

BANGKOK BANK BERHAD
199401014060 (299740-W)
(Incorporated in Malaysia)

Directors' Report and Audited Financial Statements
31 December 2024

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Directors’ report

The directors hereby present 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 principal activities of the Bank are banking and related financial services. The principal activity of the subsidiary is the provision of nominee services as disclosed in Note 11 to the financial statements.

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

Holding corporation

The Directors regard Bangkok Bank Public Company Limited (“Parent Bank”), a corporation incorporated in Thailand, as the ultimate holding company of the Bank.

Results

	Group 2024 RM’000	Bank 2024 RM’000
Profit for the financial year	<u>31,427</u>	<u>31,397</u>

There were no material transfers to or from reserves, allowances or provisions during the financial year other than as disclosed in Notes 8 and 18 and the statement of changes in equity to the financial statements.

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

Dividends

No dividend has been paid or declared by the Bank since the end of the previous financial year. The directors do not propose any final dividend in respect of the financial year ended 31 December 2024.

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:

Mr. Banlue Chantadisai
Ms. Rushda Theeratharathorn
Mr. Chris Chia Woon Liat
Y.A.M. Tunku Ali Redhauddin Ibni Tuanku Muhriz
Mr. Bordin Unakul
Mr. Por Peng Seong
Ms. Leong Sow Yoke
Mr. Chew Boon Keong
Mr. Charoenlarp Thammanichanond (Appointed on 26 January 2025)
Mr. Chaiyarit Anuchitworawong (Resigned on 26 January 2025)

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

Mr. Surayud Kanchanabhogin
Ms. Kaan Wai May
Ms. Yap Pek Heong (Appointed on 26 September 2024)
Mr. Kanet Buranasin (Resigned on 26 September 2024)

Directors' benefits

Neither at the end of the financial year, nor at any time during that 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 body corporate.

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 amounting to RM1,670,000) by reason of a contract made by the Bank or its related corporations with any director or with a firm of which he or she is a member, or with a company in which he or she has a substantial financial interest.

Indemnification of directors and officers

The Bank maintained on a group basis a Directors' and Officers' Liability Insurance of RM5,000,000 (2023: RM5,000,000) against any legal liability incurred by the Directors and officers in the discharge of their duties. The amount of insurance premium paid for the Directors' and Officers' Liability Insurance for the current financial year was RM39,970 (2023: RM35,096).

Directors' interests

Mr. Banlue Chantadisai and Mr. Bordin Unakul hold 19,000 shares and 4,620 shares respectively in Bangkok Bank Public Company Limited, the ultimate holding company of the Bank, as at 31 December 2024.

The interest in shares in the holding company of those who was a director at the end of the financial year are as follows:

	No. of ordinary shares of THB10 each ("share")			
	As at 01.01.2024	Bought	Sold	As at 31.12.2024
Mr. Banlue Chantadisai	18,000	1,000	-	19,000
Mr. Bordin Unakul	4,620	-	-	4,620

Other than the above, none of the other 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.

Other statutory information

- (a) Before the statements of financial position, income statements and statements of comprehensive income 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 the making of provision for doubtful debts, and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; 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 debts or the amount of the allowances for doubtful debts 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.

Other statutory information (cont'd.)

- (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) 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 from the normal course of business of the Group and 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 when they fall due; 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 in which this report is made.

Business overview for the financial year ended 31 December 2024

For the financial year 2024, the Bank recorded a profit before tax ("PBT") of RM39.0 million compared with the previous financial year of RM39.4 million mainly due to lower operating profit offset by higher expected credit losses ("ECL") recoveries.

Operating profit for the Bank was lower by RM11.1 million mainly due to higher overhead expenses and lower net income. The higher overhead expenses were mainly due to higher personnel costs.

During the financial year, allowance for ECL was lower by RM10.8 million mainly due to recoveries received from impaired loans.

Gross loans, advances and financing increased by RM90.5 million from RM2,828.7 million as at 31 December 2023 to RM2,919.2 million as at 31 December 2024. The Bank continues to conduct business with caution and prudence.

Deposits from customers (including other financial institutions) decreased from RM2,884.3 million as at 31 December 2023 to RM2,700.8 million as at 31 December 2024. The Bank has heightened efforts on gathering customer deposits to maintain prudent liquidity position and to pace with loan drawdown. Nevertheless, liquidity coverage ratio and net stable funding ratio are well above regulatory requirement as at 31 December 2024.

Overall, the Bank is expected to remain sound supported by strong capital base.

Profile of Directors

Mr. Banlue Chantadisai **Chairman / Independent Director**

Mr. Banlue Chantadisai (“Mr. Banlue”), a Thai citizen, holds a Bachelor of Science degree in Civil Engineering from the Massachusetts Institute of Technology and a Master of Business Administration from the University of Chicago Business School.

He is an Independent Director and Chairman of the Audit Committee of Property Perfect Public Co. Ltd. He is also an Executive Director of C.S. Capital Ltd.

Mr. Banlue has held various senior positions at Bangkok Bank Public Company Limited (BBL), including General Manager of Jakarta branch, General Manager of Singapore branch, and head of the Investment Banking Group. His other working experiences included being the Managing Director of Asia Credit Public Co. Ltd. and Chief Financial Officer of IRPC Public Co. Ltd. He was a director of Thai Rating and Information Services Co. Ltd., a director of Small Industry Credit Guarantee Corporation, and an advisory committee member of Thailand Equity Fund. He also served for nine years as a member of the Committee of University Affairs, Navamindradhiraj University.

Mr. Banlue was appointed to the Board on 1 August 2017 and Chairman on 30 April 2018.

Ms. Rushda Theeratharathorn **Executive Director**

Ms. Rushda Theeratharathorn (“Ms. Rushda”), a Thai citizen, was appointed to the Board on 17 September 1996. She holds a Bachelor of Accountancy degree from Chulalongkorn University, Thailand and Master of Management degree from Sasin Institute of Chulalongkorn University, Thailand.

Ms. Rushda is currently the Senior Executive Vice President (“SEVP”) of BBL and is responsible for the overall credit management. Prior to her current position, she assumed various senior positions in BBL, including General Manager, BBL Singapore branch and Head of Credit Management with BBL, Thailand.

Currently, Ms. Rushda sits on the Boards of Bangkok Bank Berhad, Malaysia, Sinnsuptawee Asset Management Co Ltd, Thailand, Bangkok Bank (China) Company Limited and Bualuang Ventures Limited, Thailand.

Profile of Directors (cont'd.)

Mr. Chris Chia Woon Liat
Non-Independent Director

Mr. Chris Chia Woon Liat ("Mr. Chris Chia"), a Malaysian, was appointed to the Board on 5 October 2006.

He holds a Bachelor of Commerce (Accounting & Finance) degree with First Class Honours as well as a Master in Accounting degree (with distinction) from University of Western Australia. He also holds an M.B.A. from Massachusetts Institute of Technology's Sloan School of Management, USA and a Master of Liberal Arts degree from Harvard University, USA.

Mr. Chris Chia is an Independent Non-Executive Director of Malaysia Airports Holdings Berhad and Jelawang Capital Sdn Bhd, a sovereign wealth fund of funds entity owned by Khazanah Nasional Berhad. Mr. Chris Chia is also the Managing Partner of Kendall Court, an investment partnership focused on alternative financing primarily in the Southeast Asian region and across Asia Pacific, managing and invested several funds with assets managed in excess of USD1.5 billion. The Funds are focused on quasi-equity / mezzanine financing in mid-market buyout transactions and development capital across the Southeast Asian region. Kendall Court has won numerous awards across the industry and across the region for its investment track record and commitment to excellence.

Y.A.M. Tunku Ali Redhaudhin Ibni Tuanku Muhriz
Non-Independent Director

Y.A.M. Tunku Ali Redhaudhin Ibni Tuanku Muhriz ("Tunku Ali"), a Malaysian, was appointed to the Board of Bangkok Bank Berhad on 10 June 2013.

He is Independent Chairman of Astro Malaysia Holdings Berhad and Taliworks Corporation Berhad. In addition, he is the Senior Advisor to TPG Capital, a global private equity firm. He serves on the boards of several TPG portfolio companies, including Pathology Asia Holdings Pte Ltd, a provider of diagnostic laboratory services in South East Asia, and Asia OneHealthcare (formerly known as Columbia Asia), a Southeast Asian hospital group. Recently, Tunku Ali has been appointed as Chairman to several specialist hospitals, including CVSKL and PICASO, focused on Cardio and Oncology, respectively. He is also a Chairman of IMU Health Sdn Bhd, XCL Education Group Malaysia and Asia Pacific University Sdn Bhd. Separately, Tunku Ali is a Partner at Vynn Capital.

He is Chairman of the Board of Trustees of the Munarah Foundation, Chairman and Founding Trustee of Teach for Malaysia ("TFM"), President of WWF Malaysia, Chairman of Cancer Research Malaysia, a Trustee of Amanah Warisan Negara (National Heritage Trust of Malaysia), Chairman of the Board of Governors of Marlborough College Malaysia and Pro-Chancellor of Universiti Kebangsaan Malaysia. Tunku Ali is also Brigadier General and Commander of Regiment 508 of the Territorial Army of Malaysia.

Profile of Directors (cont'd.)

Y.A.M. Tunku Ali Redhaudhin Ibni Tuanku Muhriz (Cont'd)
Non-Independent Director

He holds a Masters of Public Administration from the John F Kennedy School of Government, Harvard University and a BA (Hons) in History and Social & Political Sciences from the University of Cambridge. He is an Honorary Benchler of the Inner Temple, United Kingdom. In 2013, Tunku Ali was recognised as a Young Global Leader (“YGL”) by the World Economic Forum, and as an Asia 21 Young Leader by the Asia Society. Previously, Tunku Ali was a management consultant with McKinsey & Company and an investment professional with Khazanah Nasional Berhad, Malaysia’s Sovereign Development fund.

Mr. Chaifarit Anuchitworawong
Executive Director (Resigned on 26 January 2025)

Mr. Chaifarit Anuchitworawong (“Mr. Chaifarit”), a Thai citizen, was appointed to the Board on 26 January 2017. He graduated with a Master of Art in Banking and Finance from University College of North Wales, Bangor, UK and holds a Bachelor of Business Administration in Management (Honors) of Assumption University, Thailand.

Mr. Chaifarit is a SEVP, in charge of General Management and Human Resources Division at BBL. He is also currently responsible for investor relations. His previous responsibilities at BBL included being the Manager of the Office of the President and the General Manager of BBL’s Hong Kong Branch.

Currently, Mr. Chaifarit sits on the Boards of BBL (Cayman) Company Limited and Bangkok Bank (China) Company Limited.

Profile of Directors (cont'd.)

Mr. Bordin Unakul
Independent Director

Mr. Bordin Unakul (“Mr. Bordin”), a Thai citizen, was appointed to the Board on 30 May 2018. He has extensive experience of over 30 years in the Thai capital market. He joined The Stock Exchange of Thailand (“SET”) in 2010 as Executive Vice President (“EVP”). At SET, he has been Chief Operating Officer responsible for all operations and Corporate Services which include market operations, corporate communications, human resources, procurement and administration departments. He was also Head of Sustainable Development Division, which comprises the Corporate Governance Development Department, Social Responsibility Department and Social Development Department with key mission to promote sustainable development of the Thai capital market.

Prior to joining SET, Mr. Bordin was employed by BBL as EVP and had insights into various areas of the banking industry. In addition, Mr. Bordin was a board member of the Thai Financial Planners Association. He had resigned from SET in December 2016 upon the request from the Thai government to assist in various ministries such as the Ministry of Finance, Ministry of Education, Ministry of Social Development, etc. He was appointed by the Ministry of Finance of Thailand on 11 December 2018 as director to the State Enterprises Performance Assessment Committee.

Mr. Bordin earned his bachelor’s degree in Business Administration from Hanover College, Indiana, USA, and an MBA in Marketing Management from Western Michigan University, Michigan, USA. He has completed the Directors Certification Program from the Thai Institute of Directors Association. He has also taken an exclusive executive course organized by SET’s Capital Market Academy.

Profile of Directors (cont'd.)

Mr. Por Peng Seong
Independent Director

Mr. Por Peng Seong ("Mr. Por"), a Malaysian, was appointed to the Board on 27 October 2021. Mr. Por holds a Bachelor of Commerce degree, majoring in accounting, from the University of Otago, Dunedin, New Zealand. He is a Fellow Chartered Accountant with Chartered Accountants Australia and New Zealand, Chartered Accountant with Malaysian Institute of Accountants, Chartered Banker with the Asian Institute of Chartered Bankers ("AICB").

Mr. Por began his career in banking in 1984 with BHL Bank Berhad (formerly known as Ban Hin Lee Bank Berhad), starting off as Assistant Manager in the Financial Control Department before spending close to a year in the International & Money Market Department, after which he went on to become the Head of the Asset Liability Management Department before finally assuming the role as Senior Manager, Treasury & Risk Control Division, a position he held from July 1995 till June 2000.

Mr. Por was the Head of Risk Management Group, Southern Bank Berhad's from July till December 2000 following the merger of BHL Bank Berhad and Southern Bank Berhad. He joined United Overseas Bank (Malaysia) Bhd as Executive Director and Country Head of Risk Management from February 2001 till June 2018 and Executive Director and Advisor Risk Management from July till December 2018. He was subsequently appointed as a Rating Committee Member with Rating Agency of Malaysia.

Mr. Por was actively involved with the Banking fraternity. He has held the Chair of the Risk Network Group and Deputy Chairman to the Chief Risk Officers Group. He was the Chairperson for the Development Committee and was also a member of the Board of Examiner in AICB. He was also actively involved with FSTEP, an organisation set up by Bank Negara Malaysia to develop talent for the financial industry.

He has also been actively involved as a speaker and facilitator in various seminars and conferences.

Profile of Directors (cont'd.)

Ms. Leong Sow Yoke
Independent Director

Ms. Leong Sow Yoke (“Ms. Leong”), a Malaysian, was appointed to the Board on 9 June 2022. She was a valued C-suite executive with over 30 years’ experience with United Overseas Bank (Malaysia) Bhd, Overseas Union Bank (Malaysia) Bhd and Alliance Banking Group. She also has 5 years of external audit and consultancy experience in financial and IT audits and 2 years with a large conglomerate where she set up the IT Audit function. Ms. Leong also sits on the board of MKH Oil Palm (East Kalimantan) Bhd. In May 2024, she was appointed as a member of the Board of Examiners of the AICB.

Ms. Leong was in the pioneer batch of 45 banking industry leaders to be conferred the title “Chartered Banker” by the AICB and Chartered Banker Institute, UK (CBIUK) in 2015.

She is active in industry initiatives and knowledge sharing where she contributes her insights to programs aimed at promoting excellence in corporate governance, cybersecurity and audit practices. In recent years, these included being speaker / panellist at the Empowering Bankers CPD Program titled “Balancing the Pillars: Risk, Compliance & Ethics in Financial Directorships”, the Board Audit Committee Dialogue & Networking Session, the Cybersecurity, IT Assurance & Governance Conference and the Chief Audit Executive Summit organised by AICB, the Institute of Corporate Directors Malaysia (“ICDM”), ISACA Malaysia and the Institute of Internal Auditors Malaysia. She is also an advocate for programs that promote gender diversity and was a speaker / panellist at the 2023 Board-Ready Woman Program that was organised by Deloitte Malaysia in partnership with BoardRoom, ICDM and 30% Club Malaysia.

Academic/Professional Qualifications:

- i. Fellow of the Association of Chartered Certified Accountants;
- ii. Chartered Accountant, Malaysian Institute of Accountants;
- iii. Certified Information Systems Auditor (CISA), ISACA;
- iv. Chartered Banker, AICB & CBIUK.

Mr. Chew Boon Keong
Independent Director

Mr. Chew Boon Keong (“Mr. Chew”), a Malaysian, was appointed to the Board on 30 October 2022. He holds a Bachelor of Business Administration from the Royal Melbourne Institute of Technology (RMIT), Australia. He is a Certified Internal Auditor and a Chartered Member of the Institute of Internal Auditors Malaysia.

Mr. Chew has 34 years of experience in the banking and financial services and corporate sector. Throughout these years, he has worked with several banks and a corporate sector and has gained extensive experience in the field of Audit covering Commercial Banks, Investment Bank, Asset Management, and Insurance. He also has invaluable experience in the area of Banking Operations covering Corporate Recovery, Credit Control and Branches Supervision.

His past employers include MUI Bank Bhd, Arab Malaysian Finance Bhd, PhileoAllied Finance Bhd, Hong Leong Bank Bhd and Multi-Purpose Holdings Bhd. His last employment was with Bangkok Bank Bhd as a Chief Internal Auditor until his retirement in July 2018.

Mr. Charoenlarp Thammanichanond
Executive Director

Mr. Charoenlarp Thammanichanond (“Mr. Charoenlarp”), a Thai citizen, was appointed to the Board on 26 January 2025. He is the Head of International Banking Group (“IBG”) of Bangkok Bank Public Company Limited (“BBL”).

Mr. Charoenlarp holds a Bachelor of Business Administration from Chulalongkorn University in Bangkok, Thailand and a Master of Business Administration from the University of Pittsburgh, Pennsylvania, United States.

Mr. Charoenlarp began his career in banking in 1998 as a relationship manager in ABN Amro Bank N.V., Bangkok. He joined the Bank of Asia for a similar role between 1999 and 2001, covering the Asia Pacific Desk. Mr. Charoenlarp joined the Trade Sales & Product Unit of Citibank, Bangkok as an Assistant Vice President; a position he held until May 2004. He went on to become Regional Sales Manager during his four-year stint at Thai Asia Pacific Brewery Company Limited before embarking on his career with BBL in August 2008 as Vice President in the International Banking Branch Department; a position he held until June 2011.

Mr. Charoenlarp relocated to Singapore between July 2011 and July 2019, during which he oversaw credit management, and the overall management of BBL Singapore branch before being reassigned to Bangkok Bank (China) Company Limited (“BBC”) in August 2019 where he was subsequently appointed as CEO in October 2019. Mr. Charoenlarp returned to Thailand in October 2023 to join IBG.

Mr. Charoenlarp was appointed as Director of BBC in January 2020 and remains a member of the Board.

Corporate Governance

Board of Directors Composition

During the financial year of 2024, the Board of the Bank consists of nine (9) members, comprising one (1) Chairman / Independent Director, four (4) Independent Directors, two (2) Non-Independent Directors and two (2) Executive Directors.

The roles of the Chairman and CEO are separated to ensure a balance of power and authority, such that no one individual has unfettered power of decisions.

The Bank is helmed by an effective and experienced Board, comprising individuals of caliber, credibility and integrity with necessary skills, experiences as well as qualifications to supervise the management of the business and affairs of the Bank. The Board, as a whole, provides a mixture of core competencies including banking, finance, accounting, economics, business management and audit for effective functioning and discharging of the responsibilities of the Board.

The presence of the Independent Directors provides the necessary checks and balances in the functioning of the Board and facilitates the Board in exercising objective judgement in decision making.

A brief profile of current Board members is presented on pages 5 to 11 in this Directors' Report.

Board's Duties and Responsibilities

The Board is chaired by Mr. Banlue Chantadisai.

There are matters specifically reserved for the Board's decision to ensure that the direction and control of the Bank are firmly in hand. The day-to-day conduct of the Bank's business is delegated to the CEO and full-time employees of the Bank subject to the authority limit given.

The primary functions of the Board include the following:

- (i) To approve the risk appetite, business plans and other initiatives which would, singularly or cumulatively, have a material impact on the Bank's risk profile;
- (ii) To oversee the implementation of the Bank's governance framework and internal control framework, and periodically review whether these remain appropriate in light of material changes to the size, nature and complexity of the Bank's operations;
- (iii) To promote, together with senior management, a sound corporate culture within the Bank which reinforces ethical, prudent and professional behavior;
- (iv) To promote sustainability through appropriate environmental, social and governance considerations in the Bank's business strategies;
- (v) To oversee and approve the recovery and resolution as well as business continuity plans for the Bank to restore its financial strength, and maintain or preserve critical operations and critical services when it comes under stress;

Corporate Governance (cont'd.)

Board's Duties and Responsibilities (cont'd.)

- (vi) To maintain oversight and exercise veto powers to reject credit applications or modify the terms of credit applications approved by the Bank's credit decision authority;
- (vii) Exercise effective oversight of climate-related risks to safeguard the Bank's resilience against the adverse impacts of climate change while actively promoting a just and orderly transition;
- (viii) Approve the Bank's credit guidelines on management of climate-related risks and risk appetite framework incorporating climate metrics; and
- (ix) Veto consideration for the breaches of Environmental, Social and Governance ("ESG") Standards as stipulated in the BBB General Underwriting Standards and General Underwriting Guidelines (GUS / GUG).

The Board also assumes various functions and responsibilities as laid down by the guidelines and directives issued by Bank Negara Malaysia ("BNM") from time to time.

Frequency and conduct of board meetings

The Board meets on a scheduled basis to review the management reports and to deliberate various matters which require its guidance and approval.

The Board met six (6) times during the financial year ended 31 December 2024. The attendance of directors at Board Meetings held in the financial year ended 31 December 2024 was as follows:

	Name of Directors	Designation	Attendance
1.	Mr. Banlue Chantadisai - Chairman	Independent Director	6/6
2.	Ms. Rushda Theeratharathorn	Executive Director	5/6
3.	Mr. Chris Chia Woon Liat	Non-Independent Director	6/6
4.	Y.A.M. Tunku Ali Redhauddin Ibni Tuanku Muhriz	Non-Independent Director	6/6
5.	Mr. Chaiyarit Anuchitworawong	Executive Director	6/6
6.	Mr. Bordin Unakul	Independent Director	6/6
7.	Mr. Por Peng Seong	Independent Director	6/6
8.	Ms. Leong Sow Yoke	Independent Director	6/6
9.	Mr. Chew Boon Keong	Independent Director	6/6

The BNM Policy Document on Corporate Governance requires individual directors to have a minimum attendance of at least 75% of the Board meetings held in each financial year. All the existing directors have complied with the BNM's requirement.

Corporate Governance (cont'd.)

Directors' Training

The Board recognised the importance of training and development needs of the directors which play a vital role in helping the directors to update and enhance their skills and knowledge with the aim for the directors to discharge their duties effectively and efficiently.

During the financial year, the directors had attended courses, forums and conferences in various topics to further enhance their skills and knowledge in discharging their responsibilities.

Training programmes, conferences and forums attended by the directors for the financial year ended 31 December 2024 were as follow:

External Seminars / Conferences

1. 2nd National Resolution Symposium 2024 Building Collaborative Resolvability: From Policy to Practice
2. AICB's Empowering Bankers Continuing Professional Development Programme - "Balancing the Pillars: Risk, Compliance, and Ethics in Financial Directorship"
3. Audit Committee Conference 2024
4. Being Sued as an Independent Non Executive Director - A Personal Journey
5. BNM-FIDE FORUM: Responsibility Mapping Engagement with Directors of Financial Institutions
6. Bursa Malaysia Mandatory Accreditation Programme
7. Bursa Malaysia Mandatory Accreditation Programme Part II - Leading for Impact
8. Data Innovation to Drive Financial Inclusion - Pushing New Frontiers
9. Distinguished Board Leadership Series 2024: Digital Transformation of the World's Best Bank
10. Engagement Session with FIDE FORUM Members on BNM Annual Report 2023, Economic and Monetary Review 2023 and Financial Stability Review 2H 2023
11. Fraud Risk Management: Tools & Techniques
12. Future Proofing Malaysian Businesses: Navigating Cyber-Threats in the Age of AI & Thriving in a High-Risk Landscape
13. Global Conference 2024
14. International Conference on Financial Crime and Terrorism Financing
15. National Climate Governance Summit
16. Preventing Fraud: The Board's Roles and Responsibilities

Internal Training Programmes

1. Anti-Money Laundering & Counter Financing Terrorism
2. Cyber Security Awareness
3. Emerging Risks
4. Sustainability and Climate Change

Corporate Governance (cont'd.)

Board Performance

The Board has established a performance evaluation mechanism to assess the effectiveness of the Board, Board Committees and each directors' contribution annually. The Nomination Committee is responsible to undertake the performance evaluation every year and submit the results to the Board for deliberation.

The Board, Board Committees and individual directors' performances are evaluated against identified key areas and key performance indicators ("KPIs") that are based on regulatory requirements and best practices. The key areas and KPIs include but are not limited to the Board and Board Committees' structure, responsibilities, meeting operations, input in policy development, participation in decision making and attendance.

Board Committees

To enhance its effectiveness and in discharging its fiduciary duties, the Board has established the Nomination Committee, Remuneration Committee, Risk Management Committee and Audit Committee to assist the Board in execution of its duties and responsibilities. The appointment of the members to these committees were approved by the Board upon recommendation by the Nomination Committee. Each Board Committee operates within its own terms of reference approved by the Board, which clearly define its duties and responsibilities.

Board Committees (cont'd.)

(a) Nomination Committee

During the financial year of 2024, the Nomination Committee held four (4) meetings.

The composition of the Nomination Committee and attendance of the members at the meetings held during the financial year 2024 were as follows:

	Committee Members	Designation	Attendance
1.	Mr. Bordin Unakul - Chairman	Independent Director	4/4
2.	Y.A.M. Tunku Ali Redhaudhin Ibni Tuanku Muhriz	Non-Independent Director	4/4
3.	Mr. Banlue Chantadisai	Independent Director	4/4
4.	Ms. Leong Sow Yoke	Independent Director	4/4
5.	Mr. Chaiyarit Anuchitworawong	Executive Director	4/4

The Nomination Committee is established to provide a formal and transparent procedure for the appointment of directors and CEO as well as the assessment of effectiveness of individual directors, Board as a whole and performance of CEO and key senior management officers.

The primary functions of the Nomination Committee include the following:

- (i) Establish the minimum requirements for the Board in terms of required mix of skills, experience, qualification and other core competencies. Establish minimum requirements for the CEO;
- (ii) Recommends and assesses the nominees for directorship, Board Committee members and the CEO;
- (iii) Oversees through an annual review of overall composition of the Board in terms of the appropriate size and skills, and the balance between executive directors, non-executive directors and independent directors;
- (iv) Establishes a mechanism for the formal annual assessment on the effectiveness of the Board as a whole and the contribution of each director to the effectiveness of the Board, the contribution of the Board's various Committees and the performance of the CEO and other key senior management officers;
- (v) Oversees the appointment, management succession planning and performance evaluation of key senior management officers; and
- (vi) Assesses on an annual basis that individual directors and key senior management officers are not disqualified under Section 59(1) of the Financial Services Act, 2013 and continue to comply with the standards for "fit and proper" criteria as approved by the Board.

Board Committees (cont'd.)

(b) Remuneration Committee

During the financial year of 2024, the Remuneration Committee held four (4) meetings.

The composition of the Remuneration Committee and attendance of the members at the meetings held during the financial year 2024 were as follows:

	Committee Members	Designation	Attendance
1.	Mr. Bordin Unakul - Chairman	Independent Director	4/4
2.	Y.A.M. Tunku Ali Redhaudhin Ibni Tuanku Muhriz	Non-Independent Director	4/4
3.	Mr. Banlue Chantadisai	Independent Director	4/4
4.	Mr. Por Peng Seong	Independent Director	4/4

The Remuneration Committee is established to provide a formal and transparent procedure for developing a remuneration policy for directors, CEO and key senior management officers and ensuring that compensation is competitive and consistent with the Bank's culture, objectives and strategy.

The primary functions of the Remuneration Committee include the following:

- (i) Recommends a framework of remuneration for directors, the CEO and other key senior management officers for the Board's approval;
- (ii) Reviews the remuneration packages of the directors, CEO and key senior management officers; and
- (iii) Recommends to the Board the proposed overall salary increment and overall annual bonus of the staff.

(c) Risk Management Committee

During the financial year of 2024, the Risk Management Committee held six (6) meetings.

The composition of Risk Management Committee and attendance of the members at the meetings held during the financial year 2024 were as follows:

	Committee Members	Designation	Attendance
1.	Mr. Por Peng Seong - Chairman	Independent Director	6/6
2.	Mr. Bordin Unakul	Independent Director	6/6
3.	Ms. Leong Sow Yoke	Independent Director	6/6
4.	Mr. Chew Boon Keong	Independent Director	6/6

The Risk Management Committee is established to oversee senior management's activities in managing credit, market, liquidity, operational, legal and other risk and to ensure that the risk management process is in place and functioning.

Board Committees (cont'd.)

Risk Management Framework

The primary functions of the Risk Management Committee include the following:

- (i) Reviews and recommends risk management strategies, policies and risk tolerance for the Board's approval;
- (ii) Reviews and assesses adequacy of risk management policies and framework in identifying, measuring, monitoring and controlling risk and extent to which these are operating effective; and
- (iii) Reviews management's periodic reports on risk exposure, risk portfolio composition and risk management activities.

The Board has in place a Risk Management Framework to provide greater clarity, focus and consistency across different risk areas in the governance of risks in the Bank. The underlying standards adopted in the Framework is consistent with the BASEL II requirements adopted by BNM.

The guiding risk management principles upon which the Bank operates are as follows:

- (i) Clear separation of risk-taking business lines and risk supervising unit;
- (ii) Identification and coverage of all relevant risk types in risk management;
- (iii) Measure risks in order to monitor and control them, thereby enabling the implementation of more effective risk-based strategy, aid in decision-making and management of portfolio transactions; and
- (iv) Development of strong risk culture and continuous improvement of risk management skills throughout the Bank.

The Risk Management Framework of the Bank comprises three (3) levels and operates in the following manner:

- Level 1: Policies, especially those which have impact on the risk framework and risk tolerances shall be approved at the Board's level.
- Level 2: Subject-specific risk guidelines and standards are to be approved at Management Committee level, such as choice of appropriate statistical methodologies to compute specific product's market risk exposure.
- Level 3: Procedures supporting policy implementation shall be approved at departmental levels. These policies and procedures rely on constant communication, judgment, knowledge of products and markets and controls by business and support units.

Board Committees (cont'd.)

Risk Management Framework (cont'd.)

The Risk Management Department will be the central resource for quantifying and managing the portfolio of credit risk, market and liquidity risk and operational risk taken by the Bank as a whole.

(d) Audit Committee

During the financial year, the Audit Committee held seven (7) meetings.

The composition of the Audit Committee and attendance of the members at the meetings held during the financial year ended 31 December 2024 were as follows:

	Committee Members	Designation	Attendance
1.	Ms. Leong Sow Yoke - AC Chair	Independent Director	7/7
2.	Mr. Chris Chia Woon Liat	Non-Independent Director	6/7
3.	Mr. Por Peng Seong	Independent Director	7/7
4.	Mr. Chew Boon Keong	Independent Director	7/7

The Audit Committee is established to assist the Board in fulfilling its oversight responsibilities for the financial reporting process and the system of internal controls.

Their roles and responsibilities include the following:

- (i) Reviews with management and external auditors significant accounting and reporting issues, including complex and unusual transactions and highly judgmental areas, recent professional and regulatory pronouncements and understands their impact on the financial statements;
- (ii) Reviews the annual financial statements, and considers whether they are complete, consistent with information known to committee members, and reflects appropriate accounting principles;
- (iii) Reviews interim financial reports with management and external auditors before filing with regulators and considers whether they are complete and consistent with the information known to the committee members;
- (iv) Reviews other sections of the annual report and related regulatory filings and considers the accuracy and completeness of information;
- (v) Reviews and approves the risk-based internal audit plan and all major changes to the plan and makes recommendations concerning internal audit projects;

Board Committees (cont'd.)

(d) Audit Committee (cont'd.)

- (vi) Reviews key audit reports and ensures that senior management is taking the necessary corrective actions in a timely manner to address control weaknesses, non-compliance with laws, regulatory requirements, policies and other problems identified by the internal audit and other control functions;
- (vii) Notes disagreements between the Chief Internal Auditor and the rest of the senior management team, irrespective of whether these have been resolved, in order to identify any impact the disagreements may have on the audit process or findings;
- (viii) Considers the effectiveness of the Bank's control framework, including information technology security and control;
- (ix) Reviews third-party opinions on the design and effectiveness of the Bank's internal control framework;
- (x) Reviews the external auditors' proposed audit scope and approach;
- (xi) Assesses the objectivity, performance and independence of external auditors;
- (xii) Reviews all related party transactions and keep the Board informed of such transactions;
- (xiii) Monitors compliance with the Board's conflicts of interest policy and keep the Board informed of any potential conflicts of interest.

Board Committees (cont'd.)

(d) Audit Committee (cont'd.)

Audit and control functions

The Chief Internal Auditor reports functionally to the Audit Committee and administratively to the CEO. The Audit & Control Department ("ACD") has unrestricted access to all records and the internal audit scope encompasses all activities within the Bank including branches, subsidiary and outsourced activities.

The ACD assists the Audit Committee in discharging their duties and responsibilities by regularly reviewing the effectiveness of established risk management process, internal control system and governance process. The audit reports, which provide the results of the review and audit recommendations for improvement, are submitted to the Audit Committee for their review.

The Audit Committee also reviews and approves the ACD's human resource requirements to ensure that it is adequately resourced with competent and proficient internal auditors.

Risk management

All banking activities include involvement in analysis, evaluation, acceptance and management of certain degree of risk or combination of risks. The key business risks are credit risk, market risk (including foreign exchange and interest rate risk), liquidity risk and operational risk.

The Bank's risk management objectives are as follows:

- (i) To protect the Bank's earnings from unexpected, excessive losses that could threaten the viability of the Bank;
- (ii) To assist management to undertake and manage the appropriate levels of risks necessary to attain business and financial objectives;
- (iii) To ensure that the Bank is in compliance with regulatory capital adequacy requirements; and
- (iv) To ensure that the Board and senior management are adequately informed of the Bank's risk profile when making decisions.

The Bank's risk management policy has set out the broad overall risk policy of the Bank for the conduct of business and is applicable to all business and functional lines within the Bank.

The Bank's risk management strategy is to ensure that all the risks undertaken are manageable and within its risk appetite and approved limits.

Board Committees (cont'd.)

Risk management (cont'd.)

The risk management processes are broken down into four generic steps as follows:

- (i) Identifying the risks;
- (ii) Assessing their potential impact to the Bank;
- (iii) Continuous monitoring of risks as risks are dynamic in nature; and
- (iv) Managing the risk and reporting those risks to the management and Risk Management Committee.

The Board is accountable for the management of risk. This is discharged by defining the scope of risk management activities within the Bank, distributing responsibilities at Board level for their management and determining the manner in which risk authorities are set.

The Board, through the independent Risk Management Committee, determines the Bank's risk appetite and sets the Bank's standards and policies for risk measurement and management. These standards and policies are proposed by the CEO through the Risk Management Committee, which is also accountable for providing independent assurance that risk is being managed, measured and controlled in conformity with the policies and standards set by the Bank.

The management is accountable for the management of risk, collectively through the Loan Committee, Loan Rehabilitation Committee, Asset and Liability Management Committee and Management Committee.

The respective business and functional lines are responsible for putting in place the appropriate discipline, operating and control procedures, as well as systems within their own units, consistent with the Board policies and guidelines set by the Bank. The respective units are accountable for all the risks taken within their units, and should be aware of the type and quantum of risks taken.

The Bank uses various methodologies to identify, monitor, manage and control these risks. Various processes have been established to analyse and identify any weaknesses in these risk areas such as the identification of "red flags", analysis of trends on market volatility, etc. These risks are assessed and measured using various models, methodologies and reports such as Credit Risk Rating ("CRR") models, Earnings At Risk ("EAR") Impact and Economic Value of Equity Impact ("EVE") Methodologies, Liquidity Coverage Ratio ("LCR") reports, etc.

Processes and procedures have also been established to monitor and control these risks. These policies and procedures are reviewed periodically and necessary changes would be made to ensure that they are operationally robust. Stress tests covering credit risk, liquidity and market risks and operational risk are also performed under various scenarios to assess the Bank's risk weighted capital adequacy.

Board Committees (cont'd.)
Risk management (cont'd.)

The Bank's financial risk management objectives, policies and processes for managing, hedging and mitigating credit risk, market risk, liquidity risk and operational risk are as disclosed in Note 33 to the financial statements.

The Bank's capital management process is further disclosed in Note 31 to the financial statements.

Management information

All the directors have reviewed the Board reports prior to the Board Meetings. Information and materials, duly endorsed by the CEO and the relevant functional heads that are important to the directors' understanding of the agenda items and related topics are distributed in advance prior to the date of the meetings. The Board reports include among others, the monthly performance of the Bank, minutes of the various Board and Management Committees, risk portfolio reports, compliance reports, any other prevailing regulatory developments as well as economic and business environments updates.

Related party transactions

During the financial year ended 31 December 2024, the Bank entered into transactions with its holding company, BBL in the normal course of business. The details and nature of the transactions are disclosed in Note 28 to the financial statements.

Compliance with BNM's Expectations on Financial Reporting

In the preparation of the financial statements, the directors have taken reasonable steps to ensure that BNM's expectations on financial reporting have been complied with, including those as set out in the Guidelines on Financial Reporting for Financial Institutions.

Remuneration policy

The Bank's remuneration policy is built upon the objectives to attract, reward and retain talents, while encouraging prudent decision-making and reinforcing a culture of high ethical standards. The remuneration policy and its enforcement are supervised at the Board of the Bank.

The Bank's remuneration structure comprises of basic salary, bonus and long term incentive for eligible employees. Remuneration quantum is linked to job size, individual performance, the Bank's performance and compensation benchmarks in the industry. In assessing performance and remuneration, risk and control elements are considered beyond the achievement of business goals. Where relevant, these include elements within the Bank's Risk Appetite Statement.

The performance and remuneration of employees in the control functions are assessed on their achievements in their specific areas, independent of the business targets.

Remuneration policy (cont'd.)

For the senior management team who has direct involvement and influence on the Bank's strategies, growth and developments, the Bank's remuneration policy requires one-third of total variable pay to be deferred as long term incentive, which is vested across a two year period.

The Bank also recognises that there are employees who are not members of senior management who can materially affect the Bank's risk profile and resources. For this group of employees, the remuneration policy would also require one-third of total variable pay to be deferred as long term incentive, which is vested across a two year period, should their total variable pay exceeds 6 months' salary equivalent.

The Bank retains its right to clawback any parts of variable pay, whether paid out or not, in the event it is established that the recipient had committed material wrong doings or had not discharged his responsibilities satisfactorily.

The remuneration of the CEO, Senior Management and other material risk takers for year 2024 is shown in the table below:

Total value of remuneration awards for year 2024	Chief Executive Officer		Senior Management and Other Material Risk Takers	
	Unrestricted RM'000	Deferred RM'000	Unrestricted RM'000	Deferred RM'000
Fixed Remuneration	1,236	-	7,192	-
Cash-based	1,109	-	7,046	-
Other	127	-	146	-
Variable Remuneration	364	166	3,110	505
Cash-based	331	166	2,934	505
Other	33	-	176	-
Grand Total	1,600	166	10,302	505

Bangkok Bank Berhad
199401014060 (299740-W)
(Incorporated in Malaysia)

Auditors and auditors' remuneration

The auditors, Messrs Deloitte PLT, have expressed their willingness to continue in office.

The auditors' remuneration for the financial year is RM242,000 for the Group and RM240,000 for the Bank.

Signed on behalf of the Board in accordance with a resolution of the directors.



Leong Sow Yoke
Director



Chew Boon Keong
Director

Kuala Lumpur, Malaysia
7 May 2025

Bangkok Bank Berhad
199401014060 (299740-W)
(Incorporated in Malaysia)

Statement by directors

Pursuant to Section 251(2) of the Companies Act, 2016

We, Leong Sow Yoke and Chew Boon Keong, being two of the directors of Bangkok Bank Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 31 to 125 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting 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 in accordance with a resolution of the directors.



Leong Sow Yoke
Director



Chew Boon Keong
Director

Kuala Lumpur, Malaysia
7 May 2025

Statutory Declaration

Pursuant to Section 251(1)(b) of the Companies Act, 2016

I, Kanet Buranasin, being the officer primarily responsible for the financial management of Bangkok Bank Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 31 to 125 are in my opinion correct, and I 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 Kanet Buranasin
at Kuala Lumpur in Wilayah Persekutuan
on 7 May 2025



Kanet Buranasin

Before me,



TETUAN SOO THIEN MING & WASHR26
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**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
BANGKOK BANK BERHAD**
(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Bangkok Bank Berhad ("the Bank"), which comprise the statements of financial position as at 31 December 2024 of the Group and of the Bank, statement of profit and loss, 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 31 to 125.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Bank as at 31 December 2024, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting 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 the Bank in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants' (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the said By-Laws and the IESBA Code.

(Forward)

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

Responsibilities of the Directors for the Financial Statements

The Directors of the Bank are responsible for the preparation of financial statements of the Group and of the Bank that give a true and fair view in accordance with Malaysian Financial Reporting Standard, International Financial Reporting Standards and the requirements of 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.

(Forward)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgment 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.
- Plan and perform Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors, 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.

(Forward)

199401014060 (299740-W)

Other Matter

This report is made solely to the member 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.



DELOITTE PLT (LLP0010145-LCA)
Chartered Accountants (AF 0080)



MAK WAI KIT
Partner – 03546/12/2026 J
Chartered Accountant

7 May 2025

Statements of financial position as at 31 December 2024

	Note	Group		Bank	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Assets					
Cash and short-term funds	4	158,210	580,130	155,736	577,038
Deposits and placements with banks and other financial institutions	5	124,325	99,412	124,325	99,412
Financial assets at fair value through other comprehensive income ("FVOCI")	6	933,704	783,173	933,704	783,173
Financial assets at amortised costs	7	-	-	-	-
Loans, advances and financing	8	2,732,635	2,646,117	2,732,635	2,646,117
Derivative assets		246	1,860	246	1,860
Tax recoverable		16,910	10,144	16,894	10,127
Other assets	9	5,602	6,008	5,602	6,008
Statutory deposit with Bank Negara Malaysia	10	37,891	37,966	37,891	37,966
Investment in a subsidiary	11	-	-	10	10
Property and equipment	12	114,686	117,401	114,686	117,401
Intangible assets	13	11	69	11	69
Right-of-use assets	14	4,741	5,594	4,741	5,594
Deferred tax assets	15	21,643	20,853	21,643	20,853
Total assets		4,150,604	4,308,727	4,148,124	4,305,628
Liabilities and shareholder's equity					
Deposits from customers	16	2,053,614	2,151,338	2,053,614	2,151,338
Deposits and placements from banks and other financial institutions	17	647,185	732,984	647,185	732,984
Derivative liabilities		147	826	147	826
Other liabilities	18	40,109	47,927	37,817	44,986
Total liabilities		2,741,055	2,933,075	2,738,763	2,930,134

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

Statements of financial position as at 31 December 2024 (cont'd.)

	Note	Group		Bank	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Liabilities and shareholder's equity (cont'd.)					
Share capital	19	1,000,000	1,000,000	1,000,000	1,000,000
FVOCI reserve		31,724	29,254	31,724	29,254
Retained profits		377,825	346,398	377,637	346,240
Shareholder's equity		1,409,549	1,375,652	1,409,361	1,375,494
Total liabilities and shareholder's equity					
		4,150,604	4,308,727	4,148,124	4,305,628
Commitments and contingencies					
	27	1,925,256	2,726,968	1,925,256	2,726,968

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

Statements of profit and loss
For the financial year ended 31 December 2024

		Group		Bank	
		2024	2023	2024	2023
	Note	RM'000	RM'000	RM'000	RM'000
Interest income	20	201,631	199,612	201,631	199,612
Interest expense	21	(100,704)	(96,396)	(100,704)	(96,396)
Net interest income		100,927	103,216	100,927	103,216
Non-interest income	23	12,676	13,843	12,632	13,819
Net income		113,603	117,059	113,559	117,035
Overhead expenses	24	(70,601)	(62,935)	(70,597)	(62,932)
Operating profit		43,002	54,124	42,962	54,103
Allowance for expected credit losses ("ECL") made, net	22	(3,924)	(14,742)	(3,924)	(14,742)
Profit before taxation		39,078	39,382	39,038	39,361
Taxation	25	(7,651)	(10,217)	(7,641)	(10,212)
Net profit for the financial year		31,427	29,165	31,397	29,149
Earnings per share (sen)					
- basic	26	3.14	2.92		
- diluted	26	3.14	2.92		

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

Statements of comprehensive income
For the financial year ended 31 December 2024

		Group		Bank	
	Note	2024	2023	2024	2023
		RM'000	RM'000	RM'000	RM'000
Net profit for the financial year		31,427	29,165	31,397	29,149
Other comprehensive income/(expenses)					
Items that will not be reclassified subsequently to profit or loss					
Equity securities designated at FVOCI					
- net changes in fair value		1,249	14,417	1,249	14,417
Items that may be reclassified subsequently to profit or loss					
Debt instruments at FVOCI					
- net unrealised gain on changes in fair value		1,059	6,775	1,059	6,775
- allowance for ECL		417	788	417	788
Income tax relating to components of other comprehensive income	15	(255)	(1,626)	(255)	(1,626)
Other comprehensive gain for the financial year, net of tax		2,470	20,354	2,470	20,354
Total comprehensive income for the financial year, net of tax		33,897	49,519	33,867	49,503

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

Statements of changes in equity
For the financial year ended 31 December 2024

Group	<---Non-distributable--->		Distributable:	Total
	Share capital	FVOCI reserve	Retained profits	
	RM'000	RM'000	RM'000	RM'000
At 1 January 2023	1,000,000	8,900	317,233	1,326,133
Total comprehensive income	-	20,354	29,165	49,519
At 31 December 2023	1,000,000	29,254	346,398	1,375,652
At 1 January 2024	1,000,000	29,254	346,398	1,375,652
Total comprehensive income	-	2,470	31,427	33,897
At 31 December 2024	1,000,000	31,724	377,825	1,409,549

Bank	<---Non-distributable--->		Distributable:	Total
	Share capital	FVOCI reserve	Retained profits	
	RM'000	RM'000	RM'000	RM'000
At 1 January 2023	1,000,000	8,900	317,091	1,325,991
Total comprehensive income	-	20,354	29,149	49,503
At 31 December 2023	1,000,000	29,254	346,240	1,375,494
At 1 January 2024	1,000,000	29,254	346,240	1,375,494
Total comprehensive income	-	2,470	31,397	33,867
At 31 December 2024	1,000,000	31,724	377,637	1,409,361

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	
	Note	2024	2023	2024	2023
		RM'000	RM'000	RM'000	RM'000
Cash flows from operating activities					
Profit before taxation		39,078	39,382	39,038	39,361
Adjustments for:					
Depreciation of property and equipment	24	4,576	4,433	4,576	4,433
Amortisation of intangible assets	24	58	173	58	173
Depreciation of right-of-use assets	24	1,514	1,379	1,514	1,379
Property and equipment adjustment	12	648	8	648	8
Interest expense on lease liabilities	14	190	179	190	179
Gain on disposal of property and equipment	23	-	(5)	-	(5)
Interest income from financial assets	20	(29,356)	(35,638)	(29,356)	(35,638)
Allowance for ECL made, net	22	4,298	13,300	4,298	13,300
Unrealised loss/(gain) on foreign exchange forward	23	934	(1,034)	934	(1,034)
Dividend from financial assets at FVOCI	23	(199)	(390)	(199)	(390)
Gain from redemption of financial assets at FVOCI	23	(858)	-	(858)	-
Amortisation of premium net of (accretion of discount) - Financial assets measured at FVOCI	20	2,540	3,335	2,540	3,335
Operating profit before working capital changes		23,423	25,122	23,383	25,101
(Increase)/Decrease in operating assets:					
Loans, advances and financing		(106,322)	141,555	(106,322)	141,555
Other assets		406	(471)	406	(471)
Statutory deposit with Bank Negara Malaysia		-	1,000	-	1,000
		<u>(82,493)</u>	<u>167,206</u>	<u>(82,533)</u>	<u>167,185</u>

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

Statements of cash flows

For the financial year ended 31 December 2024 (cont'd.)

		Group		Bank	
	Note	2024	2023	2024	2023
		RM'000	RM'000	RM'000	RM'000
Cash flows from operating activities (cont'd.)					
Increase/(Decrease) in operating liabilities:					
Deposits from customers		(97,724)	141,720	(97,724)	141,720
Deposits and placements from banks and other financial institutions		(85,799)	(99,743)	(85,799)	(99,743)
Other liabilities		8,823	(1,137)	9,472	3,711
Cash generated (used)/from in operating activities		(257,193)	208,046	(256,584)	212,873
Taxes paid		(15,463)	(14,814)	(15,454)	(14,804)
Taxes refunded		-	16,528	-	16,528
Net cash generated (used)/from in operating activities		(272,656)	209,760	(272,038)	214,597
Cash flows from investing activities					
Purchase of financial assets at FVOCI		(685,854)	(1,457,674)	(685,854)	(1,457,674)
Proceeds from redemption of financial assets at FVOCI		530,583	1,680,000	530,583	1,680,000
Interest received from financial assets at FVOCI		34,723	37,672	34,723	37,672
Proceeds from redemption of financial assets at amortised cost		6	41	6	41
Purchase of property and equipment	12	(2,508)	(3,125)	(2,508)	(3,125)
Proceeds from disposal of property and equipment		-	5	-	5
Dividend from financial assets at FVOCI	23	199	390	199	390
Net cash generated from investing activities		(122,851)	257,309	(122,851)	257,309

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

Statements of cash flows

For the financial year ended 31 December 2024 (cont'd.)

		Group		Bank	
	Note	2024	2023	2024	2023
		RM'000	RM'000	RM'000	RM'000
Cash flows used in financing activities					
Payment of lease liabilities	14	(1,500)	(1,520)	(1,500)	(1,520)
Net cash used in financing activities		(1,500)	(1,520)	(1,500)	(1,520)
Net (decrease)/increase in cash and cash equivalents		(397,007)	465,549	(396,389)	470,386
Cash and cash equivalents at beginning of financial year		679,542	213,993	676,450	206,064
Cash and cash equivalents at end of financial year		282,535	679,542	280,061	676,450
Cash and cash equivalents comprise:					
Cash and short-term funds		158,210	580,130	155,736	577,038
Deposits and placements with bank and other financial institutions		124,325	99,412	124,325	99,412
		282,535	679,542	280,061	676,450

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

Notes to the financial statements - 31 December 2024

1. Corporate information

Bangkok Bank Berhad ("the Bank") is a public limited liability licensed bank, incorporated and domiciled in Malaysia. The registered office of the Bank is located at 1-45-01, Menara Bangkok Bank, Laman Sentral Berjaya, 105 Jalan Ampang, 50450 Kuala Lumpur.

The principal activities of the Bank are banking and related financial services.

The Bank also controls a wholly-owned subsidiary named BBL Nominees (Tempatan) Sdn. Bhd. The principal activity of its subsidiary is provision of nominees services to local clients of the Bank.

There have been no significant changes in the nature of the principal activities during the financial year.

The ultimate holding company of the Bank is Bangkok Bank Public Company Limited, a bank incorporated in Thailand.

These financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors.

2. Accounting policies

2.1 Basis of preparation and presentation of the financial statements

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

The financial statements of the Group and the Bank have been prepared under the historical cost basis, unless otherwise stated in the summary of material accounting policies as disclosed in Note 2.3. The financial statements are presented in Ringgit Malaysia ("RM"), which is the Bank's functional currency, and all values are rounded to the nearest thousand ("RM'000") except when otherwise indicated.

As at the reporting date, the Bank has met the minimum capital requirements as prescribed by the Risk Weighted Capital Adequacy Framework ("RWCAF") issued by Bank Negara Malaysia ("BNM").

2. Accounting policies (cont'd.)

2.2 Basis of consolidation

The consolidated financial statements include the financial statements of the Bank and its subsidiary at each reporting date. The financial statements of the subsidiary are prepared for the same reporting date as the Bank.

The subsidiary is fully 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 like transactions and events in similar circumstances.

Any excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities represents goodwill. Any excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition is recognised as income in income statements on the date of acquisition.

2.3 Summary of material accounting policy information

(a) Investment in subsidiary

A subsidiary is an entity over which the Group is exposed, or has the rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Bank's separate financial statements, the investment in subsidiary is stated at cost less impairment loss. On disposal of such investment, the difference between net disposal proceeds and its carrying amount is included in income statement.

(b) Revenue recognition

(i) Interest and financing income

Interest income is recognised using the effective interest method ("EIR"). The effective interest method applies the rate that exactly discounts estimated future cash receipts through the effective life of the financial instruments to the net carrying amount of the financial asset. Interest income includes the amortisation of premiums or accretion of discounts.

2. Accounting policies (cont'd.)

2.3 Summary of material accounting policy information (cont'd.)

(b) Revenue recognition

(ii) Fee and other income

(a) Fee income earned on the execution of a significant act

Income earned on the execution of a significant act is recognised as revenue when the act is completed (for example, fees arising from negotiating, or participating in the negotiation of, a transaction for a third party, such as an arrangement for the acquisition of shares or other securities).

(b) Fee income earned from provision of services

Income earned from the provision of services is recognised as revenue over the period in which the services are provided.

(iii) Dividend income

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

(c) Financial assets

Financial assets are recognised in the statement of financial position when, and only when, the Group and the Bank have become a party to the contractual provisions of the instruments.

The classification of financial instruments at initial recognition depends on the financial asset's contractual terms and their business model for managing them. The Group and the Bank classify all of its financial assets measured at either amortised cost, fair value through other comprehensive income ("FVOCI"), or fair value through profit or loss ("FVTPL").

The Group's and the Bank's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

2. Accounting policies (cont'd.)

2.3 Summary of material accounting policy information (cont'd.)

(c) Financial assets (cont'd.)

(i) Financial assets at amortised costs

The Group and the Bank measure financial assets at amortised cost if both of the following conditions are met:

- The contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI, on the principal amount outstanding; and
- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows.

Financial assets at amortised cost are subsequently measured using the EIR method and are subject to impairment. Gains and losses are recognised in income statements when the asset is derecognised, modified or impaired.

The Group's and the Bank's financial assets at amortised cost includes cash and balances with banks and other financial institutions, loans, advances and financing, and other assets.

(ii) Debt instruments at FVOCI

The Group and the Bank apply MFRS 9 of debt instruments measured at FVOCI when both of the following conditions are met:

- The contractual terms of the financial asset meet the SPPI test; and
- The instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling the financial assets.

2. Accounting policies (cont'd.)

2.3 Summary of material accounting policy information (cont'd.)

(c) Financial assets (cont'd.)

(ii) Debt instruments at FVOCI (cont'd.)

FVOCI debt instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in other comprehensive income ("OCI"). Interest income and foreign exchanges gains and losses are recognised in income statements in the same manner as for financial assets measures at amortised cost. On derecognition, cumulative gains or losses previously recognised in OCI are reclassified from OCI to income statements.

(iii) Equity instruments at FVOCI

Upon initial recognition, the Group and the Bank can elect to classify irrevocably its equity investments as equity instruments designated at FVOCI when they meet the definition of equity under MFRS 132 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to income statements. Dividends are recognised as other income in the income statements when the right of payment has been established, except when the Group and the Bank benefit from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI and FVOCI reserve. Equity instruments designated at FVOCI are not subject to impairment assessment.

(d) Impairment of financial assets

(i) Definition of credit impaired and default

At each reporting date, the Group and the Bank assess whether financial assets are impaired. In general, loans, advances and financing of the Group and of the Bank are classified as credit-impaired when they fulfil any of the following criteria:

2. Accounting policies (cont'd.)

2.3 Summary of material accounting policy information (cont'd.)

(d) Impairment of financial assets (cont'd.)

(i) Definition of credit impaired and default (cont'd.)

- where the principal or interest or both is past due for more than 90 days/3 months. In the case of revolving facilities, the facility shall be classified as impaired where the outstanding amount has remained in excess of the approved limit for a period of more than 90 days/3 months; or
- where the amount is past due or outstanding amount has been in excess of the approved limit for 90 days/3 months or less, but the loan exhibits weaknesses that render a classification appropriate based on the Bank's policy; or
- when the loan is classified as rescheduled and restructured in Central Credit Reference Information System ("CCRIS") and approved by Loan Committee as impaired.

In making an assessment whether an investment in debt is impaired, the Group and the Bank consider factors such as, but not limited to, market's assessment of creditworthiness as reflected in the bond yields, rating agencies' assessment of creditworthiness and country's ability to access the capital markets for new debt issuance.

The Group and the Bank record allowance for ECL for all financial assets measured at amortised cost which include financing and advances, debt instruments measured at FVOCI and irrevocable loan commitments. Equity instruments measured at FVOCI are not subject to impairment under MFRS 9.

2. Accounting policies (cont'd.)

2.3 Summary of material accounting policy information (cont'd.)

(d) Impairment of financial assets (cont'd.)

(ii) Determining a significant increase in credit risk since initial recognition

The assessment of significant deterioration since initial recognition is key in establishing the point of switching between the requirement to measure an allowance based on 12-month ECLs and one that is based on lifetime ECLs. The quantitative and qualitative assessments are required to estimate the significant increase in credit risk by comparing the risk of a default occurring on the financial assets as at reporting date with the risk of default occurring on the financial assets as at the date of initial recognition. The Group and the Bank apply a three-stage approach based on the change in credit quality since initial recognition to recognise the ECL allowance as follows:

3-stage approach	Stage 1	Stage 2	Stage 3
	Performing	Under-performing	Non-performing
ECL approach	12-month ECL	Lifetime ECL	Lifetime ECL
Criterion	No significant increase in credit risk	Credit risk increased significantly	Credit-impaired
Recognition of interest income	Gross carrying amount	Gross carrying amount	Net carrying amount

(iii) Stage 1 and 2 ECL measurement

There are three main components to measure ECL for financial assets in Stage 1 and 2 which are a probability of default model ("PD"), a loss given default model ("LGD") and the exposure at default model ("EAD"). These components are determined by evaluating a range of possible outcomes and considering future economic conditions. The assumptions and analysis being used in the evaluation are based on macroeconomic data obtained from various sources, such as, but not limited to regulators, government, and foreign ministries as well as independent research organisations.

When estimating the ECL, the Group and the Bank consider three scenarios and their probability weightings. Each of these scenarios is associated with different PDs, LGDs and EADs.

2. Accounting policies (cont'd.)

2.3 Summary of material accounting policy information (cont'd.)

(d) Impairment of financial assets (cont'd.)

(iv) Stage 3 ECL measurement

The Group and the Bank assess financial assets in Stage 3 individually and the ECL is measured based on the expected cash shortfalls. A cash shortfall is the difference between the contractual cash flows due in accordance with the contract and the cash flows that the Group and the Bank expect to receive. The shortfall is then discounted at an approximation to the financial asset's original EIR.

When estimating the ECL, the Group and the Bank consider three scenarios and their probability weightings. Each of these scenarios is associated with how the non-performing loans are expected to be recovered, including the timing and amount that might be received for selling the collaterals.

(v) Write Off

Financial assets are written off either partially or in their entirety only when the Group and the Bank has deemed uncollectible. Any subsequent recoveries will be recognised in the income statements.

(e) Derecognition of financial assets

Derecognition is the removal of a previously recognised financial asset from the Group's and the Bank's statements of financial position through payment, renegotiation or sale. A financial asset is derecognised when:

- (i) The Group's and the Bank's contractual rights to the asset's contractual rights to the financial assets's cash flows have expired; or
- (ii) The financial asset has been transferred to a third party (along with the risks and rewards of ownership); or
- (iii) The terms of an existing assets are substantially modified, typically involve a reduction in the interest rate of the loan or monthly repayment, an extension of the length of the term of the loan, a different type of loan or any combination of the above. If the modification is not substantial, a modification gain/loss is recognised.

(f) Property and equipment and depreciation

All items of property and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the Bank and the cost of the item can be measured reliably.

2. Accounting policies (cont'd.)

2.3 Summary of material accounting policy information (cont'd.)

(f) Property and equipment and depreciation (cont'd.)

Subsequent to recognition, property and equipment, except for freehold land and property and equipment under work-in-progress, are stated at cost less accumulated depreciation and any accumulated impairment losses.

Freehold land has an unlimited useful life and therefore is not depreciated. Work in progress is not subject to depreciation or revaluation. Depreciation of other property and equipment is provided for on a straight-line method to allocate their cost to their residual values over their estimated useful lives at the following annual rates:

Buildings	2% - 10%
Motor vehicles	16%
Office equipment, furniture and fittings, and computer equipment	8% - 40%

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

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in income statements in the period the asset is derecognised.

The asset's residual values, useful lives and methods are reviewed, and adjusted if appropriate, at each reporting date.

(g) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. 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 a straight-line basis over the estimated economic useful lives and assessed for impairment whenever there is an indication that the intangible assets 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 reporting date.

2. Accounting policies (cont'd.)

2.3 Summary of material accounting policy information (cont'd.)

(g) Intangible assets (cont'd.)

Intangible assets with infinite useful lives are not amortised but tested for impairment annually or more frequently if the events or changes in circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. The useful life of an intangible asset with an infinite life is also reviewed annually to determine whether the useful life assessment continues to be supportable.

Intangible assets are amortised over their finite useful lives as follows:

Computer software	2 - 5 years
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The Group and the Bank have developed the following criteria to identify computer software or licence to be classified as plant or equipment or intangible assets:

- Software or licence that is embedded in computer-controlled equipment, including operating system that cannot operate without that specific software is an integral part of the related hardware and is treated as property and equipment; and
- Application software that is being used on a computer is generally easily replaced and is not an integral part of the related hardware and is classified as intangible assets.

(h) Leases

(i) Right of use assets

The Group and the Bank recognise right-of-use 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, lease payments made at or before the commencement date and lease incentives received. Unless the Group and the Bank are reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are amortised on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

2. Accounting policies (cont'd.)

2.3 Summary of material accounting policy information (cont'd.)

(h) Leases (cont'd.)

(ii) Lease liabilities

At the commencement date of the lease, the Group and the Bank recognise 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 the purchase option reasonably certain to be exercised by the Group and the Bank and payments of penalties for terminating a lease, if the lease term reflects the Group and the Bank exercising the option to terminate.

(iii) Significant judgement in determining the lease term of contracts with renewal option

The Group and the Bank determine the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group and the Bank have the option, under some of the leases to lease the assets for additional terms of three to five years. The Group and the Bank apply judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group and the Bank reassess the lease term if there is a significant event or change in circumstances that is within control and affect the ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy).

The Group and the Bank include the renewal period as part of the lease term for leases of office equipment and premises due to the significance of these assets to the operations. These leases have a short non-cancellable period (i.e. three to five years) and there will be a significant negative effect on operation if a replacement is not readily available.

2. Accounting policies (cont'd.)

2.3 Summary of material accounting policy information (cont'd.)

(i) Impairment of non-financial assets

At each reporting date, the Group and the Bank review the carrying amounts of non-financial assets to determine whether there is any indication of impairment. If any such indication exists, or when annual impairment testing for an asset is required, the Group and the Bank make an estimate of the asset's recoverable amount to determine the extent of impairment loss (if any).

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets at which are classified as cash-generating unit. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to that asset. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

An impairment loss is recognised in income statements in the period in which it arises.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. The increase is a reversal of an impairment loss.

That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the income statements unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

2. Accounting policies (cont'd.)

2.3 Summary of material accounting policy information (cont'd.)

(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, within the scope of MFRS 9, 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. Financial liabilities are classified at amortised cost.

(i) Financial liabilities at amortised cost

Financial liabilities at amortised cost includes other financial liabilities which are not measured at FVTPL.

The Group's and the Bank's other financial liabilities include deposits from customers, deposits and placements of banks and other financial institutions and other liabilities.

Other financial liabilities are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the EIR.

2. Accounting policies (cont'd.)

2.3 Summary of material accounting policy information (cont'd.)

(j) Financial liabilities (cont'd.)

(ii) Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired.

When an existing financial liability is replaced by another from the same lender on substantially different term, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability.

The terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original EIR, is at least 10% different from the discounted present value of the remaining cash flows of the original financial liability. If an exchange of debt instruments or modification of terms is accounted for as an extinguishment, the difference between the carrying amount of a financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, shall be recognised in income statements and any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. If the exchange or modification is not accounted for as an extinguishment, the difference between: (1) the carrying amount of the liability before the modification; and (2) the present value of the cash flows after modification is recognised in profit or loss as the modification gain or loss.

(k) Derivative financial instruments

Derivative instruments are initially recognised at fair value, which is normally zero or negligible at inception for non-option derivatives and subsequently re-measured at their fair value. Fair values are obtained from quoted market prices in active markets, including recent market transactions and valuation techniques that include discounted cash flow models. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative. Changes in the fair value of derivatives are recognised immediately in income statements.

2. Accounting policies (cont'd.)

2.3 Summary of material accounting policy information (cont'd.)

(l) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts are recognised initially at fair value. Subsequent to initial recognition, financial guarantee contracts are recognised as income in income statements over the period of the guarantee. If the debtor fails to make payment relating to financial guarantee contract when it is due and the Group and the Bank, as the issuer, are required to reimburse the holder for the associated loss, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount initially recognised less cumulative amortisation.

(m) Foreign currency transactions

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded in the functional currencies using the exchange rates prevailing at the dates of the transactions. At each reporting date, monetary items denominated in foreign currencies are translated at the rates prevailing on the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using exchange rate prevailing at date of transaction and they are not re-translated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items at rates different from those rates at which they were translated on initial recognition during the period or in previous financial statements, are included in income statements for the period except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations.

2. Accounting policies (cont'd.)

2.3 Summary of material accounting policy information (cont'd.)

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

The Group and Bank do not have any net investment in foreign operations.

The principal exchange rates for every unit of foreign currency ruling at reporting date used are as follows:

	2024	2023
United States Dollar	4.47	4.59
Pound Sterling	5.62	5.85
Singapore Dollar	3.29	3.48
Thai Baht	13.06	13.40

(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, current market assessment of time value of money and 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) Employee benefits

(i) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the period in which the associated services are rendered by employees of the Group and the Bank. Short-term accumulating compensated balances such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short-term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) Defined contribution plans

As required by law, companies in Malaysia make contributions to the state pension scheme, the Employees Provident Fund ("EPF"). Such contributions are recognised as an expense in income statements as incurred.

2. Accounting policies (cont'd.)

2.3 Summary of material accounting policy information (cont'd.)

(o) Employee benefits (cont'd.)

(iii) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group and the Bank recognise termination benefits as a liability and an expense when it is demonstrably committed to either terminate the employment of current employees according to a detailed plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. In the case of an offer made to encourage voluntary redundancy, the measurement of termination benefits is based on the number of employees expected to accept the offer. Benefits falling due more than twelve months after reporting date are discounted to present value.

(p) Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the country where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in other comprehensive income and not in the income statements. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(q) Deferred tax

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

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

2. Accounting policies (cont'd.)

2.3 Summary of material accounting policy information (cont'd.)

(q) Deferred tax (cont'd.)

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 re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

(r) Cash and cash equivalents

Cash and cash equivalents comprise of cash and short term funds and deposits and placements with banks and other financial institutions with original maturities of 3 months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(s) Share capital and share issuance expenses

Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

The transaction costs of an equity transaction, other than in the context of a business combination, are accounted for as a deduction from equity, net of tax. Equity transaction costs comprise only those incremental external costs directly attributable to the equity transaction which would otherwise have been avoided. Cost of issuing equity securities in connection with a business combination are included in the cost of acquisition.

(t) Fair value measurement

The Group and the Bank measure certain financial instruments, such as, derivatives at fair value, and currently the Group and the Bank do not have non-financial assets measured at fair value. In addition, fair values of financial instruments measured at amortised cost are also disclosed in Note 34.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

2. Accounting policies (cont'd.)

2.3 Summary of material accounting policy information (cont'd.)

(t) Fair value measurement (cont'd.)

The principal or the most advantageous market must be accessible to by the Group and the Bank.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group and the Bank use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- (i) Level 1: Quoted (unadjusted) market prices in the active markets for identical assets and liabilities
- (ii) Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- (iii) Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group and the Bank determine whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at each reporting period.

2. Accounting policies (cont'd.)

2.4 Changes in accounting policies

The accounting policies adopted in the preparation of the audited financial statements are consistent with those followed in the preparation of the annual financial statements for the year ended 31 December 2023, except for the adoption of relevant amendments to standards effective as of 1 January 2024 as follows:

Descriptions	Effective for annual periods beginning on or after
Amendments to MFRS 101 Presentation of Financial Statements: <i>Non-Current Liabilities with Covenants</i>	1 January 2024
Amendments to MFRS 101 Presentation of Financial Statements: <i>Classification of Liabilities as Current or Non-current</i>	1 January 2024
Amendments to MFRS 16 Leases: <i>Lease liability in a sale and leaseback</i>	1 January 2024
Amendments to MFRS 107 Statement of Cash Flows and MFRS 7 Financial Instruments: Disclosures: <i>Supplier finance arrangements</i>	1 January 2024

The initial application of the amendments to standards did not have any significant impact to the financial statements of the Group and the Bank.

2.5 New MFRSs and Amendments to MFRSs in issue but not effective

As at the reporting date, the following are relevant amendments to standards, annual improvements to standards issued by the Malaysian Accounting Standards Board ("MASB"), but not yet effective, up to the date of issuance of the Group's and of the Bank's financial statements. The Group and the Bank intend to adopt them when they become effective:

Descriptions	Effective for annual periods beginning on or after
Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates: <i>Lack of exchangeability</i>	1 January 2025
Amendments to MFRS 7 <i>Financial Instruments: Disclosures</i>	1 January 2026
Amendments to MFRS 9 <i>Financial Instruments</i>	1 January 2026
Amendments to MFRS 10 <i>Consolidated Financial Statements</i>	1 January 2026
Amendments to MFRS 107 <i>Statement of Cash Flows</i>	1 January 2026
MFRS 18 <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
MFRS 19 <i>Subsidiaries without Public Accountability: Disclosures</i>	1 January 2027

2. Accounting policies (cont'd.)

2.5 Amendments to standards issued but not yet effective (cont'd)

The initial application of the amendments standards are not expected to have any significant impact to the financial statements of the Group and the Bank.

3. Significant accounting judgements, estimates and assumptions

The preparation of the Group's and the Bank's financial statements in accordance with MFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of revenue, expenses, assets and liabilities, the accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In the process of applying the Group's and the Bank's accounting policies, management has made the following judgements, estimates and assumptions concerning the future and other key sources of estimation uncertainty at the reporting that, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Existing circumstances and assumptions about future developments may change due to circumstances beyond the Group's and the Bank's control and are reflected in the assumptions if and when they occur.

3.1 Management Overlay

The current MFRS 9 models are not expected to generate levels of ECL with sufficient reliability in view of the current geopolitical tension globally, overlays and post-model adjustments have been applied to determine a sufficient overall level of ECLs for the year ended 31 December 2024.

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

The overlay and post-model adjustments involved significant level of judgement reflecting the management's views of the latest economic scenarios.

The impact of these post-model adjustments were estimated at portfolio level, remain outside of the core MFRS 9 process amounting to RM73.3 million as at 31 December 2024.

3. Significant accounting judgements, estimates and assumptions (cont'd.)

3.2 Impairment losses on financial assets

Measurement of impairment losses under MFRS 9 across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and assessment of significant increase in credit risk. These estimates are driven by a number of factors as disclosed in Note 33(a), changes which can result in different levels of allowances.

The Group's and the Bank's ECL calculations 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, estimates and assumptions include:

- The Group's and the Bank's internal credit grading model, which assigns PDs to the individual grades;
- The Group's and the Bank's criteria for assessing if there has been a significant increase in credit risk resulting in impairment losses on financial assets to be measured on a lifetime basis and the qualitative assessment;
- Development of ECL models, including the various formulas and the choice of inputs;
- ECL is adjusted with a management overlay where considered appropriate;
- Determination of associations between macroeconomic factors and the effect on PDs, LGDs and EADs; and
- Selection of forward-looking macroeconomic scenarios and their probability weightings.

3.3 Deferred tax and current tax

In determining the Group's and the Bank's tax charge for the year it involves estimation and judgement, which includes an interpretation of local tax law and an assessment of whether the tax authority will accept the position taken. The Group and the Bank provide for current tax liabilities at the best estimate based on all available evidence and the amount that is expected to be paid to the tax authority where an outflow is probable.

The recoverability of the Group's and the Bank's deferred tax assets is based on management's judgement of the availability of future taxable profits against which the deferred tax assets will be utilised.

3.3 Deferred tax and current tax (cont'd)

The Global Minimum Tax (“GMT”) is a minimum rate of tax on corporate income under Pillar Two that is internationally agreed upon and accepted by the Organisation for Economic Co-operation and Development (“OECD”) Pillar Two Model Rules which will come effect on 1 January 2025 for Malaysia.

The Group and the Bank are within the scope of Pillar Two model rules which set out the global minimum tax rate of 15%.

From the Group and the Bank’s assessment, there is no material impact for financial year ending 2024. The Group and the Bank will continues to monitor development and assess potential future implications.

4. Cash and short-term funds

	Group	
	2024	2023
	RM'000	RM'000
Cash and balances with banks and Bank Negara Malaysia	49,195	67,785
Deposit and placements maturing within one month	109,801	513,267
	158,996	581,052
ECL allowance charged	(786)	(922)
	158,210	580,130

	Bank	
	2024	2023
	RM'000	RM'000
Cash and balances with banks and Bank Negara Malaysia	46,721	64,693
Deposit and placements maturing within one month	109,801	513,267
	156,522	577,960
ECL allowance charged	(786)	(922)
	155,736	577,038

Movements in the allowance for ECL on cash and short-term funds are as follows:

	Group and Bank	
	2024	2023
	RM'000	RM'000
At 1 January	922	233
ECL allowance (written back)/charged	(136)	689
At 31 December	786	922

The movement relates to Stage 1 ECL for cash and short-term funds. There are no cash and short terms funds in Stage 2 and 3.

5. Deposits and placements with banks and other financial institutions

	Group and Bank	
	2024	2023
	RM'000	RM'000
Licensed banks	125,178	100,282
ECL allowance charged	(853)	(870)
	<u>124,325</u>	<u>99,412</u>

Movements in the allowance for ECL on deposits and placements with banks and other financial institutions are as follows:

	Group and Bank	
	2024	2023
	RM'000	RM'000
At 1 January	870	82
ECL allowance (written back)/charged	(17)	788
At 31 December	<u>853</u>	<u>870</u>

The movement relates to Stage 1 ECL for deposits and placements with banks and other financial institutions. There are no deposits and placements with banks and other financial institutions in Stage 2 and 3.

6. Financial assets at fair value through other comprehensive income

	Group and Bank	
	2024	2023
	RM'000	RM'000
Debt instruments		
Malaysian Government Securities	484,999	324,998
Government Investment Issues	152,059	152,854
Bank Negara Malaysia Bills	-	4,707
Corporate bonds	266,616	271,833
	<u>903,674</u>	<u>754,392</u>
Equity instruments		
Unquoted shares	30,030	28,781
	<u>933,704</u>	<u>783,173</u>

6. Financial assets at fair value through other comprehensive income (cont'd.)

The following ECL for debt instruments at FVOCI are not recognised in the statements of financial position as the carrying amount of debt instruments at FVOCI is equivalent to their fair value:

	Stage 1 ECL RM '000	Stage 2 ECL RM '000	Stage 3 ECL RM '000	Total RM '000
Group and Bank				
At 1 January 2024	3,494	-	-	3,494
New debt instruments originated	1,224	-	-	1,224
Net measurement due to changes in credit risk	252	-	-	252
Debt instruments derecognised	(1,059)	-	-	(1,059)
At 31 December 2024	<u>3,911</u>	<u>-</u>	<u>-</u>	<u>3,911</u>
	Stage 1 ECL RM '000	Stage 2 ECL RM '000	Stage 3 ECL RM '000	Total RM '000
Group and Bank				
At 1 January 2023	2,706	-	-	2,706
New debt instruments originated	709	-	-	709
Net measurement due to changes in credit risk	1,233	-	-	1,233
Debt instruments derecognised	(1,154)	-	-	(1,154)
At 31 December 2023	<u>3,494</u>	<u>-</u>	<u>-</u>	<u>3,494</u>

7. Financial assets at amortised cost

	Group and Bank	
	2024	2023
	RM'000	RM'000
Unquoted securities		
Corporate bonds	<u>421</u>	<u>427</u>
	421	427
ECL allowance charged	<u>(421)</u>	<u>(427)</u>
	<u>-</u>	<u>-</u>

7. Financial assets at amortised cost (cont'd.)

Movements in the allowance for ECL on financial assets at amortised cost are as follows:

	Stage 1 ECL RM'000	Stage 2 ECL RM'000	Stage 3 ECL RM'000	Total RM'000
Group and Bank				
At 1 January 2024	-	-	427	427
ECL allowance written back	-	-	(6)	(6)
At 31 December 2024	-	-	421	421
Group and Bank				
At 1 January 2023	-	-	469	469
ECL allowance written back	-	-	(42)	(42)
At 31 December 2023	-	-	427	427

8. Loans, advances and financing

	Group and Bank	
	2024	2023
	RM'000	RM'000
At amortised cost		
Overdrafts	34,834	56,479
Term loans:		
- Housing loans	680	879
- Syndicated term loan	67,148	77,804
- Other term loans	687,083	745,921
Revolving credits	1,297,590	1,284,989
Bills receivables	318,777	242,157
Trust receipts	149,180	97,095
Bankers' acceptances	365,915	325,266
Staff loans	240	291
	2,921,447	2,830,881
Unearned interest	(2,230)	(2,143)
Gross loans, advances and financing	2,919,217	2,828,738
Less: Allowance for ECL		
- Stage 1	(26,371)	(25,911)
- Stage 2	(4,481)	(6,285)
- Stage 3	(82,426)	(78,715)
- Management overlay	(73,304)	(71,710)
	(186,582)	(182,621)
Net loans, advances and financing	2,732,635	2,646,117

8. Loans, advances and financing (cont'd.)

(i) The maturity structure of loans, advances and financing are as follows:

	Group and Bank	
	2024	2023
	RM'000	RM'000
Maturing within one year	2,243,995	2,079,734
More than one year to three years	189,469	159,985
More than three years to five years	115,825	206,909
Over five years	369,928	382,110
	<u>2,919,217</u>	<u>2,828,738</u>

(ii) Loans, advances and financing according to economic sectors are as follows:

	Group and Bank	
	2024	2023
	RM'000	RM'000
Primary agriculture	142,549	196,436
Mining and quarrying	7,008	8,050
Manufacturing	859,859	817,418
Electricity, gas and water supply	18,428	23,827
Construction	353,945	337,735
Wholesale and retail trade and restaurants and hotels	180,114	186,100
Transport, storage and communication	172,544	175,790
Finance, insurance, real estate and business activities	1,181,088	1,069,927
Household	3,682	13,455
	<u>2,919,217</u>	<u>2,828,738</u>

8. Loans, advances and financing (cont'd.)

(iii) Loans, advances and financing according to type of customer are as follows:

	Group and Bank	
	2024	2023
	RM'000	RM'000
Domestic non-bank financial institutions	529,099	550,022
Domestic business enterprises		
- Small medium enterprises	211,885	267,663
- Others	2,174,551	1,997,598
Individuals	3,682	13,455
	<u>2,919,217</u>	<u>2,828,738</u>

(iv) Loans, advances and financing according to interest/profit rate sensitivity are as follows:

	Group and Bank	
	2024	2023
	RM'000	RM'000
Fixed rate		
- Other fixed rate loan/financing	46,739	54,789
Variable rate		
- Base lending rate plus	89,920	116,048
- Cost-plus	2,409,634	1,841,640
- Other variable rates	372,924	816,261
	<u>2,919,217</u>	<u>2,828,738</u>

(v) All loans, advances and financing of the Group and the Bank are to customers in Malaysia.

8. Loans, advances and financing (cont'd.)

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

	Group and Bank	
	2024 RM'000	2023 RM'000
At 1 January	91,403	84,696
Classified as impaired during the year	36,665	20,781
Amount recovered during the year	(14,376)	(14,074)
Amount written off during the year	(15,843)	-
At 31 December	97,849	91,403
Allowance for ECL Stage 3	(82,426)	(78,715)
Net impaired loans, advances and financing	15,423	12,688
Ratio of net impaired loans, advances and financing to gross loans, advances and financing less Stage 3 ECL allowance	0.54%	0.46%

Definition of impaired loan is disclosed in Note 2.3(d)(i).

(vii) Movements in the allowance for ECL on loans, advances and financing are as follows:

	Stage 1 ECL RM '000	Stage 2 ECL RM '000	Stage 3 ECL RM '000	Total RM '000
Group and Bank				
At 1 January 2024	25,911	6,285	78,715	110,911
- Management overlay	-	-	-	71,710
	25,911	6,285	78,715	182,621
New loans, advances and financing originated	1,066	-	-	1,066
Loans, advances and financing derecognised (other than write-off)	(1,137)	(952)	(13,903)	(15,992)
Transfer to Stage 1	17	(17)	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	(249)	-	14,499	14,250
Net measurement due to changes in credit risk	763	(835)	18,958	18,886
Amount written off	-	-	(15,843)	(15,843)
Management overlay	-	-	-	1,594
At 31 December 2024	26,371	4,481	82,426	186,582

8. Loans, advances and financing (cont'd.)

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

	Stage 1 ECL RM '000	Stage 2 ECL RM '000	Stage 3 ECL RM '000	Total RM '000
Group and Bank				
At 1 January 2023	26,302	8,332	68,003	102,637
- Management overlay	-	-	-	71,089
	<u>26,302</u>	<u>8,332</u>	<u>68,003</u>	<u>173,726</u>
New loans, advances and financing originated	3,348	-	-	3,348
Loans, advances and financing derecognised (other than write-off)	(1,228)	-	-	(1,228)
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	(73)	73	-	-
Transfer to Stage 3	(131)	-	7,397	7,266
Net measurement due to changes in credit risk	(2,307)	(2,120)	3,315	(1,112)
Management overlay	-	-	-	621
At 31 December 2023	<u>25,911</u>	<u>6,285</u>	<u>78,715</u>	<u>182,621</u>

(viii) Impaired loans, advances and financing according to economic sectors are as follows:

	Group and Bank 2024 RM'000	2023 RM'000
Manufacturing	67,862	65,745
Construction	21,610	1,288
Wholesale and retail trade and restaurants and hotels	7,910	23,862
Household	467	508
	<u>97,849</u>	<u>91,403</u>

9. Other assets

	Group and Bank	
	2024	2023
	RM'000	RM'000
Deposits	811	807
Prepayments	1,735	1,755
Other receivables	3,056	3,446
	<u>5,602</u>	<u>6,008</u>

10. Statutory deposit with Bank Negara Malaysia

The non-interest bearing statutory deposit is maintained with Bank Negara Malaysia in compliance with Section 26(2)(c) and Section 26(3) of the Central Bank of Malaysia Act 2009, the amounts of which are determined as a set percentage of total eligible liabilities of the Bank.

	Group and Bank	
	2024	2023
	RM'000	RM'000
Statutory deposit with Bank Negara Malaysia	38,000	38,000
ECL allowance charged	(109)	(34)
	<u>37,891</u>	<u>37,966</u>

Movements in the allowance for ECL on statutory deposit with Bank Negara Malaysia are as follows:

	Group and Bank	
	2024	2023
	RM'000	RM'000
At 1 January	34	27
ECL allowance charged	75	7
At 31 December	<u>109</u>	<u>34</u>

The movement relates to Stage 1 ECL for statutory deposit with Bank Negara Malaysia. There are no statutory deposit with Bank Negara Malaysia in Stage 2 and 3.

11. Investment in a subsidiary

	Bank	
	2024	2023
	RM'000	RM'000
Unquoted shares, at cost	<u>10</u>	<u>10</u>

Details of the subsidiary, which is incorporated in Malaysia, are as follows:

Name of company	Percentage of equity held		Principal activity
	2024	2023	
	%	%	
BBL Nominees (Tempatan) Sdn Bhd	100	100	Provision of nominee services to local clients of the Bank

12. Property and equipment

Group and Bank

		Freehold land and buildings*	Motor vehicles	Office equipment, furniture and fittings and computer equipment	Work in progress	Total
	Note	RM'000	RM'000	RM'000	RM'000	RM'000
2024						
Cost						
At 1 January 2024		151,421	1,761	24,123	2,244	179,549
Additions		-	-	1,088	1,420	2,508
Reclassification		-	-	2,127	(2,127)	-
Adjustment ^		-	-	-	(648)	(648)
Write off		-	-	(4)	-	(4)
At 31 December 2024		151,421	1,761	27,334	889	181,405
Accumulated depreciation						
At 1 January 2024		40,921	1,718	19,509	-	62,148
Charge for the year	24	2,698	43	1,834	-	4,575
Write off		-	-	(4)	-	(4)
At 31 December 2024		43,619	1,761	21,339	-	66,719
Net carrying amount		107,802	-	5,995	889	114,686
2023						
Cost						
At 1 January 2023		151,406	1,761	21,840	1,539	176,546
Additions		27	-	1,401	1,697	3,125
Reclassification		-	-	991	(991)	-
Adjustment ^		(12)	-	5	(1)	(8)
Write off		-	-	(10)	-	(10)
Disposal		-	-	(104)	-	(104)
At 31 December 2023		151,421	1,761	24,123	2,244	179,549
Accumulated depreciation						
At 1 January 2023		38,225	1,660	17,945	-	57,830
Charge for the year	24	2,698	58	1,661	-	4,417
Adjustment ^		(2)	-	17	-	15
Write-off		-	-	(10)	-	(10)
Disposal		-	-	(104)	-	(104)
At 31 December 2023		40,921	1,718	19,509	-	62,148
Net carrying amount		110,500	43	4,614	2,244	117,401

* Included in the above is freehold land costing RM714,000 (2023: RM714,000)

^ Relates to reversal and accruals for property and equipment

13. Intangible assets

		Group and Bank	
		2024	2023
	Note	RM'000	RM'000
Computer software			
Cost			
At 1 January		4,991	4,991
Additions		-	-
At 31 December		<u>4,991</u>	<u>4,991</u>
Accumulated amortisation			
At 1 January		4,922	4,749
Charge for the year	24	58	173
At 31 December		<u>4,980</u>	<u>4,922</u>
Net carrying amount		<u>11</u>	<u>69</u>

14. Right-of-use assets and lease liabilities

		Group and Bank	
		2024	2023
		RM'000	RM'000
Right-of-use assets			
Cost			
At 1 January		11,478	10,376
Non-cash addition		661	1,102
Termination		(2,586)	-
At 31 December		<u>9,553</u>	<u>11,478</u>
Accumulated amortisation			
At 1 January		5,884	4,505
Charge for the year	24	1,514	1,379
Termination		(2,586)	-
At 31 December		<u>4,812</u>	<u>5,884</u>
Carrying amount			
At 31 December		<u>4,741</u>	<u>5,594</u>

The Group and the Bank lease a number of premises and office equipment with lease term ranges between 1-15 years (2023: 1-15 years), with an option for renewal. The lease assets are utilised to carry out the Bank's operational activities

14. Right-of-use assets and lease liabilities (cont'd)

Lease liabilities

		Group and Bank	
		2024	2023
		RM'000	RM'000
At 1 January		6,050	6,289
Non-cash addition		661	1,102
Accretion of interest expense	21	190	179
Lease payment		(1,500)	(1,520)
At 31 December	18	<u>5,401</u>	<u>6,050</u>

The weighted average discount rate applied ranges from 1.84% to 3.72% (2023: 1.80% to 3.72%) per annum. The Group does not face any significant liquidity risk with regard to its lease liabilities.

The maturity analysis of lease liabilities is presented in Note 33.

15. Deferred tax assets

		Group and Bank	
		2024	2023
		RM'000	RM'000
	Note		
At 1 January		20,853	22,049
Recognised in statements of profit and loss	25	1,045	430
Recognised in equity		(255)	(1,626)
At 31 December		<u>21,643</u>	<u>20,853</u>
Presented after appropriate offsetting as follows:			
Deferred tax assets		23,032	23,866
Deferred tax liabilities		(1,389)	(3,013)
		<u>21,643</u>	<u>20,853</u>

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

15. Deferred tax assets (cont'd)

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

Group and Bank Deferred tax assets

	Stage 1 and 2 ECL allowance	Right-of use assets and lease liabilities	Provision for other liabilities	Deferred Income	FVOCI Reserve	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2023	18,940	101	2,239	431	2,179	23,890
Recognised in statements of profit and loss	351	9	(10)	(90)	-	260
Recognised in equity	-	-	-	-	(1,626)	(1,626)
At 31 December 2023	19,291	110	2,229	341	553	22,524
At 1 January 2024	19,291	110	2,229	341	553	22,524
Recognised in statements of profit and loss	364	49	343	7	-	763
Recognised in equity	-	-	-	-	(255)	(255)
At 31 December 2024	19,655	159	2,572	348	298	23,032

Deferred tax liabilities

	Property and equipment RM'000	Total RM'000
At 1 January 2023	1,841	1,841
Recognised in statements of profit and loss	(170)	(170)
At 31 December 2023	1,671	1,671
At 1 January 2024	1,671	1,671
Recognised in statements of profit and loss	(282)	(282)
At 31 December 2024	1,389	1,389

16. Deposits from customers

(i) By type of deposit

	Group and Bank	
	2024	2023
	RM'000	RM'000
Fixed deposits	1,290,962	1,465,337
Current accounts	342,516	375,391
Savings deposits	6,784	6,614
Short term deposits	413,352	303,996
	<u>2,053,614</u>	<u>2,151,338</u>

(ii) The maturity structure of fixed deposits and short term deposits is as follows:

	Group and Bank	
	2024	2023
	RM'000	RM'000
Due within six months	1,334,502	1,285,853
More than six months to one year	365,825	472,831
More than one year to three years	3,468	9,923
Over three years	519	726
	<u>1,704,314</u>	<u>1,769,333</u>

(iii) The deposits are sourced from the following customers:

	Group and Bank	
	2024	2023
	RM'000	RM'000
Business enterprises	1,306,908	1,351,046
Individuals	402,414	539,536
Others	344,292	260,756
	<u>2,053,614</u>	<u>2,151,338</u>

(iv) All the deposits from customers are unsecured.

17. Deposits and placements from banks and other financial institutions

	Group and Bank	
	2024	2023
	RM'000	RM'000
Licensed banks	443,255	207,640
Other financial institutions	203,930	525,344
	<u>647,185</u>	<u>732,984</u>

Included in deposits and placements are deposits and placements from the holding company and its branches of RM202,714,000 (2023: RM43,614,000) as disclosed in Note 28.

18. Other liabilities

		Group	
		2024	2023
	Note	RM'000	RM'000
Accruals		13,372	14,639
Allowance for ECL on loans, advances and financing commitments and financial guarantees		3,919	19,911
Lease liabilities	14	5,401	6,050
Other payables		17,417	7,327
		<u>40,109</u>	<u>47,927</u>

		Bank	
		2024	2023
		RM'000	RM'000
Accruals		11,080	11,698
Allowance for ECL on loans, advances and financing commitments and financial guarantees		3,919	19,911
Lease liabilities	14	5,401	6,050
Other payables		17,417	7,327
		<u>37,817</u>	<u>44,986</u>

Included in other payables are deferred income of RM1,449,000 (2023: RM1,422,000)

18. Other liabilities (cont'd.)

Movements in the allowance for ECL on loans, advances and financing commitments and financial guarantees are as follows:

	Stage 1 ECL RM '000	Stage 2 ECL RM '000	Stage 3 ECL RM '000	Total RM '000
Group and Bank				
At 1 January 2024	3,804	367	15,740	19,911
New loans, advances and financing commitments, and financial guarantees originated	297	-	-	297
Loans, advances and financing commitments and financial guarantees derecognised	(1,056)	(89)	-	(1,145)
Transfer to Stage 1	5	(5)	-	-
Transfer to Stage 2	-	-	-	-
Transfer to Stage 3	-	-	(14,250)	(14,250)
Net measurement due to changes in credit risk	(886)	(8)	-	(894)
At 31 December 2024	<u>2,164</u>	<u>265</u>	<u>1,490</u>	<u>3,919</u>
	Stage 1 ECL RM '000	Stage 2 ECL RM '000	Stage 3 ECL RM '000	Total RM '000
Group and Bank				
At 1 January 2023	4,484	407	11,368	16,259
New loans, advances and financing commitments, and financial guarantees originated	764	14	-	778
Loans, advances and financing commitments, and financial guarantees derecognised	(272)	(13)	-	(285)
Transfer to Stage 1	-	-	-	-
Transfer to Stage 2	(217)	217	-	-
Transfer to Stage 3	-	-	(7,284)	(7,284)
Net measurement due to changes in credit risk	(955)	(258)	11,656	10,443
At 31 December 2023	<u>3,804</u>	<u>367</u>	<u>15,740</u>	<u>19,911</u>

19. Share capital

	Group and Bank			
	Number of ordinary shares of RM1 each		Amount	
	2024 '000	2023 '000	2024 RM'000	2023 RM'000
Issued and fully paid-up:				
At 1 January/31 December	1,000,000	1,000,000	1,000,000	1,000,000

The holder of ordinary shares is entitled to receive dividends as and when declared by the Bank, after obtaining the regulatory approval from Bank Negara Malaysia prior to the declaration of dividends.

All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Bank's residual assets.

20. Interest income

	Group and Bank	
	2024 RM'000	2023 RM'000
Loans, advances and financing		
- Interest income other than recoveries from impaired loans	147,375	149,964
- Interest income on impaired loans	904	1,298
Deposits and placements with banks and other financial institutions	26,536	16,047
Financial assets at FVOCI	29,356	35,638
	<u>204,171</u>	<u>202,947</u>
Amortisation of premiums, net		
- Financial assets at FVOCI	(2,540)	(3,335)
	<u>201,631</u>	<u>199,612</u>

21. Interest expense

	Note	Group and Bank	
		2024	2023
		RM'000	RM'000
Deposits from customers		84,029	80,559
Deposits and placements from banks and other financial institutions		16,485	15,658
Lease liability expense	14	190	179
		<u>100,704</u>	<u>96,396</u>

22. Allowance for expected credit losses made, net

	Group and Bank			
	2024			
	Stage 1	Stage 2	Stage 3	Total
	RM'000	RM'000	RM'000	RM'000
Allowance for ECL made				
- Financial assets at FVOCI	1,476	-	-	1,476
- Loans, advances and financing	6,661	15	33,458	40,134
- Statutory deposit with Bank Negara Malaysia	75	-	-	75
- Management overlay	-	-	-	1,594
- Commitment and contingencies	822	1	-	823
	<u>9,034</u>	<u>16</u>	<u>33,458</u>	<u>44,102</u>
Allowance for ECL written back				
- Cash and short term funds	(136)	-	-	(136)
- Deposits and placements with banks and other financial institutions	(17)	-	-	(17)
- Financial assets at FVOCI	(1,059)	-	-	(1,059)
- Financial assets at amortised costs	-	-	(6)	(6)
- Loans, advances and financing	(6,201)	(1,819)	(13,904)	(21,924)
- Commitment and contingencies	(2,462)	(103)	(14,250)	(16,815)
	<u>(9,875)</u>	<u>(1,922)</u>	<u>(28,160)</u>	<u>(39,957)</u>
Impaired loans, advances and financing recovered	-	-	(221)	(221)
Total	<u>(841)</u>	<u>(1,906)</u>	<u>5,077</u>	<u>3,924</u>

22. Allowance for expected credit losses made, net

	Group and Bank 2023			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Allowance for ECL made				
- Cash and short term funds	689	-	-	689
- Deposits and placements with banks and other financial institutions	788	-	-	788
- Financial assets at FVOCI	1,942	-	-	1,942
- Loans, advances and financing	8,393	218	20,108	28,719
- Statutory deposit with Bank Negara Malaysia	7	-	-	7
- Management overlay	-	-	-	621
- Commitment and contingencies	2,282	282	11,656	14,220
	<u>14,101</u>	<u>500</u>	<u>31,764</u>	<u>46,986</u>
Allowance for ECL written back				
- Financial assets at FVOCI	(1,154)	-	-	(1,154)
- Financial assets at amortised costs	-	-	(42)	(42)
- Loans, advances and financing	(8,784)	(2,265)	(9,396)	(20,445)
- Commitment and contingencies	(2,962)	(322)	(7,284)	(10,568)
	<u>(12,900)</u>	<u>(2,587)</u>	<u>(16,722)</u>	<u>(32,209)</u>
Impaired loans, advances and financing charged	-	-	(35)	(35)
Total	<u>1,201</u>	<u>(2,087)</u>	<u>15,007</u>	<u>14,742</u>

23. Non-interest income

	Group		Bank	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Fee income				
Commission	3,182	3,680	3,138	3,656
Service charges and fees	1,228	1,092	1,228	1,092
Guarantee fees	1,658	2,158	1,658	2,158
	<u>6,068</u>	<u>6,930</u>	<u>6,024</u>	<u>6,906</u>
Investment income				
Dividend from financial assets measured at FVOCI	199	390	199	390
Gain from redemption of financial assets at FVOCI	858	-	858	-
	<u>1,057</u>	<u>390</u>	<u>1,057</u>	<u>390</u>
Other income				
Foreign exchange gain	5,427	4,664	5,427	4,664
Unrealised (loss)/gain on foreign exchange forwards	(934)	1,034	(934)	1,034
Rental income	1,049	808	1,049	808
Gain on disposal of property and equipment	-	5	-	5
Others	9	12	9	12
	<u>5,551</u>	<u>6,523</u>	<u>5,551</u>	<u>6,523</u>
Total	<u>12,676</u>	<u>13,843</u>	<u>12,632</u>	<u>13,819</u>

24. Overhead expenses

		Group		Bank	
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Personnel costs					
Salaries, allowances and bonuses *		39,880	34,652	39,880	34,652
Employees Provident Fund		5,757	5,023	5,757	5,023
Others		2,857	2,520	2,857	2,520
		<u>48,494</u>	<u>42,195</u>	<u>48,494</u>	<u>42,195</u>
Establishment costs					
Depreciation of property and equipment	12	4,576	4,433	4,576	4,433
Amortisation of intangible assets	13	58	173	58	173
Depreciation of right-of-use assets	14	1,514	1,379	1,514	1,379
Repair and maintenance		2,794	2,534	2,794	2,534
Information technology expenses		1,915	1,905	1,915	1,905
Others		1,744	2,951	1,744	2,951
		<u>12,601</u>	<u>13,375</u>	<u>12,601</u>	<u>13,375</u>
Marketing costs					
Advertising and publicity		130	74	130	74
Others		130	95	130	95
		<u>260</u>	<u>169</u>	<u>260</u>	<u>169</u>
Administration and general costs					
Communication expenses		1,112	1,076	1,112	1,076
Subscriptions		2,699	2,173	2,699	2,173
Professional fees		475	597	473	596
Auditors' remuneration		350	394	348	392
Directors' fees and remuneration	29	1,670	1,276	1,670	1,276
Insurance		165	391	165	391
Travelling		404	366	404	366
Others		2,371	923	2,371	923
		<u>9,246</u>	<u>7,196</u>	<u>9,242</u>	<u>7,193</u>
Total		<u>70,601</u>	<u>62,935</u>	<u>70,597</u>	<u>62,932</u>

24. Overhead expenses (cont'd.)

The above expenses include the following statutory disclosures:

		Group		Bank	
	Note	2024	2023	2024	2023
		RM'000	RM'000	RM'000	RM'000
Directors' fee and remuneration	29	1,670	1,276	1,670	1,276
Hire of equipment		96	104	96	104
Auditors' remuneration					
- Statutory audit		242	222	240	220
- Other regulated related services		80	150	80	150
- Other services		28	22	28	22

* The salaries, allowances and bonuses include overtime and benefits-in-kind.

25. Taxation

		Group		Bank	
	Note	2024	2023	2024	2023
		RM'000	RM'000	RM'000	RM'000
Income tax:					
Current year		10,455	12,450	10,445	12,445
Over provision in prior years		(1,759)	(1,803)	(1,759)	(1,803)
		8,696	10,647	8,686	10,642
Deferred tax:					
Relating to origination and reversal of temporary differences	15	(1,045)	(430)	(1,045)	(430)
Tax expense		7,651	10,217	7,641	10,212

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

25. Taxation (cont'd.)

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

	Group		Bank	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Profit before taxation	39,078	39,382	39,038	39,361
Taxation at Malaysian statutory tax rate of 24% (2023: 24%)	9,379	9,452	9,369	9,447
Effect of expenses not deductible for tax purposes	79	2,662	79	2,662
Income not subject to tax	(48)	(94)	(48)	(94)
Over provision of income tax in prior years	(1,759)	(1,803)	(1,759)	(1,803)
Tax expense for the year	7,651	10,217	7,641	10,212

26. Earnings per share

Basic earnings per share of the Group is calculated by dividing the profit for the financial year attributable to shareholder for the financial year by the weighted average number of ordinary shares in issue during the financial year as follows:

	Group	
	2024	2023
Profit for the year ("RM'000")	31,427	29,165
Weighted average number of ordinary shares in issue ("'000")	1,000,000	1,000,000
Basic earnings per share (sen)	3.14	2.92

There is no dilutive potential in the ordinary shares as at 31 December 2024 and 31 December 2023.

27. Commitments and contingencies

In the normal course of business, the Group and the Bank make various commitments and incur certain contingent liabilities with legal recourse to its customers. No material losses are anticipated as a result of these transactions.

The Group and Bank do not enter into over-the-counter ("OTC") derivative transactions, repo-style transactions and credit derivative contracts booked in its trading and banking books other than the involvement in derivatives restricted to foreign forward exchange contracts. The policies of market risk management in respect of foreign exchange risk are disclosed in Note 33(b).

27. Commitments and contingencies (cont'd.)

Risk-weighted exposures of the Group and of the Bank as at the reporting date are as below:

Group and Bank	Principal Amount RM'000	Positive Fair Value of Derivative Contracts RM'000	Credit Equivalent Amount RM'000	Risk Weighted Amount RM'000
31 December 2024				
Direct credit substitutes	6,457	-	6,457	2,252
Transaction-related contingent items	222,664	-	110,587	107,902
Short-term self-liquidating trade-related contingencies	30,631	-	6,126	6,126
Forward foreign exchange contracts				
- less than one year	101,815	246	1,188	828
Other commitments, such as formal standby facilities and credit lines, with an original				
- maturity more than one year	54,665	-	27,333	27,333
- maturity less than one year	1,507,535	-	301,507	291,276
Any commitment that are unconditionally cancelled at any time without prior notice	1,489	-	-	-
Total	1,925,256	246	453,198	435,717
31 December 2023				
Direct credit substitutes	55,495	-	55,495	53,164
Transaction-related contingent items	235,584	-	109,922	107,326
Short-term self-liquidating trade-related contingencies	14,409	-	2,882	2,882
Forward foreign exchange contracts				
- less than one year	238,495	1,860	2,791	2,108
Other commitments, such as formal standby facilities and credit lines, with an original				
- maturity more than one year	35,771	-	17,885	17,885
- maturity less than one year	2,146,411	-	429,282	425,805
Any commitment that are unconditionally cancelled at any time without prior notice	803	-	-	-
Total	2,726,968	1,860	618,257	609,170

The credit equivalent amount and risk-weighted amount are arrived at using the credit conversion factors as defined in Bank Negara Malaysia's revised Risk Weighted Capital Adequacy Framework: Standardised Approach (Basel II).

28. Significant related party transactions and balances

For the purposes of the financial statements, parties are considered to be related if one party has the ability to control or jointly control the other party or exercise significant influence over the other party in making financial or operating decisions, or if one other party controls both or exercises significant influence over both.

Related parties of the Group and Bank consists of ultimate holding company, subsidiary, subsidiary of ultimate holding company and key management personnel.

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly. The key management personnel include all directors of the Bank, the Chief Executive Officer ("CEO") and Deputy CEO.

Key management personnel compensation is disclosed in Note 28 (iii).

(i) Related party balances

	Group		Bank	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Cash and short-term funds				
Ultimate Holding Company				
Bangkok Bank Public				
Company Limited and its				
branches	9,683	14,109	9,683	14,109
Subsidiary				
BBL Nominees (Tempatan)				
Sdn Bhd	-	-	2,474	3,092
Subsidiary of Bangkok Bank				
Public Company Limited				
PT Bank Permata TBK	54	52	54	52
Deposits from Customers				
Key management personnel**	8,095	2,088	8,095	2,088
Deposits and placements				
from banks and other				
financial institutions				
Ultimate Holding Company				
Bangkok Bank Public				
Company Limited and its				
branches	202,714	43,614	202,714	43,614

** Includes companies in which certain key management personnel have substantial interest

28. Significant related party transactions and balances (cont'd)

(i) Related party balances (cont'd)

	Group		Bank	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Commitments				
Ultimate Holding Company				
Bangkok Bank Public				
Company Limited	454,208	463,665	454,208	463,665
Subsidiary of Bangkok Bank				
Public Company Limited				
PT Bank Permata TBK	831	-	831	-

(ii) Related party transactions

Interest Income

Ultimate Holding Company				
Bangkok Bank Public				
Company Limited and its				
branches	448	786	448	786

Interest Expense

Ultimate Holding Company				
Bangkok Bank Public				
Company Limited and its				
branches	5,705	4,964	5,705	4,964

Key management personnel**	323	99	323	99
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Administrative Expenses

Ultimate Holding Company				
Bangkok Bank Public				
Company Limited and its				
branches	955	1,075	955	1,075

** Includes companies in which certain key management personnel have substantial interest

(iii) Key management personnel compensation

	Group and Bank	
	2024	2023
	RM'000	RM'000
Directors, CEO and Deputy CEO		
Fees	1,670	1,276
Remuneration*	2,579	2,471
Benefits-in-kind	292	248
	4,541	3,995

* Includes estimate for bonus and defined contribution plan

29. Directors' fees and remuneration

The total remuneration (including benefits-in-kind) of the directors of the Bank are as follows:

Group and Bank

	Salary RM'000	Fees RM'000	Bonus RM'000	Other emoluments RM'000	Benefits-in- kind RM'000	Total remuneration RM'000
2024						
Executive Directors:						
Ms. Rushda Theeratharathorn	-	180	-	-	-	180
Mr. Chaiyarit Anuchitworawong	-	180	-	-	-	180
	-	360	-	-	-	360
Independent Directors:						
Mr. Banlue Chantadisai	-	216	-	-	-	216
Mr. Bordin Unakul	-	180	-	-	-	180
Mr. Por Peng Seong	-	180	-	-	-	180
Ms. Leong Sow Yoke	-	180	-	-	-	180
Mr. Chew Boon Keong	-	180	-	-	-	180
	-	936	-	-	-	936
Non-independent Directors:						
Y.A.M. Tunku Ali Redhauddin Ibni Tuanku Muhriz	-	194	-	-	-	194
Mr. Chris Chia Woon Liat	-	180	-	-	-	180
	-	374	-	-	-	374
Total directors' remuneration	-	1,670	-	-	-	1,670

29. Directors' fees and remuneration (cont'd.)

The total remuneration (including benefits-in-kind) of the directors of the Bank are as follows (cont'd.):

Group and Bank

	Salary	Fees	Bonus	Other	Benefits-in-kind	Total
	RM'000	RM'000	RM'000	emoluments* RM'000	RM'000	remuneration RM'000
2023						
Executive Directors:						
Ms. Rushda Theeratharathorn	-	96	-	9	-	105
Mr. Chaiyarit Anuchitworawong	-	96	-	14	-	110
	-	192	-	23	-	215
Independent Directors:						
Mr. Banlue Chantadisai	-	144	-	17	-	161
Mr. Bordin Unakul	-	120	-	29	-	149
Mr. Por Peng Seong	-	120	-	35	-	155
Ms. Leong Sow Yoke	-	120	-	36	-	156
Mr. Chew Boon Keong	-	120	-	31	-	151
	-	624	-	148	-	772
Non-independent Directors:						
Y.A.M. Tunku Ali Redhaudin Ibni Tuanku Muhriz	-	127	-	22	-	149
Mr. Chris Chia Woon Liat	-	120	-	20	-	140
	-	247	-	42	-	289
Total directors' remuneration	-	1,063	-	213	-	1,276

* Includes allowances and EPF

30. Credit exposures to connected parties

The credit exposures of the Bank to connected parties, as defined in Bank Negara Malaysia's "Guidelines on Credit Transactions and Exposures with Connected Parties" are as follows:

Group and Bank

	Group and Bank	
	2024	2023
	RM'000	RM'000
Outstanding Credit exposures with connected parties	11,489	8,565
Total credit exposures	2,923,545	2,841,273
Total exposure to connected parties as % of total outstanding credit exposures	0.39%	0.30%

There are currently no exposures to connected parties which are classified as impaired.

31. Capital management

The objective of the Group's and the Bank's capital management policy is to maintain an adequate level of capital to support business growth strategies under an acceptable risk framework, and to meet its regulatory requirements and market expectations.

The Group's and the Bank's capital management process involves a careful analysis of the capital requirement to support business growth, including potential crisis scenarios, and the source of capital, both from financial performance as well as external funding sources, if necessary. The Group and the Bank regularly assess their capital adequacy under various scenarios on a forward looking perspective for the purpose of capital planning and management to ensure that the capital is at the level suitable for the prevailing business conditions.

The Bank's capital requirements and capital adequacy ratios are disclosed in Note 32.

32. Capital adequacy

- (a) The capital adequacy ratios of the Bank are computed in accordance with BNM's revised Capital Adequacy Frameworks on Capital Components and Basel II - Risk-weighted Assets issued on 2 February 2018. The minimum regulatory capital adequacy ratios before including capital conservation buffer and countercyclical capital buffer ("CCyB") for Common Equity Tier 1 ("CET 1") Capital Ratio, Tier 1 Capital Ratio and Total Capital Ratio are 4.5%, 6.0% and 8.0% respectively.

The total risk-weighted assets of the Bank are computed based on the following approaches:

- (i) Standardised Approach for Credit Risk;
- (ii) Standardised Approach for Market Risk;
- (iii) Basic Indicator Approach for Operational Risk.

For the purpose of consolidation for financial reporting, the Group comprised the consolidated results of Bank and its wholly-owned subsidiary, BBL Nominees (Tempatan) Sdn. Bhd. (Note 11), which is not involved in banking operations. The subsidiary is fully consolidated in the Group's financial statements.

As the Bank's subsidiary is not involved in banking operations and is of an immaterial size relative to the Bank, the Group does not prepare and submit separate Group's capital adequacy ratios for the purpose of consolidation for regulatory reporting.

- (b) Banking institutions are also required to maintain a capital conservation buffer of 2.5% and a CCyB above the minimum regulatory capital adequacy ratios.

A CcyB is required to be maintained if this buffer is applied by regulators in countries which the Bank have exposures to, determined based on the weighted average of prevailing CCyB rates applied in those jurisdictions.

32. Capital adequacy (cont'd.)

(c) The capital adequacy ratios of the Bank as at the reporting date, are as follows:

	2024	2023
CET 1 Capital Ratio	36.34%	34.53%
Tier 1 Capital Ratio	36.34%	34.53%
Total Capital Ratio	37.52%	35.71%

(d) The components of Common Equity Tier 1 and Tier 2 capital of the Bank are as follows:

	2024 RM'000	2023 RM'000
CET 1 Capital		
Paid-up share capital	1,000,000	1,000,000
Unrealised gain on financial assets at FVOCI	31,724	29,254
Retained profits	377,637	346,240
Less: Regulatory adjustments, applied on CET1 Capital:		
- Other intangibles	(11)	(69)
- Deferred tax assets	(21,643)	(20,853)
- 55% of unrealised gain on financial assets at FVOCI	(17,448)	(16,090)
Total CET 1 Capital	1,370,259	1,338,482
Tier 2 Capital		
Stage 1 and Stage 2 ECL*	44,412	45,733
Less: Investment in subsidiary	(10)	(10)
Total Tier 2 Capital	44,402	45,723
Total capital		
CET 1 Capital	1,370,259	1,338,482
Tier 2 Capital	44,402	45,723
Total Capital	1,414,661	1,384,205

*General provisions are subject to a maximum of 1.25% of the total credit RWA determined under the Standardised Approach for credit risk.

Terms and conditions of the main features of all capital instruments are disclosed in the respective notes. The Bank does not have any innovative, non-innovative, complex or hybrid capital instruments.

32. Capital adequacy (cont'd.)

(e) The breakdown of risk-weighted assets (excluding deferred tax assets) of the Bank in the various categories of risk-weights are as follows:

	Principal 2024 RM'000	Risk- weighted assets 2024 RM'000	Principal 2023 RM'000	Risk- Weighted assets 2023 RM'000
0%	693,044	-	685,227	-
20%	420,995	84,199	715,109	143,022
35%	403	141	491	172
50%	124,371	62,186	84,024	42,012
75%	1,863	1,397	3,170	2,378
100%	3,405,005	3,405,005	3,471,096	3,471,096
Total risk-weighted assets for credit risk		3,552,928		3,658,680
Total risk-weighted assets for market risk		3,885		12,008
Total risk-weighted assets for operational risk		213,481		205,079
Total risk-weighted assets		<u>3,770,294</u>		<u>3,875,767</u>

33. Financial risk management objectives, policies, and processes

Risk management is one of the critical success factors in banking and is an essential element of the Group's and the Bank's overall business strategy.

The Board of Directors recognises that a critical factor in the Group's and the Bank's continued survival, profitability and success depend on the effectiveness of its risk management capabilities and risk return management. Therefore, the Group's and the Bank's financial risk management policies seek to ensure that adequate financial resources are available for the development of the Group's and the Bank's business whilst managing its foreign exchange, interest rate, credit and liquidity risks. The Group and the Bank operate within clearly defined guidelines that were approved by the Board.

Malaysia's business environment improved in 2024 but continued to face challenges from relatively higher interest rates, high input and operating costs, as well as ringgit volatility. Geopolitical tension globally continued to be a concern. The Group and the Bank have continuously tracked and updated macro-economic parameters for different cases of stress scenarios. Accounts considered to be potentially vulnerable to the factors above are emplaced under the vulnerable accounts listing for stress testing purposes.

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

Overall, based on risk assessments, capital planning and stress testing conducted, the Total Capital Ratio ("TCR") is above the BNM's regulatory requirement of 10.5% and minimum TCR under stress test. There will be no material change in the capital structure and the Group and the Bank remain focused in pursuit of prudent credit risk management while upholding sound risk management practices.

Major areas of the Group's and the Bank's risk management are as follows:

(a) Credit risk management

Credit risk is the potential loss of revenue and principal losses in the form of impairment as a result of partial or total default of a loan by the borrower. As such, management of credit risk is not only vital in protecting the Group's asset quality but also to sustain profits. Various credit committees are set up to supervise credit activities and management of credit risks.

The Group's and the Bank's credit risk grading system is used to grade the quality of all commercial and business loans. A key objective of the rating system is to track the movement of the Group's and the Bank's credit risk profile and to assist in the early detection of weak borrowers to commence early rehabilitation and to prevent the emergence of new impaired loans.

An effective preventive measure to identify and manage emerging problem loans is the independent review of performing loans by a special unit. This review is carried out with the prime objective of implementing prompt and pre-emptive measures on loans where credit risks have increased.

For corrective measures, loans which are three months in arrears and above would be under the purview of the Loan Rehabilitation Committee. This committee meets monthly to direct efforts towards effective collection, restructuring and rehabilitation of delinquent loans to minimise and recover impaired loans expeditiously.

It is not the policy of the Group and the Bank to use credit derivatives as part of their credit risk management.

(i) Credit quality of gross loans, advances and financing

Gross loans, advances and financing are analysed as follows:

	2024	2023
Group and Bank	RM'000	RM'000
Neither past due nor impaired	2,810,479	2,714,870
Past due but not impaired	10,889	22,465
Impaired	97,849	91,403
	<u>2,919,217</u>	<u>2,828,738</u>

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

(a) Credit risk management (cont'd.)

(i) Credit quality of gross loans, advances and financing (cont'd.)

Neither past due nor impaired

Gross loans, advances and financing which are neither past due nor impaired are classified as "PASS" internally. Facilities with "PASS" classification refers to loans, advances and financing which have no past due or no overdue in the principal or interest for a period of less than one (1) month.

Past due but not impaired

Past due but not impaired refers to loans where the customer has failed to make a principal or interest payment when contractually due, and includes loans, advances and financing which are due more than one month but less than (3) months.

(ii) Ageing analysis of past due but not impaired assets

	Months in arrears		Total
	1 to 2 months	2 to 3 months	
Group and Bank	RM'000	RM'000	RM'000
2024			
Corporate loans/financing	10,889	-	10,889
2023			
Corporate loans/financing	22,465	-	22,465

Impaired

The definition of impaired loans, advances and financing is described in Note 2.3(d)(i).

(iii) Collateral

Effects of holding collateral

The credit risk of financial assets of the Group and the Bank is mitigated by the collaterals held against the financial assets.

All impaired loans, advances and financing are subject to individual assessment impairment review as at the current and previous financial year end. The collateral mitigates credit risk and would reduce the extent of impairment allowance for the assets subject to impairment review.

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

(a) Credit risk management (cont'd.)

(iii) Collateral (cont'd.)

Effects of holding collateral (cont'd.)

For loan, advances and financing, Stage 3 ECL allowance as at the reporting date would have been higher by approximately RM15,430,000 (2023: RM12,690,000) for the Group and the Bank without the collaterals.

Reposessed collateral

For the financial years ended 31 December 2024 and 2023, there were no reposessed collaterals.

(iv) Credit risk exposure and concentration

The Bank's concentration of risk is managed by industry sector, risk grade asset quality and large customer limit. The Bank monitors the large exposures to single counterparty risk as per BNM Single Counterparty Exposure Limit.

The following tables shows the exposures to credit risk from financial instruments including derivatives by industry.

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

(a) Credit risk management (cont'd.)

(v) Industry analysis

As at 31 December 2024	Government and central bank RM'000	Primary Agriculture RM'000	Mining and Quarrying RM'000	Manufacturing RM'000	Electricity, gas and water supply RM'000	Construction RM'000	Wholesale & Retails RM'000	Finance, Insurance, Real Estate & Business Services RM'000	Transport, Storage & Telecomm RM'000	Others RM'000	Total RM'000
Group											
Cash and short-term funds	14,794	-	-	-	-	-	-	143,416	-	-	158,210
Deposits and placements with banks and other financial institutions	-	-	-	-	-	-	-	124,325	-	-	124,325
Financial assets at fair value through other comprehensive income	637,058	-	-	-	-	-	-	296,646	-	-	933,704
Loans, advances and financing less ECL	-	142,549	7,008	859,859	18,428	353,945	180,114	1,181,088	172,544	3,682	2,919,217
Derivative assets	-	-	-	145	-	-	56	45	-	-	246
Statutory deposit with Bank Negara Malaysia	37,891	-	-	-	-	-	-	-	-	-	37,891
Other assets*	-	-	-	-	-	-	-	-	-	3,867	3,867
Commitments											
Commitments and Contingencies	-	125,221	800	730,844	500	437,210	360,694	246,363	12,516	11,108	1,925,256
Bank											
Cash and short-term funds	14,794	-	-	-	-	-	-	140,942	-	-	155,736
Deposits and placements with banks and other financial institutions	-	-	-	-	-	-	-	124,325	-	-	124,325
Financial assets at fair value through other comprehensive income	637,058	-	-	-	-	-	-	296,646	-	-	933,704
Loans, advances and financing less ECL	-	142,549	7,008	859,859	18,428	353,945	180,114	1,181,088	172,544	3,682	2,919,217
Derivative assets	-	-	-	145	-	-	56	45	-	-	246
Statutory deposit with Bank Negara Malaysia	37,891	-	-	-	-	-	-	-	-	-	37,891
Other assets*	-	-	-	-	-	-	-	-	-	3,867	3,867
Commitments											
Commitments and Contingencies	-	125,221	800	730,844	500	437,210	360,694	246,363	12,516	11,108	1,925,256

* Excluded non-financial assets

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

(a) Credit risk management (cont'd.)

(v) Industry analysis

As at 31 December 2023	Government and central bank RM'000	Primary Agriculture RM'000	Mining and Quarrying RM'000	Manufacturing RM'000	Electricity, gas and water supply RM'000	Construction RM'000	Wholesale & Retails RM'000	Finance, Insurance, Real Estate & Business Services RM'000	Transport, Storage & Telecomm RM'000	Others RM'000	Total RM'000
Group											
Cash and short-term funds	158,629	-	-	-	-	-	-	421,501	-	-	580,130
Deposits and placements with banks and other financial institutions	-	-	-	-	-	-	-	99,412	-	-	99,412
Financial assets at fair value through other comprehensive income	482,559	-	-	-	-	-	-	300,614	-	-	783,173
Loans, advances and financing less ECL	-	196,436	8,050	817,418	23,827	337,735	186,100	1,069,927	175,790	13,455	2,828,738
Derivative assets	-	-	-	526	-	-	550	784	-	-	(182,621)
Statutory deposit with Bank Negara Malaysia	37,966	-	-	-	-	-	-	-	-	-	1,860
Other assets*	-	-	-	-	-	-	-	-	-	4,253	37,966
Commitments											
Commitments and Contingencies	-	95,044	800	1,085,993	1,750	530,034	472,636	523,671	10,367	6,673	2,726,968
Bank											
Cash and short-term funds	158,629	-	-	-	-	-	-	418,409	-	-	577,038
Deposits and placements with banks and other financial institutions	-	-	-	-	-	-	-	99,412	-	-	99,412
Financial assets at fair value through other comprehensive income	482,559	-	-	-	-	-	-	300,614	-	-	-
Loans, advances and financing less ECL	-	196,436	8,050	817,418	23,827	337,735	186,100	1,069,927	175,790	13,455	783,173
Derivative assets	-	-	-	526	-	-	550	784	-	-	(182,621)
Statutory deposit with Bank Negara Malaysia	37,966	-	-	-	-	-	-	-	-	-	1,860
Other assets*	-	-	-	-	-	-	-	-	-	4,253	37,966
Commitments											
Commitments and Contingencies	-	95,044	800	1,085,993	1,750	530,034	472,636	523,671	10,367	6,673	2,726,968

* Excluded non-financial assets

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

(b) Market risk management

Market risk is the risk of loss arising from movement in the level of market prices or rates, the two key components being foreign currency exchange risk and interest rate risk. Another risk area would be liquidity risk which arise from the Bank's failure to meet financial obligations when they fall due.

In order to manage risk in investment holding, the Group and the Bank mark-to-market their investment positions and make comparisons against predetermined market risk limits. The market risk limits are set taking into consideration the risk appetite of the Group and of the Bank, which have traditionally been prudent.

(i) Foreign exchange risk management

Foreign currency exchange risk arises from exchange rate movements, which may affect the profit of the Group and of the Bank from their foreign exchange open positions taken from time to time. This risk is principally managed by setting predetermined limits on open foreign exchange positions and the setting and monitoring of cut-loss mechanisms. The Group and the Bank enter into foreign exchange related derivatives, namely spot and forward contracts, as part of its strategies to manage foreign currency risk.

The following table shows the sensitivity of the Group's and Bank's profit before taxation to a possible change in exchange rates with all other variables remaining constant.

	2024			2023		
	Currency Exposures RM '000	Exchange Rate		Currency Exposures RM '000	Exchange Rate	
		+10% RM '000	-10% RM '000		+10% RM '000	-10% RM '000
Currency Group and Bank						
USD	43	4	(4)	5,181	518	(518)
GBP	825	83	(83)	1,034	103	(103)
SGD	12	1	(1)	11	1	(1)
THB	117	12	(12)	79	8	(8)
Others	668	67	(67)	1,694	169	(169)

(ii) Interest rate risk management

Interest rate risk refers to the volatility in net interest income as a result of changes in the levels of interest rates and shifts in the composition of the assets and liability. The Group's and the Bank's Asset and Liabilities Management Committee regularly reviews the interest rate outlook, assesses the vulnerability of net interest income and develops strategies to mitigate interest rate risk.

The Group and the Bank are exposed to various risks associated with the effects of fluctuations in the prevailing levels of market interest rates on their financial positions and cash flows. The following table indicates the effective interest rates at the reporting date and the periods in which the financial instruments reprice or mature, whichever is earlier.

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

(b) Market risk management (cont'd.)

(ii) Interest rate risk management (cont'd.)

	Non-trading book							
Group	Up to 1 month RM'000	> 1-3 months RM'000	> 3-12 months RM'000	1-5 years RM'000	Non- interest sensitive RM'000	Trading book RM'000	Total RM'000	Effective interest rate %
As at 31 December 2024								
Assets								
Cash and short-term funds	118,713	-	-	-	39,497	-	158,210	3.40
Deposits and placements with banks and other financial institutions	-	124,325	-	-	-	-	124,325	4.15
Financial assets at fair value through other comprehensive income	-	50,647	212,276	640,751	30,030	-	933,704	3.88
Loans, advances and financing								
- non-impaired *	2,717,212	-	-	-	-	-	2,717,212	5.67
- impaired **	2,892	-	-	-	12,531	-	15,423	
Other assets	-	-	-	-	3,867	-	3,867	
Other non-interest sensitive balances	-	-	-	-	197,617	246	197,863	
Total assets	2,838,817	174,972	212,276	640,751	283,542	246	4,150,604	

* This is arrived at after deducting the Stage 1 and Stage 2 ECL from gross loans outstanding.

** This is arrived at after deducting the Stage 3 ECL from impaired gross loans outstanding.

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

(b) Market risk management (cont'd.)

(ii) Interest rate risk management (cont'd.)

Group	Non-trading book					Trading book RM'000	Total RM'000	Effective interest rate %
	Up to 1 month RM'000	> 1-3 months RM'000	> 3-12 months RM'000	1-5 years RM'000	Non- interest sensitive RM'000			
As at 31 December 2024								
Liabilities								
Deposits from customers	959,712	429,094	660,821	3,987	-	-	2,053,614	3.35
Deposits and placements from banks and other financial institutions	365,344	250,097	31,744	-	-	-	647,185	5.30
Other liabilities	-	-	-	-	29,340	-	29,340	
Other non-interest sensitive balances	-	-	-	-	10,769	147	10,916	
Total liabilities	1,325,056	679,191	692,565	3,987	40,109	147	2,741,055	
Shareholder's equity	-	-	-	-	1,409,549	-	1,409,549	
Total liabilities and shareholder's equity	1,325,056	679,191	692,565	3,987	1,449,658	147	4,150,604	
On-balance sheet interest sensitivity gap representing total interest sensitivity gap								
	1,513,761	(504,219)	(480,289)	636,764	(1,166,116)	99	-	

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

(b) Market risk management (cont'd.)

(ii) Interest rate risk management (cont'd.)

Group	Non-trading book					Non- interest sensitive RM'000	Trading book RM'000	Total RM'000	Effective interest rate %
	Up to 1 month RM'000	> 1-3 months RM'000	> 3-12 months RM'000	1-5 years RM'000					
As at 31 December 2023									
Assets									
Cash and short-term funds	533,215	-	-	-	46,915	-	580,130	3.30	
Deposits and placements with banks and other financial institutions	-	99,412	-	-	-	-	99,412	3.68	
Financial assets at fair value through other comprehensive income	4,707	15,152	111,467	623,066	28,781	-	783,173	3.83	
Loans, advances and financing - non-impaired *	2,633,429	-	-	-	-	-	2,633,429	5.80	
- impaired **	157	-	-	-	12,531	-	12,688		
Other assets	-	-	-	-	4,253	-	4,253		
Other non-interest sensitive balances	-	-	-	-	193,782	1,860	195,642		
Total assets	3,171,508	114,564	111,467	623,066	286,262	1,860	4,308,727		

* This is arrived at after deducting the Stage 1 and Stage 2 ECL from gross loans outstanding.

** This is arrived at after deducting the Stage 3 ECL from impaired gross loans outstanding.

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

(b) Market risk management (cont'd.)

(ii) Interest rate risk management (cont'd.)

Group	Non-trading book					Non-interest sensitive RM'000	Trading book RM'000	Total RM'000	Effective interest rate %
	Up to 1 month RM'000	> 1-3 months RM'000	> 3-12 months RM'000	1-5 years RM'000					
As at 31 December 2023									
Liabilities									
Deposits from customers	1,004,701	402,497	733,492	10,648	-	-	2,151,338	3.30	
Deposits and placements from banks and other financial institutions	218,022	433,656	81,306	-	-	-	732,984	5.28	
Other liabilities	-	-	-	-	20,544	-	20,544		
Other non-interest sensitive balances	-	-	-	-	27,383	826	28,209		
Total liabilities	1,222,723	836,153	814,798	10,648	47,927	826	2,933,075		
Shareholder's equity	-	-	-	-	1,375,652	-	1,375,652		
Total liabilities and shareholder's equity	1,222,723	836,153	814,798	10,648	1,423,579	826	4,308,727		
On-balance sheet interest sensitivity gap representing total interest sensitivity gap									
	1,948,785	(721,589)	(703,331)	612,418	(1,137,317)	1,034	-		

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

(b) Market risk management (cont'd.)

(ii) Interest rate risk management (cont'd.)

	Non-trading book							
Bank	Up to 1 month RM'000	> 1-3 months RM'000	> 3-12 months RM'000	1-5 years RM'000	Non-interest sensitive RM'000	Trading book RM'000	Total RM'000	Effective interest rate %
As at 31 December 2024								
Assets								
Cash and short-term funds	116,239	-	-	-	39,497	-	155,736	3.40
Deposits and placements with banks and other financial institutions	-	124,325	-	-	-	-	124,325	4.15
Financial assets at fair value through other comprehensive income	-	50,647	212,276	640,751	30,030	-	933,704	3.88
Loans, advances and financing								
- non-impaired *	2,717,212	-	-	-	-	-	2,717,212	5.67
- impaired **	2,892	-	-	-	12,531	-	15,423	
Other assets	-	-	-	-	3,867	-	3,867	
Other non-interest sensitive balances	-	-	-	-	197,611	246	197,857	
Total assets	2,836,343	174,972	212,276	640,751	283,536	246	4,148,124	

* This is arrived at after deducting the Stage 1 and Stage 2 ECL from gross loans outstanding.

** This is arrived at after deducting the Stage 3 ECL from impaired gross loans outstanding.

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

(b) Market risk management (cont'd.)

(ii) Interest rate risk management (cont'd.)

	Non-trading book							
Bank	Up to 1 month RM'000	> 1-3 months RM'000	> 3-12 months RM'000	1-5 years RM'000	Non- interest sensitive RM'000	Trading book RM'000	Total RM'000	Effective interest rate %
As at 31 December 2024								
Liabilities								
Deposits from customers	959,712	429,094	660,821	3,987	-	-	2,053,614	3.35
Deposits and placements from banks and other financial institutions	365,344	250,097	31,744	-	-	-	647,185	5.30
Other liabilities	-	-	-	-	27,048	-	27,048	
Other non-interest sensitive balances	-	-	-	-	10,769	147	10,916	
Total liabilities	1,325,056	679,191	692,565	3,987	37,817	147	2,738,763	
Shareholder's equity	-	-	-	-	1,409,361	-	1,409,361	
Total liabilities and shareholder's equity	1,325,056	679,191	692,565	3,987	1,447,178	147	4,148,124	
On-balance sheet interest sensitivity gap representing total interest sensitivity gap								
	1,511,287	(504,219)	(480,289)	636,764	(1,163,642)	99	-	

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

(b) Market risk management (cont'd.)

(ii) Interest rate risk management (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	Non- interest sensitive RM'000	Trading book RM'000	Total RM'000	Effective interest rate %
Bank								
As at 31 December 2023								
Assets								
Cash and short-term funds	530,123	-	-	-	46,915	-	577,038	3.30
Deposits and placements with banks and other financial institutions	-	99,412	-	-	-	-	99,412	3.68
Financial assets at fair value through other comprehensive income	4,707	15,152	111,467	623,066	28,781	-	783,173	3.83
Loans, advances and financing								
- non-impaired *	2,633,429	-	-	-	-	-	2,633,429	5.80
- impaired **	157	-	-	-	12,531	-	12,688	
Other assets	-	-	-	-	4,253	-	4,253	
Other non-interest sensitive balances	-	-	-	-	193,775	1,860	195,635	
Total assets	3,168,416	114,564	111,467	623,066	286,255	1,860	4,305,628	

* This is arrived at after deducting the Stage 1 and Stage 2 ECL from gross loans outstanding.

** This is arrived at after deducting the Stage 3 ECL from impaired gross loans outstanding.

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

(b) Market risk management (cont'd.)

(ii) Interest rate risk management (cont'd.)

	Non-trading book							
Bank	Up to 1 month RM'000	> 1-3 months RM'000	> 3-12 months RM'000	1-5 years RM'000	Non- interest sensitive RM'000	Trading book RM'000	Total RM'000	Effective interest rate %
As at 31 December 2023								
Liabilities								
Deposits from customers	1,004,701	402,497	733,492	10,648	-	-	2,151,338	3.30
Deposits and placements from banks and other financial institutions	218,022	433,656	81,306	-	-	-	732,984	5.28
Other liabilities	-	-	-	-	17,603	-	17,603	
Other non-interest sensitive balances	-	-	-	-	27,383	826	28,209	
Total liabilities	1,222,723	836,153	814,798	10,648	44,986	826	2,930,134	
Shareholder's equity	-	-	-	-	1,375,494	-	1,375,494	
Total liabilities and shareholder's equity	1,222,723	836,153	814,798	10,648	1,420,480	826	4,305,628	
On-balance sheet interest sensitivity gap representing total interest sensitivity gap	1,945,693	(721,589)	(703,331)	612,418	(1,134,225)	1,034	-	

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

(b) Market risk management (cont'd.)

(ii) Interest rate risk management (cont'd.)

The following table shows the impact on Net Interest Income ("NII") or Earning at Risk ("EAR") and Economic Value of Equity ("EVE") based on a 100 basis points (bps) parallel shift in interest rates at the beginning of the year from 1 January for a period of 12 months:

	2024	2023
	RM'million	RM'million
<u>Movement in basis points</u>	+/- 100 bps	+/- 100 bps
Effect on Net Interest Income	+/- 10.3	+/- 12.9
Effect on Economic Value of Equity	+/- 9.4	+/- 6.7

As at the reporting date, if interest rate increases/decreases by 100 bps with all the other variables held constant, the Group's and the Bank's NII or EAR and EVE would have increased/decreased by RM10.3 million and RM9.4 million (2023: RM12.9 million and RM6.7 million) respectively. The assumed movement in basis points for interest rate sensitivity analysis is based on the current observed market environment.

Note:

A +ve sign followed by a -ve sign indicate gains if interest rates were to hike and loss if interest rates were to dip for NII and the inverse will be true for EVE. NII will impact the statements of profit and loss whereas EVE will impact the reserves on statements of financial position.

(c) Liquidity risk management

Liquidity risk management is the risk of financial loss arising from the inability to fund increase in assets and/or meet obligations as they fall due. Financial obligations arise from withdrawal of deposits, funding of loans committed and repayment of borrowed funds.

To manage liquidity risk, the Group and Bank adopt the Liquidity Coverage Ratio ("LCR") as one of the liquidity measurement methods and the Net Stable Funding Ratio ("NSFR") as one of the funding requirement methods. In addition to ensuring compliance to LCR & NSFR, the Group and Bank maintain liquidity and funding compliance buffers to meet any unexpected cash outflows. The LCR and NSFR are further supplemented with the Group's and Bank's internal liquidity and funding risk management policies and procedures. These policies ensure that the liquidity surpluses are within the limits. The liquidity risk management activities are carried out through a combination of management of cash flow report, maintenance of high quality short term and long-term marketable securities that can be readily be converted into cash, diversification of the funding base and proactive management of the Group's and of the Bank's customers' deposits.

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

(c) Liquidity risk management (cont'd.)

(i) Analysis of Financial Assets and Liabilities By Remaining Contractual Maturities

Group	Up to 1 month RM'000	> 1-3 months RM'000	> 3-12 months RM'000	> 1-5 years RM'000	Over 5 years RM'000	Non specific maturity RM'000	Total RM'000
As at 31 December 2024							
Assets							
Cash and short-term funds	158,210	-	-	-	-	-	158,210
Deposits and placements with banks and other financial institutions	-	124,325	-	-	-	-	124,325
Financial assets at fair value through other comprehensive income	-	50,647	212,276	640,751	-	30,030	933,704
Loans, advances and financing	1,434,746	481,622	327,627	305,294	369,928	-	2,919,217
Less ECL	-	-	-	-	-	-	(186,582)
Statutory deposit with Bank Negara Malaysia	-	-	-	-	-	37,891	37,891
Derivative financial assets	184	62	-	-	-	-	246
Other assets	-	-	-	-	-	3,867	3,867
Total assets	1,593,140	656,656	539,903	946,045	369,928	71,788	3,990,878
Liabilities							
Deposits from customers	959,712	429,094	660,821	3,987	-	-	2,053,614
Deposits and placements from banks and other financial institutions	365,344	250,097	31,744	-	-	-	647,185
Derivative financial liabilities	72	18	43	13	-	-	146
Lease liabilities	148	269	1,155	2,964	865	-	5,401
Other liabilities	-	-	-	-	-	29,340	29,340
Total liabilities	1,325,276	679,478	693,763	6,964	865	29,340	2,735,686
Net maturity mismatch	267,864	(22,822)	(153,860)	939,081	369,063	42,448	1,255,192

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

(c) Liquidity risk management (cont'd.)

(i) Analysis of Financial Assets and Liabilities By Remaining Contractual Maturities (cont'd.)

Group	Up to 1 month RM'000	> 1-3 months RM'000	> 3-12 months RM'000	> 1-5 years RM'000	Over 5 years RM'000	Non specific maturity RM'000	Total RM'000
As at 31 December 2023							
Assets							
Cash and short-term funds	580,130	-	-	-	-	-	580,130
Deposits and placements with banks and other financial institutions	-	99,412	-	-	-	-	99,412
Financial assets at fair value through other comprehensive income	4,707	15,152	111,467	623,066	-	28,781	783,173
Loans, advances and financing	1,439,461	493,294	146,979	366,894	382,110	-	2,828,738
Less ECL	-	-	-	-	-	-	(182,621)
Statutory deposit with Bank Negara Malaysia	-	-	-	-	-	37,966	37,966
Derivative financial assets	1,210	650	-	-	-	-	1,860
Other assets	-	-	-	-	-	4,253	4,253
Total assets	2,025,508	608,508	258,446	989,960	382,110	71,000	4,152,911
Liabilities							
Deposits from customers	1,004,701	402,497	733,492	10,648	-	-	2,151,338
Deposits and placements from banks and other financial institutions	218,022	433,656	81,306	-	-	-	732,984
Derivative financial liabilities	773	53	-	-	-	-	826
Lease liabilities	136	221	1,096	3,126	1,471	-	6,050
Other liabilities	-	-	-	-	-	20,544	20,544
Total liabilities	1,223,632	836,427	815,894	13,774	1,471	20,544	2,911,742
Net maturity mismatch	801,876	(227,919)	(557,448)	976,186	380,639	50,456	1,241,169

* Contractual maturity refers to the maturity

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

(c) Liquidity risk management (cont'd.)

(i) Analysis of Financial Assets and Liabilities By Remaining Contractual Maturities (cont'd.)

Bank	Up to 1 month RM'000	> 1-3 months RM'000	> 3-12 months RM'000	> 1-5 years RM'000	Over 5 years RM'000	Non specific maturity RM'000	Total RM'000
As at 31 December 2024							
Assets							
Cash and short-term funds	155,736	-	-	-	-	-	155,736
Deposits and placements with banks and other financial institutions	-	124,325	-	-	-	-	124,325
Financial assets at fair value through other comprehensive income	-	50,647	212,276	640,751	-	30,030	933,704
Loans, advances and financing	1,434,746	481,622	327,627	305,294	369,928	-	2,919,217
Less ECL	-	-	-	-	-	-	(186,582)
Statutory deposit with Bank Negara Malaysia	-	-	-	-	-	37,891	37,891
Derivative financial asset	184	62	-	-	-	-	246
Other assets	-	-	-	-	-	3,867	3,867
Total assets	1,590,666	656,656	539,903	946,045	369,928	71,788	3,988,404
Liabilities							
Deposits from customers	959,712	429,094	660,821	3,987	-	-	2,053,614
Deposits and placements from banks and other financial institutions	365,344	250,097	31,744	-	-	-	647,185
Derivative financial liabilities	72	18	43	13	-	-	146
Lease Liabilities	148	269	1,155	2,964	865	-	5,401
Other liabilities	-	-	-	-	-	27,048	27,048
Total liabilities	1,325,276	679,478	693,763	6,964	865	27,048	2,733,394
Net maturity mismatch	265,390	(22,822)	(153,860)	939,081	369,063	44,740	1,255,010

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

(c) Liquidity risk management (cont'd.)

(i) Analysis of Financial Assets and Liabilities By Remaining Contractual Maturities (cont'd.)

Bank	Up to 1 month RM'000	> 1-3 months RM'000	> 3-12 months RM'000	> 1-5 years RM'000	Over 5 years RM'000	Non specific maturity RM'000	Total RM'000
As at 31 December 2023							
Assets							
Cash and short-term funds	577,038	-	-	-	-	-	577,038
Deposits and placements with banks and other financial institutions	-	99,412	-	-	-	-	99,412
Financial assets at fair value through other comprehensive income	4,707	15,152	111,467	623,066	-	28,781	783,173
Loans, advances and financing	1,439,461	493,294	146,979	366,894	382,110	-	2,828,738
Less ECL	-	-	-	-	-	-	(182,621)
Statutory deposit with Bank Negara Malaysia	-	-	-	-	-	37,966	37,966
Derivative financial asset	1,210	650	-	-	-	-	1,860
Other assets	-	-	-	-	-	4,253	4,253
Total assets	2,022,416	608,508	258,446	989,960	382,110	71,000	4,149,819
Liabilities							
Deposits from customers	1,004,701	402,497	733,492	10,648	-	-	2,151,338
Deposits and placements from banks and other financial institutions	218,022	433,656	81,306	-	-	-	732,984
Derivative financial liabilities	773	53	-	-	-	-	826
Lease Liabilities	136	221	1,096	3,126	1,471	-	6,050
Other liabilities	-	-	-	-	-	17,603	17,603
Total liabilities	1,223,632	836,427	815,894	13,774	1,471	17,603	2,908,801
Net maturity mismatch	798,784	(227,919)	(557,448)	976,186	380,639	53,397	1,241,018

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

(c) Liquidity risk management (cont'd.)

(ii) Analysis of Financial Liabilities on an Undiscounted Basis By Remaining Contractual Maturities

The tables below present the cash flows payable by the Bank under non-derivative financial liabilities by remaining contractual maturity. The amounts disclosed in the tables below will not agree to the carrying amounts reported in the statements of financial position as the amounts incorporated all contractual cash flows, on an undiscounted basis, relating to both principal and interest/profit analysis. The Bank manages inherent liquidity risk based on discounted expected cash flows.

Group	Up to 1 month RM'000	> 1-3 months RM'000	> 3-12 months RM'000	> 1-5 years RM'000	Over 5 years RM'000	Non specific maturity RM'000	Total RM'000
As at 31 December 2024							
Non-derivative financial liabilities							
Deposits from customers	960,428	432,137	328,862	345,656	4,135	-	2,071,218
Deposits and placements from banks and other financial institutions	365,714	251,597	6,365	25,963	-	-	649,639
Lease liabilities	126	252	1,086	3,109	928	-	5,501
Other liabilities	-	-	-	-	-	29,340	29,340
Total liabilities	1,326,268	683,986	336,313	374,728	5,063	29,340	2,755,698

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

(c) Liquidity risk management (cont'd.)

(ii) Analysis of Financial Liabilities on an Undiscounted Basis By Remaining Contractual Maturities (cont'd)

Group	Up to 1 month RM'000	> 1-3 months RM'000	> 3-12 months RM'000	> 1-5 years RM'000	Over 5 years RM'000	Non specific maturity RM'000	Total RM'000
As at 31 December 2024							
Commitment and contingencies							
Direct credit substitutes	9	-	1,853	4,595	-	-	6,457
Transaction-related contingent	19,807	16,044	59,011	127,802	-	-	222,664
Short-term self-liquidating							
trade-related contingencies	8,501	499	21,631	-	-	-	30,631
Forward foreign exchange contracts	80,269	13,046	8,500	-	-	-	101,815
Other commitments, such as							
formal standby facilities and							
credit lines, with an original maturity	317,386	130,677	1,094,417	-	19,720	-	1,562,200
Any commitment that are							
unconditionally cancelled							
at any time without prior notice	746	743	-	-	-	-	1,489
	426,718	161,009	1,185,412	132,397	19,720	-	1,925,256

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

(c) Liquidity risk management (cont'd.)

(ii) Analysis of Financial Liabilities on an Undiscounted Basis By Remaining Contractual Maturities (cont'd).

Group	Up to 1 month RM'000	> 1-3 months RM'000	> 3-12 months RM'000	> 1-5 years RM'000	Over 5 years RM'000	Non specific maturity RM'000	Total RM'000
As at 31 December 2023							
Non-derivative financial liabilities							
Liabilities							
Deposits from customers	1,004,791	405,226	751,195	11,010	-	-	2,172,222
Deposits and placements from banks and other financial institutions	218,343	436,147	83,278	-	-	-	737,768
Lease liabilities	152	256	1,232	3,391	1,611	-	6,642
Other liabilities	-	-	-	-	-	20,544	20,544
Total liabilities	1,223,286	841,629	835,705	14,401	1,611	20,544	2,937,176
Commitment and contingencies							
Direct credit substitutes	45,890	5,000	16	4,589	-	-	55,495
Transaction-related contingent Short-term self-liquidating	17,854	14,732	72,647	130,351	-	-	235,584
trade-related contingencies	12,507	666	1,236	-	-	-	14,409
Forward foreign exchange contracts	192,084	46,411	-	-	-	-	238,495
Other commitments, such as formal standby facilities and credit lines, with an original maturity	486,000	96,032	1,581,496	18,654	-	-	2,182,182
Any commitment that are unconditionally cancelled at any time without prior notice	257	546	-	-	-	-	803
	754,592	163,387	1,655,395	153,594	-	-	2,726,968

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

(c) Liquidity risk management (cont'd.)

(ii) Analysis of Financial Liabilities on an Undiscounted Basis By Remaining Contractual Maturities

The tables below present the cash flows payable by the Bank under non-derivative financial liabilities by remaining contractual maturity. The amounts disclosed in the tables below will not agree to the carrying amounts reported in the statements of financial position as the amounts incorporated all contractual cash flows, on an undiscounted basis, relating to both principal and interest/profit analysis. The Bank manages inherent liquidity risk based on discounted expected cash flows.

Bank	Up to 1 month RM'000	> 1-3 months RM'000	> 3-12 months RM'000	> 1-5 years RM'000	Over 5 years RM'000	Non specific maturity RM'000	Total RM'000
As at 31 December 2024							
Non-derivative financial liabilities							
Deposits from customers	960,428	432,137	328,862	345,656	4,135	-	2,071,218
Deposits and placements from banks and other financial institutions	365,714	251,597	6,365	25,963	-	-	649,639
Lease liabilities	126	252	1,086	3,109	928	-	5,501
Other liabilities	-	-	-	-	-	27,048	27,048
Total liabilities	1,326,268	683,986	336,313	374,728	5,063	27,048	2,753,406

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

(c) Liquidity risk management (cont'd.)

(ii) Analysis of Financial Liabilities on an Undiscounted Basis By Remaining Contractual Maturities (cont'd)

Bank	Up to 1 month RM'000	> 1-3 months RM'000	> 3-12 months RM'000	> 1-5 years RM'000	Over 5 years RM'000	Non specific maturity RM'000	Total RM'000
As at 31 December 2024							
Commitment and contingencies							
Direct credit substitutes	9	-	1,853	4,595	-	-	6,457
Transaction-related contingent	19,807	16,044	59,011	127,802	-	-	222,664
Short-term self-liquidating							
trade-related contingencies	8,501	499	21,631	-	-	-	30,631
Forward foreign exchange contracts	80,269	13,046	8,500	-	-	-	101,815
Other commitments, such as							
formal standby facilities and							
credit lines, with an original maturity	317,386	130,677	1,094,417	-	19,720	-	1,562,200
Any commitment that are							
unconditionally cancelled							
at any time without prior notice	746	743	-	-	-	-	1,489
	426,718	161,009	1,185,412	132,397	19,720	-	1,925,256

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

(c) Liquidity risk management (cont'd.)

(ii) Analysis of Financial Liabilities on an Undiscounted Basis By Remaining Contractual Maturities (cont'd).

Bank	Up to 1 month RM'000	> 1-3 months RM'000	> 3-12 months RM'000	> 1-5 years RM'000	Over 5 years RM'000	Non specific maturity RM'000	Total RM'000
As at 31 December 2023							
Non-derivative financial liabilities							
Liabilities							
Deposits from customers	1,004,791	405,226	751,195	11,010	-	-	2,172,222
Deposits and placements from banks and other financial institutions	218,343	436,147	83,278	-	-	-	737,768
Lease liabilities	152	256	1,232	3,391	1,611	-	6,642
Other liabilities	-	-	-	-	-	17,603	17,603
Total liabilities	1,223,286	841,629	835,705	14,401	1,611	17,603	2,934,235
Commitment and contingencies							
Direct credit substitutes	45,890	5,000	16	4,589	-	-	55,495
Transaction-related contingent Short-term self-liquidating	17,854	14,732	72,647	130,351	-	-	235,584
trade-related contingencies	12,507	666	1,236	-	-	-	14,409
Forward foreign exchange contracts	192,084	46,411	-	-	-	-	238,495
Other commitments, such as formal standby facilities and credit lines, with an original maturity	486,000	96,032	1,581,496	18,654	-	-	2,182,182
Any commitment that are unconditionally cancelled at any time without prior notice	257	546	-	-	-	-	803
	754,592	163,387	1,655,395	153,594	-	-	2,726,968

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

(d) Non-Financial Risk Management

Operational Risk Management

The Group and the Bank have established a comprehensive Operational Risk Management ("ORM") Policy that governs the identification, measurement, assessment, control, mitigation, monitoring, communication, and reporting of operational risks. This policy is designed to align with the Bank's risk profile, risk appetite, and business processes, ensuring thorough coverage of all relevant operational risks. Periodically, the ORM reports are submitted to the Management Committee ("MANCO"), Risk Management Committee ("RMC") and Board of Directors.

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people, and systems, or from external events. This includes legal risk but excludes strategic and reputational risk. Effective ORM is crucial for sustainable business success, especially in the current environment of domestic and international uncertainties. All business and functional units are directly responsible for managing their respective operational risks and implementing measures to mitigate or control these risks.

Information and Technology Risk Management

Recognizing the critical role of information and technology in the operations, both the Group and Bank have implemented a comprehensive Information Technology ("IT") Risk Management framework. This framework encompasses regular IT risk assessments, robust cybersecurity measures, and continuous monitoring of critical IT systems. Our dedicated IT team collaborates closely with the Operational Risk Management Unit ("ORU") to maintain data integrity and security, and to promptly address any IT-related incidents.

Business Continuity Management

To remain resilient and prepared for disruptions, the Bank has implemented a Business Continuity Management ("BCM") Policy. This policy involves regular drills and training for all employees. The BCM Committee oversees response coordination and ensures timely communication during crises. Additionally, specific documented plans are in place to restore critical business functions, IT systems, and data.

Integration and Collaboration

The Bank's approach to non-financial risk management is holistic, integrating ORM, IT risk management and BCM policies and/or practices under ORU. This integration aims to foster closer collaboration and synergy between the first and second line of defenses. By strengthening the integrated non-financial risk management framework, the Bank is committed to maintaining a high level of operational resilience and ensuring the sustainable success of the business.

34. Fair values of financial instruments

The following table summarises the carrying amounts and fair values of the financial assets and liabilities, which were not presented at fair value in the Group's and the Bank's statements of financial position:

	Group and Bank			
	2024		2023	
	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
Financial Assets				
Loans, advances and financing	2,732,635	2,732,635	2,646,117	2,646,117

The fair values of the Group's and the Bank's financial assets, money market instruments and corporate bonds are estimated at their market values as disclosed in Note 6 and 7.

The fair value of floating rate loans are estimated to approximate their carrying values. For fixed rate loans, the fair values are estimated based on the expected future cash flows of the contractual payments and discounted at the prevailing market rates at the respective reporting dates. For impaired loans, the fair values are deemed to approximate the carrying values, net of individual impairment allowances.

The nominal/notional amount and fair value of derivatives are:

	Group and Bank		
	2024		
	Nominal/ notional amount RM'000	Positive fair value RM'000	Negative fair value RM'000
Forward foreign exchange contracts	101,815	246	(147)

	Group and Bank		
	2023		
	Nominal/ notional amount RM'000	Positive fair value RM'000	Negative fair value RM'000
Forward foreign exchange contracts	238,495	1,860	(826)

The following methods and assumptions are used to estimate the fair values of the following classes of financial instruments:

34. Fair values of financial instruments (cont'd.)

- (i) Cash and cash equivalents, deposits and placements with banks and other financial institutions, deposits from customers, banks and other financial institutions, bills and acceptances payable, other assets/liabilities**

The carrying value of these financial assets and liabilities approximate their fair values.

- (ii) Derivative financial instruments**

Derivative products valued using valuation technique with significant market observable inputs are mainly interest rate swaps, currency swaps and forward exchange contracts. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange and forward rates and interest rate curves.

- (iii) Determination of fair value and fair value hierarchy**

The Group and the Bank use the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities;
- Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair values are observable, either directly or indirectly;
- Level 3: Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The following table shows the analysis of financial instruments recorded or disclosed at their fair values by level of hierarchy:

34. Fair values of financial instruments (cont'd.)

(iii) Determination of fair value and fair value hierarchy

Group and Bank 31 December 2024	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
<u>Financial assets at FVOCI</u>				
<u>(Note 6)</u>				
Money market instruments:				
Malaysian Government Securities	-	484,999	-	484,999
Government Investment Issue	-	152,059	-	152,059
Negotiable Instruments of Deposit	-	-	-	-
Bank Negara Malaysia Bills	-	-	-	-
Unquoted securities in Malaysia:				
Corporate bonds	-	266,616	-	266,616
Shares	-	-	30,030	30,030
	-	903,674	30,030	933,704
<u>Derivatives</u>				
Derivative financial assets				
Unrealised gain on derivatives	-	246	-	246
Derivative financial liabilities				
Unrealised loss on derivatives	-	(147)	-	(147)

There was no financial assets measured at fair value through profit and loss in the current financial year ended 31 December 2024.

34. Fair values of financial instruments (cont'd.)

(iii) Determination of fair value and fair value hierarchy (cont'd.)

Group and Bank 31 December 2023	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
<u>Financial assets at FVOCI</u> (Note 6)				
Money market instruments:				
Malaysian Government Securities	-	324,998	-	324,998
Government Investment Issue	-	152,854	-	152,854
Bank Negara Malaysia Bills	-	4,707	-	4,707
Unquoted securities in Malaysia:				
Corporate bonds	-	271,833	-	271,833
Shares	-	-	28,781	28,781
	-	754,392	28,781	783,173
<u>Derivatives</u>				
Derivative financial assets				
Unrealised gain on derivatives	-	1,860	-	1,860
Derivative financial liabilities				
Unrealised loss on derivatives	-	(826)	-	(826)

There was no financial assets measured at fair value through profit and loss in the current financial year ended 31 December 2023.

Movement in Level 3 financial instruments measured at fair value

The following table shows a reconciliation of the opening and closing amounts of Level 3 financial assets which are recorded at fair value:

Equity instrument at FVOCI	Group and Bank	
	2024 RM'000	2023 RM'000
Balance at beginning of financial year	28,781	13,964
Additions during the year	-	400
Gain recognised in other comprehensive income	1,249	14,417
Balance at end of financial year	30,030	28,781

34. Fair values of financial instruments (cont'd.)

(iii) Determination of fair value and fair value hierarchy (cont'd.)

The unquoted equity instruments at FVOCI are revalued using the net tangible assets value method. The net tangible assets were obtained from the published audited financial statements of the investees. The higher net tangible assets will result in higher fair value and vice versa.