

INTERIM FINANCIAL STATEMENTS

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2024

		Group		Bank	
		30 September	31 December	30 September	31 December
		<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	Note	RM'000	RM'000	RM'000	RM'000
ASSETS					
Cash and short-term funds		2,226,128	3,577,514	2,226,080	3,577,461
Deposits and placements with banks and other financial institutions		1,919,984	89,770	1,919,984	89,770
Derivative financial assets		99,432	16,074	99,432	16,074
Debt instruments at fair value through other comprehensive income ("FVOCI")	10	2,282,362	1,992,554	2,282,362	1,992,554
Equity instruments at FVOCI	11	15,155	19,008	15,155	19,008
Debt instruments at amortised cost	12	70,826	70,183	70,826	70,183
Equity instrument at fair value through profit & loss ("FVTPL")	13	989	-	989	-
Loans and advances	14	10,558,338	10,422,439	10,558,338	10,422,439
Other assets	15	93,510	22,444	93,380	22,073
Right-of-use assets		19,377	26,894	15,629	21,242
Tax recoverable		274	17,617	-	17,607
Deferred tax assets		24,729	31,339	24,729	31,202
Statutory deposits with Bank Negara Malaysia		114,000	92,000	114,000	92,000
Investment in a subsidiary		-	-	1,000	1,000
Property and equipment		41,513	45,850	41,357	45,465
Intangible assets		2,134	1,724	2,134	1,724
TOTAL ASSETS		17,468,751	16,425,410	17,465,395	16,419,802
LIABILITIES AND EQUITY					
Deposits from customers	16	9,681,776	9,597,622	9,683,688	9,598,810
Deposits and placements of banks and other financial institutions	17	3,304,040	3,029,594	3,304,040	3,029,594
Derivative financial liabilities		97,299	14,504	97,299	14,504
Other liabilities	18	473,237	343,157	468,460	334,653
Other borrowing	19	424,155	-	424,155	-
Provision for taxation		-	-	1,667	-
Subordinated loan	20	1,297,538	1,441,742	1,297,538	1,441,742
TOTAL LIABILITIES		15,278,045	14,426,619	15,276,847	14,419,303
Share capital		760,518	760,518	760,518	760,518
Reserves		1,430,188	1,238,273	1,428,030	1,239,981
TOTAL EQUITY		2,190,706	1,998,791	2,188,548	2,000,499
TOTAL LIABILITIES AND EQUITY		17,468,751	16,425,410	17,465,395	16,419,802
COMMITMENTS AND CONTINGENCIES					
	27	15,266,043	8,559,867	15,269,043	8,571,867

The Unaudited Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2023

INTERIM FINANCIAL STATEMENTS

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

		3rd Quarter Ended		Nine Months Ended	
		30 September 2024 RM'000	30 September 2023 RM'000	30 September 2024 RM'000	30 September 2023 RM'000
Group	Note				
Interest income	21	191,408	181,302	589,311	507,922
Interest expense	22	(111,479)	(104,339)	(348,306)	(280,372)
Net interest income		79,929	76,963	241,005	227,550
Other operating income	23	39,087	29,404	116,655	80,081
Other operating expenses	24	(42,819)	(47,741)	(127,830)	(130,062)
Operating profit before allowance for expected credit losses		76,197	58,626	229,830	177,569
Expected credit losses ("ECL") written-back/ (made) on loans and advances and other financial assets	25	18,164	(18,751)	11,675	(13,220)
Profit before taxation		94,361	39,875	241,505	164,349
Taxation		(20,214)	(9,779)	(56,207)	(40,145)
Profit for the financial period		74,147	30,096	185,298	124,204
Other comprehensive income:					
Items that will be reclassified subsequently to profit or loss when specific conditions are met:					
- Net fair value changes in debt instrument at FVOCI, net of tax		7,868	(455)	6,453	11,512
- Net changes in expected credit losses in debt instruments at FVOCI		243	(10)	175	(44)
- Net (loss)/gain on foreign exchange translation		(8)	-	(11)	11
Other comprehensive income, net of tax		8,103	(465)	6,617	11,479
Total comprehensive income for the period, net of tax		82,250	29,631	191,915	135,683
Earnings per share					
- Basic/fully diluted (sen)				24.36	16.33

The Unaudited Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2023

INTERIM FINANCIAL STATEMENTS

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

	Note	3rd Quarter Ended		Nine Months Ended	
		30 September 2024 RM'000	30 September 2023 RM'000	30 September 2024 RM'000	30 September 2023 RM'000
Bank					
Interest income	21	191,408	181,386	589,311	508,226
Interest expense	22	(111,479)	(104,339)	(348,306)	(280,372)
Net interest income		79,929	77,047	241,005	227,854
Other operating income	23	37,304	24,498	112,639	70,486
Other operating expenses	24	(42,481)	(46,307)	(126,000)	(125,430)
Operating profit before allowance for expected credit losses		74,752	55,238	227,644	172,910
Expected credit losses ("ECL") written-back/ (made) on loans and advances and other financial assets	25	18,164	(18,548)	11,789	(13,232)
Profit before taxation		92,916	36,690	239,433	159,678
Taxation		(22,362)	(8,449)	(58,001)	(38,514)
Profit for the financial period		70,554	28,241	181,432	121,164
Other comprehensive income:					
<i>Items that will be reclassified subsequently to profit or loss when specific conditions are met:</i>					
- Net fair value changes in debt instrument at FVOCI, net of tax		7,868	(455)	6,453	11,512
- Net changes in expected credit losses in debt instruments at FVOCI		243	(10)	175	(44)
- Net (loss)/gain on foreign exchange translation		(8)	-	(11)	11
Other comprehensive income, net of tax		8,103	(465)	6,617	11,479
Total comprehensive income for the period, net of tax		78,657	27,776	188,049	132,643
Earnings per share					
- Basic/fully diluted (sen)				23.86	15.93

The Unaudited Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2023

INTERIM FINANCIAL STATEMENTS

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

	Non-distributable			Distributable	
	Share capital	Foreign exchange reserve	Fair value through other comprehensive reserve	Regulatory reserve	Retained profits
	RM'000	RM'000	RM'000	RM'000	RM'000
Group					
Balance as at 1 January 2024	760,518	11	8,160	55,000	1,175,102
Profit for the financial period	-	-	-	-	185,298
Other comprehensive (expense)/income, net of tax	-	(11)	6,628	-	-
Total comprehensive (expense)/income for the financial period, net of tax	-	(11)	6,628	-	185,298
At 30 September 2024	760,518	-	14,788	55,000	1,360,400
Balance as at 1 January 2023	760,518	(4)	(6,697)	38,000	1,036,085
Profit for the financial period	-	-	-	-	124,204
Other comprehensive income, net of tax	-	11	11,468	-	-
Total comprehensive income for the financial period, net of tax	-	11	11,468	-	124,204
Transfer from regulatory reserve to retained profits	-	-	-	17,000	(17,000)
At 30 September 2023	760,518	7	4,771	55,000	1,143,289

The Unaudited Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2023

INTERIM FINANCIAL STATEMENTS

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

	Non-distributable			Distributable	
	Share capital	Foreign exchange reserve	Fair value through other comprehensive reserve	Regulatory reserve	Retained profits
	RM'000	RM'000	RM'000	RM'000	RM'000
					Total RM'000
Bank					
Balance as at 1 January 2024	760,518	11	8,160	55,000	1,176,810
Profit for the financial period	-	-	-	-	181,432
Other comprehensive (expense)/income, net of tax	-	(11)	6,628	-	-
Total comprehensive (expense)/income for the financial period, net of tax	-	(11)	6,628	-	181,432
At 30 September 2024	760,518	-	14,788	55,000	1,358,242
Balance as at 1 January 2023	760,518	(4)	(6,697)	38,000	1,039,913
Profit for the financial period	-	-	-	-	121,164
Other comprehensive income, net of tax	-	11	11,468	-	-
Total comprehensive income for the financial period, net of tax	-	11	11,468	-	121,164
Transfer from regulatory reserve to retained profits	-	-	-	17,000	(17,000)
At 30 September 2023	760,518	7	4,771	55,000	1,144,077

The Unaudited Condensed Interim Financial Statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2023

INTERIM FINANCIAL STATEMENTS

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

	Group		Bank	
	30 September 2024 RM'000	30 September 2023 RM'000	30 September 2024 RM'000	30 September 2023 RM'000
Profit before taxation	241,505	164,349	239,433	159,678
Adjustments for non cash items	(13,464)	47,812	(12,877)	46,186
Operating profit before working capital changes	228,041	212,161	226,556	205,864
Changes in working capital:				
Net changes in operating assets	(2,049,256)	(578,815)	(2,050,709)	(571,561)
Net changes in operating liabilities	384,581	(1,059,803)	389,158	(1,060,178)
Income taxes recoverable	-	6,593	-	4,764
Income taxes paid	(34,292)	(30,755)	(34,292)	(30,600)
Net cash used in operating activities	(1,470,926)	(1,450,619)	(1,469,287)	(1,451,711)
Net cash used in investing activities	(223,990)	(366,596)	(225,756)	(366,596)
Net cash generated in financing activities	343,530	1,386,023	343,662	1,387,108
Net decrease in cash and cash equivalents during the financial period	(1,351,386)	(431,192)	(1,351,381)	(431,199)
Cash and cash equivalents at beginning of the financial period	3,577,514	2,727,104	3,577,461	2,727,053
Cash and cash equivalents at end of the financial period	2,226,128	2,295,912	2,226,080	2,295,854

NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

1 Performance Review

The Group's operating income grew by 16.26% or RM50.03 million to RM357.66 million compared to the corresponding period, due to an increase in other operating income of RM36.57 million. Profit after tax increased by 49.19% or RM61.09 million to RM185.30 million compared to the corresponding period, mainly due to higher operating income.

Total assets increased by 6.37% or RM1.05 billion to RM17.47 billion compared to 31 December 2023, mainly as a result of higher deposits and placements with banks and other financial institutions. Total liabilities increased by 5.95% or RM0.86 billion to RM15.28 billion compared to 31 December 2023, largely due to an increase in deposits and placements of banks and other financial institutions and other borrowing.

2 Economic Outlook

Global economic growth continues, supported by resilient labour market conditions, moderating inflation and global trade recovery. The IMF maintained global GDP growth estimates at 3.2% in 2024. While the US economy remained resilient to grow by 3.0% in Q3 2024, the Federal Reserve started its rate easing cycle by cutting the Fed Funds rate by 50 basis point to 4.75%-5.00% in September 2024. The Federal Reserve is expected to lower its interest rates further to around 4.00% by end-2024.

China's economy, which has slowed to 4.7% in Q2 2024 from 5.3% in Q1, is expected to remain weak due to softening consumer spending and beleaguered property sector. The Beijing authorities are expected to rollout stimulus package to prop up the economy.

The Malaysian economy grew better than expected by 5.9% in Q2 2024 (4.2% in Q1), underpinned by resilient domestic demand and exports recovery. Latest set of economic indicators suggest continued positive momentum ahead. Bank Negara Malaysia continues to keep the Overnight Policy Rate (OPR) steady at 3.00% in September. The recovery in the ringgit in Q3 was driven by the shift in expectations of lower interest rates in major economies, particularly the US, as well as positive optimism on Malaysia's strong economic performance.

The Bank will continue to respond to the global uncertainties and monitor domestic economic conditions, seeking out new growth opportunities while maintaining a strong capital level. The Bank, as the major CNY clearing bank in Malaysia and China, remains as the largest trading partner of Malaysia, will remain confident in achieving sustainable business growth in the future.

3 Group Accounting Policies

The unaudited condensed consolidated interim financial statements for the financial period ended 30 September 2024 have been prepared in accordance with MFRS134 Interim Financial Reporting issued by the Malaysian Accounting Standard Board ("MASB"). The unaudited interim financial statements should be read in conjunction with the audited financial statements of the Group and the Bank for the financial year ended 31 December 2023.

The accounting policies adopted by the Bank for the interim financial report are consistent with those adopted in the audited financial statements for the financial year ended 31 December 2023.

NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

4 Audit Report

The audit report for the financial year ended 31 December 2023 was not qualified.

5 Seasonal or Cyclical Factors

The business operations of the Bank have not been affected by any material seasonal cyclical factors.

6 Exceptional or Extraordinary Items

There were no exceptional or extraordinary items in the financial period ended 30 September 2024.

7 Changes in Estimates

There were no material changes in estimates of amounts reported in prior financial years that have a material effect in the financial period ended 30 September 2024.

8 Changes in Debt and Equity Securities

There were no issuance and repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares for the period under review.

9 Dividend Paid

No dividend was paid during the financial period ended 30 September 2024.

10 Debt Instruments at Fair Value Through Other Comprehensive Income ("FVOCI")

	Group and Bank	
	30 September	31 December
	2024	2023
	RM'000	RM'000
Money market instrument:		
Malaysian Government Securities ("MGS")	824,003	966,986
Malaysian Government Investment Issue ("MGII")	1,336,030	952,341
Unquoted securities:		
Corporate bond	122,329	40,301
Foreign bond	-	32,926
	122,329	73,227
	2,282,362	1,992,554

Movements in ECL on corporate bond

	Group and Bank	
	30 September	31 December
	2024	2023
	RM'000	RM'000
Stage 1 (12-month ECL):		
As at 1 January	137	191
ECL made/(written-back) during the financial period/year (Note 25)	174	(54)
As at 30 September 2024/31 December 2023	311	137

NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

11 Equity Instruments at FVOCI

	Group and Bank	
	30 September	31 December
	2024	2023
	RM'000	RM'000
At fair value:		
Unquoted securities in Malaysia		
of which:		
- Cagamas Holdings Berhad	11,801	15,793
- Credit Guarantee Corporation ("CGC")	3,354	3,215
	15,155	19,008

12 Debt Instruments at Amortised Cost

	Group and Bank	
	30 September	31 December
	2024	2023
	RM'000	RM'000
At amortised cost:		
Unquoted corporate bond	70,826	70,183

13 Equity Instrument at Fair Value Through Profit & Loss ("FVTPL")

	Group and Bank	
	30 September	31 December
	2024	2023
	RM'000	RM'000
At fair value:		
Quoted securities		
Shares of corporation outside Malaysia	989	-

14 Loans and Advances

At amortised cost

(i) By type

	Group and Bank	
	30 September	31 December
	2024	2023
	RM'000	RM'000
Overdrafts	215,444	251,822
Terms loans		
- Housing loans	1,046,917	857,439
- Syndicated term loans	3,467,617	3,737,894
- Other term loans	1,625,471	1,471,281
Bills receivables	476,676	585,694
Trust receipts	10,377	3,358
Claims on customers under acceptance credits	708,836	528,056
Revolving credits	3,257,000	3,240,772
Staff loans	517	973
Gross loans and advances	10,808,855	10,677,289
Less: Allowance for ECL	(250,517)	(254,850)
Total net loans and advances	10,558,338	10,422,439

(ii) By geographical distribution

	Group and Bank	
	30 September	31 December
	2024	2023
	RM'000	RM'000
Malaysia	7,861,318	7,619,159
Other countries	2,947,537	3,058,130
Gross loans and advances	10,808,855	10,677,289

NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

14 Loans and Advances (continued)

At amortised cost (continued)

(iii) By interest rate sensitivity

	Group and Bank	
	30 September	31 December
	<u>2024</u>	<u>2023</u>
	RM'000	RM'000
Fixed rate		
- Other fixed rate loans	2,070,626	2,062,037
Variable rate		
- Base lending rate/base rate plus	1,778,457	1,627,018
- Cost of funds plus	6,834,651	6,584,514
- Other variable rates	125,121	403,720
Gross loans and advances	<u>10,808,855</u>	<u>10,677,289</u>

(iv) By economic sector

	Group and Bank	
	30 September	31 December
	<u>2024</u>	<u>2023</u>
	RM'000	RM'000
Agriculture, forestry and fishing	484,280	227,788
Mining and quarrying	100,406	133,293
Manufacturing	1,767,876	2,169,179
Electricity, gas, steam and air conditioning supply	834,589	941,563
Water supply; sewerage, waste management and remediation activities	3,043	3,532
Construction	769,160	892,960
Wholesale and retail trade; repair of motor vehicles and motorcycles	507,114	319,291
Transportation and storage	1,161,130	1,111,911
Accommodation and food service activities	55,823	56,299
Information and communication	301,841	264,358
Financial and insurance/takaful activities	1,636,356	1,378,471
Real estate activities	1,283,465	1,474,994
Professional, scientific and technical activities	112,742	100,613
Administrative and support service activities	147,898	152,896
Public administration and defence; compulsory social security	9,973	14,536
Education	222,696	209,252
Arts, entertainment and recreation	73,396	71,686
Household	1,337,067	1,154,667
Gross loans and advances	<u>10,808,855</u>	<u>10,677,289</u>

(v) By residual contractual maturity

	Group and Bank	
	30 September	31 December
	<u>2024</u>	<u>2023</u>
	RM'000	RM'000
Up to one month	1,804,894	1,818,013
More than one month to three months	1,080,815	929,617
More than three months to six months	313,814	388,419
More than six months to twelve months	272,314	938,236
More than twelve months	7,337,018	6,603,004
Gross loans and advances	<u>10,808,855</u>	<u>10,677,289</u>

NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

14 Loans and Advances (continued)

(vi) Changes in gross loans and advances carrying amount

Group	12-month ECL (Stage 1) RM'000	Lifetime ECL (non- credit impaired) (Stage 2) RM'000	Lifetime ECL (credit impaired) (Stage 3) RM'000	Total RM'000
As at 1 January 2024	10,070,036	231,777	375,476	10,677,289
Transferred to 12-month ECL (Stage 1)	50,820	(50,453)	(367)	-
Transferred to lifetime ECL (non-credit impaired) (Stage 2)	(97,315)	97,315	-	-
Transferred to lifetime ECL (credit impaired) (Stage 3)	-	(5,548)	5,548	-
Changes due to change in credit risk	(705,162)	(49,996)	(17,739)	(772,897)
New loans and advances originated	904,463	-	-	904,463
Gross carrying amount as at 30 September 2024	<u>10,222,842</u>	<u>223,095</u>	<u>362,918</u>	<u>10,808,855</u>

	12-month ECL (Stage 1) RM'000	Lifetime ECL (non- credit impaired) (Stage 2) RM'000	Lifetime ECL (credit impaired) (Stage 3) RM'000	Total RM'000
As at 1 January 2023	8,174,429	540,728	380,832	9,095,989
Transferred to 12-month ECL (Stage 1)	195,840	(190,796)	(5,044)	-
Transferred to lifetime ECL (non-credit impaired) (Stage 2)	(152,942)	153,054	(112)	-
Transferred to lifetime ECL (credit impaired) (Stage 3)	(6,586)	(16,515)	23,101	-
Changes due to change in credit risk	(829,745)	(268,051)	(2,628)	(1,100,424)
New loans and advances originated	2,689,040	13,357	-	2,702,397
Amount written off	-	-	(20,673)	(20,673)
Gross carrying amount as at 31 December 2023	<u>10,070,036</u>	<u>231,777</u>	<u>375,476</u>	<u>10,677,289</u>

NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

14 Loans and Advances (continued)

(vi) Changes in gross loans and advances carrying amount (continued)

Bank	12-month ECL (Stage 1) RM'000	Lifetime ECL (non- credit impaired) (Stage 2) RM'000	Lifetime ECL (credit impaired) (Stage 3) RM'000	Total RM'000
As at 1 January 2024	10,070,036	231,777	375,476	10,677,289
Transferred to 12-month ECL (Stage 1)	50,820	(50,453)	(367)	-
Transferred to lifetime ECL (non-credit impaired) (Stage 2)	(97,315)	97,315	-	-
Transferred to lifetime ECL (credit impaired) (Stage 3)	-	(5,548)	5,548	-
Changes due to change in credit risk	(705,162)	(49,996)	(17,739)	(772,897)
New loans and advances originated	904,463	-	-	904,463
Gross carrying amount as at 30 September 2024	<u>10,222,842</u>	<u>223,095</u>	<u>362,918</u>	<u>10,808,855</u>

	12-month ECL (Stage 1) RM'000	Lifetime ECL (non- credit impaired) (Stage 2) RM'000	Lifetime ECL (credit impaired) (Stage 3) RM'000	Total RM'000
As at 1 January 2023	8,174,429	551,250	380,832	9,106,511
Transferred to 12-month ECL (Stage 1)	195,840	(190,796)	(5,044)	-
Transferred to lifetime ECL (non-credit impaired) (Stage 2)	(152,942)	153,054	(112)	-
Transferred to lifetime ECL (credit impaired) (Stage 3)	(6,586)	(16,515)	23,101	-
Changes due to change in credit risk	(829,745)	(278,573)	(2,628)	(1,110,946)
New loans and advances originated	2,689,040	13,357	-	2,702,397
Amount written off	-	-	(20,673)	(20,673)
Gross carrying amount as at 31 December 2023	<u>10,070,036</u>	<u>231,777</u>	<u>375,476</u>	<u>10,677,289</u>

NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

14 Loans and Advances (continued)

(vii) Movements in ECL on loans and advances measured at amortised cost

Group	12-month ECL (Stage 1) RM'000	Lifetime ECL (non- credit impaired) (Stage 2) RM'000	Lifetime ECL (credit impaired) (Stage 3) RM'000	Total RM'000
As at 1 January 2024	36,760	39,396	178,694	254,850
Transferred to 12-month ECL (Stage 1)	4,005	(3,638)	(367)	-
Transferred to lifetime ECL (non-credit impaired) (Stage 2)	(313)	313	-	-
Transferred to lifetime ECL (credit impaired) (Stage 3)	-	(539)	539	-
New loans and advances originated	8,654	1,187	-	9,841
ECL (written-back)/made during the financial period	(10,102)	3,291	(3,183)	(9,994)
Full settlement	(1,148)	(7,753)	(247)	(9,148)
Other movement	-	-	4,968	4,968
Allowance for ECL as at 30 September 2024	37,856	32,257	180,404	250,517

	12-month ECL (Stage 1) RM'000	Lifetime ECL (non- credit impaired) (Stage 2) RM'000	Lifetime ECL (credit impaired) (Stage 3) RM'000	Total RM'000
As at 1 January 2023	41,064	28,466	178,597	248,127
Transferred to 12-month ECL (Stage 1)	5,234	(5,234)	-	-
Transferred to lifetime ECL (non-credit impaired) (Stage 2)	(2,659)	2,771	(112)	-
Transferred to lifetime ECL (credit impaired) (Stage 3)	(245)	(4,680)	4,925	-
New loans and advances originated	2,875	1,355	-	4,230
ECL (written-back)/made during the financial year	(5,572)	25,694	36,202	56,324
Full settlement	(3,937)	(8,976)	(19,084)	(31,997)
Amount written off	-	-	(20,673)	(20,673)
Other movement	-	-	(1,161)	(1,161)
Allowance for ECL as at 31 December 2023	36,760	39,396	178,694	254,850

NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

14 Loans and Advances (continued)

(vii) Movements in allowance for impairment on Loans and advances measured at amortised cost (continued)

Bank	12-month ECL (Stage 1) RM'000	Lifetime ECL (non- credit impaired) (Stage 2) RM'000	Lifetime ECL (credit impaired) (Stage 3) RM'000	Total RM'000
As at 1 January 2024	36,760	39,396	178,694	254,850
Transferred to 12-month ECL (Stage 1)	4,005	(3,638)	(367)	-
Transferred to lifetime ECL (non-credit impaired) (Stage 2)	(313)	313	-	-
Transferred to lifetime ECL (credit impaired) (Stage 3)	-	(539)	539	-
New loans and advances originated	8,654	1,187	-	9,841
ECL (written-back)/made during the financial period	(10,102)	3,291	(3,183)	(9,994)
Full settlement	(1,148)	(7,753)	(247)	(9,148)
Other movement	-	-	4,968	4,968
Allowance for ECL as at 30 September 2024	37,856	32,257	180,404	250,517

	12-month ECL (Stage 1) RM'000	Lifetime ECL (non- credit impaired) (Stage 2) RM'000	Lifetime ECL (credit impaired) (Stage 3) RM'000	Total RM'000
As at 1 January 2023	41,064	28,707	178,597	248,368
Transferred to 12-month ECL (Stage 1)	5,234	(5,234)	-	-
Transferred to lifetime ECL (non-credit impaired) (Stage 2)	(2,659)	2,771	(112)	-
Transferred to lifetime ECL (credit impaired) (Stage 3)	(245)	(4,680)	4,925	-
New loans and advances originated	2,875	1,355	-	4,230
ECL (written-back)/made during the financial year	(5,572)	25,453	36,202	56,083
Full settlement	(3,937)	(8,976)	(19,084)	(31,997)
Amount written off	-	-	(20,673)	(20,673)
Other movement	-	-	(1,161)	(1,161)
Allowance for ECL as at 31 December 2023	36,760	39,396	178,694	254,850

NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

14 Loans and Advances (continued)

(viii) Gross credit impaired loans and advances

(a) Movements in credit impaired loans and advances

	Group and Bank	
	30 September	31 December
	<u>2024</u>	<u>2023</u>
	RM'000	RM'000
As at 1 January	375,476	380,832
Classified as credit impaired during the financial period/year	18,655	38,832
Reclassified as non-credit impaired during the financial period/year	(367)	(5,156)
Amount recovered	(30,846)	(18,359)
Amount written-off	-	(20,673)
As at 30 September 2024/31 December 2023	362,918	375,476
Less: Lifetime ECL (credit impaired) (Stage 3)	(180,404)	(178,694)
	182,514	196,782

(b) By geographical distribution

	Group and Bank	
	30 September	31 December
	<u>2024</u>	<u>2023</u>
	RM'000	RM'000
Malaysia	361,087	359,611
Other countries	1,831	15,865
	362,918	375,476

(c) By economic sector

	Group and Bank	
	30 September	31 December
	<u>2024</u>	<u>2023</u>
	RM'000	RM'000
Agriculture, forestry and fishing	38,216	39,794
Manufacturing	85,766	81,891
Electricity, gas, steam and air conditioning supply	1,831	15,865
Construction	595	671
Accommodation and food service activities	18,344	17,454
Financial and insurance/takaful activities	38,028	39,783
Real estate activities	6,277	6,976
Arts, entertainment and recreation	73,396	71,686
Household	100,465	101,356
	362,918	375,476

NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

15 Other Assets

	Group		Bank	
	30 September	31 December	30 September	31 December
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Other receivables	88,711	18,758	88,922	18,799
Sundry deposits	2,967	2,930	2,623	2,505
Prepayment	3,537	1,767	3,527	1,767
Precious metal inventories	28	37	28	37
	95,243	23,492	95,100	23,108
Less: ECL	(1,733)	(1,048)	(1,720)	(1,035)
	93,510	22,444	93,380	22,073

Movements in ECL on other assets

	Group		Bank	
	30 September	31 December	30 September	31 December
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Stage 1 (12-month ECL):				
As at 1 January	1,048	645	1,035	632
ECL made during the financial period/ year (Note 25)	727	403	727	403
Amounts written-off	(42)	-	(42)	-
As at 30 September 2024/31 December 2023	1,733	1,048	1,720	1,035

16 Deposits From Customers

(i) By type of deposits

	Group		Bank	
	30 September	31 December	30 September	31 December
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Demand deposits	3,256,673	3,199,289	3,258,585	3,200,477
Savings deposits	512,925	532,873	512,925	532,873
Fixed deposits	5,909,628	5,862,910	5,909,628	5,862,910
Other	2,550	2,550	2,550	2,550
	9,681,776	9,597,622	9,683,688	9,598,810

(ii) By type of customers

	Group		Bank	
	30 September	31 December	30 September	31 December
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Government and statutory bodies	2,550	2,550	2,550	2,550
Business enterprises	4,033,704	4,098,739	4,035,616	4,099,927
Individuals	4,494,347	4,121,412	4,494,347	4,121,412
Others	1,151,175	1,374,921	1,151,175	1,374,921
	9,681,776	9,597,622	9,683,688	9,598,810

NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

16 Deposits From Customers (continued)

(iii) The maturity structure of fixed deposits are as follows:

	Group and Bank	
	30 September	31 December
	2024	2023
	RM'000	RM'000
Due within six months	3,925,022	4,004,920
Six months to one year	1,978,937	1,813,309
One year to three years	5,669	44,681
	5,909,628	5,862,910

17 Deposits and Placements of Banks and Other Financial Institutions

	Group and Bank	
	30 September	31 December
	2024	2023
	RM'000	RM'000
Bank Negara Malaysia	14,935	16,259
Licensed banks	3,270,338	3,000,045
Licensed investment banks	6,571	6,011
Licensed Islamic banks	12,194	7,276
Other financial institutions	2	3
	3,304,040	3,029,594

18 Other Liabilities

	Group		Bank	
	30 September	31 December	30 September	31 December
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Accrued expenses	32,586	47,620	32,507	46,898
Margin deposits	144,982	96,141	144,982	96,141
Interest advances from loans	20,923	20,937	20,923	20,937
Remittances	173,793	70,410	173,793	70,410
Other liabilities	68,550	65,515	68,502	63,408
Lease liabilities	21,432	28,491	16,778	22,698
Allowance for ECL on commitments and contingencies (Note 18 (i))	10,971	14,043	10,975	14,161
	473,237	343,157	468,460	334,653

**NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD
ENDED 30 SEPTEMBER 2024**

18 Other Liabilities (continued)

(i) Movements in ECL on commitment and contingencies:

Group	30 September 2024			
	12-month ECL (Stage 1)	Lifetime ECL (non-credit impaired) (Stage 2)	Lifetime ECL (credit impaired) (Stage 3)	Total
	RM'000	RM'000	RM'000	RM'000
As at 1 January 2024	8,359	5,684	-	14,043
Transferred to 12-month ECL (Stage 1)	83	(83)	-	-
Transferred to lifetime ECL (non-credit impaired) (Stage 2)	(49)	49	-	-
New loans and advances originated	2,998	2	-	3,000
Reversal during the financial period	(2,702)	(307)	-	(3,009)
Full settlement	(170)	(2,893)	-	(3,063)
As at 30 September 2024	<u>8,519</u>	<u>2,452</u>	<u>-</u>	<u>10,971</u>

Group	31 December 2023			
	12-month ECL (Stage 1)	Lifetime ECL (non-credit impaired) (Stage 2)	Lifetime ECL (credit impaired) (Stage 3)	Total
	RM'000	RM'000	RM'000	RM'000
As at 1 January 2023	9,449	1,531	-	10,980
Transferred to 12-month ECL (Stage 1)	446	(446)	-	-
Transferred to lifetime ECL (non-credit impaired) (Stage 2)	(1,814)	1,814	-	-
New loans and advances originated	530	33	-	563
Allowance during the financial year	166	3,635	-	3,801
Full settlement	(418)	(883)	-	(1,301)
As at 31 December 2023	<u>8,359</u>	<u>5,684</u>	<u>-</u>	<u>14,043</u>

**NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD
ENDED 30 SEPTEMBER 2024**

18 Other Liabilities (continued)

(i) Movements in ECL on commitment and contingencies (continued):

Bank	30 September 2024			
	12-month ECL (Stage 1) RM'000	Lifetime ECL (non-credit impaired) (Stage 2) RM'000	Lifetime ECL (credit impaired) (Stage 3) RM'000	Total RM'000
As at 1 January 2024	8,359	5,802	-	14,161
Transferred to 12-month ECL (Stage 1)	202	(202)	-	-
Transferred to lifetime ECL (non-credit impaired) (Stage 2)	(49)	49	-	-
New loans and advances originated	2,998	2	-	3,000
Reversal during the financial period	(2,816)	(307)	-	(3,123)
Full settlement	(170)	(2,893)	-	(3,063)
As at 30 September 2024	<u>8,524</u>	<u>2,451</u>	<u>-</u>	<u>10,975</u>

Bank	31 December 2023			
	12-month ECL (Stage 1) RM'000	Lifetime ECL (non-credit impaired) (Stage 2) RM'000	Lifetime ECL (credit impaired) (Stage 3) RM'000	Total RM'000
As at 1 January 2023	9,449	1,538	-	10,987
Transferred to 12-month ECL (Stage 1)	446	(446)	-	-
Transferred to lifetime ECL (non-credit impaired) (Stage 2)	(1,814)	1,814	-	-
New loans and advances originated	530	33	-	563
Allowance during the financial year	166	3,746	-	3,912
Full settlement	(418)	(883)	-	(1,301)
As at 31 December 2023	<u>8,359</u>	<u>5,802</u>	<u>-</u>	<u>14,161</u>

NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

19 Other borrowing

	Group and Bank	
	30 September	31 December
	2024	2023
	RM'000	RM'000
Unsecured:		
Chinese Yuan Renminbi term loans	424,155	-

The unsecured Chinese Yuan Renminbi term loans are maturing in one (1) year.

20 Subordinated Loan

	Group and Bank	
	30 September	31 December
	2024	2023
	RM'000	RM'000
At cost	1,442,120	1,442,120
Interest accrued	19,718	21,942
Foreign exchange difference	(164,300)	(22,320)
	1,297,538	1,441,742

On 5 July 2023, the Bank has drawdown a new subordinated loan facility ("Subordinated Loan 2") of USD310 million and redeemed the existing unsecured subordinated loan facility ("Subordinated Loan 1") of USD310 million via contra-off/set-off against the Subordinated Loan 2 simultaneously. The Subordinated Loan 2 is an USD310 million subordinated loan (ten (10) years maturity, non-callable five (5) years from the drawdown date) which bears interest rate equal to 0.97% plus SOFR Overnight at a 5 days lookback, interest payable at every 3 months and is prepayable after first five years subject to BNM's approval and other conditions.

The Subordinated Loan 2 was approved by BNM for inclusion as Tier-2 capital of the Bank under BNM's capital adequacy regulations.

The subordinated loan constitutes a direct, unsecured and subordinated obligation of the Bank.

NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

21 Interest Income

Group	3rd Quarter Ended		Nine Months Ended	
	30 September	30 September	30 September	30 September
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	RM'000	RM'000	RM'000	RM'000
Loans and advances				
- Interest income on non-credit impaired loans and advances	136,606	132,661	418,389	374,885
- Interest income on credit impaired loans and advances	1,415	1,836	4,968	4,155
Money at call and deposit placement with financial institutions	33,039	30,918	111,232	84,334
Debt instruments at FVOCI	21,708	17,145	59,709	51,644
Debt instruments at amortised cost	649	1,811	1,934	2,310
Other interest income	364	436	1,217	2,172
	<u>193,781</u>	<u>184,807</u>	<u>597,449</u>	<u>519,500</u>
Amortisation of premium less accretion of discount	(2,373)	(3,505)	(8,138)	(11,578)
Total interest income	<u>191,408</u>	<u>181,302</u>	<u>589,311</u>	<u>507,922</u>

Bank	3rd Quarter Ended		Nine Months Ended	
	30 September	30 September	30 September	30 September
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	RM'000	RM'000	RM'000	RM'000
Loans and advances				
- Interest income on non-credit impaired loans and advances	136,606	132,745	418,389	375,189
- Interest income on credit impaired loans and advances	1,415	1,836	4,968	4,155
Money at call and deposit placement with financial institutions	33,039	30,918	111,232	84,334
Debt instruments at FVOCI	21,708	17,145	59,709	51,644
Debt instruments at amortised cost	649	1,811	1,934	2,310
Other interest income	364	436	1,217	2,172
	<u>193,781</u>	<u>184,891</u>	<u>597,449</u>	<u>519,804</u>
Amortisation of premium less accretion of discount	(2,373)	(3,505)	(8,138)	(11,578)
Total interest income	<u>191,408</u>	<u>181,386</u>	<u>589,311</u>	<u>508,226</u>

22 Interest Expense

Group and Bank	3rd Quarter Ended		Nine Months Ended	
	30 September	30 September	30 September	30 September
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	RM'000	RM'000	RM'000	RM'000
Deposits and placements of banks and other financial institutions	27,386	25,480	92,844	74,719
Deposits from customers	58,391	55,676	179,170	145,527
Other borrowing	2,789	-	5,225	-
Subordinated loan	22,278	22,723	69,094	58,972
Others	635	460	1,973	1,154
	<u>111,479</u>	<u>104,339</u>	<u>348,306</u>	<u>280,372</u>

NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

23 Other Operating Income

Group	3rd Quarter Ended		Nine Months Ended	
	30 September 2024 RM'000	30 September 2023 RM'000	30 September 2024 RM'000	30 September 2023 RM'000
Fee income:				
- Fee on loans and advances	2,304	1,582	6,692	6,276
- Service charges and fees	(145)	9,219	529	18,527
- Guarantee fees	3,559	4,401	12,030	13,692
- Commission related income	4	-	1,933	-
	5,722	15,202	21,184	38,495
Fee expense:				
- Commission related expenses	-	(3,338)	-	(6,587)
Net fee income	5,722	11,864	21,184	31,908
Foreign exchange income/(loss):				
- Realised	(3,013)	15,254	59,577	49,125
- Unrealised	31,679	1,605	31,414	(1,649)
Net loss on revaluation of derivatives	1,531	(282)	563	(707)
Unrealised gain on equity instrument at FVTPL	657	-	1,034	-
Gain from derivative financial instrument	557	781	797	1,146
Revenue from sale of precious metal products	-	34	16	39
Net gain on disposal of property and equipment	1,815	-	1,816	-
Dividend income:				
- Equity instruments at FVOCI	15	15	60	60
Other income	124	133	194	159
	39,087	29,404	116,655	80,081

Bank	3rd Quarter Ended		Nine Months Ended	
	30 September 2024 RM'000	30 September 2023 RM'000	30 September 2024 RM'000	30 September 2023 RM'000
Fee income:				
- Fee on loans and advances	2,304	1,582	6,692	6,276
- Service charges and fees	(145)	922	207	2,186
- Guarantee fees	3,559	4,401	12,030	13,692
	5,718	6,905	18,929	22,154
Foreign exchange income/(loss):				
- Realised	(3,013)	15,254	59,590	49,125
- Unrealised	31,679	1,605	31,414	(1,649)
Net gain/(loss) on revaluation of derivatives	1,531	(282)	563	(707)
Unrealised gain on equity instrument at FVTPL	657	-	1,034	-
Gain from derivative financial instrument	557	781	797	1,146
Revenue from sale of precious metal products	-	34	16	39
Net gain on disposal of property and equipment	50	-	50	-
Dividend income:				
- Equity instruments at FVOCI	15	15	60	60
Other income	110	186	186	318
	37,304	24,498	112,639	70,486

NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

24 Other Operating Expenses

Group	3rd Quarter Ended		Nine Months Ended	
	30 September 2024 RM'000	30 September 2023 RM'000	30 September 2024 RM'000	30 September 2023 RM'000
<u>Personnel expenses</u>				
Salaries & wages	16,189	17,698	51,984	51,596
Bonuses	5,295	9,345	20,404	24,182
Defined contribution plan ("EPF")	2,618	3,633	10,421	10,463
Staff welfare expenses	1,103	772	2,148	2,707
Other personnel costs	5,460	5,550	11,676	11,043
	<u>30,665</u>	<u>36,998</u>	<u>96,633</u>	<u>99,991</u>
<u>Marketing expenses</u>				
Entertainment	159	249	520	519
Other marketing	1,087	502	1,558	1,218
	<u>1,246</u>	<u>751</u>	<u>2,078</u>	<u>1,737</u>
<u>Establishment costs</u>				
Rental of premises	-	-	4	-
Depreciation of property and equipment	1,375	1,591	4,240	5,493
Depreciation of right-of-use assets	2,123	2,268	6,473	6,764
Finance cost on lease liabilities	219	326	730	923
Amortisation of intangible assets	297	318	837	1,226
Repairs and maintenance	375	394	1,048	1,188
Property and equipment written-off	-	-	4	-
Information technology expenses	1,649	2,074	3,297	4,261
Other establishment costs	867	189	2,160	717
	<u>6,905</u>	<u>7,160</u>	<u>18,793</u>	<u>20,572</u>
<u>Administration and general expenses</u>				
Insurance premium	905	633	2,316	2,192
Auditors' remuneration				
- statutory audit fees	78	56	203	182
- regulatory related service	48	46	142	142
Travelling and accommodation	137	99	323	301
Telecommunication and utilities	357	274	1,021	742
Printing, stationery and postage	280	472	837	1,078
Legal and professional fees	321	433	600	672
Other administration and general expenses	1,877	790	4,877	2,421
	<u>4,003</u>	<u>2,803</u>	<u>10,319</u>	<u>7,730</u>
<u>Other expenses</u>				
Cost of sales of precious metal	-	29	7	32
	<u>-</u>	<u>29</u>	<u>7</u>	<u>32</u>
	<u>42,819</u>	<u>47,741</u>	<u>127,830</u>	<u>130,062</u>

NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

24 Other Operating Expenses (continued)

	3rd Quarter Ended		Nine Months Ended	
	30 September 2024	30 September 2023	30 September 2024	30 September 2023
Bank	RM'000	RM'000	RM'000	RM'000
<u>Personnel expenses</u>				
Salaries & wages	16,201	17,020	51,637	49,568
Bonuses	5,295	9,556	20,883	24,242
Defined contribution plan ("EPF")	2,619	3,603	10,424	10,291
Staff welfare expenses	1,102	687	2,123	2,557
Other personnel costs	5,488	5,491	10,979	10,849
	30,705	36,357	96,046	97,507
<u>Marketing expenses</u>				
Entertainment	159	249	520	519
Other marketing	1,087	502	1,558	1,218
	1,246	751	2,078	1,737
<u>Establishment costs</u>				
Rental of premises	-	-	4	-
Depreciation of property and equipment	1,358	1,425	4,104	4,994
Depreciation of right-of-use assets	1,871	1,947	5,692	5,825
Finance cost on lease liabilities	176	259	586	723
Amortisation of intangible assets	297	318	837	1,226
Repairs and maintenance	376	391	1,034	1,181
Information technology expenses	1,649	2,072	3,289	4,254
Other establishment costs	869	186	2,137	724
	6,596	6,598	17,683	18,927
<u>Administration and general expenses</u>				
Insurance premium	905	625	2,316	2,184
Auditors' remuneration				
- statutory audit fees	63	56	188	166
- regulatory related service	48	46	143	135
Travelling and accommodation	137	99	323	300
Telecommunication and utilities	352	238	1,004	641
Printing, stationery and postage	280	384	823	908
Legal and professional fees	284	410	563	648
Other administration and general expenses	1,865	714	4,826	2,245
	3,934	2,572	10,186	7,227
<u>Other expenses</u>				
Cost of sales of precious metal	-	29	7	32
	-	29	7	32
	42,481	46,307	126,000	125,430

NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

25 Allowance For Impairment On Loans and Advances and Other Financial Assets

Group	3rd Quarter Ended		Nine Months Ended	
	30 September 2024 RM'000	30 September 2023 RM'000	30 September 2024 RM'000	30 September 2023 RM'000
Allowance/(written-back) for impairment on:				
Cash and short-term funds				
- Stage 1	21	12	(53)	12
Deposits and placements with banks and other financial institutions				
- Stage 1	(43)	(6)	60	(21)
Debt instruments at FVOCI				
- Stage 1	242	(9)	174	(44)
Debt instruments at amortised cost				
- Stage 1	-	5	-	541
Other assets				
- Stage 1	101	119	727	246
Loans and advances				
- Stage 1	379	(283)	(2,596)	(3,131)
- Stage 2	(12,749)	6,103	(3,275)	4,563
- Stage 3	(3,384)	12,872	(3,430)	10,689
Commitments and contingencies				
- Stage 1	(213)	(552)	126	182
- Stage 2	(2,518)	1,784	(3,198)	1,477
- Stage 3	-	-	-	-
Bad debt recover during the financial period	-	(1,294)	(210)	(1,294)
	(18,164)	18,751	(11,675)	13,220

Bank	3rd Quarter Ended		Nine Months Ended	
	30 September 2024 RM'000	30 September 2023 RM'000	30 September 2024 RM'000	30 September 2023 RM'000
Allowance/(written-back) for impairment on:				
Cash and short-term funds				
- Stage 1	21	12	(53)	12
Deposits and placements with banks and other financial institutions				
- Stage 1	(43)	(6)	60	(21)
Debt instruments at FVOCI				
- Stage 1	242	(9)	174	(44)
Debt instruments at amortised cost				
- Stage 1	-	5	-	541
Other assets				
- Stage 1	101	119	727	246
Loans and advances				
- Stage 1	379	(284)	(2,596)	(3,131)
- Stage 2	(12,749)	5,850	(3,275)	4,508
- Stage 3	(3,384)	12,872	(3,430)	10,689
Commitments and contingencies				
- Stage 1	(213)	(552)	12	182
- Stage 2	(2,518)	1,835	(3,198)	1,544
- Stage 3	-	-	-	-
Bad debt recover during the financial period	-	(1,294)	(210)	(1,294)
	(18,164)	18,548	(11,789)	13,232

NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

26 Capital Adequacy

(a) The capital adequacy ratios of the Group and Bank are as follows:

	Group		Bank	
	30 September	31 December	30 September	31 December
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
<u>Common Equity Tier 1 ("CET1") Capital</u>				
Paid-up ordinary share capital	760,518	760,518	760,518	760,518
Retained profits	1,175,102	1,175,102	1,176,810	1,176,810
Regulatory reserve	55,000	55,000	55,000	55,000
Fair value through other comprehensive reserve	14,788	8,160	14,788	8,160
Foreign exchange reserve	-	11	-	11
	<u>2,005,408</u>	<u>1,998,791</u>	<u>2,007,116</u>	<u>2,000,499</u>
Regulatory adjustment applied in the calculation of CET 1 Capital				
- Deferred tax assets	(24,729)	(31,339)	(24,729)	(31,202)
- Intangible assets	(2,134)	(1,724)	(2,134)	(1,724)
- 55% of cumulative unrealised gains of FVOCI financial instruments	8,133	4,488	8,133	4,488
- Regulatory reserve attributable to financial assets	(55,000)	(55,000)	(55,000)	(55,000)
	<u>(73,730)</u>	<u>(83,575)</u>	<u>(73,730)</u>	<u>(83,438)</u>
Total CET1 capital/Total Tier 1 capital	<u>1,931,678</u>	<u>1,915,216</u>	<u>1,933,386</u>	<u>1,917,061</u>
<u>Tier-2 capital</u>				
General provision*	137,751	132,466	137,707	132,416
Subordinated loan	1,277,820	1,419,800	1,277,820	1,419,800
Less: Investment in a subsidiary company	-	-	(1,000)	(1,000)
Total Tier-2 capital	<u>1,415,571</u>	<u>1,552,266</u>	<u>1,414,527</u>	<u>1,551,216</u>
Total capital base	<u>3,347,249</u>	<u>3,467,482</u>	<u>3,347,913</u>	<u>3,468,277</u>
CET 1 capital ratio	16.398%	17.003%	16.435%	17.040%
Tier 1 capital ratio	16.398%	17.003%	16.435%	17.040%
Total capital ratio	28.415%	30.784%	28.459%	30.828%

*General provision is subject to a maximum of 1.25% of total credit risk-weighted assets determined under the Standardised Approach for credit risk.

NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

26 Capital Adequacy (continued)

(b) Breakdown of risk-weighted assets in the various categories of risk-weights are as follows :

	Group		Bank	
	30 September	31 December	30 September	31 December
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Credit risk	11,020,072	10,597,266	11,016,527	10,593,264
Market risk	7,071	3,077	7,071	3,077
Operational risk	752,603	663,303	740,592	653,791
Total risk-weighted assets	11,779,746	11,263,646	11,764,190	11,250,132

The total capital and capital adequacy ratio of the Group and of the Bank are computed in accordance with Bank Negara Malaysia ' s revised Capital Adequacy Framework (Capital Components) Policy. The Framework sets the approach for computing regulatory capital adequacy ratios, as well as the levels of those ratios at which a financial institution is required to operate. The framework has been developed based on internationally-agreed standards on capital adequacy promulgated by the Basel Committee on Banking Supervision ("BCBS").

The Group and the Bank have adopted the Standardised Approach for credit risk and market risk, and the Basic Indicator Approach for operational risk.

The Bank maintains, in aggregate, loss allowance for non-credit impaired exposures and regulatory reserves of no less than 1% of total credit exposures, net of loss allowance for credit impaired exposures in accordance with BNM's revised Financial Reporting Policy.

NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

27 Commitments and Contingencies

Group	30 September 2024			31 December 2023		
	Principal RM'000	Credit equivalent RM'000	Risk weighted RM'000	Principal RM'000	Credit equivalent RM'000	Risk weighted RM'000
Direct credit substitutes	3,894	3,894	3,894	3,187	3,187	3,187
Transaction-related contingent items	2,247,802	1,123,901	583,297	2,553,642	1,276,821	647,176
Short-term self-liquidation trade related contingencies	54,230	10,846	8,806	70,903	14,181	12,646
Irrevocable commitments to extend credit:						
- Maturity not exceeding one year	3,374,774	674,955	620,192	3,200,332	640,067	567,959
- Maturity exceeding one year	423,649	211,825	193,653	419,070	209,535	189,620
Foreign exchange related contracts:						
- Less than one year	8,237,152	142,146	65,799	1,731,010	27,578	12,010
Interest/Profit rate related contracts:						
- Less than one year	606,437	9,130	7,290	517,526	3,360	2,686
- More than one year to five year	318,105	20,277	15,710	64,197	4,536	2,750
Total	15,266,043	2,196,974	1,498,641	8,559,867	2,179,265	1,438,034

NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

27 Commitments and Contingencies (continued)

	30 September 2024			31 December 2023		
	Principal RM'000	Credit equivalent RM'000	Risk weighted RM'000	Principal RM'000	Credit equivalent RM'000	Risk weighted RM'000
Bank						
Direct credit substitutes	3,894	3,894	3,894	3,187	3,187	3,187
Transaction-related contingent items	2,247,802	1,123,901	583,297	2,553,642	1,276,821	647,176
Short-term self-liquidation trade related contingencies	54,230	10,846	8,806	70,903	14,181	12,646
Irrevocable commitments to extend credit:						
- Maturity not exceeding one year	3,377,774	675,555	620,792	3,212,332	642,467	570,359
- Maturity exceeding one year	423,649	211,825	193,653	419,070	209,535	189,620
Foreign exchange related contracts:						
- Less than one year	8,237,152	142,146	65,799	1,731,010	27,578	12,010
Interest/Profit rate related contracts:						
- Less than one year	606,437	9,130	7,290	517,526	3,360	2,686
- More than one year to five year	318,105	20,277	15,710	64,197	4,536	2,750
Total	15,269,043	2,197,574	1,499,241	8,571,867	2,181,665	1,440,434

NOTES TO UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024

28 Operations of Islamic Banking

There were no Islamic banking operations for the financial period ended 30 September 2024.

29 Valuation of Property, Plant and Equipment

The Bank's property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the items. There was no change in the valuation of property and equipment that were brought forward from the previous audited annual financial statements.

30 Events Subsequent to Reporting Date

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

31 Changes in the Composition of the Group

There were no significant changes in the composition of the Group for the financial period ended 30 September 2024.