152,631**	**(41,803)**	**(162,447)**
Amount written off	**-**	**-**	**(12,195)**	**(12,195)**
At 31 December	**761,341**	**1,799,132**	**1,335,748**	**3,896,221**
2023				
At 1 January	1,022,616	1,252,852	1,139,918	3,415,386
- Transfer to 12-month ECL (Stage 1)	280,077	(280,077)	-	-
- Transfer to Lifetime ECL not credit impaired (Stage 2)	(237,931)	237,931	-	-
- Transfer to Lifetime ECL credit impaired (Stage 3)	-	(47,538)	47,538	-
Remeasurement, net	540,841	193,613	(52,920)	681,534
Amount written off	-	-	(26,057)	(26,057)
At 31 December	1,605,603	1,356,781	1,108,479	4,070,863

10. Financial Guarantee Recoverable

	Note	Group and Bank 2024 RM'000	2023 RM'000
Financial guarantee recoverable	(i)	**199,274**	199,274
Allowance for impairment			
- Stage 3: Lifetime ECL credit impaired	(ii)	**(61,591)**	(61,591)
		137,683	137,683

10. Financial Guarantee Recoverable (cont'd.)

(i) Movements in financial guarantee recoverable are as follows:

	Group and Bank 2024 RM'000	Group and Bank 2023 RM'000
At 1 January	**199,274**	-
Addition	**-**	199,274
At 31 December	**199,274**	199,274

(ii) Movements in the allowance for impairment of financial guarantee recoverable are as follows:

	Group and Bank 2024 RM'000	Group and Bank 2023 RM'000
At 1 January	**61,591**	-
Allowance made during the year (Note 40)	**-**	61,591
At 31 December	**61,591**	61,591

11. Financial Guarantee Fee Receivables

	Note	Group and Bank 2024 RM'000	Group and Bank 2023 RM'000
Financial guarantee fee receivables		**216,774**	359,468
Less: Allowance for impairment of financial guarantee fee receivables	(i)	**(17,747)**	-
		199,027	359,468
Receivable within 12 months		**36,554**	50,382
Receivable after 12 months		**162,473**	309,086
		199,027	359,468

(i) Movements in the allowance for impairment of financial guarantee fee receivables are as follows:

	Group and Bank 2024 RM'000	Group and Bank 2023 RM'000
At 1 January	**-**	-
Allowance made during the year (Note 40)	**17,747**	-
At 31 December	**17,747**	-

12. Other Assets

	Note	Group 2024 RM'000	Group 2023 RM'000	Bank 2024 RM'000	Bank 2023 RM'000
Sundry receivables, deposits and prepayments		**13,070**	295,734	**8,044**	7,829
Less: Allowance for doubtful debts	(i)	**(2,696)**	(283,044)	**(76)**	(219)
		10,374	12,690	**7,968**	7,610
Amount due from subsidiaries		**-**	-	**10,921**	23,754
Amount receivable from Government in respect of compensation for: Infrastructure projects and dedicated schemes		**250,164**	247,748	**250,164**	247,748
Tax recoverable		**182,312**	17,541	**164,314**	-
		442,850	277,979	**433,367**	279,112

(i) Allowance for doubtful debts

	Group 2024 RM'000	Group 2023 RM'000	Bank 2024 RM'000	Bank 2023 RM'000
At 1 January	**283,044**	283,483	**219**	658
Writeback of ex-staff loan/ financing: Stage 3 - Lifetime ECL credit impaired, net	**(143)**	(439)	**(143)**	(439)
Written off	**(280,205)**	-	**-**	-
At 31 December	**2,696**	283,044	**76**	219

Included in the allowance for doubtful debts in the previous financial year was an impairment of amount due from Syarikat Borcos Shipping Sdn Bhd ("Borcos"), a former subsidiary of Global Maritime Ventures Berhad ("GMVB"), amounting to RM280,185,000. This amount has been written off during the year following dissolution of Borcos.

13. Investments in Subsidiaries

	Bank 2024 RM'000	2023 RM'000
Unquoted shares, at cost	**2,830,476**	2,830,603
Waiver of debt	**68,750**	68,750
Capital reduction	**-**	(127)
	2,899,226	2,899,226
Less: Allowance for impairment on investments in subsidiaries	**(806,019)**	(803,376)
	2,093,207	2,095,850
Movement of allowance for impairment:		
At 1 January	**803,376**	786,543
Allowance made during the year	**2,643**	16,833
At 31 December	**806,019**	803,376

* Refer to Note 48 for the list of subsidiaries.

(a) Subsidiary with significant non-controlling interest

The summarised financial information of Global Maritime Ventures Berhad ("GMVB") which have significant non-controlling interests to the Group is set out below. The summarised financial information presented below is the amount before inter-company elimination:

(i) Summarised statement of financial position

	GMVB 2024 RM'000	2023 RM'000
Non current assets	**5,989**	5,866
Current assets	**110,452**	107,798
Total assets	**116,441**	113,664
Non current liabilities	**-**	-
Current liabilities	**1,844**	8,448
Total liabilities	**1,844**	8,448
Net assets	**114,597**	105,216
Equity attributable to the owners of the company	**101,719**	93,285
Carrying value of non-controlling interests	**12,878**	11,931

13. Investments in Subsidiaries (cont'd.)

(a) Subsidiary with significant non-controlling interest (cont'd.)

(ii) Summarised statement of comprehensive income

	GMVB 2024 RM'000	2023 RM'000
Other income	**11,139**	3,643
Administrative expenses	**(588)**	(1,491)
Share of profit of joint ventures and associates	**10**	45
Loss arising from dissolution of subsidiaries	**-**	(11,018)
Profit/(loss) before taxation	**10,561**	(8,821)
Taxation	**(1,018)**	(1,080)
Zakat	**(18)**	(10)
Net profit/(loss) for the year	**9,525**	(9,911)
Other comprehensive income:		
Other comprehensive (loss)/income to be reclassified to profit or loss in subsequent periods:		
Foreign currency translation reserve	**(144)**	7,318
	(144)	7,318
Total comprehensive income/(loss) for the year	**9,381**	(2,593)
Profit/(loss) for the year attributable to:		
Equity holders of the parent	**8,578**	(8,213)
Non-controlling interest	**947**	(1,698)
	9,525	(9,911)
Total comprehensive income/(loss) attributable to:		
Equity holders of the parent	**8,434**	505
Non-controlling interest	**947**	(3,098)
	9,381	(2,593)

13. Investments in Subsidiaries (cont'd.)

(a) Subsidiary with significant non-controlling interest (cont'd.)

(iii) Summarised statement of cash flows

	GMVB 2024 RM'000	GMVB 2023 RM'000
Net cash generated from operating activities	**3,248**	843
Net cash used in investing activities	**(1,530)**	(786)
Net increase in cash and cash equivalents	**1,718**	57
Cash and cash equivalents at beginning of the year	**1,123**	1,066
Cash and cash equivalents at the end of the year	**2,841**	1,123

(b) Loss arising from dissolution of subsidiaries

2024

During the financial year, BPMB Urus Harta Sdn Bhd had been dissolved and deconsolidated on 8 April 2024. The deconsolidation resulted in a loss amounting to RM2,361,827 which has been recognised in the consolidated financial statements.

Details of the deconsolidation of the subsidiary as at the date of dissolution was as follows:

	Total RM'000
Assets	
Cash and bank balances	**47**
Deposits and placements with financial institutions	**2,341**
Tax recoverable	**8**
	2,396
Liabilities	
Other liabilities	**34**
Net assets	**2,362**

	At the date of dissolution RM'000
Loss arising from dissolution of subsidiaries	**(2,362)**
The effect of the dissolution on cash flows is as follows:	
Cash and bank balances of dissolved subsidiary	**(47)**

13. Investments in Subsidiaries (cont'd.)

(b) Loss arising from dissolution of subsidiaries (cont'd.)

2023

In the prior year, GMV-Global, GMV-Gagasan, GMV-Efogen and two companies under Wawasan Group, namely Sari Navigation and Nilam Navigation had been dissolved and deconsolidated on 16 March 2023, 24 October 2023, 24 October 2023, 9 January 2023 and 1 March 2023 respectively.

Details of the deconsolidation of the subsidiaries as at the date of dissolution were as follows:

	Total RM'000
Assets	
Tax recoverable	46
Other receivables	17
Cash and bank balances	522
Amount due from holding	356
Amount due from related parties	4,909
	5,850
Liabilities	
Payable and accruals	493
Net assets	5,357

	At the date of dissolution RM'000
Net identifiable assets disposed @ 100%	(5,357)
Transfer from foreign exchange reserves	(7,120)
Transfer from non-controlling interest	1,459
Loss arising from dissolution of subsidiaries	(11,018)
The effect of the dissolution on cash flows is as follows:	
Cash and bank balances of dissolved subsidiary	(522)

14. Interest in Associates

	Group 2024 RM'000	Group 2023 RM'000
At cost:		
Unquoted ordinary shares	**8,431**	8,783
Less: Allowance for impairment losses	**(8,131)**	(8,483)
	300	300
Group's share of post acquisition reserve	**393**	383
	693	683

Details of the associates incorporated in Malaysia are as follows:

Name of Associates (Principal place of business in Malaysia)	Effective interest held by the Group 2024 %	Effective interest held by the Group 2023 %	Principal Activities
Held through GMVB, a subsidiary:			
Wawasan Bulk Services Sdn Bhd*	**27.00**	27.00	Ship management
Held through SME Growth Acceleration Fund Sdn Bhd ("SME GAF"), a subsidiary:			
Ambang Wibawa Sdn Bhd *[1]	**26.00**	26.00	Dormant
MS Time Ventures Sdn Bhd *	**26.00**	26.00	Dormant
Speedy Assays Sdn Bhd (f.k.a. Profound Kestre Sdn Bhd)*	**49.00**	49.00	Dormant

* Audited by firms of auditors other than Ernst & Young PLT, Malaysia.
[1] Placed under members' voluntary liquidation.

The summarised financial statements of the associates not adjusted for the proportion of ownership interest held by the Group are as follows:

(a) Summarised statement of financial position

	Group 2024 RM'000	Group 2023 RM'000
Total assets	**2,317**	2,281
Total liabilities	**4**	6

14. Interest in Associates (cont'd.)

The summarised financial statements of the associates not adjusted for the proportion of ownership interest held by the Group are as follows (cont'd.):

(b) Summarised statement of profit or loss

	Group 2024 RM'000	Group 2023 RM'000
Revenue	**-**	-
Profit for the year	**38**	149

(c) Reconciliation of the summarised financial information

	2024	2023
Net assets at 1 January	**2,275**	2,125
Profit for the financial year	**38**	149
Other comprehensive income	**-**	1
Net assets at 31 December	**2,313**	2,275
Interest in associates	**30%**	30%
Carrying value of Group's interest in associates	**693**	683

15. Interest in Joint Ventures

	Group 2024 RM'000	Group 2023 RM'000
At cost:		
Unquoted ordinary shares	**9,781**	9,781
Group's share of post acquisition deficit	**(9,781)**	(9,781)
	-	-
Advances to JV:		
Within 1 year	**-**	8,412
Less: Allowance for doubtful debts	**-**	(8,412)
	-	-

15. Interest in Joint Ventures (cont'd.)

The advances to JV bear an interest of 5% (2023: 5%) per annum and are repayable on a quarterly basis over a period of 1 year.

Details of the JV are as follows:

Name of JV (Principal place of business in Malaysia)	Effective interest held by the Group 2024 %	2023 %	Principal Activities
Held through GMVB, a subsidiary:			
Alam Eksplorasi (M) Sdn Bhd^*	**36.00**	36.00	Ship-owning, ship operator, ship agency, chartering and other related to shipping industry
Alam Synergy I (L) Inc^*	**36.00**	36.00	Ship-owning, ship operator and charter hire of vessel
Alam Synergy II (L) Inc^*	**36.00**	36.00	Ship-owning, ship operator and charter hire of vessel
Alam Synergy III (L) Inc^*	**36.00**	36.00	Ship-owning, ship operator and charter hire of vessel

^ Collectively known as Alam Group
* Placed under members' voluntary liquidation.

The aggregate current assets, current liabilities and result of the JV are as follows:

(a) Summarised statement of financial position

	2024 RM'000	2023 RM'000
Assets:		
Current assets	**114**	457
Total assets	**114**	457
Liabilities:		
Current liabilities	**44,660**	45,001
Total liabilities	**44,660**	45,001
Net liabilities	**(44,546)**	(44,544)

15. Interest in Joint Ventures (cont'd.)

The aggregate current assets, current liabilities and result of the JV are as follows (cont'd.):

(b) Summarised statement of profit or loss

	2024 RM'000	2023 RM'000
Revenue	**-**	-
Cost of sales	**(2)**	7
Gross (loss)/profit	**(2)**	7
Other income	**-**	16
Operating expenses	**-**	(120)
Loss from operations	**(2)**	(97)
Finance costs	**-**	(221)
Loss before taxation	**(2)**	(318)
Taxation	**-**	-
Net loss for the year	**(2)**	(318)

(c) Reconciliation of the summarised financial information

	2024 RM'000	2023 RM'000
Net liabilities at 1 January	**(44,544)**	(44,226)
Loss for the year	**(2)**	(318)
Net liabilities at 31 December	**(44,546)**	(44,544)
Interests in joint ventures	**26,729**	26,728
Carrying value of Group's interest in joint ventures	**(17,817)**	(17,816)
Less: Cumulative unrecognised losses b/f	**17,816**	17,691
Share of unrecognised losses for the year	**1**	125
Net carrying value of Group's interest in joint ventures	**-**	-

NOTES TO THE FINANCIAL STATEMENTS

16. Property, Plant and Equipment

Group	Freehold land RM'000	Leasehold land and buildings RM'000	Furniture and equipment RM'000	Motor vehicles RM'000	Renovation RM'000	Mechanical and electricals RM'000	Capital work-in-progress RM'000	Total RM'000
2024								
Cost								
At 1 January	17,973	71,617	58,545	2,066	2,981	62,056	109	215,347
Additions	-	-	3,834	-	1,696	860	818	7,208
Transfer/reclassifications	-	-	149	-	72	-	(221)	-
Transfer to investment properties (Note 17)	(17,915)	(71,208)	-	-	-	-	-	(89,123)
Transfer to intangible assets (Note 18)	-	-	(709)	-	-	-	(108)	(817)
At 31 December	58	409	61,819	2,066	4,749	62,916	598	132,615
Accumulated depreciation/ impairment loss								
At 1 January								
Accumulated depreciation	-	22,448	26,979	1,780	2,979	48,297	-	102,483
Accumulated impairment loss	-	-	-	-	-	-	-	-
	-	22,448	26,979	1,780	2,979	48,297	-	102,483
Charge for the year	-	716	5,575	116	721	3,000	-	10,128
Transfer to investment properties (Note 17)	-	(22,904)	-	-	-	-	-	(22,904)
Impairment loss	-	-	24	-	-	-	-	24
At 31 December								
Accumulated depreciation	-	260	32,554	1,896	3,700	51,297	-	89,707
Accumulated impairment loss	-	-	24	-	-	-	-	24
	-	260	32,578	1,896	3,700	51,297	-	89,731
Net carrying amount	58	149	29,241	170	1,049	11,619	598	42,884

NOTES TO THE FINANCIAL STATEMENTS

16. Property, Plant and Equipment (cont'd.)

Group	Freehold land RM'000	Leasehold land and buildings RM'000	Furniture and equipment RM'000	Motor vehicles RM'000	Renovation RM'000	Mechanical and electricals RM'000	Capital work-in-progress RM'000	Total RM'000
2023								
Cost								
At 1 January	17,973	71,617	38,026	2,349	2,981	51,064	262	184,272
Additions	-	-	24,931	18	-	10,788	200	35,937
Disposals/write-off	-	-	(4,412)	(301)	-	-	-	(4,713)
Transfer/reclassifications	-	-	-	-	-	204	(204)	-
Transfer to intangible assets (Note 18)	-	-	-	-	-	-	(149)	(149)
At 31 December	17,973	71,617	58,545	2,066	2,981	62,056	109	215,347
Accumulated depreciation								
At 1 January	-	21,015	28,200	1,874	2,978	46,632	-	100,699
Charge for the year	-	1,433	3,051	207	1	1,665	-	6,357
Disposals/write-off	-	-	(4,272)	(301)	-	-	-	(4,573)
At 31 December	-	22,448	26,979	1,780	2,979	48,297	-	102,483
Net carrying amount	17,973	49,169	31,566	286	2	13,759	109	112,864

NOTES TO THE FINANCIAL STATEMENTS

16. Property, Plant and Equipment (cont'd.)

Bank	Freehold land RM'000	Buildings RM'000	Furniture and equipment RM'000	Motor vehicles RM'000	Renovation RM'000	Mechanical and electricals RM'000	Capital work-in-progress RM'000	Total RM'000
2024								
Cost								
At 1 January	17,973	71,617	58,704	1,767	2,952	58,115	109	211,237
Additions	-	-	3,785	-	1,696	860	818	7,159
Transfer/reclassifications	-	-	149	-	72	-	(221)	-
Transfer to investment properties (Note 17)	(17,915)	(71,208)	-	-	-	-	-	(89,123)
Transfer to intangible assets (Note 18)	-	-	(709)	-	-	-	(108)	(817)
At 31 December	58	409	61,929	1,767	4,720	58,975	598	128,456
Accumulated depreciation/impairment loss								
At 1 January								
Accumulated depreciation	-	22,448	27,221	1,684	2,950	44,588	-	98,891
Accumulated impairment loss	-	-	-	-	-	-	-	-
	-	22,448	27,221	1,684	2,950	44,588	-	98,891
Charge for the year	-	716	5,460	69	721	3,000	-	9,966
Transfer to investment properties (Note 17)	-	(22,904)	-	-	-	-	-	(22,904)
Impairment loss	-	-	24	-	-	-	-	24
At 31 December								
Accumulated depreciation	-	260	32,681	1,753	3,671	47,588	-	85,953
Accumulated impairment loss	-	-	24	-	-	-	-	24
	-	260	32,705	1,753	3,671	47,588	-	85,977
Net carrying amount	58	149	29,224	14	1,049	11,387	598	42,479

NOTES TO THE FINANCIAL STATEMENTS

16. Property, Plant and Equipment (cont'd.)

Bank	Freehold land RM'000	Buildings RM'000	Furniture and equipment RM'000	Motor vehicles RM'000	Renovation RM'000	Mechanical and electricals RM'000	Capital work-in-progress RM'000	Total RM'000
2023								
Cost								
At 1 January	17,973	71,617	34,849	1,749	2,952	47,123	262	176,525
Additions	-	-	24,929	18	-	10,788	200	35,935
Disposals/write-off	-	-	(1,074)	-	-	-	-	(1,074)
Transfer/reclassifications	-	-	-	-	-	204	(204)	-
Transfer to intangible assets (Note 18)	-	-	-	-	-	-	(149)	(149)
At 31 December	17,973	71,617	58,704	1,767	2,952	58,115	109	211,237
Accumulated depreciation								
At 1 January	-	21,015	25,364	1,509	2,949	42,923	-	93,760
Charge for the year	-	1,433	2,915	175	1	1,665	-	6,189
Disposals/write-off	-	-	(1,058)	-	-	-	-	(1,058)
At 31 December	-	22,448	27,221	1,684	2,950	44,588	-	98,891
Net carrying amount	17,973	49,169	31,483	83	2	13,527	109	112,346

17. Investment Properties

	Group and Bank 2024 RM'000	Group and Bank 2023 RM'000
Cost		
At 1 January	**382**	382
Transfer from property, plant and equipment (Note 16)	**89,123**	-
At 31 December	**89,505**	382
Depreciation		
At 1 January	**75**	68
Charge for the year	**724**	7
Transfer from property, plant and equipment (Note 16)	**22,904**	-
At 31 December	**23,703**	75
Carrying amount	**65,802**	307

	Group and Bank 2024 RM'000	Group and Bank 2023 RM'000
Included in the above are:		
Buildings	**65,802**	307
	65,802	307

(i) The directors of the Group and the Bank estimated the fair values of the investment properties of the Group and the Bank to be RM80,370,000 (2023: RM370,000) which have been determined by an accredited independent valuer.

(ii) During the financial year, a property has been transferred from property, plant and equipment to investment property (see Note 16), since it is currently leased to third parties.

(iii) Other income/expenses recognised in profit or loss in relation to investment properties.

	Group and Bank 2024 RM'000	Group and Bank 2023 RM'000
Lease income	**1,548**	-
Direct operating expenses	**763**	-

18. Intangible Assets

	Computer software			
	Group		Bank	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Cost				
At 1 January	**70,435**	54,023	**66,341**	43,576
Addition	**5,408**	22,616	**3,878**	22,616
Disposals/write-off	**-**	(6,353)	**-**	-
Others	**(4,641)**	-	**(4,641)**	-
Transfer from property, plant and equipment (Note 16)	**817**	149	**817**	149
At 31 December	**72,019**	70,435	**66,395**	66,341
Amortisation				
At 1 January	**40,157**	40,768	**36,066**	30,780
Amortisation charged	**6,775**	4,401	**6,482**	4,349
Disposals/write-off	**-**	(5,949)	**-**	-
Impairment	**111**	937	**111**	937
At 31 December	**47,043**	40,157	**42,659**	36,066
Carrying amount	**24,976**	30,278	**23,736**	30,275

19. Right-of-use Assets

(a) The carrying amounts of right-of-use assets recognised and the movements during the year:

Group	Building RM'000	Other equipment RM'000	Total RM'000
2024			
Cost			
At 1 January	**-**	**374**	**374**
Addition	**64,556**	**-**	**64,556**
Matured	**-**	**(205)**	**(205)**
At 31 December	**64,556**	**169**	**64,725**
Depreciation			
At 1 January	**-**	**262**	**262**
Charge for the year	**5,636**	**73**	**5,709**
Matured for the year	**-**	**(205)**	**(205)**
At 31 December	**5,636**	**130**	**5,766**
Carrying amount	**58,920**	**39**	**58,959**

19. Right-of-use Assets (cont'd.)

(a) The carrying amounts of right-of-use assets recognised and the movements during the year (cont'd.):

Group	Building RM'000	Other equipment RM'000	Total RM'000
2023			
Cost			
At 1 January	4,586	378	4,964
Addition	-	52	52
Matured	(4,586)	(56)	(4,642)
At 31 December	-	374	374
Depreciation			
At 1 January	4,550	234	4,784
Charge for the year	36	84	120
Matured for the year	(4,586)	(56)	(4,642)
At 31 December	-	262	262
Carrying amount	-	112	112

Bank	Building RM'000	Other equipment RM'000	Total RM'000
2024			
Cost			
At 1 January	**-**	**322**	**322**
Addition	**64,556**	**-**	**64,556**
Matured	**-**	**(205)**	**(205)**
At 31 December	**64,556**	**117**	**64,673**
Depreciation			
At 1 January	**-**	**257**	**257**
Charge for the year	**5,636**	**63**	**5,699**
Matured for the year	**-**	**(205)**	**(205)**
At 31 December	**5,636**	**115**	**5,751**
Carrying amount	**58,920**	**2**	**58,922**

19. Right-of-use Assets (cont'd.)

(a) The carrying amounts of right-of-use assets recognised and the movements during the year (cont'd.):

Bank	Other equipment RM'000	Total RM'000
2023		
Cost		
At 1 January/31 December	322	322
Depreciation		
At 1 January	181	181
Charge for the year	76	76
At 31 December	257	257
Carrying amount	65	65

(b) The following are the amounts recognised in profit or loss:

Group	Building RM'000	Other equipment RM'000	Total RM'000
2024			
Depreciation expense of right-of-use assets	**5,636**	**73**	**5,709**
Finance cost on lease liabilities	**3,293**	**5**	**3,298**
Expense relating to leases of low-value assets (included in overhead expenses)	**-**	**357**	**357**
Total amount recognised in profit or loss	**8,929**	**435**	**9,364**
2023			
Depreciation expense of right-of-use assets	36	84	120
Finance cost on lease liabilities	-	9	9
Expense relating to leases of low-value assets (included in overhead expenses)	-	294	294
Total amount recognised in profit or loss	36	387	423

19. Right-of-use Assets (cont'd.)

(b) The following are the amounts recognised in profit or loss (cont'd.):

Bank	Building RM'000	Other equipment RM'000	Total RM'000
2024			
Depreciation expense of right-of-use assets	**5,636**	**63**	**5,699**
Finance cost on lease liabilities (Note 51(v))	**3,293**	**3**	**3,296**
Expense relating to leases of low-value assets (included in overhead expenses)	**-**	**357**	**357**
Total amount recognised in profit or loss	**8,929**	**423**	**9,352**
2023			
Depreciation expense of right-of-use assets	-	76	76
Finance cost on lease liabilities (Note 51(v))	-	7	7
Expense relating to leases of low-value assets (included in overhead expenses)	-	294	294
Total amount recognised in profit or loss	-	377	377

20. Deferred Tax Assets/(Liabilities)

	Group 2024 RM'000	Group 2023 RM'000	Bank 2024 RM'000	Bank 2023 RM'000
At 1 January	**534,217**	490,053	**534,046**	441,583
Effect of Business Transfer Scheme (Note 53)	**-**	-	**-**	45,339
Recognised in statements of profit or loss	**(93,686)**	93,847	**(93,686)**	95,292
Recognised in other comprehensive income	**(8,056)**	(49,683)	**(8,056)**	(48,168)
At 31 December	**432,475**	534,217	**432,304**	534,046

20. Deferred Tax Assets/(Liabilities) (cont'd.)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set-off current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The net deferred tax assets and liabilities shown on the statements of financial position after appropriate offsettings are as follows:

	Group 2024 RM'000	Group 2023 RM'000	Bank 2024 RM'000	Bank 2023 RM'000
Deferred tax assets	**432,603**	534,345	**432,304**	534,046
Deferred tax liabilities	**(128)**	(128)	**-**	-
	432,475	534,217	**432,304**	534,046

Deferred tax assets and liabilities prior to offsetting are summarised as follows:

	Group 2024 RM'000	Group 2023 RM'000	Bank 2024 RM'000	Bank 2023 RM'000
Deferred tax assets	**436,110**	535,462	**435,811**	535,163
Deferred tax liabilities	**(3,635)**	(1,245)	**(3,507)**	(1,117)
	432,475	534,217	**432,304**	534,046

20. Deferred Tax Assets/(Liabilities) (cont'd.)

The components and movements of deferred tax assets and liabilities during the year prior to offsetting are as follows:

Group	Loan/ financing loss and allowances RM'000	Financial guarantee RM'000	Unrealised FVOCI reserve RM'000	Property, plant and equipment RM'000	Provisions and other temporary differences RM'000	Total RM'000
At 1 January 2024	**464,462**	**49,816**	**12,014**	**-**	**9,170**	**535,462**
Recognised in statements of profit or loss	**(91,168)**	**(2,623)**	**(1,323)**	**-**	**3,818**	**(91,296)**
Recognised in other comprehensive income	**-**	**-**	**(8,056)**	**-**	**-**	**(8,056)**
Reclassification from deferred tax liabilities	**-**	**-**	**-**	**-**	**-**	**-**
At 31 December 2024	**373,294**	**47,193**	**2,635**	**-**	**12,988**	**436,110**
At 1 January 2023	315,909	66,756	60,598	313	50,652	494,228
Recognised in statements of profit or loss	148,553	(16,940)	4,314	(313)	(41,482)	94,132
Recognised in other comprehensive income	-	-	(48,168)	-	-	(48,168)
Reclassification from deferred tax liabilities	-	-	(4,730)	-	-	(4,730)
At 31 December 2023	464,462	49,816	12,014	-	9,170	535,462

20. Deferred Tax Assets/(Liabilities) (cont'd.)

The components and movements of deferred tax assets and liabilities during the year prior to offsetting are as follows (cont'd.):

Deferred tax liabilities

Group	Loan/ financing loss and allowances RM'000	Unrealised FVOCI reserve RM'000	Property, plant and equipment RM'000	Total RM'000
At 1 January 2024	**(56)**	**-**	**(1,189)**	**(1,245)**
Recognised in statements of profit or loss	**-**	**-**	**(2,390)**	**(2,390)**
Recognised in other comprehensive income	**-**	**-**	**-**	**-**
Reclassification to deferred tax assets	**-**	**-**	**-**	**-**
At 31 December 2024	**(56)**	**-**	**(3,579)**	**(3,635)**
At 1 January 2023	(257)	(3,215)	(703)	(4,175)
Recognised in statements of profit or loss	201	-	(486)	(285)
Recognised in other comprehensive income	-	(1,515)	-	(1,515)
Reclassification to deferred tax assets	-	4,730	-	4,730
At 31 December 2023	(56)	-	(1,189)	(1,245)

Deferred tax assets

Bank	Loan/ financing loss and allowances RM'000	Financial guarantee RM'000	Unrealised FVOCI reserve RM'000	Provisions and other temporary differences RM'000	Total RM'000
At 1 January 2024	**464,462**	**49,816**	**12,014**	**8,871**	**535,163**
Recognised in statements of profit or loss	**(91,168)**	**(2,623)**	**(1,323)**	**3,818**	**(91,296)**
Recognised in other comprehensive income	**-**	**-**	**(8,056)**	**-**	**(8,056)**
At 31 December 2024	**373,294**	**47,193**	**2,635**	**12,689**	**435,811**
At 1 January 2023	316,385	15,636	60,598	49,394	442,013
Recognised in statements of profit or loss	148,077	(16,090)	4,317	(40,360)	95,944
Recognised in other comprehensive income	-	-	(48,168)	-	(48,168)
Effect of Business Transfer Scheme (Note 53)	-	50,270	(4,733)	(163)	45,374
At 31 December 2023	464,462	49,816	12,014	8,871	535,163

20. Deferred Tax Assets/(Liabilities) (cont'd.)

The components and movements of deferred tax assets and liabilities during the year prior to offsetting are as follows (cont'd.):

Deferred tax liabilities

Bank	Property, plant and equipment RM'000	Total RM'000
At 1 January 2024	**(1,117)**	**(1,117)**
Recognised in statements of profit or loss	**(2,390)**	**(2,390)**
At 31 December 2024	**(3,507)**	**(3,507)**
At 1 January 2023	(430)	(430)
Recognised in statements of profit or loss	(652)	(652)
Effect of Business Transfer Scheme (Note 53)	(35)	(35)
At 31 December 2023	(1,117)	(1,117)

21. Deposits from Customers

	Group 2024 RM'000	Group 2023 RM'000	Bank 2024 RM'000	Bank 2023 RM'000
At amortised cost				
Fixed deposits and negotiable instruments of deposits	**13,672,697**	9,055,121	**13,946,886**	9,055,121
(a) The deposits are sourced from the following types of deposit:				
Tawarruq	**13,672,697**	9,055,121	**13,946,886**	9,055,121
(b) The deposits are sourced from the following types of customers:				
Business enterprises	**7,323,149**	5,263,035	**7,597,338**	5,263,035
Government and statutory bodies	**6,349,548**	3,792,086	**6,349,548**	3,792,086
	13,672,697	9,055,121	**13,946,886**	9,055,121
(c) The deposits maturity structure are as follows:				
Less than six months	**12,231,225**	8,220,643	**12,425,857**	8,220,643
Six months to one year	**1,241,123**	751,491	**1,320,680**	751,491
One year to three years	**200,349**	82,987	**200,349**	82,987
	13,672,697	9,055,121	**13,946,886**	9,055,121

22. Deposits and Placements from Financial Institutions

	Group and Bank 2024 RM'000	Group and Bank 2023 RM'000
At amortised cost		
Licensed banks	**1,443,589**	787,492
(a) The deposits maturity structure are as follows:		
Less than six months	**1,443,589**	787,492

23. Collateralised Commodity Murabahah

Collateralised Commodity Murabahah are securities which the Group and the Bank have sold from its portfolio, with a commitment to repurchase at future dates. Such financing and the obligations to repurchase the securities are reflected as a liability on the statements of financial position. The securities are not derecognised as the Group retains substantially all of the risks and rewards of ownership of the securities.

24. Financial Guarantee Deferred Income

	Note	Group 2024 RM'000	Group 2023 RM'000	Bank 2024 RM'000	Bank 2023 RM'000
Deferred financial guarantee fee income	(i)	**232,276**	393,164	**232,276**	393,164
Deferred income from Danajamin Prihatin Guarantee Scheme	(ii)	**140**	351	**140**	351
Deferred income from upfront fee income		**-**	30	**-**	30
		232,416	393,545	**232,416**	393,545

(i) Movement of deferred financial guarantee fee income:

	Group 2024 RM'000	Group 2023 RM'000	Bank 2024 RM'000	Bank 2023 RM'000
At 1 January	**393,164**	446,073	**393,164**	242,661
Financial guarantee fee written	**-**	20,674	**-**	20,674
Financial guarantee fee earned	**(52,132)**	(60,679)	**(52,132)**	(53,528)
Financial guarantee fee early redeemed	**(12,212)**	(3,276)	**(12,212)**	(3,276)
Financial guarantee fee for event of default	**(96,544)**	(9,628)	**(96,544)**	(9,628)
Business Transfer Scheme (Note 53)	**-**	-	**-**	196,261
At 31 December	**232,276**	393,164	**232,276**	393,164

24. Financial Guarantee Deferred Income (cont'd.)

(ii) Movement of deferred income from Danajamin Prihatin Guarantee Scheme:

	Group		Bank	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
At 1 January	**351**	576	**351**	-
Financial guarantee fee written	**316**	586	**316**	487
Financial guarantee fee earned	**(527)**	(811)	**(527)**	(669)
Business Transfer Scheme (Note 53)	**-**	-	**-**	533
At 31 December	**140**	351	**140**	351

25. Other Liabilities

	Group		Bank	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Provision for taxation	**148**	90,409	**-**	90,409
Provision for zakat	**13,717**	10,403	**11,479**	10,020
Zakat payable	**1,262**	1,616	**1,262**	1,616
Fees received in advance	**2,115**	10,368	**2,115**	10,368
Trade creditors	**281**	166	**-**	-
Security deposits	**15,651**	21,161	**-**	-
Sundry creditors and accruals	**73,711**	117,151	**55,799**	95,053
Allowances for impairment losses on financial guarantee (Note 25(a))	**560,446**	221,397	**560,446**	221,397
Amount due to subsidiary (Note 25(b))	**-**	-	**1,804,081**	1,827,694
	667,331	472,671	**2,435,182**	2,256,557

The amount due to subsidiary is unsecured, interest free and repayable on demand.

25. Other Liabilities (cont'd.)

(a) Movements in the allowance for impairment losses on financial guarantee are as follows:

Group	12-Month ECL Stage 1 RM'000	Lifetime ECL Not Credit Impaired Stage 2 RM'000	Lifetime ECL Credit Impaired Stage 3 RM'000	Total RM'000
2024				
At 1 January	**100,643**	**120,754**	**-**	**221,397**
- Transfer to Lifetime ECL not credit impaired (Stage 2)	**(899)**	**899**	**-**	**-**
- Transfer to Lifetime ECL credit impaired (Stage 3)	**-**	**(89,274)**	**89,274**	**-**
Remeasurement, net	**(31,770)**	**(3,901)**	**374,720**	**339,049**
At 31 December	**67,974**	**28,478**	**463,994**	**560,446**
2023				
At 1 January	155,032	152,306	-	307,338
Remeasurement, net	(54,389)	(31,552)	-	(85,941)
At 31 December	100,643	120,754	-	221,397

Bank	12-Month ECL Stage 1 RM'000	Lifetime ECL Not Credit Impaired Stage 2 RM'000	Lifetime ECL Credit Impaired Stage 3 RM'000	Total RM'000
2024				
At 1 January	**100,643**	**120,754**	**-**	**221,397**
- Transfer to Lifetime ECL not credit impaired (Stage 2)	**(899)**	**899**	**-**	**-**
- Transfer to Lifetime ECL credit impaired (Stage 3)	**-**	**(89,274)**	**89,274**	**-**
Remeasurement, net	**(31,770)**	**(3,901)**	**374,720**	**339,049**
At 31 December	**67,974**	**28,478**	**463,994**	**560,446**
2023				
At 1 January	42,358	51,980	-	94,338
Effect of Business Transfer Scheme (Note 53)	109,965	99,494	-	209,459
Remeasurement, net	(51,680)	(30,720)	-	(82,400)
At 31 December	100,643	120,754	-	221,397

(b) The amount due to subsidiary is unsecured, interest free and repayable on demand.

26. Redeemable Notes

	Note	Group and Bank 2024 RM'000	Group and Bank 2023 RM'000
Redeemable non-guaranteed notes			
Sukuk Murabahah	(i)	**2,527,358**	2,526,662
Sukuk Wakalah	(ii)	**2,259,363**	2,259,738
Sustainable Development Sukuk Wakalah	(iii)	**453,311**	453,311
Sustainable Sukuk Wakalah	(iv)	**1,003,235**	1,003,343
		6,243,267	6,243,054
Redeemable guaranteed notes			
Medium term notes	(v)	**255,672**	255,602
Sukuk Murabahah	(vi)	**1,826,492**	2,332,934
		2,082,164	2,588,536
Infrastructure notes - nominal value	(vii)	**50,647**	101,294
Less: Unaccreted discount		**(336)**	(744)
		50,311	100,550
		8,375,742	8,932,140

(i) These sukuk carry profit rates ranging between 4.50% and 4.98% (2023: 4.50% and 4.98%) per annum and for tenures of 10 years and 19 years. These sukuk will mature in March 2027, 2032 and November 2026, 2031 and 2035 respectively.

(ii) These sukuk carry profit rates ranging between 2.80% and 4.05% (2023: 2.80% and 4.05%) per annum and for tenures of 5 years and 10 years (2023: 5 years and 10 years). These sukuk will mature in June 2026, 2028, 2031 and October 2025, 2027 and 2030 respectively.

(iii) This sukuk carries a profit rate of 3.95% (2023: 3.95%) per annum with a tenure of 7 years. This sukuk will mature in October 2028.

(iv) These sukuk carry profit rates ranging between 3.81% and 4.02% (2023: 3.81% and 4.02%) per annum and for tenures of 2 years and 5 years (2023: 2 years and 5 years). These sukuk will mature in December 2025 and 2028 respectively.

(v) This notes carry coupon rate of 5.08% (2023: 5.08%) per annum with a tenure of 15 years. This notes will mature in January 2031.

(vi) These sukuk carry profit rates ranging between 4.75% and 4.85% (2023: 4.38% and 4.85%) per annum and for tenures of 15 and 20 years (2023: 15 and 20 years). These sukuk will mature in September 2029 and 2034 respectively.

(vii) This notes carry coupon rate of 7.50% (2023: 7.50%) per annum with a tenure of 25 years. This notes will mature in October 2025.

26. Redeemable Notes (cont'd.)

The movements in the redeemable notes are as follows:

Group and Bank	Murabahah 2024 RM'000	Murabahah 2023 RM'000	Wakalah 2024 RM'000	Wakalah 2023 RM'000
Redeemable non-guaranteed notes				
Principal				
At 1 January/31 December	**2,500,000**	2,500,000	**2,250,000**	2,250,000
Accrued interest/profit payable				
At 1 January	**26,662**	27,507	**9,738**	9,654
Charge for the year	**119,461**	117,918	**76,329**	76,287
Payment during the year	**(118,765)**	(118,763)	**(76,704)**	(76,203)
At 31 December	**27,358**	26,662	**9,363**	9,738
	2,527,358	2,526,662	**2,259,363**	2,259,738

Group and Bank	Sustainable Development Wakalah 2024 RM'000	Sustainable Development Wakalah 2023 RM'000	Sustainable Wakalah 2024 RM'000	Sustainable Wakalah 2023 RM'000
Redeemable non-guaranteed notes				
Principal				
At 1 January	**450,000**	450,000	**1,000,000**	-
Issued during the year	**-**	-	**-**	1,000,000
At 31 December	**450,000**	450,000	**1,000,000**	1,000,000
Accrued profit payable				
At 1 January	**3,311**	3,311	**3,343**	-
Charge for the year	**17,824**	17,775	**39,468**	3,343
Payment during the year	**(17,824)**	(17,775)	**(39,576)**	-
At 31 December	**3,311**	3,311	**3,235**	3,343
	453,311	453,311	**1,003,235**	1,003,343

26. Redeemable Notes (cont'd.)

The movements in the redeemable notes are as follows (cont'd.):

Group and Bank	Non-Murabahah 2024 RM'000	Non-Murabahah 2023 RM'000	Murabahah 2024 RM'000	Murabahah 2023 RM'000
Redeemable guaranteed notes				
Principal				
At 1 January	**250,000**	500,000	**2,300,000**	2,300,000
Payment during the year	**-**	(250,000)	**(500,000)**	-
At 31 December	**250,000**	250,000	**1,800,000**	2,300,000
Accrued interest/profit payable				
At 1 January	**5,602**	10,718	**32,934**	33,208
Charge for the year	**12,735**	13,289	**101,858**	108,026
Payment during the year	**(12,665)**	(18,405)	**(108,300)**	(108,300)
At 31 December	**5,672**	5,602	**26,492**	32,934
	255,672	255,602	**1,826,492**	2,332,934

Group and Bank	2024 RM'000	2023 RM'000
Infrastructure notes		
Principal		
At 1 January	**100,000**	150,000
Repayment during the year	**(50,000)**	(50,000)
At 31 December	**50,000**	100,000
Unaccreted discount		
At 1 January	**(744)**	(1,150)
Accreted discount during the year	**408**	406
At 31 December	**(336)**	(744)
Accrued interest payable		
At 1 January	**1,294**	1,911
Charge for the year	**6,873**	10,602
Repayment during the year	**(7,520)**	(11,219)
At 31 December	**647**	1,294
	50,311	100,550

27. Borrowings

Group and Bank	Note	31 December 2024 Due after twelve months RM'000	31 December 2024 Due within twelve months RM'000	31 December 2023 Due after twelve months RM'000	31 December 2023 Due within twelve months RM'000
Loans from Employees					
Provident Fund ("EPF")					
Unsecured:	27 (a)				
Principal		**150,000**	**-**	150,000	-
Interest		**-**	**2,540**	-	2,520
		150,000	**2,540**	150,000	2,520
Total borrowings			**152,540**		152,520

The movements in borrowings are as follows:

	Group Other financing - unsecured 2024 RM'000	Group Other financing - unsecured 2023 RM'000	Group and Bank Loans from EPF 2024 RM'000	Group and Bank Loans from EPF 2023 RM'000
Unsecured:				
Principal				
At 1 January	**-**	10,000	**150,000**	150,000
Repayment during the year	**-**	(10,000)	**-**	-
At 31 December	**-**	-	**150,000**	150,000
Accrued profit/interest payable				
At 1 January	**-**	34	**2,520**	2,500
Charge for the year	**-**	-	**7,319**	7,299
Repayment during the year	**-**	(34)	**(7,299)**	(7,279)
At 31 December	**-**	-	**2,540**	2,520
Total borrowings	**-**	-	**152,540**	152,520

27. Borrowings (cont'd.)

(a) Loan from EPF

	Group and Bank Principal 2024 RM'000	Group and Bank Principal 2023 RM'000
Loan	**150,000**	150,000
	150,000	150,000

The above loan which is guaranteed by the Government of Malaysia was drawn in different tranches and bear different interest rates ranging between 4.60% to 5.23% (2023: 4.60% to 5.23%) per annum. The loan is repayable in 3 instalments over a period of 2 years, commencing 2028.

28. Lease Liabilities

The carrying amounts of lease liabilities and the movements during the year:

Group	Building RM'000	Other equipment RM'000	Total RM'000
2024			
At 1 January	**-**	**120**	**120**
Addition during the year	**64,556**	**-**	**64,556**
Accretion of interest	**3,293**	**5**	**3,298**
Payments	**(3,410)**	**(81)**	**(3,491)**
At 31 December	**64,439**	**44**	**64,483**
Current	**4,109**	**44**	**4,153**
Non-current	**60,330**	**-**	**60,330**
	64,439	**44**	**64,483**
2023			
At 1 January	37	155	192
Addition during the year	-	52	52
Accretion of interest	-	9	9
Payments	(37)	(96)	(133)
At 31 December	-	120	120
Current	-	49	49
Non-current	-	71	71
	-	120	120

28. Lease Liabilities (cont'd.)

The carrying amounts of lease liabilities and the movements during the year (cont'd.):

Bank	Building RM'000	Other equipment RM'000	Total RM'000
2024			
At 1 January	**-**	**71**	**71**
Addition during the year	**64,556**	**-**	**64,556**
Accretion of interest	**3,293**	**3**	**3,296**
Payments	**(3,410)**	**(71)**	**(3,481)**
At 31 December	**64,439**	**3**	**64,442**
Current	**4,109**	**3**	**4,112**
Non-current	**60,330**	**-**	**60,330**
	64,439	**3**	**64,442**

Bank	Other equipment RM'000	Total RM'000
2023		
At 1 January	150	150
Addition during the year	-	-
Accretion of interest	7	7
Payments	(86)	(86)
At 31 December	71	71
Current	42	42
Non-current	29	29
	71	71

The maturity analysis of lease liabilities are disclosed in Note 49 c(i).

During the year, the Group and the Bank leased an office building that has a non-cancellable contract period of 3 years with an extension option exercisable by the Group and the Bank up to 7 years before the end of the non-cancellable contract period. Where practicable, the Group and the Bank seek to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and the Bank and not by the lessor. The Group and the Bank assess at lease commencement whether it is reasonably certain to exercise the extension option and reassess whether it is reasonably certain to exercise the option if there is a significant event or significant change in circumstances within its control.

28. Lease Liabilities (cont'd.)

The carrying amounts of lease liabilities and the movements during the year (cont'd.):

Group and Bank	Lease liabilities recognised (discounted) RM'000
2024	
Building	**52,646**

29. Deferred Income

	Note	Group and Bank 2024 RM'000	2023 RM'000
Infrastructure Support Fund	(i)		
At 1 January/31 December		**218,613**	218,613
Profit rate differentials	(ii)		
At 1 January		**170,113**	179,423
Received from Government during the year		**5,782**	5,443
Utilised during the year		**(14,794)**	(14,753)
At 31 December		**161,101**	170,113
		379,714	388,726

(i) The amount relates to a financial assistance given by the Government of Malaysia to the Bank upon novation of a loan and the related borrowing. The Fund will be utilised to cover any future losses, costs and expenses incurred by the Bank upon the final settlement of the loans.

(ii) Relates to amount received from the Government of Malaysia for profit rate differentials on a financing given for a specific government infrastructure project.

30. Share Capital

Group and Bank	Number of ordinary shares 2024 '000	2023 '000	Amount 2024 RM'000	2023 RM'000
Issued and fully paid, at no par value	**3,451,585**	3,451,585	**4,018,781**	4,018,781

31. Reserves

	Note	Group 2024 RM'000	Group 2023 RM'000	Bank 2024 RM'000	Bank 2023 RM'000
Non-distributable:					
Capital reserve	(i)	**1,000**	1,000	**-**	-
Statutory reserve	(ii)	**2,344,763**	2,243,317	**2,344,763**	2,243,317
Merger deficit		**(20,188)**	(20,188)	**-**	-
Unrealised FVOCI reserve	(iii)	**210,504**	199,320	**228,012**	216,828
Exchange translation reserve		**445**	589	**-**	-
		2,536,524	2,424,038	**2,572,775**	2,460,145
Distributable:					
Retained profits	32	**2,823,513**	2,619,175	**2,553,653**	2,371,650
		5,360,037	5,043,213	**5,126,428**	4,831,795

(i) The capital reserve of the Group arose from the capitalisation of bonus issue in certain subsidiaries in previous financial years.

(ii) The statutory reserves are maintained in compliance with the requirements of Section 39 of Development Financial Institution Act 2002 ("the Act") and are not distributable as cash dividends. As the statutory reserves is more than 50% but less than 100% of its paid up capital, the Bank is required to transfer at least 25% of its profit after tax to statutory reserve during the year.

(iii) Movements of the FVOCI reserve are as follows:

	Group 2024 RM'000	Group 2023 RM'000	Bank 2024 RM'000	Bank 2023 RM'000
At 1 January	**199,320**	21,737	**216,828**	26,801
Unrealised gain on fair value changes	**34,233**	188,866	**34,233**	182,166
Changes in allowance for expected credit losses	**(14,327)**	38,614	**(14,327)**	38,852
Transfer to retained profits on the disposal of equity instruments at FVOCI	**(666)**	(214)	**(666)**	(214)
Effect of Business Transfer Scheme (Note 53)	**-**	-	**-**	17,391
Transfer to deferred tax	**(8,056)**	(49,683)	**(8,056)**	(48,168)
At 31 December	**210,504**	199,320	**228,012**	216,828

32. Retained Profits

The retained profits of the Bank can be distributed as dividends under the single-tier system.

33. Interest Income

	Group 2024 RM'000	Group 2023 RM'000	Bank 2024 RM'000	Bank 2023 RM'000
Loans and advances	**72,965**	92,523	**71,372**	88,880
Money at call and deposits placements with financial institutions #	**3,101**	20,448	**2,891**	7,794
Financial investments at FVOCI #	**43,724**	59,723	**43,724**	54,023
	119,790	172,694	**117,987**	150,697
Accretion of discount less amortisation of premium	**(6,772)**	(9,041)	**(6,772)**	(9,180)
	113,018	163,653	**111,215**	141,517
Of which:				
Interest income earned on impaired loans and advances	**1,010**	4,311	**1,010**	4,310

These include Islamic deposits placements and financial investments at FVOCI purchased using conventional funds.

34. Interest Expense

	Group 2024 RM'000	Group 2023 RM'000	Bank 2024 RM'000	Bank 2023 RM'000
Deposits and placements from financial institutions	**897**	6,284	**897**	6,283
Borrowings	**7,319**	7,299	**7,319**	7,299
Redeemable notes	**20,016**	24,296	**20,016**	24,296
Lease	**2**	2	**-**	-
	28,234	37,881	**28,232**	37,878

35. Non-Interest Income

	Group 2024 RM'000	Group 2023 RM'000	Bank 2024 RM'000	Bank 2023 RM'000
(a) Investment income:				
Net gain arising on financial investment at FVOCI:				
- net gain on disposal	**64**	-	**64**	-
Gross dividend income from subsidiaries	**-**	-	**-**	24,600
	64	-	**64**	24,600
(b) Other income:				
Fee income	**49,646**	24,408	**48,287**	15,291
Gain on disposal of property, plant and equipment	**-**	64	**-**	-
Capital distribution	**-**	641	**-**	588
Others	**378**	2,516	**-**	-
	50,024	27,629	**48,287**	15,879
Total non-interest income	**50,088**	27,629	**48,351**	40,479

36. Overhead Expenses

	Note	Group 2024 RM'000	Group 2023 RM'000	Bank 2024 RM'000	Bank 2023 RM'000
Personnel costs	(i)	**129,566**	139,310	**127,788**	130,174
Establishment related expenses	(ii)	**40,560**	24,562	**38,986**	22,621
Promotion and marketing expenses	(iii)	**3,405**	4,830	**3,404**	4,817
General administrative expenses	(iv)	**45,430**	41,642	**43,167**	39,561
		218,961	210,344	**213,345**	197,173
Overhead expenses charged to subsidiaries via Service Level Agreements ("SLA")		**-**	-	**(2,924)**	(1,038)
		218,961	210,344	**210,421**	196,135

NOTES TO THE FINANCIAL STATEMENTS

36. Overhead Expenses (cont'd.)

	Group 2024 RM'000	Group 2023 RM'000	Bank 2024 RM'000	Bank 2023 RM'000
(i) Personnel costs				
Salaries, allowances and bonuses	**91,991**	107,075	**91,065**	99,091
Non-executive directors' fees and remuneration	**1,126**	1,264	**980**	1,032
Shariah Committees' fees and remuneration	**357**	406	**357**	406
Social security cost	**664**	625	**650**	567
Pension costs - Defined contribution plan	**13,283**	12,364	**13,092**	11,382
Other staff related expenses	**22,145**	17,576	**21,644**	17,696
	129,566	139,310	**127,788**	130,174
(ii) Establishment related expenses				
Depreciation:				
Property, plant and equipment	**10,128**	6,357	**9,966**	6,189
Investment properties	**724**	7	**724**	7
Right-of-use assets	**5,709**	120	**5,699**	76
Amortisation of intangible assets	**6,775**	4,401	**6,482**	4,349
Repairs and maintenance of property, plant and equipment	**1,836**	2,442	**1,824**	1,825
Information technology expenses	**15,388**	11,235	**14,291**	10,175
	40,560	24,562	**38,986**	22,621
(iii) Promotion and marketing expenses				
Advertisement and publicity	**3,405**	4,830	**3,404**	4,817
(iv) General administrative expenses				
General administrative expenses	**42,888**	40,240	**41,071**	38,650
Auditors' remuneration:				
- Statutory audit				
- Current year	**1,298**	1,324	**904**	880
- Non-audit services				
- Regulatory related services	**79**	73	**27**	26
- Others	**1,165**	-	**1,165**	-
Property, plant and equipment written off	**-**	5	**-**	5
	45,430	41,642	**43,167**	39,561

NOTES TO THE FINANCIAL STATEMENTS

37. President/Group Chief Executive Officer, Directors' and Shariah Committees' Fees and Remuneration

The total remuneration (including benefits-in-kind) of the President/Group Chief Executive Officer, Directors and Shariah Committee Members of the Bank are as follows:

2024	Remuneration received and receivable from the Bank: Salary RM'000	Fees RM'000	Bonus RM'000	Pension cost RM'000	Other emoluments RM'000	Benefits-in-kind RM'000	Bank total RM'000	Remuneration received and receivable from Subsidiary Companies: Fees RM'000	Other emoluments RM'000	Benefits-in-kind RM'000	Group total RM'000
President/Group Chief Executive Officer											
Roni Lihawa bin Abdul Wahab	1,140	-	380	243	-	-	1,763	-	-	-	1,763
	1,140	-	380	243	-	-	1,763	-	-	-	1,763
Non-Executive Directors:											
Dato' Sulaiman bin Mohd Tahir	-	159	-	-	76	-	235	-	-	-	235
Norazilla binti Md Tahir	-	30	-	-	92	-	122	-	24	-	146
Datuk Rashidah binti Mohd Sies	-	48	-	-	65	-	113	-	4	-	117
Ts. Dr. Othman bin Abdullah	-	48	-	-	134	-	182	-	21	-	203
Tan Sri Datuk Seri Rashpal Singh Randhay	-	48	-	-	103	-	151	36	20	-	207
Rosnah binti Kamarul Zaman	-	20	-	-	62	-	82	36	5	-	123
Imri Dolhadi bin Ab Wahab	-	29	-	-	29	-	58	-	-	-	58
Nor Darina binti Mohd Yusof	-	12	-	-	25	-	37	-	-	-	37
	-	394	-	-	586	-	980	72	74	-	1,126

NOTES TO THE FINANCIAL STATEMENTS

37. President/Group Chief Executive Officer, Directors' and Shariah Committees' Fees and Remuneration (cont'd.)

The total remuneration (including benefits-in-kind) of the President/Group Chief Executive Officer, Directors and Shariah Committee Members of the Bank are as follows (cont'd.):

2024	Remuneration received and receivable from the Bank							Remuneration received and receivable from Subsidiary Companies			
	Salary RM'000	Fees RM'000	Bonus RM'000	Pension cost RM'000	Other emoluments RM'000	Benefits-in-kind RM'000	Bank total RM'000	Fees RM'000	Other emoluments RM'000	Benefits-in-kind RM'000	Group total RM'000
Shariah Committees:											
Prof. Dr. Aznan bin Hasan	-	60	-	-	40	-	100	-	-	-	100
Mohd Fadhly bin Md Yusoff	-	36	-	-	20	-	56	-	-	-	56
Prof. Dr. Zurina binti Shafii	-	36	-	-	20	-	56	-	-	-	56
Prof. Dr. Salina binti Kassim	-	36	-	-	20	-	56	-	-	-	56
Assoc. Prof. Dr. Yasmin Hanani binti Mohd Safian	-	21	-	-	12	-	33	-	-	-	33
Ustaz Lokmanulhakim bin Hussain	-	36	-	-	20	-	56	-	-	-	56
	-	225	-	-	132	-	357	-	-	-	357
Total	1,140	619	380	243	718	-	3,100	72	74	-	3,246

NOTES TO THE FINANCIAL STATEMENTS

37. President/Group Chief Executive Officer, Directors' and Shariah Committees' Fees and Remuneration (cont'd.)

The total remuneration (including benefits-in-kind) of the President/Group Chief Executive Officer, Directors and Shariah Committee Members of the Bank are as follows (cont'd.):

2023	Remuneration received and receivable from the Bank							Remuneration received and receivable from Subsidiary Companies			
	Salary RM'000	Fees RM'000	Bonus RM'000	Pension cost RM'000	Other emoluments RM'000	Benefits-in-kind RM'000	Bank total RM'000	Fees RM'000	Other emoluments RM'000	Benefits-in-kind RM'000	Group total RM'000
President/Group Chief Executive Officer											
Roni Lihawa bin Abdul Wahab	1,140	-	269	226	-	-	1,635	-	-	-	1,635
	1,140	-	269	226	-	-	1,635	-	-	-	1,635
Non-Executive Directors:											
Tan Sri Mohamed Nazir bin Abdul Razak	-	70	-	-	24	-	94	-	-	-	94
Ariff bin Rozhan	-	17	-	-	54	-	71	-	4	-	75
Norazilla binti Md Tahir	-	48	-	-	129	-	177	-	34	-	211
Meow Yoke Nean	-	20	-	-	62	-	82	-	-	-	82
Datuk Rashidah binti Mohd Sies	-	48	-	-	54	-	102	-	-	-	102
Ts. Dr. Othman bin Abdullah	-	48	-	-	99	-	147	-	2	-	149
Tan Sri Datuk Seri Rashpal Singh Randhay	-	48	-	-	121	-	169	72	22	-	263
Rosnah binti Kamarul Zaman	-	48	-	-	142	-	190	72	26	-	288
	-	347	-	-	685	-	1,032	144	88	-	1,264

37. President/Group Chief Executive Officer, Directors' and Shariah Committees' Fees and Remuneration (cont'd.)

The total remuneration (including benefits-in-kind) of the President/Group Chief Executive Officer, Directors and Shariah Committee Members of the Bank are as follows (cont'd.):

2023	Remuneration received and receivable from the Bank							Remuneration received and receivable from Subsidiary Companies			
	Salary RM'000	Fees RM'000	Bonus RM'000	Pension cost RM'000	Other emoluments RM'000	Benefits-in-kind RM'000	Bank total RM'000	Fees RM'000	Other emoluments RM'000	Benefits-in-kind RM'000	Group total RM'000
Shariah Committees:											
Prof. Dr. Aznan bin Hasan	-	60	-	-	48	-	108	-	-	-	108
Mohd Fadhly bin Md Yusoff	-	36	-	-	24	-	60	-	-	-	60
Prof. Dr. Zurina binti Shafii	-	36	-	-	24	-	60	-	-	-	60
Prof. Dr. Salina binti Kassim	-	36	-	-	22	-	58	-	-	-	58
Assoc. Prof. Dr. Yasmin Hanani binti Mohd Safian	-	36	-	-	24	-	60	-	-	-	60
Ustaz Lokmanulhakim bin Hussain	-	36	-	-	24	-	60	-	-	-	60
	-	240	-	-	166	-	406	-	-	-	406
Total	1,140	587	269	226	851	-	3,073	144	88	-	3,305

38. Compensation to Key Management Personnel

Key management personnel are defined as President/Group Chief Executive Officer and directors of the Bank, executive and non-executive having authority and responsibility for planning, directing and controlling the activities of the Group and the Bank directly or indirectly. The remuneration and compensation of the President/Group Chief Executive Officer and directors of the Group and the Bank during the financial year are as follows:

	Note	Group 2024 RM'000	Group 2023 RM'000	Bank 2024 RM'000	Bank 2023 RM'000
Short-term employee benefits' (excluding benefits-in-kind)	37	**3,246**	3,305	**3,100**	3,073
Included in the above are:					
President/Group Chief Executive Officer and Executive Director's remuneration (excluding benefits-in-kind)	37	**1,763**	1,635	**1,763**	1,635

39. (Writeback of)/Allowance for Impairment Losses on Loans, Financing and Advances

	Group 2024 RM'000	Group 2023 RM'000	Bank 2024 RM'000	Bank 2023 RM'000
Stage 1 - 12-month ECL, net	**(841,630)**	583,118	**(844,262)**	582,987
Stage 2 - Lifetime ECL not credit impaired, net	**439,902**	105,385	**442,351**	103,929
Stage 3 - Lifetime ECL credit impaired, net	**235,961**	(12,428)	**239,464**	(5,382)
Impaired loans/financing:				
Written-off	**43,929**	27,721	**43,820**	27,679
Recovered	**(113,267)**	(34,108)	**(112,835)**	(33,225)
	(235,105)	669,688	**(231,462)**	675,988

40. Allowances for/(Writeback of) Impairment Losses on Other Assets

	Group		Bank	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Financial investments at FVOCI	**51,720**	38,614	**51,720**	38,852
Financial investments at AC	**396**	-	**(1)**	-
Financial guarantee fee receivable	**17,747**	-	**17,747**	-
Financial guarantee recoverable	**-**	61,591	**-**	61,591
Investments in subsidiaries	**-**	-	**2,643**	16,833
Investment in JV	**(264)**	-	**-**	-
Property, plant and equipment	**24**	-	**24**	-
Intangible assets	**111**	937	**111**	937
Corporate guarantees	**(6,619)**	57	**-**	-
Writeback of ex-staff loan/financing:				
Stage 3 - Lifetime ECL credit impaired, net	**(143)**	(439)	**(143)**	(439)
	62,972	100,760	**72,101**	117,774

41. Taxation

	Group		Bank	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Income tax expense:	**119,509**	240,466	**109,241**	228,935
Current income tax				
(Over)/under provision in prior years	**(73,297)**	108	**(73,297)**	(1,188)
	46,212	240,574	**35,944**	227,747
Deferred tax expense:				
Reversal of temporary differences	**78,592**	(94,656)	**78,592**	(96,100)
Under provision in prior years	**15,094**	809	**15,094**	808
	93,686	(93,847)	**93,686**	(95,292)
	139,898	146,727	**129,630**	132,455

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2023: 24%) of the estimated assessable profit for the financial year.

41. Taxation (cont'd.)

A reconciliation of income tax expense applicable to profit before taxation and zakat at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Bank are as follows:

	Group		Bank	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Profit before taxation and zakat	**582,680**	557,907	**546,892**	526,307
Tax using Malaysian tax rate of 24% (2023: 24%)	**139,843**	133,898	**131,254**	126,314
Income not subject to tax	**(5,556)**	(7,918)	**(5,556)**	(7,361)
Non-deductible expenses	**63,814**	19,830	**62,135**	13,882
Under provision of deferred tax in prior years	**15,094**	809	**15,094**	808
(Over)/under provision of income tax in prior years	**(73,297)**	108	**(73,297)**	(1,188)
Taxation	**139,898**	146,727	**129,630**	132,455

42. Dividends

Dividends recognised in the current year by the Bank are:

	2024		2023	
	Sen per share	Total amount RM'000	Sen per share	Total amount RM'000
Final 2023 ordinary, net of tax	**3.56**	**123,000**	-	-
Final 2022 ordinary, net of tax	**-**	**-**	2.46	85,000
	3.56	**123,000**	2.46	85,000

At the forthcoming Annual General Meeting, a final single tier tax exempt dividend in respect of the financial year ended 31 December 2024, on 3,451,584,988 ordinary shares, amounting to a dividend payable of RM151,000,000 (4.37 sen net per ordinary share) will be proposed for the shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained profits in the financial year ending 31 December 2025.

43. Earnings Per Share ("EPS")

The basic/diluted EPS of the Group are calculated by dividing the net profit for the financial year attributable to equity holders of the Bank by the weighted average number of ordinary shares in issue during the financial year.

	Group	
	2024	**2023**
Profit attributable to equity holders of the Bank (RM'000)		
- operations	**428,118**	402,475
Weighted average number of ordinary shares in issue ('000)	**3,451,585**	3,451,585
Basic/diluted EPS (sen):	**12.40**	11.66

44. Commitments and Contingencies

(a) Loan and financing related commitments and contingencies of the Group and the Bank which are not included in these financial statements are as follows:

	Group		Bank	
	2024 RM'000	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**
Disbursement of loans/ financing to industries	**3,169,583**	3,863,480	**2,979,659**	3,580,950
Secured guarantees on behalf of borrowers/ customers given to third parties	**3,602,727**	4,198,259	**3,602,727**	4,198,259
	6,772,310	8,061,739	**6,582,386**	7,779,209

(b) Capital commitments of the Group and the Bank which are not included in these financial statements are as follows:

	Group		Bank	
	2024 RM'000	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**
Capital expenditure:				
Approved but not contracted for	**707**	19,253	**-**	18,546
Contribution to Non-Profit Organisation	**800**	800	**800**	800

45. Capital Adequacy

Capital management

Capital policy

The overall objective of capital management is to maintain an adequate and strong capital position to ensure sustainability and to further enable the Bank to understand its capacity to undertake further business activities in supporting its mandated roles.

Regulatory capital

In order to support its mandated roles, the Bank must have strong and adequate capital to support its business activities on an on-going basis. In line with this objective, Bank Negara Malaysia ("BNM") has imposed several regulatory capital requirements whereby, the Bank must have an absolute minimum capital of RM300,000,000 and a minimum Risk Weighted Capital Ratio ("RWCR") of 8% at all times as per BNM's Capital Framework for Development Financial Institutions. The minimum capital funds refer to paid-up capital and reserves as defined in Section 3 of Development Financial Institution Act 2002.

The following table sets forth capital resources and capital adequacy for the Bank as at reporting date.

	Bank	
	2024 RM'000	**2023 RM'000**
Tier 1 capital		
Paid-up share capital	**4,018,781**	4,018,781
Other reserves	**5,126,428**	4,831,795
Less: Deferred tax asset	**(432,304)**	(534,046)
Total Tier 1 capital	**8,712,905**	8,316,530
Tier 2 capital		
Government support funds	**379,714**	388,726
Stage 1 and Stage 2 ECL	**2,656,925**	3,183,781
Total Tier 2 capital	**3,036,639**	3,572,502
Total capital	**11,794,544**	11,889,037
Less: Investment in subsidiaries	**(2,093,207)**	(2,095,850)
Total capital base	**9,656,337**	9,793,187

Breakdown of risk-weighted assets in the various categories of risk-weights:

	Bank	
	2024 RM'000	**2023 RM'000**
20%	**513,343**	275,077
50%	**923,214**	1,092,016
100%	**27,360,414**	26,438,317
	28,796,971	27,805,410

45. Capital Adequacy (cont'd.)

Capital management (cont'd.)

Regulatory capital (cont'd.)

Without deducting proposed dividend:

	Bank	
	2024	**2023**
	%	**%**
Core capital ratio	**30.256**	29.910
RWCR	**33.532**	35.220

After deducting proposed dividend:

	Bank	
	2024	**2023**
	%	**%**
Core capital ratio	**29.732**	29.467
RWCR	**33.008**	34.778

Capital monitoring

The Bank's capital is closely monitored and actively managed. In addition to the regulatory capital requirement of 8%, the Bank sets an internal capital requirement limit as additional triggers above the regulatory capital requirement to ensure it maintain it's "well capitalised" status. The Bank capital adequacy, relative to both internal capital limit and regulatory capital requirements, is closely monitored, regularly reviewed and reported to management and Board of Directors.

46. Significant Related Party Transactions and Balances

For the purpose of these financial statements, parties are considered to be related to the Group if the Group or the Bank has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Bank and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

The Government of Malaysia ("GOM") is the shareholder of the Bank. Therefore, the GOM and entities directly controlled by GOM are collectively referred to as government-related entities to the Group and the Bank.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and the Bank either directly or indirectly. The key management personnel includes all the directors of the Bank as disclosed in Note 37.

The Group has related party relationships with its substantial shareholders, subsidiaries, associates and key management personnel.

46. Significant Related Party Transactions and Balances (cont'd.)

Related party transactions have been entered into in the normal course of business under normal trade terms. The Group established credit policies, pricing strategy and approval process for loans/financing, which are independent of whether the counter parties are government-related entities or not. The significant related party transactions and balances of the Group and the Bank are as follows:

46.1 Significant balances and transactions with the Government of Malaysia

(a) Significant balances with the Government of Malaysia

	Group and Bank	
	2024	**2023**
	RM'000	**RM'000**
Other assets		
Amount receivable from Government in respect of compensation for:		
Infrastructure projects	**250,164**	247,748

(b) Significant transactions with the Government of Malaysia

	Group and Bank	
	2024	**2023**
	RM'000	**RM'000**
Islamic		
Fee income from Unit Kerjasama Awam Swasta ("UKAS")	**93**	128

46. Significant Related Party Transactions and Balances (cont'd.)

46.2 Significant balances and transactions with the Government of Malaysia's linked companies and bodies

(a) Significant balances with the Government of Malaysia's linked companies and bodies

	Group 2024 RM'000	Group 2023 RM'000	Bank 2024 RM'000	Bank 2023 RM'000
Assets				
Short term deposits	**1,902,294**	1,097,716	**1,902,294**	905,346
Deposits and placements with financial institutions	**150,786**	105,844	**150,336**	-
Financial investments at FVOCI	**12,596,510**	9,841,247	**12,596,510**	9,841,247

	Group 2024 RM'000	Group 2023 RM'000	Bank 2024 RM'000	Bank 2023 RM'000
Liabilities				
Deposits from customers	**13,654,719**	9,036,386	**13,928,908**	9,036,386
Deposits and placements from financial institutions	**1,042,888**	737,230	**1,042,888**	737,230
Redeemable notes	**8,375,742**	8,932,140	**8,375,742**	8,932,140
Borrowings	**152,540**	152,520	**152,540**	152,520
Deferred income	**379,714**	388,726	**379,714**	388,726

(b) Significant transactions with the Government of Malaysia's linked companies and bodies

	Group 2024 RM'000	Group 2023 RM'000	Bank 2024 RM'000	Bank 2023 RM'000
Conventional				
Income				
Money at call and deposits placements with financial institutions	**2,719**	20,110	**2,509**	7,456
Financial investments at FVOCI	**43,724**	59,723	**43,724**	54,023
Amortisation of premium less accretion of discount	**(6,772)**	(9,041)	**(6,772)**	(9,180)
Dividend from subsidiaries	**-**	-	**-**	24,600
Rental income	**-**	-	**-**	-

46. Significant Related Party Transactions and Balances (cont'd.)

46.2 Significant balances and transactions with the Government of Malaysia's linked companies and bodies (cont'd.)

(b) Significant transactions with the Government of Malaysia's linked companies and bodies (cont'd.)

	Group 2024 RM'000	Group 2023 RM'000	Bank 2024 RM'000	Bank 2023 RM'000
Conventional				
Expenses				
Interest expense on:				
Deposits from customers and financial institutions	**(897)**	(6,282)	**(897)**	(6,282)
Borrowings	**(7,319)**	(7,299)	**(7,319)**	(7,299)
Redeemable notes	**(20,016)**	(24,296)	**(20,016)**	(24,296)
Islamic				
Income				
Finance income from deposits and placements with financial institutions	**31,017**	54,727	**31,017**	51,982
Financial investments at FVOCI	**443,392**	295,229	**443,392**	295,229
Accretion of discount less amortisation of premium	**(36,707)**	(18,453)	**(36,707)**	(18,453)
Rental income	**1,527**	1,656	**1,795**	2,034
Expenses				
Income attributable to the depositors:				
Deposits from customers and financial institutions	**(451,730)**	(333,479)	**(461,580)**	(333,479)
Sukuk	**(354,940)**	(323,350)	**(354,940)**	(323,350)

46. Significant Related Party Transactions and Balances (cont'd.)

46.3 Significant balances and transactions with subsidiaries, associates and JVs

(a) Significant balances with subsidiaries, associates and JVs

	Bank 2024 RM'000	Bank 2023 RM'000
Conventional		
Loans to subsidiaries	**82**	72
Payment on behalf of subsidiary	**10,839**	23,681
Amount due to subsidiary	**1,803,826**	1,827,694

(b) Significant transactions with subsidiaries, associates and JVs

	Bank 2024 RM'000	Bank 2023 RM'000
Conventional		
Income		
Rental income from subsidiaries	**268**	378
Fee Income from subsidiaries	**2,924**	1,038
Expenses		
Management fee expense from subsidiaries	**(12)**	(12)

	Group 2024 RM'000	Group 2023 RM'000
Key management personnel's remunerations		
Salaries and benefits	**1,520**	1,765
Employer's EPF contributions	**243**	276
Director remuneration	**1,178**	1,369

46. Significant Related Party Transactions and Balances (cont'd.)

46.4 Significant balances and transactions with Group's related parties

(a) Significant balances with the Group's related parties

	Group 2024 RM'000	Group 2023 RM'000
Other assets		
Trade receivables due from related parties	**5,296**	5,199
Other liabilities		
Trade payables due to related parties	**-**	(5)

The credit exposures above are based on paragraph 9.1 of BNM revised Guidelines on Credit Transactions and Exposures with related parties as follows:

(i) Directors of the Bank and their close relatives;

(ii) Controlling shareholder of the Bank and his close relatives;

(iii) Executive officer, being a member of management having authority and responsibility for planning, directing and/or controlling activities of the Bank and his close relatives;

(iv) Officers who are responsible for or have authority to appraise and/or approve credit transactions or review the status of existing credit transactions, either as a member of a committee or individually and their close relatives;

(v) Firms, partnerships, companies or any legal entities which control, or are controlled by any person listed in (i) to (iv) above, or in which they have an interest, as a director, partner, executive officer, agent or guarantor and their subsidiaries or entities controlled by them;

(vi) Any person for whom the persons listed in (i) to (iv) above is a guarantor; and

(vii) Subsidiary of an entity controlled by the Bank and its connected parties.

Credit transactions and exposures to connected parties as disclosed above include the extension of credit facilities and/or off-balance sheet credit exposures such as guarantees, trade-related facilities and loan/financing commitments.

47. Loans/Financing Facilities with Connected Parties

	Group and Bank			
	2024		2023	
	Total Exposure RM'000	Impaired RM'000	Total Exposure RM'000	Impaired RM'000
Credit facility and leasing (except guarantee)	**3,098,923**	**436,271**	2,778,865	276,883
Off-balance sheet exposures	**613,600**	**-**	-	-
Equities and private debt securities ("PDS") held	**660,880**	**-**	625,605	-
Total	**4,373,403**	**436,271**	3,404,470	276,883
Total exposure to connected parties as % of total capital	**37%**	**4%**	31%	2%
Total exposure to connected parties as % of total outstanding financial exposure	**10%**	**1%**	9%	1%

The above disclosure on loans/financing facilities with connected parties is presented in accordance with para 14.1 as per BNM's policy on loans/financing facilities with connected parties, which became effective on 13 July 2016.

48. Companies in the Group

(a) The subsidiaries, all incorporated in Malaysia, are as follows:

Subsidiary	Effective interest held by the Bank 2024 %	2023 %	Principal activities	Principal place of business
BPMB Urus Harta Sdn Bhd ^	**100.00**	100.00	Dormant	Malaysia
Emerald Upline Sdn Bhd	**100.00**	100.00	Dormant	Malaysia
Global Maritime Ventures Berhad	**90.00**	90.00	Venture capital investment	Malaysia
Maju Nominees (Tempatan) Sdn Bhd	**100.00**	100.00	Nominee for the holding company	Malaysia
Pembangunan Leasing Corporation Sdn Bhd	**100.00**	100.00	Leasing and investment holding	Malaysia
SME Growth Acceleration Fund Sdn Bhd	**100.00**	100.00	Dormant	Malaysia
Danajamin Nasional Berhad @	**100.00**	100.00	Dormant	Malaysia
BPMB Dana Sdn Bhd (formerly known as Ecologitec Sdn Bhd)	**100.00**	100.00	Investment holding	Malaysia

48. Companies in the Group (cont'd.)

(b) Details of subsidiary companies of Global Maritime Ventures Berhad, all of which are incorporated in Malaysia, are as follows (cont'd.):

Subsidiary	Effective interest held by the Bank 2024 %	2023 %	Principal activities	Principal place of business
Nilam Navigation Sdn Bhd ^*	**63.00**	63.00	Dormant	Malaysia
Sari Navigation Sdn Bhd ^*	**63.00**	63.00	Dormant	Malaysia
Glory Incentive Sdn Bhd	**90.00**	90.00	Investment holding	Malaysia
GMV-Alam Sdn Bhd	**90.00**	90.00	Investment holding	Malaysia
GMV-Bahtera Sdn Bhd	**90.00**	90.00	Investment holding	Malaysia
GMV-Borcos Sdn Bhd #	**90.00**	90.00	Investment holding	Malaysia
GMV-Regional Sdn Bhd	**90.00**	90.00	Dormant	Malaysia
GMV-Offshore Sdn Bhd	**90.00**	90.00	Investment holding	Malaysia

(c) Details of subsidiary companies of Glory Incentive Sdn Bhd ("GISB"), all of which are incorporated in Malaysia, are as follows:

Subsidiary	Effective interest held by the Bank 2024 %	2023 %	Principal activities	Principal place of business
Ayu Navigation Sdn Bhd @	**63.00**	63.00	Dormant	Malaysia

(d) Details of subsidiary companies of Pembangunan Leasing Corporation Sdn Bhd ("PLC"), all of which are incorporated in Malaysia, are as follows:

Subsidiary	Effective interest held by the Bank 2024 %	2023 %	Principal activities	Principal place of business
PLC Credit and Factoring Sdn Bhd	**100.00**	100.00	Hire purchase financing, confirming factoring, insurance agency and letting out properties	Malaysia
BI Credit and Leasing Berhad	**100.00**	100.00	Credit and leasing	Malaysia

@ Placed under members' voluntary liquidation.
# Placed under creditors voluntary liquidation.
^ Represents companies dissolved during the year.
* Represents companies under Wawasan Group.

49. Financial Instruments Risk

Financial risk management objectives and policies

The Group's and the Bank's financial risk management policies seek to enhance shareholders' value. The Group and the Bank focus on the enterprise wide risk exposure, which include credit, market, liquidity and operational risk and seek to minimise potential adverse effects on the financial performance of the Group and the Bank. As part of the Group's and the Bank's strategy to integrate the management and control of risks across the various risk segments, a dedicated function known as the Group Risk Management had been established.

Financial risk management is carried out through risk assessment and reviews, internal control systems and adherence to Group financial risk management policies, which are reported to and approved by the Board of Directors ("BOD"). The BOD also approves the treasury policies, which cover the management of these risks.

The main areas of financial risks faced by the Group are set out as follows:

(a) Credit risk

Credit risk is the potential loss of revenue, either principal or profit or both, arising from customers or counterparties' failure or unwillingness to honour their contractual financial obligations in accordance with the agreed terms. It arises primarily from financing activities through financing as well as commitments to support customers' obligations to third parties i.e. guarantee. Trading and investing the surplus funds of the Group and the Bank, such as trading or holding of debt securities and deposits placements also expose the Group and the Bank to credit risk.

Credit risk management activities conducted by the Bank are within Credit Risk Management policy approved by the Board of Directors, which entails the entire credit value chain starting from credit risk assessment, credit approval, credit risk measurement, credit risk monitoring, credit concentration, problem credits, credit risk reporting and independent review.

Credit risk is principally managed through the establishment of financing directions, internal controls, risk appetite, policies and guidelines to enhance financing asset quality. Credit processes are structured to ensure adherence to credit policies and to establish impartiality in financing origination, approval, documentation, disbursement and settlement. The Bank has been proactively managing its credit risk exposures within acceptable parameters to enable the Bank to pursue its business directions sustainably.

All credit proposals are rated using an internal two dimensional credit rating system, which include the estimate of PD, LGD and EAD for all credit exposures to measure each customer's risk of default and facility risk. The Bank's internal credit rating scorecards have been periodically updated to ensure that the credit rating model remained robust and relevant with the changing business environment. The Bank embraces prudent credit decision making and only viable financing proposals with well-mitigated risk are considered for financing.

Credit reviews on existing customers are performed at least once a year and more frequent on watch-list accounts to proactively manage any delinquencies, maximise recoveries and to ensure timely recognition of asset impairment and/or provisions. The staging of accounts are assessed according to the established triggers for MFRS 9 accounting standard in identifying significant increase in customer's credit risk.

In addition, the Bank has in place the Early Warning Signal ("EWS") guidelines which serve as an overarching document/process for assessing and monitoring credit risk to safeguard the Bank's assets.

Prudential limits are established according to various categories such as customer and industry sector to minimise concentration risk. Single Customer Limit ("SCL") captures Group exposure to manage the Bank's and subsidiaries' concentration risk to common group of customers at group level.

49. Financial Instruments Risk (cont'd.)

Financial risk management objectives and policies (cont'd.)

(a) Credit risk (cont'd.)

Sector limit for commercial financing is being observed to monitor undesirable concentration which could expose the Bank to higher risk of financing. Meanwhile, counterparty limits are in place to control over exposure to a single financial institution.

Collateral is taken whenever possible to reduce exposure at default. The value of collateral is monitored periodically through updated valuation. Policies and processes are in place to monitor collateral value.

The overall credit risk management is subject to an ongoing process for reviewing and enhancement from time to time so as to be in line with regulatory requirements. Audit is periodically performed by the Group Internal Audit to ensure that credit policies and procedures are complied with.

Credit oversight is provided by the Board Credit Committee ("BCC") while credit risk oversight is provided by the Board Risk Management Committee ("BRMC"). For application of financing for connected parties, such application is subject to the approval from the BOD.

(i) Credit exposure

		Group		Bank	
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
On balance sheet:					
Cash and short term deposits	4	**1,919,059**	1,108,807	**1,904,930**	907,318
Deposits and placements with financial institutions	5	**150,786**	105,844	**150,336**	-
Financial investments at FVTPL	6	**10,090**	7,495	**10,090**	7,495
Financial investments at FVOCI	7	**12,682,127**	9,842,666	**12,682,127**	9,842,666
Financial investment at AC	8	**64,086**	61,346	**59,410**	61,346
Loans, financing and advances	9	**18,427,053**	16,676,511	**18,160,642**	16,448,771
Financial guarantee recoverable	10	**137,683**	137,683	**137,683**	137,683
Financial guarantee fee receivable	11	**199,027**	359,468	**199,027**	359,468
Other assets	12	**260,538**	260,438	**269,053**	279,112
		33,850,449	28,560,258	**33,573,298**	28,043,859
Other assets not subject to credit risk		**808,229**	696,130	**2,880,764**	2,772,889
		34,658,678	29,256,388	**36,454,062**	30,816,748
Off balance sheet:					
Commitments and Contingencies	44(a)	**6,772,310**	8,061,739	**6,582,386**	7,779,209
		41,430,988	37,318,127	**43,036,448**	38,595,957

49. Financial Instruments Risk (cont'd.)

(a) Credit risk (cont'd.)

(ii) The following table sets out the credit risk concentration by economic sectors:

Group 2024	Short-term deposits and placements with financial institutions RM'000	Financial investments at FVTPL RM'000	Financial investments at FVOCI RM'000	Financial investments at AC RM'000	Loans, financing and advances RM'000	Financial guarantee receivables RM'000	Financial guarantee recoverable RM'000
Agriculture, hunting and forestry	-	-	50,150	-	-	-	-
Construction	-	-	45,685	-	1,835,025	254	-
Electrical, gas and water supply	-	-	296,091	-	995,148	5,533	-
Finance, insurance/takaful and business	2,069,845	-	10,406,010	64,086	12,008	10,417	-
Hotels and restaurants	-	-	-	-	926,284	-	-
Housing	-	-	-	-	1,308	-	-
Infrastructure	-	-	783,119	-	8,539,982	162,493	-
Manufacturing	-	-	101,469	-	786,136	-	-
Other community, social and personal service activities	-	-	-	-	375,447	-	137,683
Real estate	-	-	968,103	-	2,225,723	20,330	-
Shipping	-	10,090	-	-	-	-	-
Transport, storage and communications	-	-	31,500	-	2,729,992	-	-
Others	-	-	-	-	-	-	-
	2,069,845	10,090	12,682,127	64,086	18,427,053	199,027	137,683
Other assets not subject to credit risk	-	-	-	-	-	-	-
	2,069,845	10,090	12,682,127	64,086	18,427,053	199,027	137,683

49. Financial Instruments Risk (cont'd.)

(a) Credit risk (cont'd.)

(ii) The following table sets out the credit risk concentration by economic sectors (cont'd.):

Group 2024	Other assets RM'000	Total RM'000	Commitments and contingencies RM'000
Agriculture, hunting and forestry	-	50,150	-
Construction	-	1,880,964	266,935
Electrical, gas and water supply	-	1,296,772	444,113
Finance, insurance/takaful and business	-	12,562,366	-
Hotels and restaurants	-	926,284	367,618
Housing	-	1,308	-
Infrastructure	-	9,485,594	3,678,496
Manufacturing	-	887,605	174,566
Other community, social and personal service activities	-	513,130	204,600
Real estate	-	3,214,156	587,959
Shipping	-	10,090	-
Transport, storage and communications	-	2,761,492	958,023
Others	442,850	442,850	90,000
	442,850	34,032,761	6,772,310
Other assets not subject to credit risk	625,917	625,917	-
	1,068,767	34,658,678	6,772,310

49. Financial Instruments Risk (cont'd.)

(a) Credit risk (cont'd.)

(ii) The following table sets out the credit risk concentration by economic sectors (cont'd.):

Group 2023	Short-term deposits and placements with financial institutions RM'000	Financial investments at FVTPL RM'000	Financial investments at FVOCI RM'000	Financial investments at AC RM'000	Loans, financing and advances RM'000	Financial guarantee receivables RM'000	Financial guarantee recoverable RM'000
Agriculture, hunting and forestry	-	-	49,862	-	-	-	-
Construction	-	-	25,329	-	2,381,850	822	-
Electrical, gas and water supply	-	-	144,428	-	881,771	20,049	-
Finance, insurance/takaful and business	1,214,651	-	7,374,423	61,346	12,809	12,490	-
Hotels and restaurants	-	-	-	-	1,002,401	-	-
Housing	-	-	-	-	2,180	-	-
Infrastructure	-	-	955,220	-	7,563,486	299,642	-
Manufacturing	-	-	71,051	-	511,020	331	-
Other community, social and personal service activities	-	-	217,565	-	297,819	-	137,683
Real estate	-	-	973,151	-	1,728,852	26,134	-
Shipping	-	7,495	-	-	-	-	-
Transport, storage and communications	-	-	31,637	-	2,294,323	-	-
Others	-	-	-	-	-	-	-
	1,214,651	7,495	9,842,666	61,346	16,676,511	359,468	137,683
Other assets not subject to credit risk	-	-	-	-	-	-	-
	1,214,651	7,495	9,842,666	61,346	16,676,511	359,468	137,683

49. Financial Instruments Risk (cont'd.)

(a) Credit risk (cont'd.)

(ii) The following table sets out the credit risk concentration by economic sectors (cont'd.):

Group 2023	Other assets RM'000	Total RM'000	Commitments and contingencies RM'000
Agriculture, hunting and forestry	-	49,862	-
Construction	-	2,408,001	2,178,883
Electrical, gas and water supply	-	1,046,248	626,792
Finance, insurance/takaful and business	-	8,675,719	369,582
Hotels and restaurants	-	1,002,401	442,330
Housing	-	2,180	-
Infrastructure	-	8,818,348	2,463,448
Manufacturing	-	582,402	78,226
Other community, social and personal service activities	-	653,067	276,099
Real estate	-	2,728,137	838,939
Shipping	-	7,495	-
Transport, storage and communications	-	2,325,960	787,440
Others	277,979	277,979	-
	277,979	28,577,799	8,061,739
Other assets not subject to credit risk	678,589	678,589	-
	956,568	29,256,388	8,061,739

49. Financial Instruments Risk (cont'd.)

(a) Credit risk (cont'd.)

(ii) The following table sets out the credit risk concentration by economic sectors (cont'd.):

Bank 2024	Short-term deposits and placements with financial institutions RM'000	Financial investments at FVTPL RM'000	Financial investments at FVOCI RM'000	Financial investments at AC RM'000	Loans, financing and advances RM'000	Financial guarantee receivables RM'000	Financial guarantee recoverable RM'000
Agriculture, hunting and forestry	-	-	50,150	-	-	-	-
Construction	-	-	45,685	-	1,812,860	254	-
Electrical, gas and water supply	-	-	296,091	-	995,148	5,533	-
Finance, insurance/takaful and business	2,055,266	-	10,406,010	59,410	-	10,417	-
Hotels and restaurants	-	-	-	-	844,074	-	-
Housing	-	-	-	-	1,308	-	-
Infrastructure	-	-	783,119	-	8,539,982	162,493	-
Manufacturing	-	-	101,469	-	764,608	-	-
Other community, social and personal service activities	-	-	-	-	269,587	-	137,683
Real estate	-	-	968,103	-	2,225,723	20,330	-
Shipping	-	10,090	-	-	-	-	-
Transport, storage and communications	-	-	31,500	-	2,707,352	-	-
Others	-	-	-	-	-	-	-
	2,055,266	10,090	12,682,127	59,410	18,160,642	199,027	137,683
Other assets not subject to credit risk	-	-	-	-	-	-	-
	2,055,266	10,090	12,682,127	59,410	18,160,642	199,027	137,683

49. Financial Instruments Risk (cont'd.)

(a) Credit risk (cont'd.)

(ii) The following table sets out the credit risk concentration by economic sectors (cont'd.):

Bank 2024	Other assets RM'000	Total RM'000	Commitments and contingencies RM'000
Agriculture, hunting and forestry	-	50,150	-
Construction	-	1,858,799	266,935
Electrical, gas and water supply	-	1,296,772	444,113
Finance, insurance/takaful and business	-	12,531,103	-
Hotels and restaurants	-	844,074	367,618
Housing	-	1,308	-
Infrastructure	-	9,485,594	3,678,496
Manufacturing	-	866,077	174,566
Other community, social and personal service activities	-	407,270	204,600
Real estate	-	3,214,156	587,959
Shipping	-	10,090	-
Transport, storage and communications	-	2,738,852	768,099
Others	433,367	433,367	90,000
	433,367	33,737,612	6,582,386
Other assets not subject to credit risk	2,716,450	2,716,450	-
	3,149,817	36,454,062	6,582,386

49. Financial Instruments Risk (cont'd.)

(a) Credit risk (cont'd.)

(ii) The following table sets out the credit risk concentration by economic sectors (cont'd.):

Bank 2023	Short-term deposits and placements with financial institutions RM'000	Financial investments at FVTPL RM'000	Financial investments at FVOCI RM'000	Financial investments at AC RM'000	Loans, financing and advances RM'000	Financial guarantee receivables RM'000	Financial guarantee recoverable RM'000
Agriculture, hunting and forestry	-	-	49,862	-	-	-	-
Construction	-	-	25,329	-	2,356,980	822	-
Electrical, gas and water supply	-	-	144,428	-	881,310	20,049	-
Finance, insurance/takaful and business	907,318	-	7,374,423	61,346	-	12,490	-
Hotels and restaurants	-	-	-	-	998,480	-	-
Housing	-	-	-	-	2,180	-	-
Infrastructure	-	-	955,220	-	7,563,486	299,642	-
Manufacturing	-	-	71,051	-	489,188	331	-
Other community, social and personal service activities	-	-	217,565	-	168,965	-	137,683
Real estate	-	-	973,151	-	1,728,852	26,134	-
Shipping	-	7,495	-	-	-	-	-
Transport, storage and communications	-	-	31,637	-	2,259,330	-	-
Others	-	-	-	-	-	-	-
	907,318	7,495	9,842,666	61,346	16,448,771	359,468	137,683
Other assets not subject to credit risk	-	-	-	-	-	-	-
	907,318	7,495	9,842,666	61,346	16,448,771	359,468	137,683

49. Financial Instruments Risk (cont'd.)

(a) Credit risk (cont'd.)

(ii) The following table sets out the credit risk concentration by economic sectors (cont'd.):

Bank 2023	Other assets RM'000	Total RM'000	Commitments and contingencies RM'000
Agriculture, hunting and forestry	-	49,862	-
Construction	-	2,383,131	2,128,135
Electrical, gas and water supply	-	1,045,787	626,792
Finance, insurance/takaful and business	-	8,355,577	210,000
Hotels and restaurants	-	998,480	442,330
Housing	-	2,180	-
Infrastructure	-	8,818,348	2,463,448
Manufacturing	-	560,570	53,338
Other community, social and personal service activities	-	524,213	229,938
Real estate	-	2,728,137	838,939
Shipping	-	7,495	-
Transport, storage and communications	-	2,290,967	786,289
Others	279,112	279,112	-
	279,112	28,043,859	7,779,209
Other assets not subject to credit risk	2,772,889	2,772,889	-
	3,052,001	30,816,748	7,779,209

49. Financial Instruments Risk (cont'd.)

(a) Credit risk (cont'd.)

(iii) Gross loans, financing and advances are rated based on internal rating by the Bank:

	2024				2023			
	Neither past due nor impaired RM'000	Past due but not impaired RM'000	Impaired RM'000	Total RM'000	Neither past due nor impaired RM'000	Past due but not impaired RM'000	Impaired RM'000	Total RM'000
Group								
Upper-medium grade	**13,779**	**-**	**-**	**13,779**	11,697	-	-	11,697
Medium grade	**5,497,189**	**1,898**	**-**	**5,499,087**	3,537,922	-	-	3,537,922
Speculative	**10,032,668**	**26,037**	**-**	**10,058,705**	7,149,783	112,674	-	7,262,457
Considered speculative	**4,507,831**	**-**	**-**	**4,507,831**	7,624,965	93,995	-	7,718,960
Poor standing	**6,348**	**-**	**-**	**6,348**	184,032	-	-	184,032
Impaired	**-**	**-**	**2,269,398**	**2,269,398**	-	-	2,067,500	2,067,500
	20,057,815	**27,935**	**2,269,398**	**22,355,148**	18,508,399	206,669	2,067,500	20,782,568
Bank								
Upper-medium grade	**1,323**	**-**	**-**	**1,323**	2,197	-	-	2,197
Medium grade	**5,360,087**	**-**	**-**	**5,360,087**	3,458,748	-	-	3,458,748
Speculative	**9,935,567**	**-**	**-**	**9,935,567**	7,013,749	112,073	-	7,125,822
Considered speculative	**4,507,831**	**-**	**-**	**4,507,831**	7,624,965	83,564	-	7,708,529
Poor standing	**6,348**	**-**	**-**	**6,348**	184,032	-	-	184,032
Impaired	**-**	**-**	**2,245,707**	**2,245,707**	-	-	2,040,306	2,040,306
	19,811,156	**-**	**2,245,707**	**22,056,863**	18,283,691	195,637	2,040,306	20,519,634

49. Financial Instruments Risk (cont'd.)

(a) Credit risk (cont'd.)

(iv) Aging analysis of impaired and past due but not impaired loans, financing and advances

Analysis of loans, financing and advances that are impaired and past due but not impaired based on the Group's and the Bank's internal credit rating system are as follows:

	Group		Bank	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Impaired:				
0 month overdue	**798,799**	393,001	**798,799**	393,001
1 month overdue	**-**	-	**-**	-
2 months overdue	**8,106**	-	**8,106**	-
3 months overdue	**-**	134,785	**-**	134,785
> 3 months overdue	**1,462,493**	1,539,714	**1,438,802**	1,512,520
	2,269,398	2,067,500	**2,245,707**	2,040,306
Past due but not impaired:				
1 Month Overdue	**24,229**	193,917	**-**	185,577
2 Months Overdue	**3,474**	12,349	**-**	10,060
3 Months Overdue	**232**	403	**-**	-
	27,935	206,669	**-**	195,637

(v) Collateral and credit enhancement for loans, financing and advances

Collateral represents the asset pledged by a borrower/customer and/or a third party on behalf of the borrower/customer, in whole or in part, to secure a credit exposure and/or potential credit exposure with the Group and the Bank and subject to seizure in the event of default. Collateral provides the Bank with a secondary repayment/payment source, i.e. a source of fund to help recover its investment if the borrower/customer is unable to repay/pay the facility obtained from the Group and the Bank.

The Group and the Bank would consider accepting the collateral based on its marketability, measurability, stability, transferability, speed in realising the collateral value, enforceability and free from encumbrances. The collateral amounts and types held by the Group and the Bank are as in **the next page**:

NOTES TO THE FINANCIAL STATEMENTS

49. Financial Instruments Risk (cont'd.)

(a) Credit risk (cont'd.)

(vi) Collateral and credit enhancement for loans, financing and advances (cont'd.)

Collateral by amount

	2024				2023			
	Secured RM'000	Unsecured RM'000	Total RM'000	Total Estimated fair value of collateral RM'000	Secured RM'000	Unsecured RM'000	Total RM'000	Total Estimated fair value of collateral RM'000
Group								
Past due but not impaired	-	27,935	27,935	-	157,830	48,839	206,669	-
Impaired	990,048	1,279,350	2,269,398	2,060,662	1,023,703	1,043,797	2,067,500	2,230,769
	990,048	1,307,285	2,297,333	2,060,662	1,181,533	1,092,636	2,274,169	2,230,769
Bank								
Past due but not impaired	-	-	-	-	157,830	37,807	195,637	-
Impaired	990,048	1,255,659	2,245,707	2,060,662	1,023,703	1,016,603	2,040,306	2,230,769
	990,048	1,255,659	2,245,707	2,060,662	1,181,533	1,054,410	2,235,943	2,230,769

NOTES TO THE FINANCIAL STATEMENTS

49. Financial Instruments Risk (cont'd.)

(a) Credit risk (cont'd.)

(vi) Collateral and credit enhancement for loans, financing and advances (cont'd.)

Collateral by type

	2024				2023			
	Guarantee by CGC RM'000	Properties and equipment RM'000	Vessels RM'000	Total RM'000	Guarantee by CGC RM'000	Properties and equipment RM'000	Vessels RM'000	Total RM'000
Group								
Impaired	4,074	1,678,221	378,367	2,060,662	77,945	1,787,269	365,555	2,230,769
	4,074	1,678,221	378,367	2,060,662	77,945	1,787,269	365,555	2,230,769
Bank								
Impaired	4,074	1,678,221	378,367	2,060,662	77,945	1,787,269	365,555	2,230,769
	4,074	1,678,221	378,367	2,060,662	77,945	1,787,269	365,555	2,230,769

49. Financial Instruments Risk (cont'd.)

(a) Credit risk (cont'd.)

(vi) Restructured loans/financing

Restructured loans/financing refer to the financial assets that would otherwise be past due or impaired where there are fundamental revision in the principal terms and conditions of the facilities. Restructuring shall be considered when the customer's business is still viable and is expected to remain viable after the restructuring. The total restructured loans/financing held by the Group and the Bank stood at RM8,175.6 million (2023: RM7,266.0 million).

(vii) Credit quality for treasury credit risk exposures

The table below shows treasury credit risk exposures by the current counterparties' rating:

	Group and Bank	
	2024 RM'000	2023 RM'000
Financial investments at FVOCI		
Sovereign	**9,514,699**	6,913,899
AAA	**1,585,355**	1,584,747
AA	**783,512**	303,360
A	**-**	166,934
Non-rated	**798,561**	873,726
	12,682,127	9,842,666

	Group		Bank	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Financial investments at AC				
Non-rated	**64,086**	61,346	**59,410**	61,346

49. Financial Instruments Risk (cont'd.)

(b) Market risk

(i) Interest/profit rate risk

Interest/profit rate risk is the impact to earnings and economic value of the Group and the Bank due to fluctuations in interest/profit rates.

Interest/profit rate exposure arises from the differences in the maturities and repricing dates of assets, liabilities and off-balance sheet items. These mismatches are actively monitored and managed as part of the overall interest/profit rate risk management process which is conducted in accordance with the Group's policies as approved by the BOD.

The table below shows the Group's and the Bank's net interest/finance income sensitivity based on possible parallel shift in interest/profit rate.

	Group and Bank			
	Impact on interest/profit 2024 RM'000	Impact on interest/profit 2023 RM'000	Impact on equity 2024 RM'000	Impact on equity 2023 RM'000
Interest/profit rate				
- parallel shift				
+ 50 basis points	**(9,197)**	15,761	**(383,303)**	(226,372)
- 50 basis points	**9,197**	(15,761)	**383,303**	226,372

NOTES TO THE FINANCIAL STATEMENTS

49. Financial Instruments Risk (cont'd.)

(b) Market risk (cont'd.)

(i) Interest/profit rate risk (cont'd.)

The table below summarises the Group's and the Bank's exposure to interest/profit rate risk. The table indicates effective average interest/profit rates at the reporting date and the periods in which the financial instruments reprice or mature, whichever is earlier.

	← Non-trading book					→		
Group 2024	Up to 1 month RM'000	>1 - 3 months RM'000	>3 - 12 months RM'000	>1 - 5 years RM'000	Over 5 years RM'000	Non-interest/ profit sensitive RM'000	Total RM'000	Effective interest/ profit rate %
Assets								
Cash and short term deposits	1,907,307	-	-	-	-	11,752	1,919,059	3.02
Deposits and placements with financial institutions	336	150,450	-	-	-	-	150,786	3.72
Financial investments at FVTPL	-	-	-	-	-	10,090	10,090	-
Financial investments at FVOCI	134,181	35,009	657,206	3,881,561	7,974,170	-	12,682,127	4.32
Financial investments at AC	1,358	-	-	-	124,098	(61,370)	64,086	5.19
Loans, financing and advances								
- non-impaired	1,759,317	171,931	720,025	5,320,523	12,373,703	(259,749)	20,085,750	6.10
- impaired *	-	-	-	-	-	(1,658,697)	(1,658,697)	-
Financial guarantee fee receivables	16,790	-	32,041	94,509	55,687	-	199,027	-
Financial guarantee recoverable	-	-	-	-	-	137,683	137,683	-
Other assets	-	-	-	-	-	442,850	442,850	-
Total assets	3,819,289	357,390	1,409,272	9,296,593	20,527,658	(1,377,441)	34,032,761	

* This is arrived at after deducting Stage 1, Stage 2 and Stage 3 ECL from the outstanding gross impaired loans/financing.

NOTES TO THE FINANCIAL STATEMENTS

49. Financial Instruments Risk (cont'd.)

(b) Market risk (cont'd.)

(i) Interest/profit rate risk (cont'd.)

	← Non-trading book					→		
Group 2024 (cont'd.)	Up to 1 month RM'000	>1 - 3 months RM'000	>3 - 12 months RM'000	>1 - 5 years RM'000	Over 5 years RM'000	Non-interest/ profit sensitive RM'000	Total RM'000	Effective interest/ profit rate %
Equity and liabilities								
Deposits from customers	5,805,378	4,141,722	3,526,708	198,889	-	-	13,672,697	4.00
Deposits and placements from financial institutions	1,348,589	95,000	-	-	-	-	1,443,589	3.40
Collateralised Commodity Murabahah	278,342	-	-	-	-	-	278,342	3.18
Redeemable notes/Sukuk	76,078	-	834,664	4,205,000	3,260,000	-	8,375,742	4.28
Borrowings	2,540	-	-	150,000	-	-	152,540	4.88
Lease liabilities	-	-	-	-	-	64,483	64,483	-
Total liabilities	7,510,927	4,236,722	4,361,372	4,553,889	3,260,000	64,483	23,987,393	
Total interest/profit sensitivity gap	(3,691,638)	(3,879,332)	(2,952,100)	4,742,704	17,267,658	(1,441,924)	10,045,368	

NOTES TO THE FINANCIAL STATEMENTS

49. Financial Instruments Risk (cont'd.)

(b) Market risk (cont'd.)

(i) Interest/profit rate risk (cont'd.)

Group 2023	Non-trading book Up to 1 month RM'000	>1 - 3 months RM'000	>3 - 12 months RM'000	>1 - 5 years RM'000	Over 5 years RM'000	Non-interest/profit sensitive RM'000	Total RM'000	Effective interest/profit rate %
Assets								
Cash and short term deposits	1,097,716	-	-	-	-	11,091	1,108,807	-
Deposits and placements with financial institutions	-	105,844	-	-	-	-	105,844	3.25
Financial investments at FVTPL	-	-	-	-	-	7,495	7,495	-
Financial investments at FVOCI	151,081	50,156	391,746	3,898,363	5,351,320	-	9,842,666	4.32
Financial investments at AC	1,346	-	-	-	60,000	-	61,346	6.50
Loans, financing and advances								
- non-impaired	1,669,640	183,510	664,601	5,145,157	11,324,415	(272,255)	18,715,068	5.91
- impaired *	-	-	-	-	-	(2,038,557)	(2,038,557)	-
Financial guarantee fee receivables	42,163	997	35,104	146,580	134,624	-	359,468	-
Financial guarantee recoverable	-	-	-	-	-	137,683	137,683	-
Other assets	-	-	-	-	-	277,979	277,979	-
Total assets	2,961,946	340,507	1,091,451	9,190,100	16,870,359	(1,876,564)	28,577,799	

* This is arrived at after deducting Stage 1, Stage 2 and Stage 3 ECL from the outstanding gross impaired loans/financing.

NOTES TO THE FINANCIAL STATEMENTS

49. Financial Instruments Risk (cont'd.)

(b) Market risk (cont'd.)

(i) Interest/profit rate risk (cont'd.)

Group 2023 (cont'd.)	Non-trading book Up to 1 month RM'000	>1 - 3 months RM'000	>3 - 12 months RM'000	>1 - 5 years RM'000	Over 5 years RM'000	Non-interest/profit sensitive RM'000	Total RM'000	Effective interest/profit rate %
Equity and liabilities								
Deposits from customers	3,805,320	2,625,096	2,542,739	81,966	-	-	9,055,121	3.98
Deposits and placements from financial institutions	737,492	50,000	-	-	-	-	787,492	3.39
Redeemable notes/Sukuk	82,884	-	500,000	4,189,256	4,160,000	-	8,932,140	4.30
Borrowings	-	2,520	-	150,000	-	-	152,520	4.87
Lease liabilities	-	-	-	-	-	120	120	-
Total liabilities	4,625,696	2,677,616	3,042,739	4,421,222	4,160,000	120	18,927,393	
Total interest/profit sensitivity gap	(1,663,750)	(2,337,109)	(1,951,288)	4,768,878	12,710,359	(1,876,684)	9,650,406	

49. Financial Instruments Risk (cont'd.)

(b) Market risk (cont'd.)

(i) Interest/profit rate risk (cont'd.)

Bank 2024	Non-trading book: Up to 1 month RM'000	>1 - 3 months RM'000	>3 - 12 months RM'000	>1 - 5 years RM'000	Over 5 years RM'000	Non-interest/ profit sensitive RM'000	Total RM'000	Effective interest/ profit rate %
Assets								
Cash and short term deposits	1,902,294	-	-	-	-	2,636	1,904,930	3.02
Deposits and placements with financial institutions	336	150,000	-	-	-	-	150,336	3.72
Financial investments at FVTPL	-	-	-	-	-	10,090	10,090	-
Financial investments at FVOCI	134,181	35,009	657,206	3,881,561	7,974,170	-	12,682,127	4.32
Financial investments at AC	1,358	-	-	-	124,098	(66,046)	59,410	4.71
Loans, financing and advances								
- non-impaired	1,744,998	163,848	719,951	5,076,588	12,373,703	(267,932)	19,811,156	6.06
- impaired *	-	-	-	-	-	(1,650,514)	(1,650,514)	-
Financial guarantee fee receivables	16,790	-	32,041	94,509	55,687	-	199,027	-
Financial guarantee recoverable	-	-	-	-	-	137,683	137,683	-
Other assets	-	-	-	-	-	433,367	433,367	-
Total assets	3,799,957	348,857	1,409,198	9,052,658	20,527,658	(1,400,716)	33,737,612	

* This is arrived at after deducting Stage 1, Stage 2 and Stage 3 ECL from the outstanding gross impaired loans/financing.

49. Financial Instruments Risk (cont'd.)

(b) Market risk (cont'd.)

(i) Interest/profit rate risk (cont'd.)

Bank 2024 (cont'd.)	Non-trading book: Up to 1 month RM'000	>1 - 3 months RM'000	>3 - 12 months RM'000	>1 - 5 years RM'000	Over 5 years RM'000	Non-interest/ profit sensitive RM'000	Total RM'000	Effective interest/ profit rate %
Equity and liabilities								
Deposits from customers	5,974,637	4,150,682	3,622,678	198,889	-	-	13,946,886	4.00
Deposits and placements from financial institutions	1,348,589	95,000	-	-	-	-	1,443,589	3.40
Collateralised Commodity Murabahah	278,342	-	-	-	-	-	278,342	3.18
Redeemable notes/Sukuk	76,078	-	834,664	4,205,000	3,260,000	-	8,375,742	4.28
Borrowings	2,540	-	-	150,000	-	-	152,540	4.88
Lease liabilities	-	-	-	-	-	64,442	64,442	-
Total liabilities	7,680,186	4,245,682	4,457,342	4,553,889	3,260,000	64,442	24,261,541	
Total interest/profit sensitivity gap	(3,880,229)	(3,896,825)	(3,048,144)	4,498,769	17,267,658	(1,465,158)	9,476,071	

NOTES TO THE FINANCIAL STATEMENTS

49. Financial Instruments Risk (cont'd.)

(b) Market risk (cont'd.)

(i) Interest/profit rate risk (cont'd.)

Bank 2023	Non-trading book: Up to 1 month RM'000	>1 - 3 months RM'000	>3 - 12 months RM'000	>1 - 5 years RM'000	Over 5 years RM'000	Non-interest/profit sensitive RM'000	Total RM'000	Effective interest/profit rate %
Assets								
Cash and short term deposits	905,346	-	-	-	-	1,972	907,318	3.23
Financial investments at FVTPL	-	-	-	-	-	7,495	7,495	-
Financial investments at FVOCI	151,081	50,156	391,746	3,898,363	5,351,320	-	9,842,666	4.32
Financial investments at AC	1,346	-	-	-	60,000	-	61,346	6.50
Loans, financing and advances								
- non-impaired	1,669,640	123,823	650,705	5,065,401	11,242,014	(272,255)	18,479,328	5.87
- impaired *	-	-	-	-	-	(2,030,557)	(2,030,557)	-
Financial guarantee fee receivables	42,163	997	35,104	146,580	134,624	-	359,468	-
Financial guarantee recoverable	-	-	-	-	-	137,683	137,683	-
Other assets	-	-	-	-	-	279,112	279,112	-
Total assets	2,769,576	174,976	1,077,555	9,110,344	16,787,958	(1,876,550)	28,043,859	

* This is arrived at after deducting Stage 1, Stage 2 and Stage 3 ECL from the outstanding gross impaired loans/financing.

NOTES TO THE FINANCIAL STATEMENTS

49. Financial Instruments Risk (cont'd.)

(b) Market risk (cont'd.)

(i) Interest/profit rate risk (cont'd.)

Bank 2023 (cont'd.)	Non-trading book: Up to 1 month RM'000	>1 - 3 months RM'000	>3 - 12 months RM'000	>1 - 5 years RM'000	Over 5 years RM'000	Non-interest/profit sensitive RM'000	Total RM'000	Effective interest/profit rate %
Equity and liabilities								
Deposits from customers	3,805,320	2,625,096	2,542,739	81,966	-	-	9,055,121	3.98
Deposits and placements from financial institutions	737,492	50,000	-	-	-	-	787,492	3.39
Redeemable notes/Sukuk	82,884	-	500,000	4,189,256	4,160,000	-	8,932,140	4.30
Borrowings	-	2,520	-	150,000	-	-	152,520	4.87
Lease liabilities	-	-	-	-	-	71	71	-
Total liabilities	4,625,696	2,677,616	3,042,739	4,421,222	4,160,000	71	18,927,344	
Total interest/profit sensitivity gap	(1,856,120)	(2,502,640)	(1,965,184)	4,689,122	12,627,958	(1,876,621)	9,116,515	

49. Financial Instruments Risk (cont'd.)

(c) Liquidity risk

Liquidity risk is the risk that the Group and the Bank will encounter difficulty in raising funds to meet its current and future payment obligations associated with financial obligations when they fall due. The liquidity and cash flow risks are managed by maintaining a diversity of funding sources and spreading debt repayments/financing payment over a range of maturities.

The Group and the Bank manage their liquidity requirement on a day-to-day basis to ensure that funds are readily available for its operational needs, withdrawals of deposits and repayments/payments to fund providers. The Group and the Bank may raise funds locally and globally either through government-to-government arrangements or direct negotiations. Other sources of funding through the capital market are being explored on an on-going basis to ensure a diversity of funding source.

49. Financial Instruments Risk (cont'd.)

(c) Liquidity risk (cont'd.)

(i) Contractual maturity of total assets and liabilities

The following table shows the maturity analysis of the Group's and the Bank's assets and liabilities based on remaining contractual maturities. The contractual maturity profile often does not reflect the actual behavioural patterns. In particular, the Group and the Bank have a significant amount of "core deposits" of non-bank customers which are contractually at call (included in the "Up to 3 months" time band) but historically a stable source of long-term funding for the Group and the Bank.

	← Non-trading book					→	
Group 2024	Up to 1 month RM'000	>1 - 3 months RM'000	>3 - 12 months RM'000	>1 - 5 years RM'000	Over 5 years RM'000	Non-specific maturity RM'000	Total RM'000
Assets							
Cash and short term deposits	1,919,059	-	-	-	-	-	1,919,059
Deposits and placements with financial institutions	-	150,786	-	-	-	-	150,786
Financial investments at FVTPL	-	-	-	-	-	10,090	10,090
Financial investments at FVOCI	5,069	35,376	663,897	3,920,336	8,057,449	-	12,682,127
Financial investment at AC	-	-	-	-	64,086	-	64,086
Loans, financing and advances							
- non-impaired	180,862	171,931	722,824	5,325,620	13,944,263	(259,750)	20,085,750
- impaired *	-	-	-	-	-	(1,658,697)	(1,658,697)
Financial guarantee fee receivables	-	-	36,524	103,385	59,118	-	199,027
Financial guarantee recoverable	-	-	-	-	-	137,683	137,683
Other assets	-	-	-	-	-	442,850	442,850
Total assets	2,104,990	358,093	1,423,245	9,349,341	22,124,916	(1,327,824)	34,032,761

* This is arrived at after deducting Stage 1, Stage 2 and Stage 3 ECL from the outstanding gross impaired loans/financing.

NOTES TO THE FINANCIAL STATEMENTS

49. Financial Instruments Risk (cont'd.)

(c) Liquidity risk (cont'd.)

(i) Contractual maturity of total assets and liabilities (cont'd.)

Group 2024 (cont'd.)	Up to 1 month RM'000	>1 - 3 months RM'000	>3 - 12 months RM'000	>1 - 5 years RM'000	Over 5 years RM'000	Non-specific maturity RM'000	Total RM'000
	Non-trading book						
Equity and liabilities							
Deposits from customers	5,765,140	4,157,953	3,549,255	200,349	-	-	13,672,697
Deposits and placements from financial institutions	1,348,393	95,196	-	-	-	-	1,443,589
Collateralised Commodity Murabahah	278,342	-	-	-	-	-	278,342
Redeemable notes/Sukuk	-	-	838,897	4,238,260	3,298,585	-	8,375,742
Borrowings	-	-	-	152,540	-	-	152,540
Lease liabilities	2	1	4,151	21,642	38,687	-	64,483
Total liabilities	7,391,877	4,253,150	4,392,303	4,612,791	3,337,272	-	23,987,393
Net maturity mismatches	(5,286,887)	(3,895,057)	(2,969,058)	4,736,550	18,787,644	(1,327,824)	10,045,368

NOTES TO THE FINANCIAL STATEMENTS

49. Financial Instruments Risk (cont'd.)

(c) Liquidity risk (cont'd.)

(i) Contractual maturity of total assets and liabilities (cont'd.)

Group 2023	Up to 1 month RM'000	>1 - 3 months RM'000	>3 - 12 months RM'000	>1 - 5 years RM'000	Over 5 years RM'000	Non-specific maturity RM'000	Total RM'000
	Non-trading book						
Assets							
Cash and short term deposits	1,108,807	-	-	-	-	-	1,108,807
Deposits and placements with financial institutions	-	105,844	-	-	-	-	105,844
Financial investments at FVTPL	-	-	-	-	-	7,495	7,495
Financial investments at FVOCI	57,620	50,765	394,409	3,934,859	5,405,013	-	9,842,666
Financial investment at AC	-	-	-	-	61,346	-	61,346
Loans, financing and advances							
- non-impaired	274,296	183,510	666,385	5,150,039	12,713,093	(272,255)	18,715,068
- impaired *	-	-	-	-	-	(2,038,557)	(2,038,557)
Financial guarantee fee receivables	10,310	1,186	38,886	164,934	144,152	-	359,468
Financial guarantee recoverable	-	-	-	-	-	137,683	137,683
Other assets	-	-	-	-	-	277,979	277,979
Total assets	1,451,033	341,305	1,099,680	9,249,832	18,323,604	(1,887,655)	28,577,799

* This is arrived at after deducting Stage 1, Stage 2 and Stage 3 ECL from the outstanding gross impaired loans/financing.

NOTES TO THE FINANCIAL STATEMENTS

49. Financial Instruments Risk (cont'd.)

(c) Liquidity risk (cont'd.)

(i) Contractual maturity of total assets and liabilities (cont'd.)

Group 2023 (cont'd.)	Non-trading book: Up to 1 month RM'000	>1 - 3 months RM'000	>3 - 12 months RM'000	>1 - 5 years RM'000	Over 5 years RM'000	Non-specific maturity RM'000	Total RM'000
Equity and liabilities							
Deposits from customers	3,747,312	2,651,864	2,572,959	82,986	-	-	9,055,121
Deposits and placements from financial institutions	737,230	50,262	-	-	-	-	787,492
Redeemable notes/Sukuk	-	-	506,660	4,214,320	4,211,160	-	8,932,140
Borrowings	-	2,520	-	150,000	-	-	152,520
Lease liabilities	-	-	49	71	-	-	120
Total liabilities	4,484,542	2,704,646	3,079,668	4,447,377	4,211,160	-	18,927,393
Net maturity mismatches	(3,033,509)	(2,363,341)	(1,979,988)	4,802,455	14,112,444	(1,887,655)	9,650,406

NOTES TO THE FINANCIAL STATEMENTS

49. Financial Instruments Risk (cont'd.)

(c) Liquidity risk (cont'd.)

(i) Contractual maturity of total assets and liabilities (cont'd.)

Bank 2024	Non-trading book: Up to 1 month RM'000	>1 - 3 months RM'000	>3 - 12 months RM'000	>1 - 5 years RM'000	Over 5 years RM'000	Non-specific maturity RM'000	Total RM'000
Assets							
Cash and short term deposits	1,904,930	-	-	-	-	-	1,904,930
Deposits and placements with financial institutions	-	150,336	-	-	-	-	150,336
Financial investments at FVTPL	-	-	-	-	-	10,090	10,090
Financial investments at FVOCI	5,069	35,376	663,897	3,920,336	8,057,449	-	12,682,127
Financial investment at AC	-	-	-	-	59,410	-	59,410
Loans, financing and advances							
- non-impaired	166,543	163,848	722,750	5,081,685	13,944,263	(267,933)	19,811,156
- impaired *	-	-	-	-	-	(1,650,514)	(1,650,514)
Financial guarantee fee receivables	-	-	36,524	103,385	59,118	-	199,027
Financial guarantee recoverable	-	-	-	-	-	137,683	137,683
Other assets	-	-	-	-	-	433,367	433,367
Total assets	2,076,542	349,560	1,423,171	9,105,406	22,120,240	(1,337,307)	33,737,612

* This is arrived at after deducting Stage 1, Stage 2 and Stage 3 ECL from the outstanding gross impaired loans/financing.

49. Financial Instruments Risk (cont'd.)

(c) Liquidity risk (cont'd.)

(i) Contractual maturity of total assets and liabilities (cont'd.)

Bank 2024 (cont'd.)	Non-trading book: Up to 1 month RM'000	>1 - 3 months RM'000	>3 - 12 months RM'000	>1 - 5 years RM'000	Over 5 years RM'000	Non-specific maturity RM'000	Total RM'000
Equity and liabilities							
Deposits from customers	5,932,765	4,167,223	3,646,549	200,349	-	-	13,946,886
Deposits and placements from financial institutions	1,348,393	95,196	-	-	-	-	1,443,589
Collateralised Commodity Murabahah	278,342	-	-	-	-	-	278,342
Redeemable notes/Sukuk	-	-	838,897	4,238,260	3,298,585	-	8,375,742
Borrowings	-	-	-	152,540	-	-	152,540
Lease liabilities	2	1	4,109	21,642	38,688	-	64,442
Total liabilities	7,559,502	4,262,420	4,489,555	4,612,791	3,337,273	-	24,261,541
Net maturity mismatches	(5,482,960)	(3,912,860)	(3,066,384)	4,492,615	18,782,967	(1,337,307)	9,476,071

49. Financial Instruments Risk (cont'd.)

(c) Liquidity risk (cont'd.)

(i) Contractual maturity of total assets and liabilities (cont'd.)

Bank 2023	Non-trading book: Up to 1 month RM'000	>1 - 3 months RM'000	>3 - 12 months RM'000	>1 - 5 years RM'000	Over 5 years RM'000	Non-specific maturity RM'000	Total RM'000
Assets							
Cash and short term deposits	907,318	-	-	-	-	-	907,318
Financial investments at FVTPL	-	-	-	-	-	7,495	7,495
Financial investments at FVOCI	57,620	50,765	394,409	3,934,859	5,405,013	-	9,842,666
Financial investment at AC	-	-	-	-	61,346	-	61,346
Loans, financing and advances							
- non-impaired	274,296	123,823	652,489	5,070,283	12,630,692	(272,255)	18,479,328
- impaired *	-	-	-	-	-	(2,030,557)	(2,030,557)
Financial guarantee fee receivables	10,310	1,186	38,886	164,934	144,152	-	359,468
Financial guarantee recoverable	-	-	-	-	-	137,683	137,683
Other assets	-	-	-	-	-	279,112	279,112
Total assets	1,249,544	175,774	1,085,784	9,170,076	18,241,203	(1,878,522)	28,043,859

* This is arrived at after deducting Stage 1, Stage 2 and Stage 3 ECL from the outstanding gross impaired loans/financing.

49. Financial Instruments Risk (cont'd.)

(c) Liquidity risk (cont'd.)

(i) Contractual maturity of total assets and liabilities (cont'd.)

Bank 2023 (cont'd.)	Non-trading book Up to 1 month RM'000	>1 - 3 months RM'000	>3 - 12 months RM'000	>1 - 5 years RM'000	Over 5 years RM'000	Non-specific maturity RM'000	Total RM'000
Equity and liabilities							
Deposits from customers	3,747,312	2,651,864	2,572,959	82,986	-	-	9,055,121
Deposits and placements from financial institutions	737,230	50,262	-	-	-	-	787,492
Redeemable notes/Sukuk	-	-	506,660	4,214,320	4,211,160	-	8,932,140
Borrowings	-	2,520	-	150,000	-	-	152,520
Lease liabilities	-	-	42	29	-	-	71
Total liabilities	4,484,542	2,704,646	3,079,661	4,447,335	4,211,160	-	18,927,344
Net maturity mismatches	(3,234,998)	(2,528,872)	(1,993,877)	4,722,741	14,030,043	(1,878,522)	9,116,515

49. Financial Instruments Risk (cont'd.)

(c) Liquidity risk (cont'd.)

(ii) Contractual maturity of financial liabilities on an undiscounted basis

The tables below present the cash flows payable by the Group and the Bank under financial liabilities by remaining contractual maturities as at 31 December 2024 and 31 December 2023. The amounts disclosed in the table will not agree to the carrying amounts reported in the statements of financial positions as the amounts incorporated all contractual cash flows, on an undiscounted basis, relating to both principal and interest/profit analysis. The Group and the Bank manage interest liquidity risk based on discounted expected cash flows.

Group 2024	Non-trading book Up to 1 month RM'000	>1 - 3 months RM'000	>3 - 12 months RM'000	>1 - 5 years RM'000	Over 5 years RM'000	Non-specific maturity RM'000	Total RM'000
Liabilities							
Deposits from customers	**5,941,990**	**4,192,190**	**3,728,788**	**208,981**	**-**	**-**	**14,071,949**
Deposits and placements from financial institutions	**1,350,432**	**95,738**	**-**	**-**	**-**	**-**	**1,446,170**
Collateralised Commodity Murabahah	**278,342**	**-**	**-**	**-**	**-**	**-**	**278,342**
Redeemable notes/Sukuk	**-**	**-**	**920,294**	**4,801,340**	**4,540,549**	**-**	**10,262,183**
Borrowings	**-**	**3,679**	**3,620**	**171,826**	**-**	**-**	**179,125**
Lease liabilities	**5**	**4**	**7,561**	**32,760**	**44,024**	**-**	**84,354**
Total liabilities	**7,570,769**	**4,291,611**	**4,660,263**	**5,214,907**	**4,584,573**	**-**	**26,322,123**

NOTES TO THE FINANCIAL STATEMENTS

49. Financial Instruments Risk (cont'd.)

(c) Liquidity risk (cont'd.)

(ii) Contractual maturity of financial liabilities on an undiscounted basis (cont'd.)

Group 2023	Non-trading book: Up to 1 month RM'000	>1 - 3 months RM'000	>3 - 12 months RM'000	>1 - 5 years RM'000	Over 5 years RM'000	Non-specific maturity RM'000	Total RM'000
Liabilities							
Deposits from customers	3,752,182	2,668,989	2,622,373	85,616	-	-	9,129,160
Deposits and placements from financial institutions	738,062	50,479	-	-	-	-	788,541
Redeemable notes/Sukuk	-	-	521,900	4,832,206	5,844,558	-	11,198,664
Borrowings	-	3,679	3,640	179,125	-	-	186,444
Lease liabilities	1	2	93	90	-	-	186
Total liabilities	4,490,245	2,723,149	3,148,006	5,097,037	5,844,558	-	21,302,995

NOTES TO THE FINANCIAL STATEMENTS

49. Financial Instruments Risk (cont'd.)

(c) Liquidity risk (cont'd.)

(ii) Contractual maturity of financial liabilities on an undiscounted basis (cont'd.)

Bank 2024	Non-trading book: Up to 1 month RM'000	>1 - 3 months RM'000	>3 - 12 months RM'000	>1 - 5 years RM'000	Over 5 years RM'000	Non-specific maturity RM'000	Total RM'000
Liabilities							
Deposits from customers	**5,941,990**	**4,192,190**	**3,728,788**	**208,981**	-	-	**14,071,949**
Deposits and placements from financial institutions	**1,350,432**	**95,738**	-	-	-	-	**1,446,170**
Collateralised Commodity Murabahah	**278,342**	-	-	-	-	-	**278,342**
Redeemable notes/Sukuk	-	-	**920,294**	**4,801,340**	**4,540,549**	-	**10,262,183**
Borrowings	-	**3,679**	**3,620**	**171,826**	-	-	**179,125**
Lease liabilities	**4**	**2**	**7,552**	**32,760**	**44,024**	-	**84,342**
Total liabilities	**7,570,768**	**4,291,609**	**4,660,254**	**5,214,907**	**4,584,573**	-	**26,322,111**
2023							
Liabilities							
Deposits from customers	3,752,182	2,668,989	2,622,373	85,616	-	-	9,129,160
Deposits and placements from financial institutions	738,062	50,479	-	-	-	-	788,541
Redeemable notes/Sukuk	-	-	521,900	4,832,206	5,844,558	-	11,198,664
Borrowings	-	3,679	3,640	179,125	-	-	186,444
Lease liabilities	-	-	85	58	-	-	143
Total liabilities	4,490,244	2,723,147	3,147,998	5,097,005	5,844,558	-	21,302,952

50. Fair Values Measurements

(a) Financial assets and liabilities measured at fair value

Determination of fair value and the fair value hierarchy

Fair value is the amount at which a financial asset could be exchanged or a financial liability settled, between knowledgeable and willing parties in an arm's length transaction.

The Group and the Bank classify their financial assets and financial liabilities which are measured at fair value according to the following hierarchy, reflecting the significance of inputs used in making the fair value measurements:

Level 1 - Quoted market prices: quoted prices (unadjusted) in active markets for identical assets and liabilities instruments;

Level 2 - Valuation techniques based on observable inputs: inputs other than quoted prices included within Level 1 that are observable for the instrument, whether directly (i.e. prices) or indirectly (i.e. derived from prices), are used; and

Level 3 - Valuation techniques using significant unobservable inputs: inputs used are not based on observable market data and the unobservable inputs have a significant impact on the valuation of the financial instruments and non-financial assets.

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 unquoted 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. These would include certain government sukuk and corporate sukuk, financing, derivatives and investment properties.

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.

50. Fair Values Measurements (cont'd.)

(a) Financial assets and liabilities measured at fair value (cont'd.)

Determination of fair value and the fair value hierarchy (cont'd.)

The following table provides the fair value measurement hierarchy of the Group's and the Bank's assets and liabilities.

Group	2024 Level 1 RM'000	2024 Level 2 RM'000	2024 Level 3 RM'000	2024 Total RM'000	2023 Level 1 RM'000	2023 Level 2 RM'000	2023 Level 3 RM'000	2023 Total RM'000
Assets measured at fair value:								
Financial investments at FVTPL	-	10,090	-	10,090	-	7,495	-	7,495
Financial investments at FVOCI	-	12,682,127	-	12,682,127	-	9,842,666	-	9,842,666
Total financial assets carried at fair value				12,692,217				9,850,161
Assets for which fair values are disclosed (Note 50(b)):								
Financial investments at AC	-	66,022	-	66,022	-	61,370	-	61,370
Loans, financing and advances	-	-	18,692,027	18,692,027	-	-	17,014,736	17,014,736
Liabilities for which fair values are disclosed (Note 50(b)):								
Redeemable notes/Sukuk	-	-	8,446,108	8,446,108	-	-	9,071,295	9,071,295
Borrowings	-	-	159,079	159,079	-	-	159,079	159,079

50. Fair Values Measurements (cont'd.)

(a) Financial assets and liabilities measured at fair value (cont'd.)

Determination of fair value and the fair value hierarchy (cont'd.)

The following table provides the fair value measurement hierarchy of the Group's and the Bank's assets and liabilities. (cont'd.)

Bank	2024 Level 1 RM'000	2024 Level 2 RM'000	2024 Level 3 RM'000	2024 Total RM'000	2023 Level 1 RM'000	2023 Level 2 RM'000	2023 Level 3 RM'000	2023 Total RM'000
Assets measured at fair value:								
Financial investments at FVTPL	-	**10,090**	-	**10,090**	-	7,495	-	7,495
Financial investments at FVOCI	-	**12,682,127**	-	**12,682,127**	-	9,842,666	-	9,842,666
Total financial assets carried at fair value				**12,692,217**				9,850,161
Assets for which fair values are disclosed (Note 50(b)):								
Financial investments at AC	-	**61,346**	-	**61,346**	-	61,370	-	61,370
Loans, financing and advances	-	-	**18,380,669**	**18,380,669**	-	-	16,739,718	16,739,718
Liabilities for which fair values are disclosed (Note 50(b)):								
Redeemable notes/Sukuk	-	-	**8,446,108**	**8,446,108**	-	-	9,071,295	9,071,295
Borrowings	-	-	**159,079**	**159,079**	-	-	159,079	159,079

50. Fair Values Measurements (cont'd.)

(a) Financial assets and liabilities measured at fair value (cont'd.)

Determination of fair value and the fair value hierarchy (cont'd.)

There have been no transfer between Level 1 and Level 2 during the financial year. The fair value of loans, financing and advances that are valued at Level 3 is estimated by discounting the estimated future cash flows at a discount rate between 2.37% to 5.92% (2023: 2.37% to 5.92%) whilst the fair value of redeemable notes/sukuk and term loans that are valued at Level 3 is estimated by discounting the estimated future cash flows at a discount rate between 2.80% to 6.30% (2023: 2.80% to 6.30%).

(b) Financial assets and liabilities not carried at fair value

The following table summarises the carrying amounts and the estimated fair values of those financial assets not presented on the Group's and the Bank's statements of financial position at their fair value.

	Group		Bank	
2024	**Carrying value RM'000**	**Fair value RM'000**	**Carrying value RM'000**	**Fair value RM'000**
Financial assets				
Financial investments at AC	**64,086**	**66,022**	**59,410**	**61,346**
Loans, financing and advances	**18,427,053**	**18,692,027**	**18,160,642**	**18,380,669**
Financial liabilities				
Redeemable notes/Sukuk	**8,375,742**	**8,446,108**	**8,375,742**	**8,446,108**
Borrowings	**152,540**	**159,079**	**152,540**	**159,079**
2023				
Financial assets				
Financial investments at AC	61,346	61,370	61,346	61,370
Loans, financing and advances	16,676,511	17,014,736	16,448,771	16,739,718
Financial liabilities				
Redeemable notes/Sukuk	8,932,140	9,071,295	8,932,140	9,071,295
Borrowings	152,520	159,079	152,520	159,079

50. Fair Values Measurements (cont'd.)

(b) Financial assets and liabilities not carried at fair value (cont'd.)

The following methods and assumptions are used to estimate the fair value of each class of financial instruments:

(i) Financial investments - Amortised cost

Fair values of securities that are actively traded is determined by quoted bid prices. For non-actively traded securities, independent broker quotations are obtained. Fair values of equity securities are estimated using a number of methods, including earning multiples and discounted cash flows analysis. Where discounted cash flows technique is used, the estimated future cash flows are discounted using applicable prevailing market or indicative rates of similar instruments at the reporting date.

(ii) Loans, financing and advances

Loans, financing and advances to borrowers/customers, where such market prices are not available, various methodologies have been used to estimate the approximate fair values of such instruments. These methodologies are significantly affected by the assumptions used and judgments made regarding risk characteristics of various financial instruments, discount rates, estimates of future cash flows, future expected loss experience and other factors. Changes in the assumptions could significantly affect these estimates and the resulting fair value estimates. Therefore, for a significant portion of the Group's and the Bank's financial instruments, including loans, financing and advances to customers, their respective fair value estimates do not purport to represent, nor should they be construed to represent, the amount that the Group and the Bank could realise in a sale transaction at the reporting date.

The fair values of variable rate loans/financing are estimated to approximate their carrying values. For fixed rate loans/financing, the fair values are estimated based on expected future cash flows of contractual instalment payments, discounted at applicable and prevailing rates at reporting date offered for similar facilities to new borrowers/customers with similar credit profiles. In respect of impaired loans/financing, the fair values are deemed to approximate the carrying values which are net of impairment allowances.

(iii) Redeemable notes/Sukuk and borrowings

The fair values of capital securities are estimated by discounting the expected future cash flows using the applicable prevailing interest/profit rates for securities as at reporting date.

51. Islamic Finance Business

The state of affairs as at 31 December 2024 and results for the financial year ended on this date under the Islamic finance business of the Group and the Bank included in the Group financial statements are summarised as follows:

Statements of Financial Position
As at 31 December 2024

		Group		Bank	
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Assets					
Cash and short term deposits	(a)	**1,560,043**	1,000,522	**1,554,983**	899,313
Deposits and placements with financial institutions	(b)	**150,336**	-	**150,336**	-
Financial investments at FVTPL	(c)	**10,090**	7,495	**10,090**	7,495
Financial investments at FVOCI	(d)	**11,687,003**	8,642,293	**11,687,003**	8,642,293
Financial investments at AC	(e)	**64,086**	61,346	**59,410**	61,346
Financing and advances	(f)	**17,602,870**	15,679,143	**17,358,229**	15,461,021
Other assets	(g)	**407,552**	447,809	**417,617**	447,527
Financial guarantee recoverable	(h)	**103,792**	103,792	**103,792**	103,792
Financial guarantee fee receivables	(i)	**181,701**	335,557	**181,701**	335,557
Property, plant and equipment		**44,123**	112,346	**42,479**	112,346
Investment properties		**65,802**	307	**65,802**	307
Intangible asset		**23,736**	30,275	**23,736**	30,275
Right-of-use asset		**58,923**	65	**58,923**	65
Deferred tax asset		**437,160**	516,907	**437,160**	516,907
Total assets		**32,397,217**	26,937,857	**32,151,261**	26,618,244

51. Islamic Finance Business (cont'd.)

Statements of Financial Position
As at 31 December 2024 (cont'd.)

	Note	Group 2024 RM'000	Group 2023 RM'000	Bank 2024 RM'000	Bank 2023 RM'000
Liabilities					
Deposits from customers	(j)	**13,820,672**	9,055,121	**13,946,886**	9,055,121
Deposits from financial institutions	(k)	**1,443,589**	787,492	**1,443,589**	787,492
Collateralised Commodity Murabahah		**278,342**	-	**278,342**	-
Other liabilities	(l)	**2,132,013**	1,603,195	**1,909,410**	1,412,829
Sukuk	(m)	**8,069,759**	8,575,988	**8,069,759**	8,575,988
Financial guarantee deferred income	(n)	**211,850**	359,059	**211,850**	359,059
Deferred income		**379,714**	388,726	**379,714**	388,726
Lease liabilities		**64,442**	70	**64,442**	71
Total liabilities		**26,400,381**	20,769,651	**26,303,992**	20,579,286
Equity					
Capital funds		**3,718,724**	3,718,724	**3,718,724**	3,718,724
Reserves	(o)	**2,278,112**	2,449,482	**2,128,545**	2,320,234
Total equity		**5,996,836**	6,168,206	**5,847,269**	6,038,958
Total liabilities and equity		**32,397,217**	26,937,857	**32,151,261**	26,618,244
Commitments and contingencies	(x)	**6,178,750**	6,898,951	**6,178,750**	6,898,951

51. Islamic Finance Business (cont'd.)

Statements of Profit or Loss
For the Financial Year Ended 31 December 2024

	Note	Group 2024 RM'000	Group 2023 RM'000	Bank 2024 RM'000	Bank 2023 RM'000
Income derived from investment of depositors' funds	(p)	**413,634**	292,496	**413,634**	292,496
Income derived from investment of shareholders' funds	(q)	**1,275,372**	1,697,997	**1,255,334**	1,677,365
Modification loss		**(17,756)**	(6,732)	**(17,764)**	(6,761)
Allowance for impairment losses on financing and advances	(r)	**(177,233)**	(543,873)	**(177,066)**	(538,605)
Allowance for impairment losses on financial guarantee	(l(i))	**(344,208)**	(40,770)	**(344,208)**	(40,770)
Allowance for impairment losses on other assets	(s)	**(71,524)**	(99,070)	**(71,127)**	(99,070)
Total distributable income		**1,078,285**	1,300,048	**1,058,803**	1,284,655
Income attributable to depositors and others	(t)	**(828,524)**	(672,900)	**(838,374)**	(672,900)
Total net income		**249,761**	627,148	**220,429**	611,755
Overhead expenses	(u)	**(217,184)**	(202,406)	**(210,410)**	(196,116)
Finance cost	(v)	**(3,296)**	(7)	**(3,296)**	(7)
Profit before taxation and zakat		**29,281**	424,735	**6,723**	415,632
Taxation		**(73,009)**	(118,664)	**(72,988)**	(118,664)
Zakat	(w)	**(13,697)**	(10,403)	**(11,479)**	(10,020)
(Loss)/profit for the year		**(57,425)**	295,668	**(77,744)**	286,948

51. Islamic Finance Business (cont'd.)

Statements of Comprehensive Income
For the Financial Year Ended 31 December 2024

	Group		Bank	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
(Loss)/profit for the year	**(57,425)**	295,668	**(77,744)**	286,948
Other comprehensive income/(loss)				
Items that will not be reclassified to profit or loss:				
Net change in revaluation of equity instruments at fair value through other comprehensive income	**241**	1,193	**241**	1,193
Items that may be reclassified to profit or loss:				
Debt instruments at fair value through other comprehensive income:				
- Net change in fair value during the year	**28,300**	159,426	**28,300**	159,426
- Changes in allowance for expected credit losses	**(12,694)**	38,092	**(12,694)**	38,092
	15,847	198,711	**15,847**	198,711
Income tax effect	**(6,792)**	(38,262)	**(6,792)**	(38,262)
	(6,792)	(38,262)	**(6,792)**	(38,262)
Other comprehensive income for the year, net of tax	**9,055**	160,449	**9,055**	160,449
Total comprehensive (loss)/ income for the year	**(48,370)**	456,117	**(68,689)**	447,397
Total comprehensive (loss)/ income attributable to:				
Shareholders of the Bank	**(48,370)**	456,117	**(68,689)**	447,397
	(48,370)	456,117	**(68,689)**	447,397
Net income from Islamic finance business:				
Income derived from investment of depositors' funds	**413,634**	292,496	**413,634**	292,496
Income derived from investment of shareholders' funds	**1,275,372**	1,697,997	**1,255,334**	1,677,365
Modification loss	**(17,756)**	(6,732)	**(17,764)**	(6,761)
Income attributable to depositors and others	**(828,524)**	(672,900)	**(838,374)**	(672,900)
Finance cost	**(3,296)**	(7)	**(3,296)**	(7)
Net income from Islamic finance business reported in the statements of profit or loss	**839,430**	1,310,854	**809,534**	1,290,193

51. Islamic Finance Business (cont'd.)

Consolidated Statement of Changes in Equity
For the Financial Year Ended 31 December 2024

Group	Capital funds RM'000	Statutory reserve RM'000	Unrealised FVOCI reserve RM'000	Retained profits RM'000	Total RM'000
At 1 January 2024	**3,718,724**	**443,483**	**213,938**	**1,792,061**	**6,168,206**
Loss for the year	**-**	**-**	**-**	**(57,425)**	**(57,425)**
Other comprehensive income for the year	**-**	**-**	**9,055**	**-**	**9,055**
Total comprehensive income/ (loss) for the year	**-**	**-**	**9,055**	**(57,425)**	**(48,370)**
Transfer to retained profits on the disposal of equity instruments at FVOCI	**-**	**-**	**(241)**	**241**	**-**
Dividend paid	**-**	**-**	**-**	**(123,000)**	**(123,000)**
At 31 December 2024	**3,718,724**	**443,483**	**222,752**	**1,611,877**	**5,996,836**
At 1 January 2023	3,718,724	443,483	53,703	1,581,179	5,797,089
Profit for the year	-	-	-	295,668	295,668
Other comprehensive income for the year	-	-	160,449	-	160,449
Total comprehensive income for the year	-	-	160,449	295,668	456,117
Transfer to retained profits on the disposal of equity instruments at FVOCI	-	-	(214)	214	-
Dividend paid	-	-	-	(85,000)	(85,000)
At 31 December 2023	3,718,724	443,483	213,938	1,792,061	6,168,206

51. Islamic Finance Business (cont'd.)

Statement of Changes in Equity
For the Financial Year Ended 31 December 2024

Bank	Capital funds RM'000	Statutory reserve RM'000	Unrealised FVOCI reserve RM'000	Retained profits RM'000	Total RM'000
At 1 January 2024	**3,718,724**	**443,483**	**213,938**	**1,662,813**	**6,038,958**
Loss for the year	**-**	**-**	**-**	**(77,744)**	**(77,744)**
Other comprehensive income for the year	**-**	**-**	**9,055**	**-**	**9,055**
Total comprehensive income/ (loss) for the year	**-**	**-**	**9,055**	**(77,744)**	**(68,689)**
Transfer to retained profits on the disposal of equity instruments at FVOCI	**-**	**-**	**(241)**	**241**	**-**
Dividend paid	**-**	**-**	**-**	**(123,000)**	**(123,000)**
At 31 December 2024	**3,718,724**	**443,483**	**222,752**	**1,462,310**	**5,847,269**
At 1 January 2023	3,718,724	443,483	53,703	1,460,651	5,676,561
Profit for the year	-	-	-	286,948	286,948
Other comprehensive income for the year	-	-	160,449	-	160,449
Total comprehensive income for the year	**-**	**-**	160,449	286,948	447,397
Transfer to retained profits on the disposal of equity instruments at FVOCI	-	-	(214)	214	-
Dividend paid	**-**	**-**	-	(85,000)	(85,000)
At 31 December 2023	3,718,724	443,483	213,938	1,662,813	6,038,958

51. Islamic Finance Business (cont'd.)

Statements of Cash Flows
For the Financial Year Ended 31 December 2024

	Group 2024 RM'000	Group 2023 RM'000	Bank 2024 RM'000	Bank 2023 RM'000
Cash flows from operating activities				
Profit before taxation and zakat	**29,281**	424,735	**6,723**	415,632
Adjustments for:				
Gain on redemption of financial investments at FVTPL (Note 51(q))	**-**	(600,177)	**-**	(600,177)
Allowance for impairment on financial guarantee (Note 51(s))	**344,208**	40,770	**344,208**	40,770
Allowance for impairment on financial guarantee recoverable (Note 51(s))	**-**	60,482	**-**	60,482
Net gain on sale of financial investments at FVOCI (Note 51(q))	**(10,718)**	(1,111)	**(10,718)**	(1,111)
Depreciation of property, plant and equipment (Note 51(u)(ii))	**10,127**	6,189	**9,966**	6,189
Depreciation of investment properties (Note 51(u)(ii))	**724**	7	**724**	7
Impairment of property, plant and equipment	**23**	-	**23**	-
Allowance for impairment on intangible asset	**-**	-	**111**	-
Amortisation of intangible assets (Note 51(u)(ii))	**6,775**	4,349	**6,482**	4,349
Depreciation of right-of-use assets (Note 51(u)(ii))	**5,699**	76	**5,699**	76
Loss on disposal property, plant and equipment (Note 51(q))	**-**	8	**-**	8
Net gain on disposal of financial investment at FVTPL (Note 51(q))	**(1,315)**	-	**(1,315)**	-
Accretion of discount less amortisation of premium of financial investments (Note 51(q))	**30,478**	18,453	**30,478**	18,453
Balance carried forward	**415,282**	(46,219)	**392,381**	(55,322)

51. Islamic Finance Business (cont'd.)

Statements of Cash Flows
For the Financial Year Ended 31 December 2024 (cont'd.)

	Group 2024 RM'000	Group 2023 RM'000	Bank 2024 RM'000	Bank 2023 RM'000
Cash flows from operating activities (cont'd.)				
Balance brought forward	**415,282**	(46,219)	**392,381**	(55,322)
Allowance for impairment losses on financing and advances, net (Note 51(r))	**193,222**	570,815	**193,055**	565,475
Modification loss (Note 51(p) and Note 51(q))	**17,756**	6,732	**17,764**	6,761
Allowance for impairment on intangible asset	**-**	937	**-**	937
Impairment allowance for:				
Financial investments at FVOCI (Note 51(s))	**53,353**	38,092	**53,353**	38,092
Financial investments at AC (Note 51(s))	**(1)**	-	**(1)**	-
Financial guarantee fee receivable (Note 51(s))	**17,747**	-	**17,747**	-
Impaired financing written off (Note 51(r))	**16,455**	9,718	**16,455**	9,718
Property, plant and equipment written off (Note 51(u)(iv))	**-**	5	**-**	5
Writeback of ex-staff financing (Note 51(s))	**(107)**	(441)	**(107)**	(441)
Unrealised (gain)/loss on FVTPL (Note 51(q))	**(2,973)**	26,391	**(2,973)**	26,391
Compensation from the Government (Note 51(q))	**(92,399)**	(110,661)	**(92,399)**	(110,661)
Finance cost on lease liabilities (Note 51(v))	**3,296**	7	**3,296**	7
Operating cash flows before working capital changes	**621,631**	495,376	**598,571**	480,962
(Increase)/decrease in operating assets:				
Deposits and placements with financial institutions	**(150,336)**	131,652	**(150,336)**	131,652
Guarantee fee receivables	**(251,569)**	(150,235)	**(259,597)**	(150,235)
Guarantee recoverable	**-**	(109,807)	**-**	(109,807)
Financing and advances	**(1,665,998)**	(2,829,994)	**(2,107,887)**	(2,730,949)
	(2,067,903)	(2,958,384)	**(2,517,820)**	(2,859,339)

51. Islamic Finance Business (cont'd.)

Statements of Cash Flows
For the Financial Year Ended 31 December 2024 (cont'd.)

	Group 2024 RM'000	Group 2023 RM'000	Bank 2024 RM'000	Bank 2023 RM'000
Cash flows from operating activities (cont'd.)				
Increase/(decrease) in operating liabilities:				
Other assets	**570,153**	795,249	**455,540**	928,870
Deposits from customers	**4,765,551**	1,898,998	**4,891,765**	1,898,998
Deposits and placements from financial institutions	**656,097**	(834,614)	**656,097**	(834,614)
Other liabilities	**235,263**	1,446,747	**507,325**	1,270,332
Guarantee deferred income	**(50,666)**	116,398	**(50,666)**	116,398
	6,176,398	3,422,778	**6,460,061**	3,379,984
Cash generated from operating activities	**4,730,126**	959,770	**4,540,812**	1,001,607
Finance cost on lease liabilities (Note 51(v))	**(3,296)**	(7)	**(3,296)**	(7)
Zakat paid	**(10,807)**	(13,318)	**(10,289)**	(13,318)
Net cash generated from operating activities	**4,716,023**	946,445	**4,527,227**	988,282
Cash flows from investing activities				
Purchase of property, plant and equipment (Note 16)	**(6,341)**	(35,786)	**(6,341)**	(35,786)
Purchase of intangible assets (Note 18)	**(6,225)**	(22,765)	**(4,695)**	(22,765)
Purchase of financial investments at FVOCI	**(4,648,257)**	(3,367,287)	**(4,648,257)**	(3,367,287)
Proceeds from disposal of financial investments at FVOCI	**1,110,906**	590,374	**1,110,906**	590,374
Proceeds from disposal of FVTPL	**1,694**	-	**1,694**	-
Proceeds from disposal of property, plant and equipments	**-**	3	**-**	3
Purchase of financial investments at amortised cost	**(3,136)**	(61,346)	**1,937**	(61,346)
Net cash used in investing activities	**(3,551,359)**	(2,896,807)	**(3,544,756)**	(2,896,807)

51. Islamic Finance Business (cont'd.)

Statements of Cash Flows
For the Financial Year Ended 31 December 2024 (cont'd.)

	Group 2024 RM'000	Group 2023 RM'000	Bank 2024 RM'000	Bank 2023 RM'000
Cash flows from financing activities				
Payment of Sukuk	**(500,000)**	-	**(500,000)**	-
Sukuk issuance	**-**	1,000,000	**-**	1,000,000
Proceeds from government compensation	**21,097**	99,261	**21,097**	99,261
Increase in Collaterised Commodity Murabahah	**-**	-	**278,342**	-
Revolving credit-i from financial institution	**-**	(10,034)	**-**	-
Payment of lease liabilities	**(3,481)**	(86)	**(3,481)**	(86)
Transfer from retained profits on the disposal of equity instruments at FVOCI	**241**	214	**241**	214
Dividends paid	**(123,000)**	(85,000)	**(123,000)**	(85,000)
Net cash generated from financing activities	**(605,143)**	1,004,355	**(326,801)**	1,014,389
Net increase/(decrease) in cash and equivalents	**559,521**	(946,007)	**655,670**	(894,136)
Cash and cash equivalents at beginning of the year	**1,000,522**	1,946,529	**899,313**	1,793,449
Cash and cash equivalents at end of the year	**1,560,043**	1,000,522	**1,554,983**	899,313

	Group 2024 RM'000	Group 2023 RM'000	Bank 2024 RM'000	Bank 2023 RM'000
Cash and cash equivalents comprise:				
Cash and short term deposits (Note (a))	**1,560,043**	1,000,522	**1,554,983**	899,313
(a) Cash and Short Term Deposits				
Cash and bank balances with financial institutions	**2,624**	6,989	**2,576**	1,861
Money at call and deposits placements maturing within one month	**1,557,419**	993,533	**1,552,407**	897,452
	1,560,043	1,000,522	**1,554,983**	899,313

	Group 2024 RM'000	Group 2023 RM'000	Bank 2024 RM'000	Bank 2023 RM'000
(b) Deposits and Placements with Financial Institutions				
Licensed banks	**150,336**	-	**150,336**	-

NOTES TO THE FINANCIAL STATEMENTS

51. Islamic Finance Business (cont'd.)

	Group and Bank 2024 RM'000	Group and Bank 2023 RM'000
(c) Financial Investments at FVTPL		
At fair value		
Equity Securities:		
Unquoted shares	**10,090**	7,495
Total financial investments at FVTPL	**10,090**	7,495

	Group and Bank 2024 RM'000	Group and Bank 2023 RM'000
(d) Financial Investments at FVOCI		
At fair value		
Debt Instruments:		
Money market instruments:		
Government investment issues	**6,863,990**	3,881,460
Unquoted securities:		
Sukuk	**4,823,013**	4,760,833
Total financial investments at FVOCI	**11,687,003**	8,642,293

Movements in allowances for impairment which reflect the ECL allowance are as follows:

Group and Bank	12-Month ECL Stage 1 RM'000	Lifetime ECL Not Credit Impaired Stage 2 RM'000	Lifetime ECL Credit Impaired Stage 3 RM'000	Total RM'000
2024				
At 1 January	**2,476**	**194,689**	**-**	**197,165**
Reclassified to amortised costs	**(1,949)**	**(64,098)**	**-**	**(66,047)**
Net allowance made	**282**	**53,071**	**-**	**53,353**
New financial investments purchased	**268**	**-**	**-**	**268**
Net allowance made	**14**	**53,071**	**-**	**53,085**
At 31 December	**809**	**183,662**	**-**	**184,471**
2023				
At 1 January	365	158,708	-	159,073
Net allowance made	2,111	35,981	-	38,092
New financial investments purchased	211	40,335	-	40,546
Net allowance/(writeback)	1,900	(4,354)	-	(2,454)
At 31 December	2,476	194,689	-	197,165

51. Islamic Finance Business (cont'd.)

	Group 2024 RM'000	Group 2023 RM'000	Bank 2024 RM'000	Bank 2023 RM'000
(e) Financial Investments at AC				
At amortised cost				
Debt Instruments:				
Unquoted securities:				
Sukuk	**125,456**	61,346	**125,456**	61,346
Peer-to-peer ("P2P")	**5,073**	-	**-**	-
	130,529	61,346	**125,456**	61,346
Less: ECL	**(66,443)**	-	**(66,046)**	-
	64,086	61,346	**59,410**	61,346

Movements in allowances for impairment which reflect the ECL allowance are as follows:

Group	12-Month ECL Stage 1 RM'000	Lifetime ECL Not Credit Impaired Stage 2 RM'000	Lifetime ECL Credit Impaired Stage 3 RM'000	Total RM'000
2024				
At 1 January	-	-	-	-
Reclassified from FVOCI	1,949	64,098	-	66,047
Net allowance made	388	8	-	396
New financial investments purchased	389	8	-	397
Net writeback	(1)	-	-	(1)
At 31 December	2,337	64,106	-	66,443
Bank				
2024				
At 1 January	-	-	-	-
Reclassified from FVOCI	1,949	64,098	-	66,047
Net writeback	(1)	-	-	(1)
At 31 December	1,948	64,098	-	66,046

51. Islamic Finance Business (cont'd.)

	Group 2024 RM'000	Group 2023 RM'000	Bank 2024 RM'000	Bank 2023 RM'000
(f) Financing and Advances				
Bai' Bithaman Ajil	**256**	256	**-**	-
Istisna'	**629,201**	897,491	**629,201**	897,491
Ijarah Muntahiyah bi Tamlik	**43,725**	70,072	**-**	1,313
Tawarruq financing asset	**19,233,860**	17,183,220	**19,224,474**	17,171,888
Tawarruq financing working capital	**691,465**	384,927	**691,465**	384,927
Tawarruq revolving working capital	**96,166**	94,585	**96,166**	94,585
Factoring-i	**52,509**	54,461	**-**	-
Hire purchase-i	**161,972**	106,354	**-**	-
Staff financing	**1,256**	2,095	**1,256**	2,095
Gross financing and advances	**20,910,410**	18,793,461	**20,642,562**	18,552,299
Allowance for impairment on financing and advances:				
- Stage 1: 12-Month ECL	**(750,334)**	(1,580,270)	**(743,622)**	(1,574,105)
- Stage 2: Lifetime ECL not credit impaired	**(1,786,158)**	(1,034,378)	**(1,786,114)**	(1,034,102)
- Stage 3: Lifetime ECL credit impaired	**(771,048)**	(499,670)	**(754,597)**	(483,071)
	(3,307,540)	(3,114,318)	**(3,284,333)**	(3,091,278)
Net financing and advances	**17,602,870**	15,679,143	**17,358,229**	15,461,021

51. Islamic Finance Business (cont'd.)

(f) Financing and advances (cont'd.)

(i) Financing and advances analysed by type and Shariah contract are as follows:

Group 2024	Bai' Bithaman Ajil RM'000	Istisna' RM'000	Ijarah Muntahiyah bi Tamlik RM'000	Tawarruq RM'000	Factoring-i RM'000	Hire purchase-i RM'000	Total RM'000
At amortised cost							
Term facility							
Sale-based financing	256	629,201	-	19,233,860	52,509	161,972	20,077,798
Lease-based financing	-	-	43,725	-	-	-	43,725
Working capital facility							
Sale-based financing	-	-	-	691,465	-	-	691,465
Revolving facility							
Sale-based financing	-	-	-	96,166	-	-	96,166
Staff financing	1,256	-	-	-	-	-	1,256
Gross financing and advances	1,512	629,201	43,725	20,021,491	52,509	161,972	20,910,410
Allowance for impairment on financing and advances:							
Stage 1: 12-Month ECL	(14)	(433)	(897)	(743,195)	(5,053)	(746)	(750,338)
Stage 2: Lifetime ECL not credit impaired	-	(39,262)	-	(1,746,852)	-	(32)	(1,786,146)
Stage 3: Lifetime ECL credit impaired	-	(19,651)	(57)	(743,315)	(8,034)	-	(771,057)
Net financing and advances	1,498	569,855	42,771	16,788,129	39,422	161,194	17,602,869

51. Islamic Finance Business (cont'd.)

(f) Financing and advances (cont'd.)

(i) Financing and advances analysed by type and Shariah contract are as follows (cont'd) :

Group 2023	Bai' Bithaman Ajil RM'000	Istisna' RM'000	Ijarah Muntahiyah bi Tamlik RM'000	Tawarruq RM'000	Factoring-i RM'000	Hire purchase-i RM'000	Total RM'000
At amortised cost							
Term facility							
Sale-based financing	256	897,491	-	17,183,220	54,461	106,354	18,241,782
Lease-based financing	-	-	70,072	-	-	-	70,072
Working capital facility							
Sale-based financing	-	-	-	384,927	-	-	384,927
Revolving facility							
Sale-based financing	-	-	-	94,585	-	-	94,585
Staff financing	2,095	-	-	-	-	-	2,095
Gross financing and advances	2,351	897,491	70,072	17,662,732	54,461	106,354	18,793,461
Allowance for impairment on financing and advances:							
Stage 1: 12-Month ECL	(17)	(24,602)	(525)	(1,548,487)	(5,283)	(322)	(1,579,236)
Stage 2: Lifetime ECL not credit impaired	-	(27,430)	-	(1,006,948)	-	(239)	(1,034,617)
Stage 3: Lifetime ECL credit impaired	-	(38,593)	(1,313)	(437,871)	(8,124)	(313)	(486,214)
Net financing and advances	2,334	806,866	68,234	14,669,426	41,054	105,480	15,693,394

51. Islamic Finance Business (cont'd.)

(f) Financing and advances (cont'd.)

(i) Financing and advances analysed by type and Shariah contract are as follows (cont'd) :

Bank 2024	Bai' Bithaman Ajil RM'000	Istisna' RM'000	Ijarah Muntahiyah bi Tamlik RM'000	Tawarruq RM'000	Total RM'000
At amortised cost					
Term facility					
Sale-based financing	-	629,201	-	19,224,474	19,853,675
Lease-based financing	-	-	-	-	-
Working capital facility					
Sale-based financing	-	-	-	691,465	691,465
Revolving facility					
Sale-based financing	-	-	-	96,166	96,166
Staff financing	1,256	-	-	-	1,256
Gross financing and advances	1,256	629,201	-	20,012,105	20,642,562
Allowance for impairment on financing and advances:					
Stage 1: 12-Month ECL	(14)	(433)	-	(743,175)	(743,622)
Stage 2: Lifetime ECL not credit impaired	-	(39,262)	-	(1,746,852)	(1,786,114)
Stage 3: Lifetime ECL credit Impaired	-	(19,651)	-	(734,946)	(754,597)
Net financing and advances	1,242	569,855	-	16,787,132	17,358,229

51. Islamic Finance Business (cont'd.)

(f) Financing and advances (cont'd.)

(i) Financing and advances analysed by type and Shariah contract are as follows (cont'd) :

Bank 2023	Bai' Bithaman Ajil RM'000	Istisna' RM'000	Ijarah Muntahiyah bi Tamlik RM'000	Tawarruq RM'000	Total RM'000
At amortised cost					
Term facility					
Sale-based financing	-	897,491	-	17,171,888	18,069,379
Lease-based financing	-	-	1,313	-	1,313
Working capital facility					
Sale-based financing	-	-	-	384,927	384,927
Revolving facility					
Sale-based financing	-	-	-	94,585	94,585
Staff financing	2,095	-	-	-	2,095
Gross financing and advances	2,095	897,491	1,313	17,651,400	18,552,299
Allowance for impairment on financing and advances:					
Stage 1: 12-Month ECL	(17)	(24,602)	-	(1,549,486)	(1,574,105)
Stage 2: Lifetime ECL not credit impaired	-	(27,430)	-	(1,006,672)	(1,034,102)
Stage 3: Lifetime ECL credit Impaired	-	(38,593)	(1,313)	(443,165)	(483,071)
Net financing and advances	2,078	806,866	-	14,652,077	15,461,021

51. Islamic Finance Business (cont'd.)

(f) Financing and Advances (cont'd.)

(ii) Financing and advances analysed by type of customers are as follows:

	Group		Bank	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Domestic business enterprises	**20,909,154**	18,791,366	**20,641,306**	18,550,204
Individual	**1,256**	2,095	**1,256**	2,095
	20,910,410	18,793,461	**20,642,562**	18,552,299

(iii) Financing and advances analysed by profit rate sensitivity are as follows:

	Group		Bank	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Fixed rate:				
Housing financing	**1,512**	2,095	**1,256**	2,095
Other fixed rate financing	**6,553,151**	6,929,731	**6,447,531**	6,794,923
Hire purchase receivable	**161,972**	106,354	**-**	-
Variable rate:				
Cost plus	**3,660,338**	2,424,334	**3,660,338**	2,424,334
Other variable rates	**10,533,437**	9,330,947	**10,533,437**	9,330,947
	20,910,410	18,793,461	**20,642,562**	18,552,299

(iv) Financing and advances analysed by geographical distribution are as follows:

	Group		Bank	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Within Malaysia	**20,910,410**	18,793,461	**20,642,562**	18,552,299

51. Islamic Finance Business (cont'd.)

(f) Financing and Advances (cont'd.)

(v) Financing and advances analysed by industry are as follows:

	Group		Bank	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Construction	**2,023,642**	2,552,650	**2,001,537**	2,527,949
Electricity, gas and water supply	**1,318,395**	1,218,338	**1,318,321**	1,217,877
Finance, takaful and business	**-**	8,452	**-**	-
Infrastructure	**9,878,575**	8,629,754	**9,868,178**	8,629,754
Hotels and restaurants	**953,757**	946,346	**890,068**	943,147
Housing	**1,256**	2,095	**1,256**	2,095
Manufacturing	**935,589**	712,192	**914,061**	690,196
Other community, social and personal service activities	**364,121**	154,609	**242,581**	11,528
Real estate	**2,271,231**	1,797,420	**2,262,325**	1,786,784
Transport, storage and communication	**3,163,844**	2,771,605	**3,144,235**	2,742,969
	20,910,410	18,793,461	**20,642,562**	18,552,299

(vi) The maturity structure of financing and advances are as follows:

	Group		Bank	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Maturity within one year	**1,120,082**	960,243	**1,059,618**	897,902
One year to three years	**3,480,618**	2,842,974	**3,438,889**	2,816,722
Three years to five years	**1,877,934**	2,297,490	**1,766,450**	2,144,921
Over five years	**14,431,776**	12,692,754	**14,377,605**	12,692,754
	20,910,410	18,793,461	**20,642,562**	18,552,299

51. Islamic Finance Business (cont'd.)

(f) Financing and Advances (cont'd.)

(vii) Movements in gross financing and advances are as follows:

Group 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 1 January	**14,150,070**	**3,534,668**	**1,108,723**	**18,793,461**
- Transfer to 12-month ECL (Stage 1)	**180**	**(180)**	**-**	**-**
- Transfer to Lifetime ECL not credit impaired (Stage 2)	**(2,684,725)**	**2,684,725**	**-**	**-**
- Transfer to Lifetime ECL credit impaired (Stage 3)	**(35,775)**	**(278,205)**	**313,980**	**-**
Remeasurement, net	**(237,765)**	**266,796**	**114,461**	**143,492**
Newly originated accounts	**969,034**	**1,888,056**	**-**	**2,857,090**
Settled accounts	**(395,373)**	**(316,934)**	**(154,871)**	**(867,178)**
Written-off	**-**	**-**	**(16,455)**	**(16,455)**
At 31 December	**11,765,646**	**7,778,926**	**1,365,838**	**20,910,410**
2023				
At 1 January	10,375,374	4,607,005	1,051,985	16,034,364
- Transfer to 12-month ECL (Stage 1)	1,200,150	(1,200,099)	(51)	-
- Transfer to Lifetime ECL not credit impaired (Stage 2)	(195,691)	195,691	-	-
- Transfer to Lifetime ECL credit impaired (Stage 3)	-	(134,785)	134,785	-
Remeasurement, net	424,120	66,856	(8,028)	482,948
Newly originated accounts	3,556,516	-	388	3,556,904
Settled accounts	(1,210,399)	-	(60,638)	(1,271,037)
Written-off	-	-	(9,718)	(9,718)
At 31 December	14,150,070	3,534,668	1,108,723	18,793,461

51. Islamic Finance Business (cont'd.)

(f) Financing and Advances (cont'd.)

(vii) Movements in gross financing and advances are as follows (cont'd.):

Bank 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 1 January	**13,928,060**	**3,532,114**	**1,092,125**	**18,552,299**
- Transfer to 12-month ECL (Stage 1)	**-**	**-**	**-**	**-**
- Transfer to Lifetime ECL not credit impaired (Stage 2)	**(2,684,725)**	**2,684,725**	**-**	**-**
- Transfer to Lifetime ECL credit impaired (Stage 3)	**(35,552)**	**(278,205)**	**313,757**	**-**
Remeasurement, net	**(213,417)**	**268,272**	**105,782**	**160,637**
Newly originated accounts	**684,516**	**1,888,056**	**-**	**2,572,572**
Settled accounts	**(164,456)**	**(316,204)**	**(145,831)**	**(626,491)**
Written-off	**-**	**-**	**(16,455)**	**(16,455)**
At 31 December	**11,514,426**	**7,778,758**	**1,349,378**	**20,642,562**
2023				
At 1 January	10,250,237	4,607,005	1,035,053	15,892,295
- Transfer to 12-month ECL (Stage 1)	1,200,099	(1,200,099)	-	-
- Transfer to Lifetime ECL not credit impaired (Stage 2)	(191,802)	191,802	-	-
- Transfer to Lifetime ECL credit impaired (Stage 3)	-	(134,785)	134,785	-
Remeasurement, net	186,811	68,191	(7,963)	247,039
Newly originated accounts	3,382,496	-	-	3,382,496
Settled accounts	(899,781)	-	(60,032)	(959,813)
Written-off	-	-	(9,718)	(9,718)
At 31 December	13,928,060	3,532,114	1,092,125	18,552,299

51. Islamic Finance Business (cont'd.)

(f) Financing and Advances (cont'd.)

(viii) Impaired financing and advances analysed by industry are as follows:

	Group		Bank	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Construction	**455,067**	387,213	**455,067**	387,213
Electricity, gas and water supply	**291,663**	309,320	**291,588**	309,320
Finance, takaful and business	**7,960**	7,960	**-**	-
Infrastructure	**120,070**	22,769	**120,070**	22,769
Hotels and restaurants	**281,573**	155,340	**281,573**	155,340
Manufacturing	**-**	164	**-**	-
Real estate	**147,111**	134,785	**139,290**	134,785
Other community, social and personal service activities	**8,366**	17,343	**8,107**	9,218
Transport, storage and communication	**54,028**	73,829	**53,683**	73,480
	1,365,838	1,108,723	**1,349,378**	1,092,125
Gross impaired financing and advances as a % of gross financing and advances	**6.53%**	5.90%	**6.54%**	5.89%

51. Islamic Finance Business (cont'd.)

(f) Financing and Advances (cont'd.)

(ix) Movements in the allowance for impairment of financing and advances are as follows:

Group 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 1 January	**1,580,270**	**1,034,378**	**499,670**	**3,114,318**
- Transfer to 12-Month ECL (Stage 1)	**12,805**	**(12,805)**	**-**	**-**
- Transfer to Lifetime ECL not credit impaired (Stage 2)	**(678,779)**	**727,686**	**(48,907)**	**-**
- Transfer to Lifetime ECL credit impaired (Stage 3)	**(14,409)**	**(284,168)**	**298,577**	**-**
Remeasurement, net	**(149,553)**	**321,067**	**21,708**	**193,222**
At 31 December	**750,334**	**1,786,158**	**771,048**	**3,307,540**
2023				
At 1 January	854,884	1,173,912	514,707	2,543,503
- Transfer to 12-Month ECL (Stage 1)	280,077	(280,077)	-	-
- Transfer to Lifetime ECL not credit impaired (Stage 2)	(114,077)	114,077	-	-
- Transfer to Lifetime ECL credit impaired (Stage 3)	-	(47,538)	47,538	-
Remeasurement, net	559,386	74,004	(62,575)	570,815
At 31 December	1,580,270	1,034,378	499,670	3,114,318

51. Islamic Finance Business (cont'd.)

(f) Financing and Advances (cont'd.)

(ix) Movements in the allowance for impairment of financing and advances are as follows (cont'd):

Bank 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 1 January	**1,574,105**	**1,034,102**	**483,071**	**3,091,278**
- Transfer to 12-Month ECL (Stage 1)	**12,793**	**(12,793)**	**-**	**-**
- Transfer to Lifetime ECL not credit impaired (Stage 2)	**(678,779)**	**727,686**	**(48,907)**	**-**
- Transfer to Lifetime ECL credit impaired (Stage 3)	**(14,399)**	**(284,168)**	**298,567**	**-**
Remeasurement, net	**(150,098)**	**321,287**	**21,866**	**193,055**
At 31 December	**743,622**	**1,786,114**	**754,597**	**3,284,333**
2023				
At 1 January	854,129	1,173,912	497,762	2,525,803
- Transfer to 12-Month ECL (Stage 1)	280,077	(280,077)	-	-
- Transfer to Lifetime ECL not credit impaired (Stage 2)	(114,058)	114,058	-	-
- Transfer to Lifetime ECL credit impaired (Stage 3)	-	(47,538)	47,538	-
Remeasurement, net	553,957	73,747	(62,229)	565,475
At 31 December	1,574,105	1,034,102	483,071	3,091,278

51. Islamic Finance Business (cont'd.)

(g) Other Assets

	Group 2024 RM'000	Group 2023 RM'000	Bank 2024 RM'000	Bank 2023 RM'000
Sundry receivables, deposits and prepayments	**157,435**	200,215	**167,500**	199,933
Amount receivable from Government in respect of compensation for:				
Infrastructure projects and dedicated schemes	**250,164**	247,748	**250,164**	247,748
	407,599	447,963	**417,664**	447,681
Allowance for impairment on ex-staff financing:				
- Stage 3: Lifetime ECL credit impaired (i)	**(47)**	(154)	**(47)**	(154)
	407,552	447,809	**417,617**	447,527

(i) Movements in the allowance for impairment of ex-staff financing are as follows:

	Group 2024 RM'000	Group 2023 RM'000	Bank 2024 RM'000	Bank 2023 RM'000
At 1 January	**154**	595	**154**	595
Writeback during the year	**(107)**	(441)	**(107)**	(441)
At 31 December	**47**	154	**47**	154

(h) Financial Guarantee Recoverable

	Note	Group and Bank 2024 RM'000	Group and Bank 2023 RM'000
Financial guarantee recoverable	(i)	**164,274**	164,274
Allowance for impairment			
- Stage 3: Lifetime ECL credit impaired	(ii)	**(60,482)**	(60,482)
		103,792	103,792

51. Islamic Finance Business (cont'd.)

(h) Financial Guarantee Recoverable (cont'd.)

(i) Movements in financial guarantee recoverable are as follows:

	Group and Bank	
	2024 RM'000	2023 RM'000
At 1 January	**164,274**	-
Stage 3: Lifetime ECL credit impaired during the year	**-**	164,274
At 31 December	**164,274**	164,274

(ii) Movements in the allowance for impairment of financial guarantee recoverable are as follows:

	Group and Bank	
	2024 RM'000	2023 RM'000
At 1 January	**60,482**	-
Allowance made during the year	**-**	60,482
At 31 December	**60,482**	60,482

(i) Financial Guarantee Fee Receivables

		Group and Bank	
	Note	2024 RM'000	2023 RM'000
Financial guarantee fee receivables		**199,448**	335,557
Less: Allowance for impairment of financial guarantee fee receivables	(i)	**(17,747)**	-
		181,701	335,557
Receivable within 12 months		**30,654**	43,783
Receivable after 12 months		**151,047**	291,774
		181,701	335,557

(i) Movements in the allowance for impairment of financial guarantee fee receivables are as follows:

	Group and Bank	
	2024 RM'000	2023 RM'000
At 1 January	**-**	-
Allowance made during the year (Note 51(s))	**17,747**	-
At 31 December	**17,747**	-

51. Islamic Finance Business (cont'd.)

(j) Deposits from Customers

	Group		Bank	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
At amortised cost				
Fixed deposits and negotiable instruments of deposits	**13,820,672**	9,055,121	**13,946,886**	9,055,121
(a) The deposits are sourced from the following types of deposit:				
Tawarruq	**13,820,672**	9,055,121	**13,946,886**	9,055,121
(b) The deposits are sourced from the following types of customers:				
Business enterprises	**7,471,124**	5,263,035	**7,597,338**	5,263,035
Government and statutory bodies	**6,349,548**	3,792,086	**6,349,548**	3,792,086
	13,820,672	9,055,121	**13,946,886**	9,055,121
(c) The deposits maturity structure are as follows:				
Less than six months	**12,379,200**	8,220,643	**12,425,857**	8,220,643
Six months to one year	**1,241,123**	751,491	**1,320,680**	751,491
One year to three years	**200,349**	82,987	**200,349**	82,987
Three years to five years	**-**	-	**-**	-
Over five years	**-**	-	**-**	-
	13,820,672	9,055,121	**13,946,886**	9,055,121

(k) Deposits and Placements from Financial Institutions

	Group and Bank	
	2024 RM'000	2023 RM'000
At amortised cost		
Licensed banks	**1,443,589**	787,492
(a) The deposits maturity structure are as follows:		
Less than six months	**1,443,589**	787,492

51. Islamic Finance Business (cont'd.)

(l) Other Liabilities

	Note	Group 2024 RM'000	Group 2023 RM'000	Bank 2024 RM'000	Bank 2023 RM'000
Sundry creditors and accruals		**80,913**	166,213	**55,678**	136,186
Provision for zakat		**13,697**	10,403	**11,479**	10,020
Zakat payable		**1,262**	1,616	**1,262**	1,616
Allowances for impairment losses on financial guarantee	(i)	**534,305**	190,097	**534,305**	190,097
Fee received in advance		**2,015**	1,011	**2,015**	10,244
Interfund payables	(ii)	**1,499,821**	1,233,855	**1,304,671**	1,064,666
		2,132,013	1,603,195	**1,909,410**	1,412,829

(i) Movements in the allowance for impairment losses on financial guarantee are as follows:

Group and Bank 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 1 January	**98,703**	**91,394**	**-**	**190,097**
- Transfer to Lifetime ECL not credit impaired (Stage 2)	**(899)**	**899**	**-**	**-**
- Transfer to Lifetime ECL credit impaired (Stage 3)	**-**	**(89,274)**	**89,274**	**-**
Remeasurement, net	**(29,954)**	**(558)**	**374,720**	**344,208**
At 31 December	**67,850**	**2,461**	**463,994**	**534,305**
2023				
At 1 January	38,535	51,978	-	90,513
Effect of Business Transfer Scheme (Note 53)	56,184	2,630	-	58,814
Remeasurement, net	3,984	36,786	-	40,770
At 31 December	98,703	91,394	-	190,097

(ii) Interfund payables are unsecured, profit free and are repayable on demand.

51. Islamic Finance Business (cont'd.)

(m) Sukuk

	Note	Group and Bank 2024 RM'000	Group and Bank 2023 RM'000
Non-guaranteed			
Sukuk Murabahah	(i)	**2,527,358**	2,526,662
Sukuk Wakalah	(ii)	**2,259,363**	2,259,738
Sustainable Development Sukuk Wakalah	(iii)	**453,311**	453,311
Sustainable Sukuk Wakalah	(iv)	**1,003,235**	1,003,343
		6,243,267	6,243,054
Guaranteed			
Sukuk Murabahah	(v)	**1,826,492**	2,332,934
		1,826,492	2,332,934
		8,069,759	8,575,988

(i) These sukuk carry profit rates ranging between 4.50% and 4.98% (2023: 4.50% and 4.98%) per annum and for tenures of 10 years to 19 years. These sukuk will mature in March 2027, 2032 and November 2026, 2031 and 2035 respectively.

(ii) These sukuk carry profit rates ranging between 2.80% and 4.05% (2023: 2.80% and 4.05%) per annum and for tenures of 5 years to 10 years. These sukuk will mature in June 2026, 2028, 2031 and October 2025, 2027 and 2030 respectively.

(iii) This sukuk carries a profit rate of 3.95% (2023: 3.95%) per annum with a tenure of 7 years. This sukuk will mature in October 2028.

(iv) These sukuk carry profit rates ranging between 3.81% and 4.02% (2023: 3.81% and 4.02%) per annum and for tenures of 2 years to 5 years. These sukuk will mature in December 2025 and 2028 respectively.

(v) These sukuk carry profit rates ranging between 4.75% and 4.85% (2023: 4.38% and 4.85%) per annum and for tenures of 15 to 20 years. These sukuk will mature in September 2029 and 2034 respectively.

51. Islamic Finance Business (cont'd.)

(m) Sukuk (cont'd.)

The movements in the sukuk are as follows:

Group and Bank	Murabahah 2024 RM'000	Murabahah 2023 RM'000	Wakalah 2024 RM'000	Wakalah 2023 RM'000
Non-guaranteed				
Principal				
At 1 January/ 31 December	**2,500,000**	2,500,000	**2,250,000**	2,250,000
Accrued profit payable				
At 1 January	**26,662**	27,507	**9,738**	9,654
Charge for the year	**119,461**	117,918	**76,329**	76,288
Payment during the year	**(118,765)**	(118,763)	**(76,704)**	(76,204)
At 31 December	**27,358**	26,662	**9,363**	9,738
	2,527,358	2,526,662	**2,259,363**	2,259,738

	Sustainable Development Wakalah		Sustainable Wakalah	
Non-guaranteed				
Principal				
At 1 January	**450,000**	450,000	**1,000,000**	-
Issued during the year	**-**	-	**-**	1,000,000
At 31 December	**450,000**	450,000	**1,000,000**	1,000,000
Accrued profit payable				
At 1 January	**3,311**	3,311	**3,343**	-
Charge for the year	**17,824**	17,775	**39,468**	3,343
Payment during the year	**(17,824)**	(17,775)	**(39,576)**	-
At 31 December	**3,311**	3,311	**3,235**	3,343
	453,311	453,311	**1,003,235**	1,003,343

51. Islamic Finance Business (cont'd.)

(m) Sukuk (cont'd.)

Group and Bank	Murabahah 2024 RM'000	Murabahah 2023 RM'000
Guaranteed		
Principal		
At 1 January	**2,300,000**	2,300,000
Payment during the year	**(500,000)**	-
At 31 December	**1,800,000**	2,300,000
Accrued profit payable		
At 1 January	**32,934**	33,208
Charge for the year	**101,858**	108,026
Payment during the year	**(108,300)**	(108,300)
At 31 December	**26,492**	32,934
	1,826,492	2,332,934

(n) Financial Guarantee Deferred Income

	Note	Group and Bank 2024 RM'000	Group and Bank 2023 RM'000
Deferred financial guarantee fee income	(i)	**211,850**	359,059
(i) Movement of deferred financial guarantee fee income:			
At 1 January		**359,059**	242,661
Financial guarantee fee written		**-**	13,505
Financial guarantee fee earned		**(39,064)**	(39,532)
Financial guarantee fee early redeemed		**(11,602)**	(2,253)
Financial guarantee fee for event of default		**(96,543)**	(9,629)
Business Transfer Scheme (Note 53)		**-**	154,307
As at 31 December		**211,850**	359,059

51. Islamic Finance Business (cont'd.)

(o) Reserves

	Note	Group 2024 RM'000	Group 2023 RM'000	Bank 2024 RM'000	Bank 2023 RM'000
Non-distributable:					
Statutory reserve	(i)	**443,483**	443,483	**443,483**	443,483
Unrealised FVOCI reserve	(ii)	**222,752**	213,938	**222,752**	213,938
		666,235	657,421	**666,235**	657,421
Distributable:					
Retained profits		**1,611,877**	1,792,061	**1,462,310**	1,662,813
		2,278,112	2,449,482	**2,128,545**	2,320,234

(i) The statutory reserves are maintained in compliance with the requirements of Section 39 of Development Financial Institution Act 2002 ("the Act") and are not distributable as cash dividends. As the statutory reserves is more than 50% but less than 100% of its paid up capital, the Bank is required to transfer at least 25% of its profit after tax.

(ii) Movements of the FVOCI reserve are as follows:

	Group 2024 RM'000	Group 2023 RM'000	Bank 2024 RM'000	Bank 2023 RM'000
At 1 January	**213,938**	53,703	**213,938**	53,703
Unrealised gain on fair value changes	**28,541**	160,619	**28,541**	160,619
Changes in allowance for expected credit loss	**(12,694)**	38,092	**(12,694)**	38,092
Transfer from retained profits on the disposal of equity instruments at FVOCI	**(241)**	(214)	**(241)**	(214)
Income tax effect	**(6,792)**	(38,262)	**(6,792)**	(38,262)
At 31 December	**222,752**	213,938	**222,752**	213,938

51. Islamic Finance Business (cont'd.)

(p) Income Derived from Investment of Depositors' Funds

	Group 2024 RM'000	Group 2023 RM'000	Bank 2024 RM'000	Bank 2023 RM'000
Finance Income				
Financing and advances	**374,772**	269,205	**374,772**	269,205
Other income:				
Fee income	**38,761**	22,113	**38,761**	22,113
Ta'widh	**101**	1,178	**101**	1,178
	413,634	292,496	**413,634**	292,496
Of which:				
Finance income earned on impaired financing and advances	**13,573**	12,488	**13,573**	12,488

51. Islamic Finance Business (cont'd.)

(q) Income Derived from Investment of Shareholders' Funds

	Group		Bank	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Finance Income				
Financing and advances	**641,764**	601,904	**627,675**	589,176
Compensation from the Government	**92,399**	110,661	**92,399**	110,661
Deposits and placements with financial institution	**31,111**	55,593	**31,111**	52,848
Financial investments at FVOCI	**458,185**	314,770	**458,185**	314,770
Financial assets at amortised cost	**4,038**	-	**3,911**	-
	1,227,497	1,082,928	**1,213,281**	1,067,455
Accretion of discount less amortisation of premium	**(36,707)**	(18,453)	**(36,707)**	(18,453)
	1,190,790	1,064,475	**1,176,574**	1,049,002
Other income:				
Net gain/(loss) arising on financial investment at FVTPL:				
- unrealised revaluation gain/(loss)	**2,973**	(26,391)	**2,973**	(26,391)
- gain on redemption	**-**	600,177	**-**	600,177
- net gain on disposal	**1,315**	-	**1,315**	-
Net gain arising on financial investment at FVOCI:				
- net gain on disposal	**10,718**	1,111	**10,718**	1,111
Loss on disposal of property, plant and equipment	**-**	(8)	**-**	(8)
Rental income				
- Subsidiaries	**-**	-	**-**	378
- Others	**1,527**	1,656	**1,795**	1,656
Fee income	**67,718**	54,262	**61,738**	48,867
Ta'widh	**190**	2,552	**190**	2,551
Others	**141**	163	**31**	22
	1,275,372	1,697,997	**1,255,334**	1,677,365
Of which:				
Finance income earned on impaired financing and advances	**22,732**	27,797	**22,732**	27,797

51. Islamic Finance Business (cont'd.)

(r) Allowances for Impairment Losses of Financing and Advances

	Group		Bank	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Stage 1 - 12-month ECL, net	**(829,936)**	725,386	**(830,483)**	719,976
Stage 2 - Lifetime ECL not credit impaired, net	**751,780**	(139,534)	**752,012**	(139,810)
Stage 3 - Lifetime ECL credit impaired, net	**271,378**	(15,037)	**271,526**	(14,691)
Impaired financing:				
Written-off	**16,455**	9,718	**16,455**	9,718
Recovered	**(32,444)**	(36,660)	**(32,444)**	(36,588)
	177,233	543,873	**177,066**	538,605

(s) Allowance for Impairment Losses on Other Assets

	Group		Bank	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Financial investments at FVOCI	**53,353**	38,092	**53,353**	38,092
Financial investments at AC	**396**	-	**(1)**	-
Financial guarantee fee receivable	**17,747**	-	**17,747**	-
Financial guarantee recoverable	**-**	60,482	**-**	60,482
Property, plant and equipment	**24**	-	**24**	-
Intangible assets	**111**	937	**111**	937
Writeback of ex-staff financing:				
Stage 3 - Lifetime ECL credit impaired, net	**(107)**	(441)	**(107)**	(441)
	71,524	99,070	**71,127**	99,070

(t) Income Attributable to Depositors and Others

	Group		Bank	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Deposits from customers	**419,946**	296,809	**429,796**	296,809
Deposits and placements from financial institutions	**53,425**	52,741	**53,425**	52,741
Sukuk	**354,940**	323,350	**354,940**	323,350
Collateralised Commodity Murabahah	**213**	-	**213**	-
	828,524	672,900	**838,374**	672,900

51. Islamic Finance Business (cont'd.)

(u) Overhead Expenses

	Note	Group 2024 RM'000	Group 2023 RM'000	Bank 2024 RM'000	Bank 2023 RM'000
Personnel costs	(i)	**129,473**	134,891	**127,788**	130,174
Establishment related expenses	(ii)	**39,667**	22,921	**38,986**	22,621
Promotion and marketing expenses	(iii)	**3,404**	3,399	**3,404**	4,817
General administrative expenses	(iv)	**44,640**	41,195	**43,156**	39,542
		217,184	202,406	**213,334**	197,154
Overhead expenses charged to subsidiaries via SLA		**-**	-	**(2,924)**	(1,038)
		217,184	202,406	**210,410**	196,116

	Group 2024 RM'000	Group 2023 RM'000	Bank 2024 RM'000	Bank 2023 RM'000
(i) Personnel costs				
Salaries, allowances and bonuses	**92,058**	102,619	**91,065**	99,091
Non-executive Directors' fees and remuneration	**1,028**	1,032	**980**	1,032
Shariah Committees' fees and remuneration	**357**	406	**357**	406
Social security cost	**662**	609	**650**	567
Pension costs - Defined contribution plan	**13,264**	12,004	**13,092**	11,382
Other staff related expenses	**22,104**	18,221	**21,644**	17,696
	129,473	134,891	**127,788**	130,174
(ii) Establishment related expenses				
Depreciation:				
Property, plant and equipment	**10,127**	6,189	**9,966**	6,189
Investment properties	**724**	7	**724**	7
Right-of-use assets	**5,699**	76	**5,699**	76
Amortisation of intangible asset	**6,775**	4,349	**6,482**	4,349
Repairs and maintenance of property, plant and equipment	**1,825**	1,829	**1,824**	1,825
Information technology expenses	**14,517**	10,471	**14,291**	10,175
	39,667	22,921	**38,986**	22,621

51. Islamic Finance Business (cont'd.)

(u) Overhead Expenses (cont'd.)

	Group 2024 RM'000	Group 2023 RM'000	Bank 2024 RM'000	Bank 2023 RM'000
(iii) Promotion and marketing expenses				
Advertisement and publicity	**3,404**	3,399	**3,404**	4,817
(iv) General administrative expenses				
General administrative expenses	**42,533**	40,284	**41,060**	38,631
Auditors' remuneration:				
- Statutory audit				
- Current year	**912**	880	**904**	880
- Non-audit services				
- Regulatory related services	**30**	26	**27**	26
- Others	**1,165**	-	**1,165**	-
Property, plant and equipment written off	**-**	5	**-**	5
	44,640	41,195	**43,156**	39,542

(v) Finance Cost

	Group 2024 RM'000	Group 2023 RM'000	Bank 2024 RM'000	Bank 2023 RM'000
Lease liabilities	**3,296**	7	**3,296**	7

(w) Zakat

	Group 2024 RM'000	Group 2023 RM'000	Bank 2024 RM'000	Bank 2023 RM'000
Zakat	**13,697**	10,403	**11,479**	10,020

Zakat represents business zakat payable by the Group and the Bank to comply with the principles of Shariah and as endorsed by the Shariah Committee. The Group and the Bank only pays zakat on its business and does not pay zakat on behalf of depositors or shareholders. The zakat on business for the financial year has been computed using the capital growth computation method at the rate of 2.5775% (2023: 2.5775%).

The zakat amount is paid to the states' zakat management agencies and eligible beneficiaries (asnaf) in Malaysia. The proposals of distribution of zakat fund by the Group and the Bank to eligible beneficiaries (asnaf) were approved by the Shariah Committee.

51. Islamic Finance Business (cont'd.)

(x) Commitments and Contingencies

	Group and Bank	
	2024 RM'000	**2023 RM'000**
Contingencies as at the financial year end constitute the following:		
Disbursement of financing and advances to industries	**2,979,659**	3,485,612
Secured guarantees on behalf of customers given to third parties	**3,199,091**	3,413,339
	6,178,750	6,898,951

(y) Capital Adequacy

Capital management

Regulatory capital

The following table sets forth capital resources and capital adequacy for the Bank as at reporting date.

	Bank	
	2024 RM'000	**2023 RM'000**
Tier 1 capital		
Capital funds	**3,718,724**	3,718,724
Other reserves	**2,128,545**	2,320,234
Less: Deferred tax asset	**(437,160)**	(516,907)
Total Tier 1 capital	**5,410,109**	5,522,051
Tier 2 capital		
Government support funds	**379,714**	388,726
Stage 1 and Stage 2 expected credit loss allowances	**2,600,047**	2,798,304
Total Tier 2 capital	**2,979,761**	3,187,030
Total capital base	**8,389,870**	8,709,081

51. Islamic Finance Business (cont'd.)

(y) Capital Adequacy (cont'd.)

Breakdown of risk-weighted assets in the various categories of risk-weights:

	Bank	
	2024 RM'000	**2023 RM'000**
20%	**442,511**	272,599
50%	**922,031**	1,066,981
100%	**25,875,558**	24,227,673
	27,240,100	25,567,253

Without deducting proposed dividend:

	Bank	
	2024 %	**2023 %**
Core capital ratio	**19.861**	21.598
RWCR	**30.800**	34.063

52. Government Funds and Schemes

As a development financial institutution, the Group and the Bank perform its mandated roles to promote strategic sectors identified by the Government of Malaysia.

The Group and the Bank act as a financier that bear the credit risk and recognise its credit losses in the financial statements. All these funds are internally sourced by the Bank and not from Government. The funds and the schemes allocated by the Bank are as follows:

(a) Tourism Infrastructure Fund

The objective of the tourism infrastructure fund is to provide financial assistance to existing and new companies dealing with or involved in tourism related activities and services.

(b) Tourism Infrastructure Development Fund

The objective of the tourism infrastructure development fund is to provide financial assistance to existing and new companies dealing with or involved in tourism related activities and services.

(c) Maritime Fund

The objective of the maritime fund is to provide financial assistance to existing and new companies dealing with or involved in maritime related activities and services.

52. Government Funds and Schemes (cont'd.)

(d) Maritime Development Fund

The objective of the maritime development fund is to provide financial assistance to existing and new companies dealing with or involved in maritime related activities and services.

(e) Public Transport Fund

The objective of the public transport fund is to increase the utilisation of public transport by funding the improvements and growth of public transport coverage and services.

(f) Industry Digitalisation Transformation Scheme

The objective of the industry digitalisation transformation scheme is to support business activities in adopting digital and advanced technologies.

(g) Sustainable Development Financing Scheme

The objective of the sustainable development financing scheme is to support the development of relevant United Nation 17 Sustainable Development Goals ("SDGs") in the country.

(h) Tourism Infrastructure Scheme

The objective of the tourism infrastructure scheme is to support the development of tourism sector.

(i) Maritime, Logistics and Transportation Scheme

The objective of the maritime, logistics and transportation scheme is to support the development of maritime, aerospace and oil & gas industry.

(j) Public Transport Scheme

The objective of the public transport scheme is to increase the utilisation of public transport by funding the improvements and growth of public transport coverage and services.

(k) MADANI Development Scheme

The objective of the MADANI development scheme is to provide financing to entities which involve in activities as outlined in the 12th Malaysia Plan.

(l) Working Capital Scheme

The objective of the working capital scheme is to provide financing to entities which require working capital financing to support business continuity and/or operations that have been affected by the COVID-19 pandemic.

(m) Rehabilitation and Support through Equity Scheme ("RESET")

The objective of RESET is to facilitate companies by providing equity support to rehabilitate its operations and/or to improve their balance sheet.

(n) Matching Funding Platform

The objective is to facilitate SMEs seeking funding through peer-to-peer (P2P) funding platforms.

52. Government Funds and Schemes (cont'd.)

52.1 Performance of the schemes

	2024						
Group	Tourism Infrastructure Scheme RM'000	Maritime Logistics and Transportation Scheme (Formerly known as Maritime and Logistics Scheme) RM'000	Industry Digitalisation Transformation Scheme RM'000	Sustainable Development Financing Scheme RM'000	MADANI Development Scheme (Formerly known as National Development Scheme) RM'000	Working Capital Scheme RM'000	Subtotal 1 RM'000
Allocated funds	1,669,800	1,343,990	1,612,633	2,415,319	2,391,540	500,000	9,933,282
Net approved	(905,983)	(1,324,300)	(922,472)	(967,949)	(1,620,040)	(30,000)	(5,770,744)
Fund available	763,817	19,690	690,161	1,447,370	771,500	470,000	4,162,538
Loans, financing and advances:							
Disbursement	433,474	627,324	330,559	460,165	327,104	29,847	2,208,473
Payment/repayment	(44,468)	(256,578)	(50,038)	(262,200)	(36,846)	-	(650,130)
Outstanding	389,006	370,746	280,521	197,965	290,258	29,847	1,558,343
Number of beneficiaries	13	13	5	11	8	1	51
Expiry	Dec 25	Dec 25	Dec 25	Dec 25	Dec 25	Dec 25	

Note: All schemes above were created on 1 January 2019 except for National Development Scheme which was created on 1 September 2021 and Working Capital Scheme which was created on 14 November 2023. The expiry dates for all schemes were extended to December 2025. The government has revised the fund allocated in National Budget 2024.

52. Government Funds and Schemes (cont'd.)

52.1 Performance of the funds

Group	Tourism Infrastructure Fund RM'000	Tourism Infrastructure Development Fund RM'000	Maritime Fund RM'000	Maritime Development Fund RM'000	Public Transport Fund RM'000	Public Transport Scheme RM'000	Subtotal 2 RM'000
	2024						
Allocated funds	2,400,000	2,000,000	4,494,258	3,000,000	1,000,000	100,000	12,994,258
Net approved	(1,849,114)	(1,135,024)	(2,983,696)	(741,272)	(326,043)	(9,954)	(7,045,103)
Fund available	550,886	864,976	1,510,562	2,258,728	673,957	90,046	5,949,155
Loans, financing and advances:							
Disbursement	1,847,359	1,106,088	2,983,696	741,272	326,043	9,954	7,014,412
Payment/repayment	(1,411,942)	(338,976)	(2,652,765)	(337,516)	(322,860)	(6,310)	(5,070,369)
Outstanding	435,417	767,112	330,931	403,756	3,183	3,644	1,944,043
Number of beneficiaries	57	15	41	7	107	4	231
Expiry	Dec 18	Dec 18	Dec 18	Dec 18	Dec 18	Dec 23	

Note: The expiry dates above refers to the deadline for applicants to apply for the respective funds and schemes offered by the Group and the Bank. The Group and the Bank continues to be eligible to claim profit subsidies, on the outstanding amount, from the Government under the aforementioned schemes, until the loans, financing and advances have reached its original maturity date.

52. Government Funds and Schemes (cont'd.)

52.1 Performance of the funds (cont'd.)

Group	Tourism Infrastructure Scheme RM'000	Maritime and Logistics Scheme RM'000	Public Transport Scheme RM'000	Industry Digitalisation Transformation Scheme RM'000	Sustainable Development Financing Scheme RM'000	National Development Scheme RM'000	Subtotal 1 RM'000
	2023						
Allocated funds	1,706,500	1,143,990	100,000	1,309,133	1,768,524	1,018,000	7,046,147
Net approved	(669,800)	(343,990)	(9,954)	(612,633)	(1,215,319)	(391,540)	(3,243,236)
Fund available	1,036,700	800,000	90,046	696,500	553,205	626,460	3,802,911
Loans, financing and advances:							
Disbursement	360,372	294,256	9,954	287,320	366,409	4,500	1,322,811
Payment/repayment	(18,047)	(198,595)	(1,883)	(21,611)	(174,237)	-	(414,373)
Outstanding	342,325	95,661	8,071	265,709	192,172	4,500	908,438
Number of beneficiaries	12	9	4	8	12	2	47
Expiry	Dec 25	Dec 25	Dec 23	Dec 25	Dec 25	Dec 25	

Note: All schemes were created on 1 January 2019 except for National Development Scheme which was created on 1 September 2021 and the expiry dates for all schemes (except for Public Transport Scheme) were extended to December 2025. The government revised the fund allocated in National Budget 2023 (except for Public Transport Scheme). The Public Transport Scheme has expired on 31 December 2023.

52. Government Funds and Schemes (cont'd.)

52.1 Performance of the funds (cont'd.)

Group	2023 Tourism Infrastructure Fund RM'000	Tourism Infrastructure Development Fund RM'000	Maritime Fund RM'000	Maritime Development Fund RM'000	Public Transport Fund RM'000	Subtotal 2 RM'000
Allocated funds	2,400,000	2,000,000	4,494,258	3,000,000	1,000,000	12,894,258
Net approved	(1,849,114)	(1,135,024)	(2,983,696)	(741,272)	(326,043)	(7,035,149)
Fund available	550,886	864,976	1,510,562	2,258,728	673,957	5,859,109
Loans, financing and advances:						
Disbursement	1,847,359	1,094,867	2,983,696	741,272	326,043	6,993,237
Payment/repayment	(1,200,080)	(235,104)	(2,443,330)	(262,273)	(320,772)	(4,461,559)
Outstanding	647,279	859,763	540,366	478,999	5,271	2,531,678
Number of beneficiaries	57	15	41	7	107	227
Expiry	Dec 18	Dec 18	Dec 18	Dec 18	Dec 18	

Note: The expiry dates above refers to the deadline for applicants to apply for the respective funds and schemes offered by the Group and the Bank. The Group and the Bank continues to be eligible to claim profit subsidies, on the outstanding amount, from the Government under the aforementionedschemes, until the loans, financing and advances have reached its original maturity date.

52. Government Funds and Schemes (cont'd.)

52.1 Performance of the funds and schemes (cont'd.)

Group	2024 Subtotal 1 RM'000	2024 Subtotal 2 RM'000	2024 Total RM'000	2023 Subtotal 1 RM'000	2023 Subtotal 2 RM'000	2023 Total RM'000
Allocated funds	**9,933,282**	**12,994,258**	**22,927,540**	7,046,147	12,894,258	19,940,405
Net approved	**(5,770,744)**	**(7,045,103)**	**(12,815,847)**	(3,243,236)	(7,035,149)	(10,278,385)
Fund available	**4,162,538**	**5,949,155**	**10,111,693**	3,802,911	5,859,109	9,662,020
Loans, financing and advances:						
Disbursement	**2,208,473**	**7,014,412**	**9,222,885**	1,322,811	6,993,237	8,316,048
Payment/repayment	**(650,130)**	**(5,070,369)**	**(5,720,499)**	(414,373)	(4,461,559)	(4,875,932)
Outstanding	**1,558,343**	**1,944,043**	**3,502,386**	908,438	2,531,678	3,440,116
Number of beneficiaries	**51**	**231**	**282**	47	227	274

52. Government Funds and Schemes (cont'd.)

52.1 Performance of the schemes (cont'd.)

Bank	Tourism Infrastructure Scheme RM'000	Maritime and Logistics Scheme (Formerly known as Maritime and Logistics Scheme) RM'000	Industry Digitalisation Transformation Scheme RM'000	Sustainable Development Financing Scheme RM'000	MADANI Development Scheme (Formerly known as National Development Scheme) RM'000	Working Capital Scheme RM'000	Subtotal 1 RM'000
	2024						
Allocated funds	1,669,800	1,343,990	1,612,633	2,415,319	2,391,540	500,000	9,933,282
Net approved	(905,983)	(1,324,300)	(922,472)	(967,949)	(1,620,040)	(30,000)	(5,770,744)
Fund available	763,817	19,690	690,161	1,447,370	771,500	470,000	4,162,538
Loans, financing and advances:							
Disbursement	433,474	627,324	330,559	460,165	327,104	29,847	2,208,473
Payment/repayment	(44,468)	(256,578)	(50,038)	(262,200)	(36,846)	-	(650,130)
Outstanding	389,006	370,746	280,521	197,965	290,258	29,847	1,558,343
Number of beneficiaries	13	13	5	11	8	1	51
Expiry	Dec 25	Dec 25	Dec 23	Dec 25	Dec 25	Dec 25	

Note: All schemes were created on 1 January 2019 except for National Development Scheme which was created on 1 September 2021 and Working Capital Scheme which was created on 14 November 2023. The expiry dates for all schemes were extended to December 2025. The government has revised the fund allocated in National Budget 2024.

52. Government Funds and Schemes (cont'd.)

52.1 Performance of the funds (cont'd.)

Bank	Tourism Infrastructure Fund RM'000	Tourism Infrastructure Development Fund RM'000	Maritime Fund RM'000	Maritime Development Fund RM'000	Public Transport Fund RM'000	Public Transport Scheme RM'000	Subtotal 2 RM'000
	2024						
Allocated funds	2,400,000	2,000,000	4,494,258	3,000,000	5,742	100,000	12,000,000
Net approved	(1,849,114)	(1,135,024)	(2,983,696)	(741,272)	-	-	(6,709,106)
Fund available	550,886	864,976	1,510,562	2,258,728	5,742	100,000	5,290,894
Loans, financing and advances:							
Disbursement	1,847,359	1,106,088	2,983,696	741,272	5,661	-	6,684,076
Payment/repayment	(1,411,942)	(338,976)	(2,652,765)	(337,516)	(5,661)	-	(4,746,860)
Outstanding	435,417	767,112	330,931	403,756	-	-	1,937,216
Number of beneficiaries	57	15	41	7	1	-	121
Expiry	Dec 18	Dec 18	Dec 18	Dec 18	Dec 18	Dec 23	

Note: The expiry dates above refers to the deadline for applicants to apply for the respective funds and schemes offered by the Group and the Bank. The Group and the Bank continues to be eligible to claim profit subsidies, on the outstanding amount, from the Government under the aforementioned schemes, until the loans, financing and advances have reached its original maturity date.

NOTES TO THE FINANCIAL STATEMENTS

52. Government Funds and Schemes (cont'd.)

52.1 Performance of the funds (cont'd.)

	2023						
Bank	**Tourism Infrastructure Scheme RM'000**	**Maritime and Logistics Scheme RM'000**	**Public Transport Scheme RM'000**	**Industry Digitalisation Transformation Scheme RM'000**	**Sustainable Development Financing Scheme RM'000**	**National Development Scheme RM'000**	**Subtotal 1 RM'000**
Allocated funds	1,706,500	1,143,990	100,000	1,309,133	1,768,524	1,018,000	7,046,147
Net approved	(669,800)	(343,990)	-	(612,633)	(1,215,319)	(391,540)	(3,233,282)
Fund available	1,036,700	800,000	100,000	696,500	553,205	626,460	3,812,865
Loans, financing and advances:							
Disbursement	360,372	294,256	-	287,320	366,409	4,500	1,312,857
Payment/repayment	(18,047)	(198,595)	-	(21,611)	(174,237)	-	(412,490)
Outstanding	342,325	95,661	-	265,709	192,172	4,500	900,367
Number of beneficiaries	12	9	-	8	12	2	43
Expiry	Dec 25	Dec 25	Dec 23	Dec 25	Dec 25	Dec 25	

Note: All schemes were created on 1 January 2019 except for National Development Scheme which was created on 1 September 2021 and the expiry dates for all schemes (except for Public Transport Scheme) were extended to December 2025. The government revised the fund allocated in National Budget 2023 (except for Public Transport Scheme). The Public Transport Scheme has expired on 31 December 2023.

NOTES TO THE FINANCIAL STATEMENTS

52. Government Funds and Schemes (cont'd.)

52.1 Performance of the funds (cont'd.)

	2023					
Bank	**Tourism Infrastructure Fund RM'000**	**Tourism Infrastructure Development Fund RM'000**	**Maritime Fund RM'000**	**Maritime Development Fund RM'000**	**Public Transport Fund RM'000**	**Subtotal 2 RM'000**
Allocated funds	2,400,000	2,000,000	4,494,258	3,000,000	5,742	11,900,000
Net approved	(1,849,114)	(1,135,024)	(2,983,696)	(741,272)	-	(6,709,106)
Fund available	550,886	864,976	1,510,562	2,258,728	5,742	5,290,894
Loans, financing and advances:						
Disbursement	1,847,359	1,094,867	2,983,696	741,272	5,661	6,672,855
Payment/repayment	(1,200,080)	(235,104)	(2,443,330)	(262,273)	(5,661)	(4,146,448)
Outstanding	647,279	859,763	540,366	478,999	-	2,526,407
Number of beneficiaries	57	15	41	7	1	121
Expiry	Dec 18	Dec 18	Dec 18	Dec 18	Dec 18	

Note: The expiry dates above refers to the deadline for applicants to apply for the respective funds and schemes offered by the Group and the Bank. The Group and the Bank continues to be eligible to claim profit subsidies, on the outstanding amount, from the Government under the aforementioned schemes, until the loans, financing and advances have reached its original maturity date.

52. Government Funds and Schemes (cont'd.)

52.1 Performance of the funds and schemes (cont'd.)

Bank	2024 Subtotal 1 RM'000	2024 Subtotal 2 RM'000	2024 Total RM'000	2023 Subtotal 1 RM'000	2023 Subtotal 2 RM'000	2023 Total RM'000
Allocated funds	9,933,282	11,900,000	21,833,282	7,046,147	11,900,000	18,946,147
Net approved	(5,770,744)	(6,709,106)	(12,479,850)	(3,233,282)	(6,709,106)	(9,942,388)
Fund available	4,162,538	5,190,894	9,353,432	3,812,865	5,190,894	9,003,759
Loans, financing and advances:						
Disbursement	2,208,473	6,684,076	8,892,549	1,312,857	6,672,855	7,985,712
Payment/repayment	(650,130)	(4,746,860)	(5,396,990)	(412,490)	(4,146,448)	(4,558,938)
Outstanding	1,558,343	1,937,216	3,495,559	900,367	2,526,407	3,426,774
Number of beneficiaries	51	121	172	43	121	164

53. Business Transfer Scheme ("BTS")

BPMB and Danajamin on 9 February 2023 obtained a vesting order from Kuala Lumpur High Court to effect the transfer of the Danajamin businesses and undertaking to BPMB.

The BTS has taken effect on 1 March 2023.

54. Significant and Subsequent Events

a) Acquisition of Small Medium Enterprise Development Bank Malaysia Berhad ("SMEB") and Export-Import Bank of Malaysia Berhad ("EXIM")

In the Budget 2024 speech delivered on 13 October 2023, the Prime Minister announced plan to restructure Development Financial Institutions ("DFI's") in Malaysia. The restructuring involves merging Bank Pembangunan Malaysia Berhad ("BPMB"), SMEB and EXIM. This initiative aims to enhance the efficiency and synergy of these institutions and strengthen the development finance ecosystem.

Subsequent to the end of the financial year, on 1 May 2025, BPMB completed the acquisition of the equity interests in SMEB and EXIM. Following the completion of this corporate exercise, BPMB holds 99.99% of the issued and paid-up share capital of both financial institutions, resulting in SMEB and EXIM becoming subsidiaries of BPMB.

As the corporate exercise occurred after the reporting date, there is no impact on the financial position of the Group and the Bank as at 31 December 2024.

b) Impact on United States Tariffs

On 2 April 2025, the United States ("US") government signed an executive order imposing a minimum 10% tariff on all US imports effective 5 April 2025. On 9 April 2025, the US government announced a 90-day pause for the reciprocal tariffs for many countries. However, baseline tariffs remain, as well as tariffs related to certain countries and industries. These tariffs, some of which are subject to change, impact all US trading partners to varying degrees, including the Group and the Bank. Much uncertainty remains as to the duration, possible exemptions and exclusions, as well as the extent of any retaliatory tariffs imposed on the US by other countries.

The financial statements of the Group and the Bank have been prepared based on existing conditions as at 31 December 2024 and no adjustments have been made to the financial statements given the tariffs were imposed subsequent to the reporting date.

The Group and the Bank is in the process of assessing the financial impact onto the Group's and the Bank's financial statements.

55. Comparative Figures

Certain comparative figures have been reclassified to conform with the current year's presentation in the financial statements. There is no impact to the results of the Group and the Bank. The effects of the reclassification are disclosed below:

	2023 Group		2023 Bank	
	As restated RM'000	As previously stated RM'000	As restated RM'000	As previously stated RM'000
Statements of Financial Position				
Infrastructure Support Fund	-	218,613	-	218,613
Deferred income	388,726	170,113	388,726	170,113

	2023 Group		2023 Bank	
	As restated RM'000	As previously stated RM'000	As restated RM'000	As previously stated RM'000
Statements of Profit or Loss				
Interest income	163,653	163,129	141,517	141,010
Modification loss	(524)	-	(507)	-
(Allowance for)/writeback of impairment losses on financial guarantee	85,941	-	82,400	-
Allowance for impairment losses on other assets	(100,760)	(14,819)	(117,774)	(35,374)

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