CAGAMAS BERHAD

Registration No. 198601008739 (157931-A)
(Incorporated in Malaysia)

Directors' Report and Audited Financial Statements
31 December 2024

Registration No.

198601008739 (157931-A)

CAGAMAS BERHAD
(Incorporated in Malaysia)

STATUTORY FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

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CAGAMAS BERHAD
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DIRECTORS' REPORT

The Directors have pleasure in submitting their report and the audited financial statements of the Group and the Company for the financial year ended 31 December 2024.

PRINCIPAL ACTIVITIES

The principal activities of Cagamas Berhad ("the Company") consist of the purchases of mortgage loans, personal loans and hire purchase and leasing debts from primary lenders approved by the Company and the issuance of bonds and notes to finance these purchases. The Company also purchases Islamic financing facilities such as home financing, personal financing and hire purchase financing and funded by issuance of Sukuk. Subsidiary companies of the Company are Cagamas Global PLC ("CGP") and Cagamas Global Sukuk Berhad ("CGS"):

- CGP is a conventional fund raising vehicle incorporated in Labuan. The main principal activity is to undertake the issuance of bonds and notes in foreign currency; and
- CGS is an Islamic fund raising vehicle. The main principal activity is to undertake the issuance of Sukuk in foreign currency.

There were no significant changes in the nature of these activities of the Company and its subsidiaries ("the Group") during the financial year.

FINANCIAL RESULTS

	Group RM'000	Company RM'000
Profit for the financial year	237,993	238,250

DIVIDENDS

The dividends paid by the Company since 31 December 2023 were as follows:

	RM'000
In respect of the financial year ended 31 December 2023,	
- A final dividend of 15 sen per share on 150,000,000 ordinary shares paid on 8 May 2024	22,500
In respect of the financial year ended 31 December 2024,	
- An interim dividend of 5 sen per share on 150,000,000 ordinary shares paid on 13 September 2024	7,500
	30,000

The Directors recommend the payment of a final dividend of 15 sen per share on 150,000,000 ordinary shares amounting to RM22,500,000 for the financial year ended 31 December 2024 which is subject to approval of the member at the forthcoming Annual General Meeting of the Company.

The financial statements for the current financial year do not reflect this dividend and will be accounted for in equity as an appropriation of retained profits in the next financial year ending 31 December 2025.

SHARE CAPITAL

There was no change in the issued ordinary share capital of the Company during the financial year.

RESERVES AND PROVISIONS

All material transfers to or from reserves and provisions during the financial year are reflected in the financial statements.

RATING PROFILE OF THE BONDS AND SUKUK

RAM Rating Services Berhad ("RAM") has assigned corporate credit ratings of of AAA/Stable/P1.

Meanwhile, Malaysian Rating Corporation Berhad ("MARC") has also assigned Cagamas' bonds and Sukuk issues ratings at AAA/AAAIS and MARC-1/MARC-1IS.

Moody's Investors Service ("Moody's") has assigned long-term local and foreign currency issuer ratings of A3 that are in line with Malaysian sovereign ratings.

Moody's has maintained the ratings of A3 to the USD2.5 billion Multicurrency Medium Term Note ("EMTN") Programme and USD2.5 billion Multicurrency Sukuk Issuance ("Islamic EMTN") Programme issued by Cagamas Global P.L.C. and Cagamas Global Sukuk Berhad, respectively.

RELATED PARTY TRANSACTIONS

Most of the transactions of the Group and the Company involving mortgage loans, hire purchase and leasing debts, Islamic financing facilities as well as issuance of unsecured bearer bonds and Sukuk are done with various financial institutions including those who are substantial shareholders of Cagamas Holdings Berhad ("CHB"), the ultimate holding company.

DIRECTORS

The Directors in office during the financial year and during the period from the end of the financial year to date of the report are:

Dato' Bakarudin Ishak (Chairman)
Dato' Wee Yiaw Hin
Ho Chai Huey
Tan Sri Tajuddin Atan
Abdul Rahman Hussein
Sophia Ch'ng Sok Heang
Kameel Abdul Halim

In accordance with Articles 23.5 and 23.6 of the Company's Constitution, Dato' Bakarudin Ishak and Ho Chai Huey retire by rotation at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

DIRECTORS (CONTINUED)

The Directors of the Group's subsidiaries in office during the financial year and during the period from the end of the financial year to date of the report are:

Kameel Abdul Halim
Abdul Hakim Amir Zainol

DIRECTORS' BENEFITS AND REMUNERATION

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit and remuneration (other than Directors' remuneration as disclosed in Note 36 to the financial statements) by reason of a contract made by the Group or the Company or by a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

Neither during nor at the end of the financial year were the Group and the Company are a party to any arrangements whose object or objects were to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of the Group and the Company or any other body corporate.

The aggregate emoluments received by the Directors of the Group and the Company during the financial year are as follows:

	Group and Company	
	2024	2023
	RM'000	RM'000
Directors' fees	450	450
Directors' other emoluments	1,723	2,208
	2,173	2,658

The Directors of the Group and the Company is covered under the Directors' Liability Insurance in respect of liabilities arising from acts committed in their capacity as, inter alia, Directors of the Group and the Company subject to the terms of the policy. The total amount of Directors' Liability Insurance effected for the Directors of the ultimate holding company was RM30.0 million.

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act 2016, the Directors in office at the end of the financial year did not hold any interest in shares or options over shares in the Company or its subsidiaries or its holding company or subsidiaries of the holding company during the financial year.

DIRECTORS' INDEMNITY

The Company maintained a Directors’ and Officers' Liability Insurance for the purpose of Section 289 of the Companies Act 2016, throughout the year, which provides appropriate insurance cover for the directors and officers of the Company. The amount of insurance premium effected for any director and officer of the Company during the financial year was RM189,010 (2023: RM185,510). The directors and officers shall not be indemnified by such insurance for any deliberate negligence, fraud, intentional breach of law or breach of trust proven against them.

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

Before the financial statements of the Group and the Company were prepared, the Directors took reasonable steps:

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

(b) to ensure that any current assets, other than debts, which were unlikely to realise in the ordinary course of business including the values of current assets as shown in the accounting records of the Group and the Company had been written down to an amount which the current assets might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

(a) which would render the amounts to be written-off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and the Company inadequate to any substantial extent; or

(b) which would render the values attributed to current assets in the financial statements of the Group and the Company misleading; or

(c) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and the Company misleading or inappropriate.

At the date of this report, there does not exist:

(a) any charge on the assets of the Group and the Company which has arisen since the end of the financial year which secures the liability of any other person; or

(b) any contingent liability of the Group and the Company which has arisen since the end of the financial year.

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, in the opinion of the Directors, will or may affect the ability of the Group and the Company to meet their obligations when they fall due.

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 which would render any amount stated in the financial statements misleading or inappropriate.

DIRECTORS' REPORT (CONTINUED)

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS (CONTINUED)

In the opinion of the Directors:

(a) the results of the operations of the Group and the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and

(b) there has not arisen in the interval between the end of the financial year and the date of this report, any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and the Company for the financial year in which this report is made.

SUBSIDIARIES

Details of subsidiaries are set out in Note 17 to the financial statements.

ULTIMATE HOLDING COMPANY

The Directors regard Cagamas Holdings Berhad, a company incorporated in Malaysia, as the ultimate holding company.

AUDITORS' REMUNERATION

Auditors' remuneration of the Group and the Company are RM335,000 and RM315,000 respectively. Details of the auditors' remuneration are set out in Note 35 to the financial statements.

	Group RM'000	Company RM'000
Audit fee	320	300
Non-audit fee	15	15

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CAGAMAS BERHAD
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DIRECTORS' REPORT (CONTINUED)

AUDITORS

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

This report was approved by the Board of Directors on 25 March 2025.

Signed on behalf of the Board of Directors:

DATO' BAKARUDIN ISHAK
CHAIRMAN

KAMEEL ABDUL HALIM
DIRECTOR

25 March 2025

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CAGAMAS BERHAD
(Incorporated in Malaysia)

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

We, Dato' Bakarudin Ishak and Kameel Abdul Halim, the two Directors of Cagamas Berhad, state that, in the opinion of the Directors, the financial statements set out on pages 13 to 147 are drawn up so as to give a true and fair view of the financial position of the Group and the Company as at 31 December 2024 and of the financial performance of the Group and the Company for the financial year ended on that date in accordance with the Malaysian Financial Reporting Standards Accounting Standards, International Financial Reporting Standards Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

Signed on behalf of the Board of Directors in accordance with their resolution.

DATO' BAKARUDIN ISHAK
CHAIRMAN

KAMEEL ABDUL HALIM
DIRECTOR

25 March 2025

Registration No.
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CAGAMAS BERHAD
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STATUTORY DECLARATION
PURSUANT TO SECTION 251(1) OF THE COMPANIES ACT 2016

I, Dr Mazatul 'Aini Shahar Abdul Malek Shahar, the Officer primarily responsible for the financial management of Cagamas Berhad, do solemnly and sincerely declare that the financial statements set out on pages 13 to 147 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.

DR MAZATUL 'AINI SHAHAR ABDUL MALEK SHAHAR
MIA No. CA-42107

Subscribed and solemnly declared by the abovenamed Dr Mazatul 'Aini Shahar Abdul Malek Shahar at Kuala Lumpur in Malaysia on 25 March 2025.

Before me,
COMMISSIONER FOR OATHS

PESURUHJAYA SUMPAH
NO: W 681
RAJEEV SAIGAL A/L
RAMLABAYA SAIGAL
BC/R/548
1 JAN 2025 - 31 DIS 2027
MALAYSIA

No. 42-1, Jalan Bangsar
Bangsar 59200, Kuala Lumpur

Shape the future
with confidence

Ernst & Young PLT
202006000003 (LLP0022760-LCA) & AF 0039
SST ID: W10-2002-32000062
Chartered Accountants
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INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF CAGAMAS BERHAD
(Incorporated in Malaysia)
Registration No. 198601008739 (157931-A)

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Cagamas Berhad, which comprise the statements of financial position as at 31 December 2024 of the Group and of the Company, and the income statements, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 13 to 147.

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

Basis for opinion

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

Independence and other ethical responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
CAGAMAS BERHAD (CONT'D.)
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Information other than the financial statements and auditors' report thereon

The directors of the Company 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 Company and our auditors' report thereon.

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

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company'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 Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
CAGAMAS BERHAD (CONT'D.)
(Incorporated in Malaysia)
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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 Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, 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 Company'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 Company'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 Company 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 Company to cease to continue as a going concern.

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

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

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

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

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

Other matters

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

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

Muhammad Syarizal Bin Abdul Rahim
No. 03157/01/2027 J
Chartered Accountant

Kuala Lumpur, Malaysia
25 March 2025

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CAGAMAS BERHAD
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STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

	Note	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
ASSETS					
Cash and cash equivalents	5	61,121	180,359	61,086	180,332
Deposits and placements with financial institutions	6	433,225	86,947	433,225	86,947
Financial assets at fair value through other comprehensive income ("FVOCI")	7	3,527,639	2,690,061	3,527,639	2,690,061
Financial assets at amortised cost	8	2,287,035	2,286,680	2,287,035	2,286,680
Derivative financial assets	9	15,403	207,659	15,403	207,659
Amount due from counterparties	10	16,833,422	19,987,790	16,833,422	19,987,790
Islamic financing assets	11	20,666,788	21,426,861	20,666,788	21,426,861
Mortgage assets					
- Conventional	12	2,600,891	3,021,850	2,600,891	3,021,850
- Islamic	13	3,498,719	3,881,528	3,498,719	3,881,528
Hire purchase assets					
- Islamic	14	40	55	40	55
Reverse mortgage assets		4,172	2,147	4,172	2,147
Amount due from					
- Related company		370	586	370	586
- Subsidiaries	15	-	-	4,294	4,127
Other assets	16	13,689	20,476	13,667	20,463
Investment in subsidiaries	17	-	-	-*	-*
Property and equipment	18	8,307	1,947	8,307	1,947
Intangible assets	19	13,594	16,804	13,594	16,804
Right-of-use asset	20	9,163	7,176	9,163	7,176
TOTAL ASSETS		49,973,578	53,818,926	49,977,815	53,823,013
LIABILITIES					
Short-term borrowings		506,132	648,790	506,132	648,790
Derivative financial liabilities	9	80,617	15,161	80,617	15,161
Other liabilities	21	105,612	150,411	105,549	150,341
Lease liability	22	11,311	9,308	11,311	9,308
Provision for taxation		3,888	10,205	3,888	10,205
Deferred taxation	23	213,964	198,371	213,964	198,371
Loans from subsidiary	24	-	-	3,653,829	5,473,654
Unsecured bearer bonds and notes	25	21,186,219	24,954,908	17,532,365	19,481,343
Sukuk	26	23,102,061	23,278,139	23,102,061	23,278,139
TOTAL LIABILITIES		45,209,804	49,265,293	45,209,716	49,265,312
Share capital	27	150,000	150,000	150,000	150,000
Reserves	28	4,613,774	4,403,633	4,618,099	4,407,701
SHAREHOLDER'S FUNDS		4,763,774	4,553,633	4,768,099	4,557,701
TOTAL LIABILITIES AND SHAREHOLDER'S FUNDS		49,973,578	53,818,926	49,977,815	53,823,013
NET TANGIBLE ASSETS PER SHARE (RM)	29	31.67	30.25	31.70	30.27

* Denotes USD1 in CGP and RM2 in CGS.

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

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CAGAMAS BERHAD
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INCOME STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	Group		Company	
		2024	2023	2024	2023
		RM'000	RM'000	RM'000	RM'000
Interest income	30	1,088,396	1,071,757	1,088,396	1,071,757
Interest expense	31	(925,006)	(945,854)	(924,890)	(943,023)
Income from Islamic operations		195,398	186,292	195,398	186,292
Non-interest income	32	11,066	38,940	11,066	38,940
		369,854	351,135	369,970	353,966
Personnel costs	33	(33,711)	(30,760)	(33,711)	(30,760)
Administration and general expenses		(33,913)	(27,700)	(33,772)	(27,582)
OPERATING PROFIT		302,230	292,675	302,487	295,624
Reversal of impairment losses, net	34	8,709	10,920	8,709	10,920
PROFIT BEFORE TAXATION AND ZAKAT		310,939	303,595	311,196	306,544
Zakat		(1,561)	(2,534)	(1,561)	(2,534)
Taxation	37	(71,385)	(74,713)	(71,385)	(74,713)
PROFIT FOR THE FINANCIAL YEAR		237,993	226,348	238,250	229,297
EARNINGS PER SHARE (SEN)	29	158.66	150.90	158.83	152.86

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

CAGAMAS BERHAD
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STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Profit for the financial year	237,993	226,348	238,250	229,297
Other comprehensive income:				
Items that may be subsequently reclassified to income statement				
Financial assets at FVOCI				
- Net gain from change in fair value	3,506	46,094	3,506	46,094
- FVOCI ECL	(53)	5	(53)	5
- Deferred taxation	(841)	(11,063)	(841)	(11,063)
Cash flow hedge				
- Net (loss)/gain on cash flow hedge	(610)	17,405	(610)	17,405
- Deferred taxation	146	(4,177)	146	(4,177)
Other comprehensive income for the financial year, net of taxation	2,148	48,264	2,148	48,264
Total comprehensive income for the financial year	240,141	274,612	240,398	277,561
Total comprehensive income for the financial year attributable to:				
Equity holders of the Group and the Company	240,141	274,612	240,398	277,561

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

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STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

		Issued and fully paid ordinary shares of RM1 each	Non-distributable			Distributable	
Group	Note	Share capital	Financial assets at FVOCI reserves	Cash flow hedge reserves	Regulatory reserves	Retained profits	Total equity
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 January 2024		150,000	(2,152)	10,847	47,919	4,347,019	4,553,633
Profit for the financial year		-	-	-	-	237,993	237,993
Other comprehensive income	28	-	2,612	(464)	-	-	2,148
Total comprehensive income for the financial year			2,612	(464)		237,993	240,141
Transfer from retained profits	28	-	-	-	4,879	(4,879)	-
Dividends paid	38	-	-	-	-	(30,000)	(30,000)
Balance as at 31 December 2024		150,000	460	10,383	52,798	4,550,133	4,763,774
Balance as at 1 January 2023		150,000	(37,188)	(2,381)	79,440	4,119,150	4,309,021
Profit for the financial year		-	-	-	-	226,348	226,348
Other comprehensive income	28	-	35,036	13,228	-	-	48,264
Total comprehensive income for the financial year		-	35,036	13,228	-	226,348	274,612
Transfer to retained profits	28	-	-	-	(31,521)	31,521	-
Dividends paid	38	-	-	-	-	(30,000)	(30,000)
Balance as at 31 December 2023		150,000	(2,152)	10,847	47,919	4,347,019	4,553,633

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

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STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

		Issued and fully paid ordinary shares of RM1 each	Non-distributable			Distributable	
Company	Note	Share capital RM'000	Financial assets at FVOCI reserves RM'000	Cash flow hedge reserves RM'000	Regulatory reserves RM'000	Retained profits RM'000	Total equity RM'000
Balance as at 1 January 2024		150,000	(2,152)	10,847	47,919	4,351,087	4,557,701
Profit for the financial year		-	-	-	-	238,250	238,250
Other comprehensive income	28	-	2,612	(464)	-	-	2,148
Total comprehensive income for the financial year		-	2,612	(464)	-	238,250	240,398
Transfer from retained profits	28	-	-	-	4,879	(4,879)	-
Dividends paid	38	-	-	-	-	(30,000)	(30,000)
Balance as at 31 December 2024		150,000	460	10,383	52,798	4,554,458	4,768,099
Balance as at 1 January 2023		150,000	(37,188)	(2,381)	79,440	4,120,269	4,310,140
Profit for the financial year		-	-	-	-	229,297	229,297
Other comprehensive income	28	-	35,036	13,228	-	-	48,264
Total comprehensive income for the financial year		-	35,036	13,228	-	229,297	277,561
Transfer to retained profits	28	-	-	-	(31,521)	31,521	-
Dividends paid	38	-	-	-	-	(30,000)	(30,000)
Balance as at 31 December 2023		150,000	(2,152)	10,847	47,919	4,351,087	4,557,701

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

CAGAMAS BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
OPERATING ACTIVITIES					
Profit before taxation and zakat		310,939	303,595	311,196	306,544
Adjustments for non-cash items	39(a)	(372,668)	(338,717)	(372,726)	(341,548)
Operating loss before working capital changes		(61,729)	(35,122)	(61,530)	(35,004)
Net changes in operating assets and liabilities	39(b)	6,371,019	(6,026,529)	6,370,812	(6,026,631)
Zakat paid		(4,095)	(5,362)	(4,095)	(5,362)
Tax paid		(62,805)	(42,939)	(62,805)	(42,939)
Net cash flows from/(used in) operating activities		6,242,390	(6,109,952)	6,242,382	(6,109,936)
INVESTING ACTIVITIES					
Net (purchase)/redemption of:					
- Financial assets at FVOCI		(829,748)	859,127	(829,748)	859,127
- Financial assets at amortised cost		-	(464,959)	-	(464,959)
Purchase of:					
- Property and equipment		(7,637)	(1,215)	(7,637)	(1,215)
- Intangible assets		(1,902)	(2,371)	(1,902)	(2,371)
Income received from financial assets at FVOCI		121,365	117,726	121,365	117,726
Proceeds from disposal of PPE		-	151	-	151
Net cash flows (used in)/from investing activities		(717,922)	508,459	(717,922)	508,459

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198601008739 (157931-A)

CAGAMAS BERHAD
(Incorporated in Malaysia)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

	Note	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
FINANCING ACTIVITIES					
Dividends paid to shareholders		(30,000)	(30,000)	(30,000)	(30,000)
Proceeds from issuance of:					
- Unsecured bearer bonds and notes		7,333,635	15,223,801	4,743,759	10,255,000
- Sukuk		11,019,458	12,505,000	11,019,458	12,505,000
Proceeds from loans from subsidiary		-	-	2,589,875	4,968,801
Redemption of:					
- Unsecured bearer bonds and notes		(10,913,583)	(11,013,121)	(6,675,000)	(8,080,000)
- Sukuk		(11,180,000)	(9,395,000)	(11,180,000)	(9,395,000)
Repayment of loans from subsidiary		-	-	(4,238,583)	(2,933,121)
Interest paid		(945,548)	(865,711)	(945,548)	(865,711)
Profit paid to Sukuk holders		(925,389)	(800,490)	(925,389)	(800,490)
Lease rental paid		(2,278)	(2,392)	(2,278)	(2,392)
Net cash (used in)/flow from financing activities		(5,643,705)	5,622,087	(5,643,706)	5,622,087
Net change in cash and cash equivalents		(119,238)	20,594	(119,246)	20,610
Cash and cash equivalents as at 1 January		180,359	159,765	180,332	159,722
Cash and cash equivalents as at 31 December	5	61,121	180,359	61,086	180,332

NOTES TO THE FINANCIAL STATEMENTS

1 GENERAL INFORMATION

The principal activities of the Company consist of the purchases of mortgage loans, personal loans and hire purchase and leasing debts from primary lenders approved by the Company and the issuance of bonds and notes to finance these purchases. The Company also purchases Islamic financing facilities such as home financing, personal financing and hire purchase financing and funded by issuance of Sukuk. Subsidiary companies of the Company are Cagamas Global PLC ("CGP") and Cagamas Global Sukuk Berhad ("CGS"):

- CGP is a conventional fund raising vehicle incorporated in Labuan. Its main principal activity is to undertake the issuance of bonds and notes in foreign currency; and
- CGS is an Islamic fund raising vehicle. Its main principal activity is to undertake the issuance of Sukuk in foreign currency.

The Company is a public limited liability company, incorporated and domiciled in Malaysia.

The address of the registered office and principal place of business is Level 32, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200, Kuala Lumpur.

The ultimate holding company is Cagamas Holdings Berhad, a company incorporated in Malaysia.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

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

The financial statements of the Group and the Company have been prepared under the historical cost convention unless otherwise indicated.

The financial statements incorporate those activities relating to the Islamic operations of the Group and the Company.

The Islamic operations of the Group and the Company refer to:

(a) the purchases of Islamic house financing assets, Islamic personal financing, Islamic mortgage assets and Islamic hire purchase assets, from approved originators;
(b) issuance of Sukuk under Shariah principles;
(c) acquisition, investment in and trading of Islamic financial instruments; and
(d) origination of reverse mortgage financing.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (continued)

The preparation of financial statements in conformity with MFRS and IFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reported financial year. It also requires Directors to exercise their judgement in the process of applying the Group’s and the Company's accounting policies. Although these estimates and judgements are based on the Directors' best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are material to the financial statements, are disclosed in Note 3 to the financial statements.

Certain comparative information has been restated or reclassified to conform with current year presentation.

(a) Standards, amendments to published standards and interpretations that are effective

The Group and the Company have applied the following standards and amendments for the first time for the financial year beginning on 1 January 2024:

- Amendment to MFRS 16 Leases - Lease Liability in a Sale and Leaseback;
- Amendments to MFRS 7 Financial Instruments: Disclosures - Supplier Finance Arrangements;
- Amendments to MFRS 107 Statement of Cash Flows: Supplier Finance Arrangements; and
- Amendments to MFRS 101 Presentation of Financial Statements - Non-current Liabilities with Covenants

The adoption of other amendments listed above did not have any material financial impact on the amounts recognised in prior periods and are not expected to materially affect the current or future periods.

<u>Amendments to MFRS 16 Leases - Lease Liability in a Sale and Leaseback</u>

The amendments require that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendment does not prescribe specific measurement requirements for lease liabilities arising from a leaseback. The initial measurement of the lease liability arising from a leaseback may result in a seller-lessee determining ‘lease payments’ that are different from the general definition of lease payments in Appendix A of MFRS 16. The seller-lessee will need to develop and apply an accounting policy in accordance with IAS 8 that results in information that is relevant and reliable.

The amendments are not expected to have a material impact on the preparation of the Group's financial statements.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (continued)

(a) Standards, amendments to published standards and interpretations that are effective (continued)

Amendments to MFRS 7 Financial Instruments: Disclosures - Supplier Finance Arrangements

The disclosure requirements in the amendments enhance the current requirements and are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments clarify the characteristics of supplier finance arrangements. In these arrangements, one or more finance providers pay amounts an entity owes to its suppliers. The entity agrees to settle those amounts with the finance providers according to the terms and conditions of the arrangements, either at the same date or at a later date than that on which the finance providers pay the entity's suppliers. As a result, supplier finance arrangements provide the entity with extended payment terms, or the entity's suppliers with early payment terms, compared to the original payment due dates.

Different terms are used to describe these arrangements, such as supply chain finance, payables finance and reverse factoring arrangements. Arrangements that are solely credit enhancements for the entity, for example, financial guarantees including letters of credit used as guarantees, are not supplier finance arrangements. Similarly, instruments used to settle the amounts owed directly with a supplier, for example, credit cards, are not supplier finance arrangements.

The amendments are not expected to have a material impact on the preparation of the Group's financial statements.

Amendments to MFRS 107 Statement of Cash Flows: Supplier Finance Arrangements

The amendments require an entity to provide information about the impact of supplier finance arrangements on liabilities and cash flows, including:

- Terms and conditions;
- As at the beginning and end of the reporting period:

  (a) The carrying amounts of supplier finance arrangement financial liabilities and the line items in which those liabilities are presented;
  (b) The carrying amounts of financial liabilities and the line items, for which the finance providers have already settled the corresponding trade payables; and
  (c) The range of payment due dates for financial liabilities owed to the finance providers and for comparable trade payables that are not part of those arrangements payables.

- The type and effect of non-cash changes in the carrying amounts of supplier finance arrangement financial liabilities, which prevent the carrying amounts of the financial liabilities from being comparable.

The amendments are not expected to have a material impact on the preparation of the Group's financial statements.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (continued)

(a) Standards, amendments to published standards and interpretations that are effective (continued)

Amendments to MFRS 101 Presentation of Financial Statements - Non-current Liabilities with Covenants

The amendments clarify the following:
- Right to defer settlement;
- Expected deferrals;
- Settlement by way of own equity instruments; and
- Disclosures.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and will need to be applied retrospectively in accordance with MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors. Early adoption is permitted but will need to be disclosed.

The amendments are not expected to have a material impact on the preparation of the Group's financial statements.

(b) Standards and amendments that have been issued but not yet effective:

- The amendments to MFRS 121 'The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability' (effective 1 January 2025);
- Amendments to MFRS 9 'Financial Instruments – Classification and Measurement of Financial Instruments' (effective 1 January 2026);
- Amendments to MFRS 7 'Financial Instruments: Disclosures – Classification and Measurement of Financial Instruments' (effective 1 January 2026);
- MFRS 18 'Presentation and Disclosure in Financial Statements' (effective 1 January 2027);
- MFRS 19 'Subsidiaries without Public Accountability: Disclosures' (effective 1 January 2027); and
- Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture.

The Group is in the midst of evaluating the potential impact of adopting MFRS 18 on the required effective date. All other amendments are not expected to have a material impact on the preparation of the Group's financial statements.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.2 Economic entities in the Group

Subsidiaries

The Group's financial statements consolidate the financial statements of the Company and all its subsidiaries. Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Under the purchase method of accounting, subsidiaries are fully consolidated from the date on which control is transferred to the Group and are de-consolidated from the date that control ceases.

The Group has taken advantage of the exemption provided by MFRS 1, MFRS 3 and FRS 122_{2004} to apply these Standards prospectively. Accordingly, business combinations entered into prior to the respective dates have not been restated to comply with these Standards.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interest issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in the business combination are measured initially at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with MFRS 9 either in income statements or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Intragroup transactions, balances and unrealised gains in transactions between group of companies are eliminated. Unrealised losses are also eliminated but considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The gain or loss on disposal of a subsidiary is the difference between net disposal proceeds and the Group's share of its net assets as of the date of disposal including the cumulative amount of any exchange differences that relate to the subsidiary companies and is recognised in the consolidated income statements.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.3 Amount due from counterparties and Islamic financing assets

Note 1 to the financial statements describes the principal activities of the Group and the Company, which are inter alia, the purchases of mortgage loans, personal loans and hire purchase and leasing debts. These activities are also set out in the object clauses of the Memorandum of Association of the Company.

As at the statements of financial position date, amount due from counterparties/Islamic financing assets in respect of mortgage loans, personal loans and hire purchase and leasing debts are stated at their unpaid principal balances due to the Group and the Company. Interest/profit income on amount due from counterparties/Islamic financing assets is recognised on an accrual basis and computed at the respective interest/profit rates based on monthly rest.

2.4 Mortgage assets and hire purchase assets/Islamic mortgage assets and Islamic hire purchase assets

Mortgage assets and hire purchase assets/Islamic mortgage assets and Islamic hire purchase assets are acquired by the Group and the Company from the originators at fair values. The originator acts as a servicer and remits the principal and interest/profit income from the assets to the Group and the Company at specified intervals as agreed by both parties.

As at the statements of financial position date, mortgage assets and hire purchase assets/Islamic mortgage assets and Islamic hire purchase assets acquired are stated at their unpaid principal balances due to the Group and the Company and adjusted for unaccreted discount. Interest/profit income on the assets is recognised on an accrual basis and computed at the respective interest/profit rates based on monthly rest. The discount arising from the difference between the purchase price and book value of the mortgage assets and hire purchase assets/Islamic mortgage assets and Islamic hire purchase assets acquired is accreted to the income statements over the term of the assets using the internal rate of return method.

2.5 Reverse mortgage assets

Reverse mortgage assets introduced by the Group and the Company are a type of loan and financing which are targeted for the elderly people or retirees who own a home and allow them to convert their residential property into a fixed monthly income stream throughout their lifetime. The Group and the Company classify and measure the reverse mortgage assets as financial assets at its fair value through profit or loss ("FVTPL") as the reverse mortgage assets did not meet the criteria for amortised cost or FVOCI. The details of the measurement for financial assets at FVTPL are stated in Note 2.8 (c) (iii).

2.6 Investment in subsidiaries

Investment in subsidiaries is shown at cost. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. Note 2.9 describes the Group's and the Company's accounting policy on impairment of assets and Note 3 details out the critical accounting estimates and assumptions.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.7 Property and equipment and depreciation

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight line basis to write- off the cost of the assets over their estimated useful lives, with the exception of work-in-progress which is not depreciated. Depreciation rates for each category of property and equipment are summarised as follows:

Office equipment – mobile devices	100%
Office equipment – others	20%-25%
Furniture and fittings	10%
Motor vehicles	20%

Subsequent costs are included in the asset's carrying amount or recognised as separate assets, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statements during the financial year in which they are incurred.

At each statement of financial position date, the Group and the Company assess whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. A write-down is made if the carrying amount exceeds the recoverable amount. See accounting policy on impairment of non-financial assets in Note 2.9.2.

Gains and losses on disposals are determined by comparing proceeds with carrying amounts and are included in the income statements.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.8 Financial assets

(a) Classification

The Group and the Company classify their financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss); and
- Those to be measured at amortised cost.

(b) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group and the Company commit to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group and the Company have transferred substantially all the risks and rewards of ownership.

(c) Measurement

At initial recognition, the Group and the Company measure financial assets at its fair value plus transaction costs, unless it is carried at fair value through profit or loss (“FVTPL”). Transaction costs of financial assets carried at FVTPL are expensed in income statements.

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

Debt instruments

Subsequent measurement of debt instruments depends on the Group’s and the Company’s business model for managing the asset and the cash flow characteristics of the asset. The Group and the Company reclassify debt investments when and only when its business model for managing those assets changes.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.8 Financial assets (continued)

(c) Measurement (continued)

Debt instruments (continued)

There are three measurement categories into which the Group and the Company classify their debt instruments:

(i) Amortised cost

Cash and cash equivalents, deposits and placements with financial institutions, financial assets at amortised cost, amount due from counterparties, Islamic financing debt, mortgage assets/Islamic mortgage assets and Islamic hire purchase assets, other assets, amount due to related companies and amount due to subsidiaries that are held for collection of contractual cash flows where those cash flows represent SPPI/SPPP are measured at amortised cost. Interest/profit income from these financial assets is included in the income statements using the effective interest rate ("EIR") and effective profit rate ("EPR") method. Any gain or loss arising on derecognition is recognised directly in income statements and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the income statements.

(ii) Fair value through other comprehensive income ("FVOCI'')

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent SPPI/SPPP, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income ("OCI"), except for the recognition of impairment gains or losses, interest/profit income and foreign exchange gains and losses which are recognised in income statements. When the financial assets are derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to income statements and recognised in non-interest income/(expense).

Interest/profit income from these financial assets is included in interest income using the EIR/EPR method. Foreign exchange gains and losses are presented in non-interest income/(expense) and allowance/(reversal) of impairment losses are presented as separate line item in the income statements.

(iii) Fair value through profit or loss ("FVTPL")

Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. The Group and the Company may also irrevocably designate financial assets at FVTPL if doing so significantly reduces or eliminates a mismatch created by assets and liabilities being measured on different bases. Fair value changes are recognised in income statements and presented net within non-interest income/(expense) in the period which it arises.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.8 Financial assets (continued)

(c) Measurement (continued)

Equity instruments

The Group and the Company subsequently measure all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to income statements following the derecognition of the investment. Dividends from such investments continue to be recognised in income statements as other income when the Group's or the Company's right to receive payments is established.

2.9 Impairment of assets

2.9.1 Financial assets

The Group and the Company assess on a forward looking basis the expected credit loss ("ECL") associated with its debt instruments carried at amortised cost and at FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk ("SICR"). Any loss arising from the SICR will result to the carrying amount of the asset being reduced and the amount of the loss is recognised in the income statements.

The Group and the Company have five of their financial assets that are subject to the ECL model:

- Amount due from counterparties and Islamic financing assets;
- Mortgage assets and hire purchase assets/Islamic mortgage assets and Islamic hire purchase assets;
- Financial assets at FVOCI;
- Financial assets at amortised cost; and
- Money market instruments.

ECL represents a probability-weighted estimate of the difference between present value of cash flows according to contract and present value of cash flows the Group and the Company expect to receive, over the remaining life of the financial instrument.

The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Under MFRS 9, impairment model requires the recognition of ECL for all financial assets, except for financial assets classified or designated as FVTPL and equity securities classified under FVOCI, which are not subject to impairment assessment.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.9 Impairment of assets (continued)

2.9.1 Financial assets (continued)

General approach

ECL will be assessed using an approach which classifies financial assets into three stages which reflect the change in credit quality of the financial assets since initial recognition:

- Stage 1: 12-month ECL – not credit impaired

  For credit exposures where there has not been a SICR since initial recognition or which have low credit risk at reporting date and that are not credit impaired upon origination, the ECL associated with the probability of default events occurring within the next 12 months will be recognised.

- Stage 2: Lifetime ECL – not credit impaired

  For credit exposures where there has been a SICR initial recognition but that are not credit impaired, the ECL associated with the probability of default events occurring within the lifetime ECL will be recognised. Unless identified at an earlier stage, all financial assets are deemed to have suffered a SICR when 30 days past due.

- Stage 3: Lifetime ECL – credit impaired

  Financial assets are assessed as credit impaired when one or more objectives evidence of defaults that have a detrimental impact on the estimated future cash flows of that asset have occurred. A lifetime ECL will be recognised for financial assets that have become credit impaired. Generally, all financial assets that are 90 days past due or more are classified under Stage 3.

Simplified approach

For all other financial instruments, a loss allowance at an amount equal to lifetime ECL is required.

Significant increase in credit risk (“SICR”)

The Group and the Company consider the probability of default upon initial recognition of asset and whether there has been a SICR on an ongoing basis throughout each reporting period. To assess whether there is a SICR, the Group and the Company compare the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. The Group and the Company consider available reasonable and supportable forward-looking information.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.9 Impairment of assets (continued)

2.9.1 Financial assets (continued)

Significant increase in credit risk (“SICR”) (continued)

The following indicators are incorporated:

- internal credit rating;
- external credit rating (as far as available);
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the counterparties’s ability to meet its obligations;
- actual or expected significant changes in the operating results of the counterparties;
- significant increases in credit risk on other financial instruments of the same counterparty; and
- significant changes in the expected performance and behaviour of the counterparty, including changes in the payment status of counterparty in the group and changes in the operating results of the counterparty.

Macroeconomic information (such as market interest rates or growth rates) is incorporated as part of the internal rating model.

Regardless of the analysis above, a SICR is presumed if a debtor is more than 30 days past due in making a contractual payment.

Definition of default and credit impaired financial assets

The Group and the Company define a financial instrument as default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

Quantitative criteria:

The Group and the Company define a financial instrument as default, when the counterparty fails to make contractual payment within 90 days of when they fall due.

Qualitative criteria:

The debtor meets unlikeliness to pay criteria, which indicates the debtor is in significant financial difficulty. The Group and the Company consider the following instances:

- the debtor is in breach of financial covenants;
- concessions have been made by the lender relating to the debtor’s financial difficulty;
- it is becoming probable that the debtor will enter bankruptcy or other financial reorganisation; and
- the debtor is insolvent

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.9 Impairment of assets (continued)

2.9.1 Financial assets (continued)

<u>Definition of default and credit impaired financial assets</u> (continued)

For the purpose of ECL measurement, mortgage assets and hire purchase assets/Islamic mortgage assets and Islamic hire purchase assets have been grouped based on shared credit risk characteristics and the days past due. Mortgage assets/Islamic mortgage assets and Islamic hire purchase assets have substantially the same risk characteristics and the Group and the Company have therefore concluded that these assets to be assessed on a collective basis.

Financial assets at FVOCI, financial assets at amortised cost, amount due from counterparties, Islamic financing assets and debt instruments which are in default or credit impaired are assessed individually.

2.9.2 Non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. The impairment loss is charged to the income statements, unless it reverses a previous revaluation in which it is charged to the revaluation surplus. Any subsequent increase in recoverable amount is recognised in the income statements.

2.10 Write-off

The Group and the Company write-off financial assets, in whole or in part, when they have exhausted all practicable recovery efforts and have concluded that there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor’s sources of income or assets to generate sufficient future cash flows to repay the amount. Impairment losses are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off will result in impairment gains which are credited against the same line item.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.11 Financial liabilities

Financial liabilities are measured at amortised cost unless it is a financial liability held for trading or designated at FVTPL. Financial liabilities are recognised at fair value plus transaction costs and are derecognised when extinguished.

(a) Financial liabilities at fair value through profit or loss

This category comprises two sub-categories: financial liabilities as held-for-trading, and financial liabilities designated at fair value through profit or loss upon initial recognition. A financial liability is classified as held-for-trading if it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term or if it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. Derivatives are categorised as held-for-trading unless they are designated as hedges. Refer to accounting policy Note 2.18 on hedge accounting.

(b) Borrowings measured at amortised cost

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost, any difference between initial recognised amount and the redemption value is recognised in income statements over the period of the borrowings using the EIR/EPR method. All other borrowing costs are recognised in income statements in the period in which they are incurred.

Borrowings measured at amortised cost are short-term borrowings, unsecured bearer bonds and notes and Sukuk.

Included in short-term borrowings is obligations on securities sold under repurchase agreements are securities which the Group and the Company have sold from its portfolio, with a commitment to repurchase at future dates.

(c) Other financial liabilities measured at amortised cost

Other financial liabilities are initially recognised at fair value plus transaction costs. Subsequently, other financial liabilities are re-measured at amortised cost using the EIR method.

2.12 Income recognition on mortgage assets and hire purchase assets/Islamic mortgage assets and Islamic hire purchase assets

Interest income for conventional assets and profit income for Islamic assets are recognised using the EIR/EPR method. Accretion of discount is recognised using the effective yield method.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.13 Premium and discount on unsecured bearer bonds, notes and Sukuk

Premium on unsecured bearer bonds and notes/Sukuk represents the excess of the issue price over the redemption value of the bonds and notes/Sukuk are accreted to the income statements over the life of the bonds and notes/Sukuk on an effective yield basis. Where the redemption value exceeds the issue price of the bonds and notes/Sukuk, the difference, being the discount is amortised to the income statements over the life of the bonds and notes/Sukuk on an effective yield basis.

2.14 Current and deferred tax

Current tax expense represents taxation at the current rate based on taxable profit earned during the financial year.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences or unused tax losses can be utilised.

Deferred tax is determined using tax rates (and tax laws) that have been enacted or substantially enacted by the statement of financial position date and are expected to apply when the related deferred tax asset is realised or deferred tax liability is settled.

Deferred and income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.15 Cash and cash equivalents

For the purpose of statements of cash flows, cash and cash equivalents comprise cash and bank balances and deposits that are readily convertible to known amounts of cash which are subject to insignificant risk of changes in value.

2.16 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.17 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting used by the chief operating decision maker. The chief operating decision maker is the person or group that allocated resources and assesses the performance of the operating segments of the Group and the Company. The Group and the Company have determined the Chief Executive Officer of the Company to be the chief operating decision maker.

2.18 Derivative financial instruments and hedge accounting

Derivative financial instruments consist of interest rate swaps ("IRS"), Islamic profit rate swaps ("IPRS") and cross currency swaps (“CCS”). Derivative financial instruments are used by the Group and the Company to hedge the issuance of its bond/Sukuk from potential movements in interest rates, profit rates or foreign currency exchange rates. Further details of the derivatives financial instruments are disclosed in Note 9 to the financial statements.

Fair value of derivatives financial instruments is recognised at inception on the statements of financial position, and subsequent changes in fair value as a result of fluctuation in market interest rates, profit rates or foreign currency exchange rates are recorded as derivative assets (favourable) or derivative liabilities (unfavourable).

For derivatives that are not designated as hedging instruments, losses and gains from the changes in fair value are taken to the income statements.

For derivatives that are designated as hedging instruments, the method of recognising fair value gain or loss depends on the type of hedge.

The Group and the Company document at the inception of the hedge relationship, the economic relationship between hedging instruments and hedged items including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The Group and the Company also document their risk management objective and strategy for its hedge transactions and its assessment, both at hedge inception and on an ongoing basis, on whether the derivative is highly effective in offsetting changes in the fair value or cash flows of the hedged items.

Cash flow hedge

The effective portion of changes in the fair value of a derivative designated and qualifying as a hedge of future cash flows is recognised directly in the cash flow hedge reserve and taken to the income statements in the periods when the hedged item affects gain or loss. The ineffective portion of the gain or loss is recognised immediately in the income statements under "Non-interest income/(expense)".

Amounts accumulated in equity are reclassified to income statements in the periods when the hedged item affects profit or loss. The gain or loss relating to the effective portion of interest rate swaps hedging variable rate borrowings is recognised in income statements within the line item "Non-interest income/(expense)" at the same time as the interest expense on the hedged borrowings.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.18 Derivative financial instruments and hedge accounting (continued)

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, the accounting of any cumulative deferred gain or loss depends on the nature of the underlying hedged transaction. For cash flow hedge which resulted in the recognition of a non-financial asset, the cumulative amount in equity shall be included in the initial cost of the asset. For other cash flow hedges, the cumulative amount in equity is reclassified to income statements in the same period that the hedged cash flows affect income statements. When hedged future cash flows or forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately reclassified to income statements under "non-interest (expense)/income".

2.19 Provisions

Provisions are recognised when the Group and the Company have a present legal or constructive obligation as a result of past events, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate of the amount can be made. Where the Group and the Company expect a provision to be reimbursed (for example, under an insurance contract) the reimbursement is recognised as separate asset but only when the reimbursement is virtually certain. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured as the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflect current market assessment of the time value of money and the risk specific to obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.20 Zakat

The Group and the Company recognise its obligations towards the payment of zakat on business. Zakat for the current period is recognised when the Group and the Company have a current zakat obligation as a result of a zakat assessment. The amount of zakat expenses shall be assessed when the Group and the Company have been in operation for at least 12-months, i.e. for the period known as haul.

Zakat rates enacted or substantively enacted by the statements of financial position date are used to determine the zakat expense. The rate of zakat on business for the financial year is 2.5% (2023: 2.5%) of the zakat base.

The zakat base of the Group and the Company is determined based on adjusted growth method. This method calculates zakat base as owners' equity and long-term liabilities, deducted for property and equipment and non-current assets, and adjusted for items that do not meet the conditions for zakat assets and liabilities as determined by the relevant zakat authorities.

The amount of zakat assessed is recognised as an expense in the financial year in which it is incurred.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.21 Employee benefits

(a) Short-term employee benefits

Wages, salaries, paid annual leave, bonuses and non-monetary benefits are accrued in the financial year in which the associated services are rendered by the employees of the Group and the Company.

(b) Defined contributions plans

The Group and the Company contribute to the Employees' Provident Fund ("EPF"), the national defined contribution plan. The contributions to EPF are charged to the income statements in the financial year to which they relate to. Once the contributions have been paid, the Group and the Company have no further payment obligations in the future. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

2.22 Intangible assets

(a) Computer software

Acquired computer software and computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs associated with developing or maintaining computer software programmes are recognised when the costs are incurred. Costs that are directly associated with identifiable and unique software products controlled by the Group and the Company, which will generate probable economic benefits exceeding costs beyond one year, are recognised as intangible assets. Costs include employee costs incurred as a result of developing software and an appropriate portion of relevant overheads.

The computer software and computer software licenses are amortised over their estimated useful lives of three to ten years.

(b) Service rights to transaction administrator and administrator fees (“Service Rights”)

Service Rights represents secured rights to receive expected future economic benefits by way of transaction administrator and administrator fees for Residential Mortgage-Backed Securities ("RMBS") and Islamic Residential Mortgage-Backed Securities ("IRMBS") issuances.

Service Rights are recognised as intangible assets at cost and amortised using the straight line method over the tenure of RMBS and IRMBS.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.23 Share capital

(a) Classification

Ordinary shares are classified as equity. Other shares are classified as equity and/or liability according to the economic substance of the particular instrument.

Distributions to holders of a financial instrument classified as an equity instrument are charged directly to equity.

(b) Dividends to the shareholder of the Company

Dividends on ordinary shares are recognised as liabilities when declared before the statements of financial position date. A dividend proposed or declared after the statements of financial position date, but before the financial statements are authorised for issue, is not recognised as a liability at the statement of financial position date. Upon the dividend becoming payable, it will be accounted for as a liability.

2.24 Currency translations

(a) Functional and presentation currency

Items included in the financial statements of the Group and the Company are measured using the currency of the primary economic environment in which the entity operates (the "functional currency").

The financial statements are presented in Ringgit Malaysia (“RM”), which is the Group’s and the Company's functional and presentation currency.

(b) Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains or losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statements, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.25 Contingent liabilities and contingent assets

The Group and the Company do not recognise a contingent liability but disclose its existence in the financial statements. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group and the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in the extremely rare case where there is a liability that cannot be recognised because it cannot be measured reliably.

The Group and the Company do not recognise a contingent asset but disclose its existence where inflows of economic benefits are probable, but not virtually certain. A contingent asset is a possible asset that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group and the Company.

2.26 Deferred financing fees

Deferred financing fees consist of expenses incurred in relation to the unsecured bonds and notes/Sukuk issuance. Upon unsecured bonds and notes/Sukuk issuance, deferred financing fees will be deducted from the carrying amount of the unsecured bonds and notes/Sukuk and amortised using the EIR/EPR method.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.27 Leases

Leases are recognised as right-of-use ("ROU") asset and a corresponding lease liability at the date on which the leased asset is available for use by the Group and the Company (i.e. the commencement date).

Contracts may contain both lease and non-lease components. The Group and the Company allocate the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of properties for which the Group and the Company are a lessee, they have elected the practical expedient provided in MFRS 16: Leases not to separate lease and non-lease components. Both components are accounted for as a single lease component and payments for both components are included in the measurement of lease liability.

<u>Lease term</u>

In determining the lease term, the Group and the Company consider all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not to be terminated).

The Group and the Company reassess the lease term upon the occurrence of a significant event or change in circumstances that is within the control of the Group and the Company and affect whether the Group and the Company are reasonably certain to exercise an option not previously included in the determination of lease term, or not to exercise an option previously included in the determination of lease term. A revision in lease term results in remeasurement of the lease liabilities.

<u>ROU asset</u>

ROU asset is initially measured at cost comprising the following:

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentive received;
- Any initial direct costs; and
- Decommissioning or restoration costs.

ROU asset that is not investment properties is subsequently measured at cost, less accumulated depreciation and impairment loss (if any). The ROU asset is generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group and the Company are reasonably certain to exercise a purchase option, the ROU asset is depreciated over the underlying asset's useful life. In addition, the ROU asset is adjusted for certain remeasurement of the lease liabilities. ROU asset is presented as a separate line item in the statements of financial position.

2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.27 Leases (continued)

Lease liability

Lease liability is initially measured at the present value of the lease payments that are not paid at that date. The lease payments include the following:

- Fixed payments (including in-substance fixed payments), less any lease incentive receivable;
- Variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable by the Group and the Company under residual value guarantees;
- The exercise price of a purchase options if the Group and the Company are reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the Group and the Company exercising that option.

Lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group and the Company, the lessee's incremental borrowing is used. This is the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the ROU asset in a similar economic environment with similar term, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to income statements over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Variable lease payments that depend on sales are recognised in the income statements in the period in which the condition that triggers those payments occurs.

The Group and the Company present the lease liabilities as a separate line item in the statement of financial position. Interest expense on the lease liability is presented within the non-interest expense in the income statements.

Reassessment of lease liabilities

The Group and the Company are also exposed to potential future increases in variable lease payments that depend on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is remeasured and adjusted against the ROU asset.

Short-term leases and leases of low value assets

Short-term leases are leases with a lease term of 12-month or less. Low-value assets comprise IT equipment and small items of office furniture. Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in income statements.

3 CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with MFRS Accounting Standards and IFRS Accounting Standards requires the use of certain critical accounting estimates and exercise of judgements by management in the process of applying the Group's and the Company's accounting policies.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have significant risk of causing a material adjustment to the carrying amounts of the asset and liability within the next financial year are outlined below.

(a) Impairment of mortgage assets and hire purchase assets (Note 12, 13, 14 and 45)

The Group and the Company make allowances for losses on mortgage assets and hire purchase assets based on assessment of recoverability. Whilst management is guided by the requirement of MFRS 9, management make judgement on the future and other key factors in respect of the recovery of the assets. Among factors considered are the net realisable value of the underlying collateral value and the capacity to generate sufficient cash flows to service the assets.

Two economic scenarios using different probability weighted are applied to the ECL:

- Base case – based upon current economic outlook or forecast
- Negative case – based upon a projected pessimistic or negative outlook or forecast

4 RISK MANAGEMENT OBJECTIVES AND POLICIES

Risk management is an integral part of the Group’s and the Company's business and operations. It encompasses identification, measurement, analysing, controlling, monitoring and reporting of risks on an enterprise-wide basis.

In recent years, the Group and the Company have enhanced key controls to ensure effectiveness of risk management and its independence from risk taking activities.

The Group and the Company will continue to develop its human resources, review existing processes and introduce new approaches in line with best practices in risk management. It is the Group’s and the Company's aim to create strong risk awareness amongst both its front-line and back office staff, where risks are systematically managed and the levels of risk taking are closely aligned to the risk appetite and risk-reward requirements set by the Board of Directors.

4.1 Risk management structure

The Board of Directors has ultimate responsibility for management of risks associated with the Group’s and the Company's operations and activities. The Board of Directors sets the risk appetite and tolerance level that are consistent with the Group’s and the Company's overall business objectives and desired risk profile. The Board of Directors also reviews and approves all significant risk management policies and risk exposures.

The Board Risk Committee assists the Board of Directors by ensuring that there is effective oversight and development of strategies, policies and infrastructure to manage the Group’s and the Company's risks including compliance with applicable laws and regulations.

Management Executive Committee is responsible for the implementation of the policies laid down by the Board of Directors by ensuring that there are adequate and effective operational procedures, internal controls and systems for identifying, measuring, analysing, controlling, monitoring and reporting of risks.

The Risk Management and Compliance Division is independent of other departments involved in risk-taking activities. It is responsible for monitoring and reporting risk exposures independently to the Board Risk Committee and coordinating the management of risks on an enterprise-wide basis.

4.2 Credit risk management

Credit risk is the possibility that a borrower or counterparty fails to fulfill its financial obligations when they fall due. Credit risk arises in the form of on-statement of financial position items such as lending and investments, as well as in the form of off-statement of financial position items such as treasury hedging activities.

The Group and the Company manage the credit risk by screening borrowers and counterparties, stipulate prudent eligibility criteria and conduct due diligence on loans and financing to be purchased. The credit limits are reviewed periodically and are determined based on a combination of external ratings, internal credit assessment and business requirements. All credit exposures are monitored on a regular basis and non-compliance is independently reported to the management, Board Risk Committee and the Board of Directors for immediate remediation.

Credit risk is also mitigated via underlying assets which comprised mainly of mortgage assets, Islamic mortgage assets, hire purchase assets and Islamic hire purchase assets.

4 RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

4.3 Market risk management

Market risk is the potential loss arising from adverse movements of market prices such as foreign exchange rates, interest/profit rates and market prices. The market risk exposure is limited to interest/profit rate risk and foreign exchange rates only as the Group and the Company do not engage in any equity or commodity trading activities.

The Group and the Company control the market risk exposure by imposing threshold limits and entering in derivatives contract. The limits are set based on the Group’s and the Company's risk appetite and the risk-return relationship. These limits are regularly reviewed and monitored. The Group and the Company have an Asset Liability Management System which provides tools such as duration gap analysis, interest/profit sensitivity analysis and income simulations under different scenarios to monitor the interest/profit rate risk.

The Group and the Company also use derivative instruments such as IRS, IPRS and CCS to manage and hedge its market risk exposure against fluctuations in interest rates, profit rates and foreign currency exchange rate.

4.4 Liquidity risk management

Liquidity risk arises when the Group and the Company do not have sufficient funds to meet its financial obligations when they fall due.

The Group and the Company mitigate the liquidity risk by matching the timing of purchases of loans and debts with issuance of Bonds or Sukuk. The Group and the Company plan its cash flow positions and monitor closely every business transaction to ensure that available funds are sufficient to meet business requirements at all times. In addition, the Group and the Company set aside considerable reserve liquidity to meet any unexpected shortfall in cash flow or adverse economic conditions in the financial market.

The Group’s and the Company's liquidity management process, as carried out within the Company and its subsidiaries and monitored by related departments, includes:

(a) Managing cash flow mismatch and liquidity gap limits which involves assessing all of the Group’s and the Company's cash inflows against its cash outflows to identify the potential for any net cash shortfalls and the ability of the Group and the Company to meet the cash obligations when they fall due;
(b) Matching funding of loan purchases against its expected cash flows, duration and tenure of the funding;
(c) Monitoring the liquidity ratios of the Group and the Company against internal requirements; and
(d) Managing the concentration and profile of funding by diversification of funding sources.

4.5 Operational risk management

Operational risk is defined as the potential loss resulting from inadequate or failed internal processes, people and systems or from external events. It includes reputational risk associated with the Group’s and the Company’s business practices or market conduct. It also includes the risk of failing to comply with applicable laws and regulations.

4 RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

4.5 Operational risk management (continued)

The management of operational risk is an important priority for the Group and the Company. To mitigate such operational risks, the Group and the Company have developed an operational risk program and essential methodologies that enable identification, measurement, monitoring and reporting of inherent and emerging operational risks.

The day-to-day management of operational risk exposures is through the development and maintenance of comprehensive internal controls and procedures based on segregation of duties, independent checks, segmented system access control and multi-tiered authorisation processes. An incident reporting process is also established to capture and analyse frauds and control lapses.

A periodic self-risk and control assessment is established for business and support units to pre-emptively identify risks and evaluate control effectiveness. Action plans are developed for the control issues identified.

The Group and the Company minimise the impact and likelihood of any unexpected disruptions to its business operations through implementation of its business continuity management ("BCM") framework and policy, business continuity plans and regular BCM exercises. The Group and the Company have also identified enterprise-wide recovery strategies to expedite the business and technology recovery and resumption during catastrophic events.

5 CASH AND CASH EQUIVALENTS

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Cash and balance with banks and other financial institution	1,112	559	1,077	532
Money at call and deposits and placements maturing with original maturity less than 3 months	28,032	115,110	28,032	115,110
Mudharabah money at call and deposits and placements maturing with original maturity less than 3 months	31,978	64,690	31,978	64,690
	61,122	180,359	61,087	180,332
Less: Allowance for impairment losses	(1)	-	(1)	-
	61,121	180,359	61,086	180,332

5 CASH AND CASH EQUIVALENTS (CONTINUED)

The gross carrying value of cash and cash equivalents and the impairment allowances are within Stage 1. Movement in impairment allowances that reflect the ECL model on impairment are as follows:

	Group and Company	
	2024	2023
	RM'000	RM'000
Stage 1		
As at 1 January	-	1
Allowance during the year	1	-
Financial assets derecognised during the year due to maturity of assets	-	(1)
As at 31 December	1	-

6 DEPOSITS AND PLACEMENTS WITH FINANCIAL INSTITUTIONS

	Group and Company	
	2024	2023
	RM'000	RM'000
Licensed banks	433,228	86,947
Less: Allowance for impairment losses	(3)	-
	433,225	86,947

The gross carrying value of cash and cash equivalents and the impairment allowances are within Stage 1. Movement in impairment allowances that reflect the ECL model on impairment are as follows:

	Group and Company	
	2024	2023
	RM'000	RM'000
Stage 1		
As at 1 January	-	-
Allowance during the year	3	-
As at 31 December	3	-

7 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME ("FVOCI")

	Group and Company	
	2024	2023
	RM'000	RM'000
Debt instruments:		
Malaysian Government securities	769,818	497,806
Corporate bonds	391,067	318,729
Government investment issues	1,348,557	847,398
Corporate Sukuk	864,207	856,244
Quasi Government Sukuk	153,990	169,884
	3,527,639	2,690,061

The maturity structure of financial assets at FVOCI are as follows:

	2024 RM'000	2023 RM'000
Maturing within one year	327,929	148,606
One to three years	537,090	498,549
Three to five years	521,634	611,018
More than five years	2,140,986	1,431,888
	3,527,639	2,690,061

The carrying amount of debt instruments at FVOCI is equivalent to their fair value. The ECL is recognised in other comprehensive income and does not reduce the carrying amount in the statement of financial position.

The gross carrying value of financial assets at FVOCI by stage are as follows:

	Gross carrying value RM'000	Impairment allowance RM'000
2024		
Stage 1 (12-month ECL; non-credit impaired)	3,527,639	317
2023		
Stage 1 (12-month ECL; non-credit impaired)	2,690,061	370

7 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME ("FVOCI") (CONTINUED)

Movement in impairment allowances that reflect the ECL model on impairment are as follows:

	Group and Company	
	2024	2023
	RM'000	RM'000
Stage 1		
As at 1 January	370	365
Allowance during the year on new assets purchased	60	255
Financial assets derecognised during the year due to maturity of assets	(76)	(152)
Reversal during the year due to changes in credit risk	(37)	(98)
As at 31 December	317	370

The financial assets at FVOCI which are pledged as collateral for obligations on securities sold under repurchase agreements for the Group and the Company amounting to RM498.1 million (2023: RM432.9 million).

8 FINANCIAL ASSETS AT AMORTISED COST

	Group and Company	
	2024	2023
	RM'000	RM'000
Corporate bonds	1,605,037	1,604,687
Corporate Sukuk	681,998	681,993
	2,287,035	2,286,680

The maturity structure of financial assets at amortised cost are as follows:

More than five years	2,290,640	2,290,448
Less: Allowance for impairment losses	(3,605)	(3,768)
	2,287,035	2,286,680

The gross carrying value by stage are as follows:

	Gross carrying value	Impairment allowance
	RM'000	RM'000
2024		
Stage 1 (12-month ECL; non-credit impaired)	2,290,640	3,605
2023		
Stage 1 (12-month ECL; non-credit impaired)	2,290,448	3,768

8 FINANCIAL ASSETS AT AMORTISED COST (CONTINUED)

Movement in impairment allowances that reflect the ECL model on impairment are as follows:

	Group and Company	
	2024	2023
	RM'000	RM'000
Stage 1		
As at 1 January	3,768	3,135
Allowance during the year on new assets purchased	-	1,154
Reversal during the year due to changes in credit risk	(163)	(521)
As at 31 December	3,605	3,768

9 DERIVATIVE FINANCIAL ASSETS/LIABILITIES

The derivative financial assets/liabilities used by the Group and the Company to hedge against its interest/profit rate exposure and foreign currency exposure are IRS, IPRS and CCS.

IRS/IPRS are used by the Group and the Company to hedge against its interest/profit rate exposure arising from the following transactions:

(i) Issuance of fixed rate bonds/Sukuk to fund floating rate asset purchases

The Group and the Company pay the floating rate receipts from its floating rate asset purchases to the swap counterparties and receive fixed rate interest/profit in return. This fixed rate interest/profit will then be utilised to pay coupon on the fixed rate bonds/Sukuk issued. Hence, the Group and Company are protected from adverse movements in interest/profit rate.

(ii) Issuance of short duration bonds/Sukuk to fund long-term fixed asset

The Group and the Company will issue short duration bonds/Sukuk and enter into swap transaction to receive floating rate interest/profit from, and pay fixed rate interest/profit to the swap counterparty. Upon receiving instalment from assets, the Group and the Company pay fixed rate interest/profit to the swap counterparty and receive floating rate interest/profit to pay to the bondholders/Sukuk holders.

9 DERIVATIVE FINANCIAL ASSETS/LIABILITIES (CONTINUED)

CCS are also used by the Group and the Company to hedge against foreign currency exposure arising from the issuance of foreign currency bonds/Sukuk to fund assets in functional currency. Illustration of the transaction as follows:

(i) At inception, the Group and the Company swap the proceeds from the foreign currency bonds/Sukuk to the functional currency at the pre-agreed exchange rate with CCS counterparty.

(ii) In the interim, the Group and the Company receive interest/profit payment in foreign currency from the CCS counterparty and remit the same to the foreign currency bonds/Sukuk holders for coupon payment. Simultaneously, the Group and the Company pay interest/profit to the CCS counterparty in functional currency using instalment received from assets purchased.

(iii) On maturity, the Group and the Company pay principal in functional currency at the same pre-agreed exchange rate to the CCS counterparty and receive amount of principal in foreign currency equal to the principal of the foreign currency bonds/Sukuk which will then be used to redeem the bonds/Sukuk. The Group's and the Company's foreign currency exposures are from Hong Kong Dollar ("HKD") and Singapore Dollar ("SGD").

The effectiveness is assessed by comparing the changes in fair value of the interest/profit rate swaps and cross currency swaps with changes in fair value of the hedged item attributable to the hedged risk using the hypothetical derivative method.

The Group and the Company have established the hedging ratio by matching the notional of the derivative with the principal of the hedged item. Possible sources of ineffectiveness are as follows:

- Differences in timing of cash flows between hedged item, interest/profit rate swaps and cross currency swaps;
- Hedging derivatives with non-zero fair value at the inception as a hedging instrument; and
- Counterparty credit risk which impacts the fair value of interest/profit rate swaps and cross currency swaps but not the hedged items.

9 DERIVATIVE FINANCIAL ASSETS/LIABILITIES (CONTINUED)

The table below summarises the derivative financial assets/liabilities entered by the Group and the Company which are all used as hedging instruments in cash flow hedges.

Designated as cash flow hedges

Group and Company	Contract/ Notional amount	Assets	Liabilities	Average fixed interest rate
	RM'000	RM'000	RM'000	%
2024				
IRS/IPRS				
Maturing within one year	1,180,000	391	(357)	3.59
One to three years	350,000	-	(1,716)	3.78
Three to five years	90,000	-	(176)	3.59
More than five years	260,000	15,012	-	4.34
	1,880,000	15,403	(2,249)	
CCS				
Maturing within one year	2,581,812	-	(68,044)	3.75
One to three years	1,124,520	-	(10,324)	3.77
	3,706,332	-	(78,368)	
	5,586,332	15,403	(80,617)	

9 DERIVATIVE FINANCIAL ASSETS/LIABILITIES (CONTINUED)

Designated as cash flow hedges (continued)

Group and Company	Contract/ Notional amount RM'000	Assets RM'000	Liabilities RM'000	Average fixed interest rate %
2023				
IRS/IPRS				
Maturing within one year	1,000,000	720	(3,924)	2.66
One to three years	1,335,000	446	(4,937)	3.64
Three to five years	90,000	-	(142)	3.59
More than five years	160,000	12,922	-	4.66
	2,585,000	14,088	(9,003)	
CCS				
Maturing within one year	4,139,796	151,553	(6,158)	3.62
One to three years	1,112,470	42,018	-	3.90
	5,252,266	193,571	(6,158)	
	7,837,266	207,659	(15,161)	

9 DERIVATIVE FINANCIAL ASSETS/LIABILITIES (CONTINUED)

The amounts relating to items designated as hedging instruments and hedge ineffectiveness are as follows:

	Group and Company						
	Nominal amount	Fair value* Assets	Fair value* Liabilities	Changes in fair value used for calculating hedging effectiveness	Changes in fair value recognised in other comprehensive income	Hedge ineffectiveness recognised in income statement**	Amount reclassified from hedge reserve to income statement**
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2024							
Interest rate risk:							
IRS	895,000	15,177	(1,893)	13,124	13,124	-	-
IPRS	985,000	226	(356)	(105)	(105)	-	-
Foreign exchange risk:							
CCS	3,706,332	-	(78,368)	643	155,622	-	(169,251)
2023							
Interest rate risk:							
IRS	1,645,000	13,368	(6,474)	12,391	12,391	-	-
IPRS	940,000	720	(2,529)	(1,935)	(1,935)	-	-
Foreign exchange risk:							
CCS	5,252,266	193,571	(6,158)	3,816	277,268	-	(270,319)

* All hedging instruments are included in the derivative assets and derivative liabilities line item in the statements of financial position.
** All hedge ineffectiveness and reclassification from the 'Hedging reserve – cash flows hedge' to profit or loss are recognised in the 'Non-interest income/(expense)' in the income statements.

9 DERIVATIVE FINANCIAL ASSETS/LIABILITIES (CONTINUED)

The amounts relating to items designated as hedged items are as follows:

				Group and Company
	Line item in the statements of financial position in which the hedged item is included	Change in fair value used for calculating hedge effectiveness	Cash flow hedge reserve	Balance remaining in the cash flow hedge reserve from hedging relationship for which hedge accounting is no longer applied
		RM'000	RM'000	RM'000
2024				
Interest/profit rate/foreign exchange risk				
Floating rate financial assets	Amount due from counterparties	14,762	11,219	-
Floating rate financial liabilities	Unsecured bearer bonds and notes	(1,638)	(1,246)	-
Floating rate financial liabilities	Sukuk	(105)	(79)	-
Fixed rate financial liabilities	Unsecured bearer bonds and notes	643	489	-
2023				
Interest/profit rate/foreign exchange risk				
Floating rate financial assets	Amount due from counterparties	12,775	9,709	-
Floating rate financial liabilities	Unsecured bearer bonds and notes	(384)	(292)	-
Floating rate financial liabilities	Sukuk	(1,935)	(1,470)	-
Fixed rate financial liabilities	Unsecured bearer bonds and notes	3,816	2,900	-

9 DERIVATIVE FINANCIAL ASSETS/LIABILITIES (CONTINUED)

(i) Reconciliation of components of equity

The following table provides reconciliation by risk category of components of equity and analysis of OCI items (net of tax) resulting from hedge accounting:

	Group and Company	
	2024	2023
	RM'000	RM'000
Cash flow hedge		
As at 1 January	10,847	(2,381)
Effective portion of changes in fair value, net of amount reclassified to profit or loss on:		
- Interest rate risk	168,641	287,724
- Foreign exchange fluctuations (Note 32)	(169,251)	(270,319)
Income tax effects	146	(4,177)
As at 31 December	10,383	10,847

10 AMOUNT DUE FROM COUNTERPARTIES

	Group and Company	
	2024	2023
	RM'000	RM'000
Relating to:		
Mortgage loans	16,466,653	19,641,205
Hire purchase and leasing debts	366,769	346,585
	16,833,422	19,987,790
The maturity structure of amount due from counterparties are as follows:		
Maturing within one year	4,505,015	6,475,796
One to three years	11,191,790	8,861,989
Three to five years	-	4,288,658
More than five years	1,136,633	361,372
	16,833,438	19,987,815
Less: Allowance for impairment losses	(16)	(25)
	16,833,422	19,987,790

10 AMOUNT DUE FROM COUNTERPARTIES (CONTINUED)

The gross carrying value of amount due from counterparties and the impairment allowances are within Stage 1 (12-month ECL). Movement in impairment allowances that reflect the ECL model on impairment are as follows:

	Group and Company	
	2024	2023
	RM'000	RM'000
Stage 1		
As at 1 January	25	16
Allowance during the year on new assets purchased	5	21
Financial assets derecognised during the year due to maturity of assets	(8)	(9)
Reversal during the year due to changes in credit risk	(6)	(3)
As at 31 December	16	25

11 ISLAMIC FINANCING ASSETS

	2024	2023
Relating to:		
Islamic house financing	19,205,889	18,696,839
Islamic personal financing	956,288	2,225,410
Islamic hire purchase	504,611	504,612
	20,666,788	21,426,861
The maturity structure Islamic financing assets are as follows:		
Maturing within one year	8,386,753	7,301,922
One to three years	6,928,456	9,385,918
Three to five years	4,551,354	4,739,117
More than five years	800,276	-
	20,666,839	21,426,957
Less: Allowance for impairment losses	(51)	(96)
	20,666,788	21,426,861

The gross carrying value of Islamic financing assets and the impairment allowances are within Stage 1 (12-month ECL). Movement in impairment allowances that reflect the ECL model on impairment are as follows:

	Group and Company	
	2024	2023
	RM'000	RM'000
Stage 1		
As at 1 January	96	93
Allowance during the year on new assets purchased	13	24
Financial assets derecognised during the year due to maturity of assets	(29)	(11)
Reversal during the year due to changes in credit risk	(29)	(10)
As at 31 December	51	96

12 MORTGAGE ASSETS – CONVENTIONAL

	Group and Company	
	2024	2023
	RM'000	RM'000
PWOR	2,600,891	3,021,850
The maturity structure of mortgage assets – conventional are as follows:		
Maturing within one year	449,989	642,965
One to three years	723,466	741,844
Three to five years	596,689	634,252
More than five years	838,579	1,014,207
	2,608,723	3,033,268
Less:		
Allowance for impairment losses	(7,832)	(11,418)
	2,600,891	3,021,850

The gross carrying value of mortgage assets by stage are as follows:

	Gross carrying value	Impairment allowance
	RM'000	RM'000
2024		
Stage 1 (12-month ECL; non-credit impaired)	2,597,345	5,132
Stage 2 (Lifetime ECL; non-credit impaired)	2,923	448
Stage 3 (Lifetime ECL; credit impaired)	8,455	2,252
As at 31 December	2,608,723	7,832
Impairment allowances over gross carrying value (%)		0.30
2023		
Stage 1 (12-month ECL; non-credit impaired)	3,021,332	8,496
Stage 2 (Lifetime ECL; non-credit impaired)	1,447	195
Stage 3 (Lifetime ECL; credit impaired)	10,489	2,727
As at 31 December	3,033,268	11,418
Impairment allowances over gross carrying value (%)		0.38

12 MORTGAGE ASSETS – CONVENTIONAL (CONTINUED)

The impairment allowances by stage and movement in impairment allowances that reflect the ECL model on impairment are as follows:

	Group and Company			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
2024				
As at 1 January	8,496	195	2,727	11,418
Transfer between stages:				
- Transfer to 12-month ECL (Stage 1)	65	(246)	(1,926)	(2,107)
- Transfer to ECL not credit impaired (Stage 2)	(185)	553	(56)	312
- Transfer to ECL credit impaired (Stage 3)	(1,535)	(39)	2,243	669
Total transfer between stages	(1,655)	268	261	(1,126)
Financial assets derecognized during the year (other than write-offs)	(198)	(17)	(1,831)	(2,046)
(Reversal)/allowance during the year due to changes in credit risk	(1,511)	2	(32)	(1,541)
Amount written-back	-	-	1,127	1,127
As at 31 December	5,132	448	2,252	7,832
2023				
As at 1 January	8,677	345	5,875	14,897
Transfer between stages:				
- Transfer to 12-month ECL (Stage 1)	28	(191)	(1,928)	(2,091)
- Transfer to ECL not credit impaired (Stage 2)	(5)	195	(31)	159
- Transfer to ECL credit impaired (Stage 3)	(20)	(46)	1,414	1,348
Total transfer between stages	3	(42)	(545)	(584)
New loans added during the period	2,500	-	-	2,500
Financial assets derecognized during the year (other than write-offs)	(290)	(108)	(3,683)	(4,081)
Reversal during the year due to changes in credit risk	(2,394)	-	(333)	(2,727)
Amount written-back	-	-	1,413	1,413
As at 31 December	8,496	195	2,727	11,418

13 MORTGAGE ASSETS – ISLAMIC

	Group and Company	
	2024	2023
	RM'000	RM'000
PWOR	3,498,719	3,881,528

The maturity structure of mortgage assets - Islamic are as follows:		
Maturing within one year	438,693	601,511
One to three years	757,423	782,955
Three to five years	655,939	689,809
More than five years	1,655,836	1,818,964
	3,507,891	3,893,239
Less:		
Allowance for impairment losses	(9,172)	(11,711)
	3,498,719	3,881,528

The gross carrying value of Islamic mortgage assets by stage are as follows;

	Gross carrying value	Impairment allowance
	RM'000	RM'000
2024		
Stage 1 (12-month ECL; non-credit impaired)	3,496,598	6,423
Stage 2 (Lifetime ECL; non-credit impaired)	1,628	236
Stage 3 (Lifetime ECL; credit impaired)	9,665	2,513
As at 31 December	3,507,891	9,172
Impairment allowances over gross carrying value (%)		0.26
2023		
Stage 1 (12-month ECL; non-credit impaired)	3,876,935	7,846
Stage 2 (Lifetime ECL; non-credit impaired)	2,401	250
Stage 3 (Lifetime ECL; credit impaired)	13,903	3,615
As at 31 December	3,893,239	11,711
Impairment allowances over gross carrying value (%)		0.30

13 MORTGAGE ASSETS – ISLAMIC (CONTINUED)

The impairment allowances by stage and movement in impairment allowances that reflect the ECL model on impairment are as follows:

	Group and Company			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
2024				
As at 1 January	7,846	250	3,615	11,711
Transfer between stages:				
- Transfer to 12-month ECL (Stage 1)	23	(176)	(1,107)	(1,260)
- Transfer to ECL not credit impaired (Stage 2)	(3)	229	(52)	174
- Transfer to ECL credit impaired (Stage 3)	(12)	(21)	778	745
Total transfer between stages	8	32	(381)	(341)
Financial assets derecognized during the year (other than write-offs)	(217)	(45)	(1,913)	(2,175)
Reversal during the year due to changes in credit risk	(1,214)	(1)	(18)	(1,233)
Amount written-back	-	-	1,210	1,210
As at 31 December	6,423	236	2,513	9,172
2023				
As at 1 January	10,923	138	6,130	17,191
Transfer between stages:				
- Transfer to 12-month ECL (Stage 1)	19	(49)	(1,471)	(1,501)
- Transfer to ECL not credit impaired (Stage 2)	(6)	239	(109)	124
- Transfer to ECL credit impaired (Stage 3)	(21)	(54)	1,685	1,610
Total transfer between stages	(8)	136	105	233
Financial assets derecognized during the year (other than write-offs)	(327)	(20)	(3,321)	(3,668)
Reversal during the year due to changes in credit risk	(2,742)	(4)	(493)	(3,239)
Amount written-back	-	-	1,194	1,194
As at 31 December	7,846	250	3,615	11,711

14 HIRE PURCHASE ASSETS – ISLAMIC

	Group and Company	
	2024	2023
	RM'000	RM'000
PWOR	40	55
The maturity structure of hire purchase assets – Islamic are as follows:		
Maturing within one year	40	61
Less: Allowance for impairment losses	-	(6)
	40	55

The gross carrying value of Islamic hire purchase assets by stage are as follows:

	Gross carrying value	Impairment allowance
	RM'000	RM'000
2024		
Stage 1 (12-month ECL; non-credit impaired)	40	-
As at 31 December	40	-
Impairment allowances over gross carrying value (%)		-
2023		
Stage 1 (12-month ECL; non-credit impaired)	36	-
Stage 3 (Lifetime ECL; credit impaired)	25	6
As at 31 December	61	6
Impairment allowances over gross carrying value (%)		9.84

The impairment allowances by stage and movement in impairment allowances that reflect the ECL model on impairment are as follows:

	Group and Company	
	2024	2023
	RM'000	RM'000
Stage 3:		
As at 1 January	6	12
Reversal made during the year	19	(3)
Written-off to principal balance outstanding	(25)	(3)
As at 31 December	-	6

15 AMOUNT DUE FROM SUBSIDIARIES

The amount due from subsidiaries is non-trade in nature, denominated in RM, unsecured, non-interest bearing and are repayable on demand.

16 OTHER ASSETS

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Compensation receivable from originator on mortgage assets	22	33	22	33
Deposits	969	923	968	922
Collateral receivable	6,365	13,716	6,365	13,716
Staff loans and financing	2,094	2,311	2,094	2,311
Management fee receivable	971	610	971	610
Prepayments	3,227	2,849	3,206	2,837
Other receivables	41	34	41	34
	13,689	20,476	13,667	20,463

17 INVESTMENT IN SUBSIDIARIES

	Company	
	2024	2023
	RM'000	RM'000
Unquoted shares at cost	-*	-*

* Denotes USD1 in CGP and RM2 in CGS.

All subsidiaries are audited by Ernst & Young PLT. The subsidiaries of the Company are as follows:

Name	Principal activities	Place of Incorporation	Interest in equity held by the Company	
			2024	2023
			%	%
CGP	To undertake the issuance of bonds and notes in foreign currency.	Labuan	100	100
CGS	To undertake the issuance of Sukuk in foreign currency.	Malaysia	100	100

18 PROPERTY AND EQUIPMENT

Group and Company	Office equipment RM'000	Furniture and fittings RM'000	Motor vehicles RM'000	Total RM'000
2024				
Cost				
As at 1 January	10,643	4,727	779	16,149
Additions	2,193	5,444	-	7,637
Disposals	(249)	(4,232)	(7)	(4,488)
As at 31 December	12,587	5,939	772	19,298
Accumulated depreciation				
As at 1 January	(9,255)	(4,570)	(377)	(14,202)
Charge for the financial year	(1,098)	(32)	(94)	(1,224)
Disposals	248	4,180	7	4,435
As at 31 December	(10,105)	(422)	(464)	(10,991)
Net book value				
As at 31 December	2,482	5,517	308	8,307
2023				
Cost				
As at 1 January	10,827	4,729	703	16,259
Additions	800	13	402	1,215
Disposals	(984)	(15)	(326)	(1,325)
As at 31 December	10,643	4,727	779	16,149
Accumulated depreciation				
As at 1 January	(9,652)	(4,553)	(595)	(14,800)
Charge for the financial year	(586)	(29)	(97)	(712)
Disposals	983	12	315	1,310
As at 31 December	(9,255)	(4,570)	(377)	(14,202)
Net book value				
As at 31 December	1,388	157	402	1,947

19 INTANGIBLE ASSETS

Group and Company	Service rights RM'000	Computer software RM'000	Computer software licenses RM'000	Work in progress RM'000	Total RM'000
2024					
Cost					
As at 1 January	7,690	18,792	27,980	3,967	58,429
Additions	-	1,902	-	-	1,902
Transfer	-	3,967	-	(3,967)	-
As at 31 December	7,690	24,661	27,980	-	60,331
Accumulated amortisation					
As at 1 January	(6,546)	(14,572)	(20,507)	-	(41,625)
Charge for the financial year	(377)	(2,242)	(2,493)	-	(5,112)
As at 31 December	(6,923)	(16,814)	(23,000)	-	(46,737)
Net book value					
As at 31 December	767	7,847	4,980	-	13,594
2023					
Cost					
As at 1 January	7,690	16,507	27,980	3,881	56,058
Additions	-	2,285	-	86	2,371
As at 31 December	7,690	18,792	27,980	3,967	58,429
Accumulated amortisation					
As at 1 January	(6,165)	(13,511)	(17,796)	-	(37,472)
Charge for the financial year	(381)	(1,061)	(2,711)	-	(4,153)
As at 31 December	(6,546)	(14,572)	(20,507)	-	(41,625)
Net book value					
As at 31 December	1,144	4,220	7,473	3,967	16,804

Service rights are amortised on a straight line basis over the tenure of RMBS/IRMBS. The remaining amortisation period of the intangible assets ranges from 1 to 5 years (2023: 2 to 5 years).

20 RIGHT-OF-USE ASSET

Right-of-use asset comprises of rental of office building and is being amortised over the tenure of rental period.

	Group and Company	
	2024	2023
	RM'000	RM'000
Cost		
As at 1 January	15,461	15,461
Modification arising from extension of lease term	3,833	-
As at 31 December	19,294	15,461
Accumulated amortisation		
As at 1 January	(8,285)	(6,077)
Charge for the year (Note 35)	(1,846)	(2,208)
As at 31 December	(10,131)	(8,285)
Net book value		
As at 31 December	9,163	7,176

21 OTHER LIABILITIES

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Amount due to GOM*	78,277	127,023	78,277	127,023
Provision for zakat	1,561	2,534	1,561	2,534
Accruals	24,984	19,370	24,922	19,307
Other payables	790	1,484	789	1,477
	105,612	150,411	105,549	150,341

* Refers to fund provided by the Government for Mortgage Guarantee Programme (MGP) under Cagamas SRP Berhad.

22 LEASE LIABILITY

	Group and Company	
	2024	2023
	RM'000	RM'000
As at 1 January	9,308	11,384
Modification arising from extension of lease term	3,833	-
Lease obligation interest expense (Note 31)	448	316
Lease obligation repayment	(2,278)	(2,392)
As at 31 December	11,311	9,308

The maturity structure of lease liability are as follows:

	2024	2023
Due within one year	2,097	2,436
Due in two to five years	9,214	6,872
Total present value of minimum lease payments	11,311	9,308

23 DEFERRED TAXATION

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes that relates to the same tax authority. The following amounts, determined after appropriate offsetting, are shown on the statements of financial position.

	Group and Company	
	2024	2023
	RM'000	RM'000
Deferred tax assets (before offsetting)	(10,819)	(13,501)
Deferred tax liabilities (before offsetting)	224,783	211,872
Deferred tax liabilities	213,964	198,371

The movements of deferred tax are as follows:

	2024	2023
As at 1 January	198,371	213,063
Recognised to income statements (Note 37)	14,898	(29,932)
Recognised to OCI	695	15,240
As at 31 December	213,964	198,371

23 DEFERRED TAXATION (CONTINUED)

The movements in deferred tax assets and liabilities of the Group and the Company during the financial year comprise the following:

	Group and Company			
2024	As at 1 January RM'000	Recognised to income statement RM'000	Recognised to OCI RM'000	As at 31 December RM'000
Deferred tax assets				
Revaluation of derivative financial instruments under cash flow hedge accounting	(601)	-	245	(356)
Provisions	(1,205)	(412)	-	(1,617)
Temporary difference relating to lease liability	(2,234)	472	-	(1,762)
Temporary difference relating to ECL	(8,666)	1,536	-	(7,130)
Revaluation reserves of financial assets at FVOCI	(795)	-	841	46
	(13,501)	1,596	1,086	(10,819)
Deferred tax liabilities				
Revaluation of derivative financial instruments under cash flow hedge accounting	4,026	4	(391)	3,639
Temporary difference relating to plant and equipment	3,173	(163)	-	3,010
Temporary difference relating to interest/profit receivables on deposit and placements	51	(51)	-	-
Temporary difference relating to right-of-use asset	1,722	(504)	-	1,218
Temporary difference relating to accretion of discount	202,900	14,016	-	216,916
	211,872	13,302	(391)	224,783
Deferred taxation	198,371	14,898	695	213,964

23 DEFERRED TAXATION (CONTINUED)

The movements in deferred tax assets and liabilities of the Group and the Company during the financial year comprise the following (continued):

	Group and Company			
2023	As at 1 January RM'000	Recognised to income statement RM'000	Recognised to OCI RM'000	As at 31 December RM'000
Deferred tax assets				
Revaluation of derivative financial instruments under cash flow hedge accounting	(6,783)	-	6,181	(602)
Provisions	(1,538)	333	-	(1,205)
Temporary difference relating to lease liability	(2,732)	498	-	(2,234)
Temporary difference relating to ECL	(10,661)	1,995	-	(8,666)
Revaluation reserves of financial assets at FVOCI	(11,853)	(4)	11,063	(794)
	(33,567)	2,822	17,244	(13,501)
Deferred tax liabilities				
Revaluation of derivative financial instruments under cash flow hedge accounting	6,026	4	(2,004)	4,026
Temporary difference relating to plant and equipment	3,035	138	-	3,173
Temporary difference relating to interest/profit receivables on deposit and placements	90	(39)	-	51
Temporary difference relating to right-of-use asset	2,252	(530)	-	1,722
Temporary difference relating to accretion of discount	235,227	(32,327)	-	202,900
	246,630	(32,754)	(2,004)	211,872
	213,063	(29,932)	15,240	198,371

24 LOANS FROM SUBSIDIARY

Loans from subsidiary outstanding at financial year ended that are not in the functional currency of the Company are as follows:

	Company	
	2024	2023
	RM'000	RM'000
HKD	-	489,906
SGD	3,653,829	4,983,748
	3,653,829	5,473,654

Loans from subsidiary are unsecured and subject to interest rates ranging from 3.00% to 4.25% per annum (2023: 1.99% to 5.00% per annum). The maturity structure of loans from subsidiary are as follows:

	Company	
	2024	2023
	RM'000	RM'000
Maturing within one year	2,537,355	4,326,371
One to three years	1,116,474	1,147,283
	3,653,829	5,473,654

25 UNSECURED BEARER BONDS AND NOTES

					Group
		2024			2023
	Year of maturity	Amount outstanding RM'000	Effective interest rate %	Amount outstanding RM'000	Effective interest rate %
(a) Commercial papers	2024	-	-	1,005,000	3.660-3.830
	2025	725,000	3.550-3.730	-	-
Add: Interest payable		4,793		2,783	
		729,793		1,007,783	
(b) Conventional medium-term notes	2024	-	-	9,005,013	1.990-5.520
	2025	7,352,066	3.250-4.850	4,374,387	3.620-4.850
	2026	4,541,474	3.000-3.940	3,137,895	3.570-3.940
	2027	6,315,000	3.750-4.900	5,725,000	3.780-4.900
	2028	890,000	3.970-4.280	890,000	3.970-4.280
	2029	60,000	3.860	245,000	5.500-5.750
	2031	670,000	4.030	-	-
	2033	200,000	4.200	200,000	4.200
	2034	100,000	4.040	-	-
	2035	160,000	5.070	160,000	5.070
		20,288,540		23,737,295	
Add:					
Unaccreted premium		2,723		-	
Interest payable		166,003		211,286	
Less:					
Deferred financing fees		(840)		(1,456)	
		20,456,426		23,947,125	
Total		21,186,219		24,954,908	

25 UNSECURED BEARER BONDS AND NOTES (CONTINUED)

						Company
			2024			2023
		Year of maturity	Amount outstanding RM'000	Effective interest rate %	Amount outstanding RM'000	Effective interest rate %
(a)	Commercial papers	2024	-	-	1,005,000	3.660-3.830
		2025	725,000	3.550-3.730	-	-
	Add:					
	Interest payable		4,793		2,783	
			729,793		1,007,783	
(b)	Conventional medium- term notes	2024	-	-	4,735,000	2.380-5.520
		2025	4,840,000	3.470-4.850	3,540,000	3.720-4.850
		2026	3,425,000	3.580-3.940	2,825,000	3.820-3.940
		2027	6,315,000	3.750-4.900	5,725,000	3.780-4.900
		2028	890,000	3.970-4.280	890,000	3.970-4.280
		2029	60,000	3.860	245,000	5.500-5.750
		2031	670,000	4.030	-	-
		2033	200,000	4.200	200,000	4.200
		2034	100,000	4.040	-	-
		2035	160,000	5.070	160,000	5.070
			16,660,000		18,320,000	
	Add:					
	Unaccreted premium		2,723		-	
	Interest payable		140,689		154,965	
	Less:					
	Deferred financing fees		(840)		(1,405)	
			16,802,572		18,473,560	
	Total		17,532,365		19,481,343	

25 UNSECURED BEARER BONDS AND NOTES (CONTINUED)

The maturity structure of unsecured bearer bonds and notes are as follows:

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Maturing within one year	8,250,174	10,223,248	5,712,794	5,896,966
One to three years	10,856,045	7,512,067	9,739,571	6,364,784
Three to five years	950,000	6,614,593	950,000	6,614,593
More than five years	1,130,000	605,000	1,130,000	605,000
	21,186,219	24,954,908	17,532,365	19,481,343

Cagamas issues debt securities, inclusive of sustainability, green and social bonds to finance the purchase of mortgages and other consumer receivables for conventional loans.

(a) Floating Rate Notes ("FRNs")

FRNs are Ringgit denominated conventional medium-term notes ("CMTNs") with tenures of more than one year with floating rate pegged to a reference rate, e.g. Kuala Lumpur Interbank Offered Rate ("KLIBOR") and Malaysia Overnight Rate ("MYOR"). Interest distributions of the FRNs are normally made on quarterly or half-yearly basis. The redemption of the relevant FRNs are at face value together with the interest due upon maturity.

(b) Commercial Papers ("CPs")

CPs are Ringgit denominated short-term instruments with maturities ranging from one to twelve months, issued with or without coupon, either at a discount from the face value where the relevant CPs are redeemable at their nominal value upon maturity or at par with interest paid on a semi-annual basis or on such other periodic basis as determined by Cagamas.

(c) Fixed Rate Conventional Medium-term Notes ("CMTN")

CMTNs are Ringgit denominated bonds with fixed coupon rate with tenures of more than one year and are issued either at a premium, par or at a discount, with or without a coupon rate. Interest distributions of the CMTNs are normally made on half-yearly basis. The redemption of the CMTNs are at nominal value together with the interest due upon maturity.

Apart from Ringgit FRNs and CMTNs, Cagamas also issued FRNs and CMTNs in foreign currency. Under the USD2.5 billion EMTN Programme, CGP may from time to time issue EMTNs in any currency (other than Ringgit Malaysia) which are unconditionally and irrevocably guaranteed by Cagamas.

25 UNSECURED BEARER BONDS AND NOTES (CONTINUED)

The unsecured bearer bonds and notes outstanding at the end of financial year which are not in the functional currency of the Group are as follows:

	Group 2024 RM'000	Group 2023 RM'000
HKD	-	489,906
SGD	3,653,854	4,983,658
	3,653,854	5,473,564

26 SUKUK

		Group and Company				
			2024			2023
		Year of maturity	Amount outstanding RM'000	Effective profit rate %	Amount outstanding RM'000	Effective profit rate %
(a)	Islamic commercial papers	2024	-	-	640,000	3.610-3.750
		2025	2,360,000	3.540-3.730	-	-
	Add:					
	Profit payable		14,632		1,797	
			2,374,632		641,797	
(b)	Islamic medium-term notes	2024	-	-	6,745,000	2.670-5.520
		2025	6,895,000	3.100-4.650	5,290,000	3.100-4.650
		2026	3,670,000	3.150-4.920	3,670,000	3.150-4.920
		2027	2,705,000	3.710-4.620	1,955,000	4.140-4.620
		2028	3,665,000	3.970-4.260	3,665,000	3.970-4.260
		2029	1,885,000	3.790-3.920	180,000	5.500-5.750
		2030	465,000	4.230	465,000	4.230
		2033	500,000	4.310	500,000	4.310
		2034	800,000	4.000	-	-
			20,585,000		22,470,000	
	Add:					
	Unaccreted premium		1,005		-	
	Profit payable		141,424		166,342	
			20,727,429		22,636,342	
	Total		23,102,061		23,278,139	

26 SUKUK (CONTINUED)

The maturity structure of Sukuk are as follows:

	Group and Company	
	2024	2023
	RM'000	RM'000
Within one year	9,412,073	7,553,139
One to three years	6,374,988	8,960,000
Three to five years	5,550,000	5,620,000
More than five years	1,765,000	1,145,000
	23,102,061	23,278,139

Cagamas issues debt securities, inclusive of sustainability, green and social Sukuk, to finance the purchase of mortgages and other consumer receivables for Islamic financing.

(a) Islamic Commercial Papers ("ICPs")

ICPs are Ringgit denominated short-term Islamic instruments with maturities ranging from one to twelve months, issued with or without profit, at either a discount from the face value where the relevant ICPs are redeemable at their nominal value upon maturity or at par with profit paid on a semi-annual basis or on such other periodic basis as determined by Cagamas.

(b) Fixed Profit Rate Islamic Medium-Term Notes ("IMTNs")

IMTNs are Ringgit denominated Sukuk with fixed profit rate with tenures of more than one year and are issued either at a premium, par or at a discount, with or without a profit rate. Profit distribution of the IMTNs are normally made on half-yearly basis. The redemption of the relevant IMTNs are at nominal value together with the profit due upon maturity.

(c) Variable Profit Rate Notes ("VRNs")

VRNs are Ringgit denominated IMTNs with tenures of more than one year with variable profit rate pegged to a reference rate, e.g. KLIBOR and Malaysian Islamic Overnight Rate ("MYOR-I"). Profit distributions of the VRNs are normally made on quarterly or half-yearly basis. At maturity, the face value of the relevant VRNs are redeemed with any outstanding profit amounts due on maturity.

(d) Multicurrency Sukuk

Under the Multicurrency Sukuk Issuance, Islamic EMTN is currently issued based on Shariah principle of Wakalah. The Islamic EMTN issuance is on a fully-paid basis and at a par issue price and the method of calculating the profit rate may vary between the issue date and the maturity date of the relevant series of Islamic EMTNs issued. There is no Islamic EMTN outstanding at the end of financial year which are not in the functional currency of the Group.

27 SHARE CAPITAL

	Group and Company			
	2024		2023	
Ordinary shares	Number of shares	Amount	Number of shares	Amount
	RM'000	RM'000	RM'000	RM'000
Issued:				
As at 1 January/31 December	150,000	150,000	150,000	150,000

28 RESERVES

(a) Financial assets at FVOCI reserves

This amount represents the unrealised fair value gains or losses on financial assets at FVOCI, net of taxation.

(b) Cash flow hedge reserves

This amount represents the effective portion of changes in fair value on derivatives designated and qualifying as hedge of future cash flows, net of taxation.

(c) Regulatory reserves

The Group and the Company have adopted the Bank Negara Malaysia (''BNM'') Guidelines on Financial Reporting issued on 2 February 2018 on voluntary basis. The Group and Company maintains, in aggregate, collective impairment provisions and regulatory reserves of 1.0% of total credit exposures, net of allowances for credit impaired exposures on loans/financing.

29 NET TANGIBLE ASSETS AND EARNINGS PER SHARE

The net tangible assets per share is calculated by dividing the net tangible assets of RM4,750,180,000 of the Group and RM4,754,505,000 of the Company respectively (2023: RM4,536,829,000 of the Group and RM4,540,897,000 of the Company respectively) by 150,000,000 ordinary shares of the Group and the Company in issue.

Basic and diluted earnings per share is calculated by dividing the profit for the financial year of RM237,993,000 of the Group and RM238,250,000 of the Company respectively (2023: RM226,348,000 of the Group and RM229,297,000 of the Company respectively) by 150,000,000 ordinary shares of the Group and the Company in issue. For the diluted earnings per share calculation, no adjustment has been made to weighted number of ordinary shares in issue as there are no dilutive potential ordinary shares.

30 INTEREST INCOME

	Group and Company	
	2024	2023
	RM'000	RM'000
Amount due from counterparties	747,367	716,851
Mortgage assets	116,702	133,510
Compensation from mortgage assets	1	(296)
Financial assets at amortised cost	68,135	66,095
Reverse mortgage assets	187	76
Financial assets at FVOCI	97,632	84,766
Deposits and placements with financial institutions	8,135	9,372
	1,038,159	1,010,374
Accretion of discount less amortisation of premium (net)	50,237	61,383
	1,088,396	1,071,757

31 INTEREST EXPENSE

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Floating rate notes	-	14,342	-	14,342
Medium-term notes	880,110	888,466	730,195	707,401
Commercial papers	17,478	24,458	17,478	24,458
Loans from subsidiary	-	-	149,850	178,234
Short-term borrowings	25,668	16,818	25,668	16,818
Lease liability (Note 22)	448	316	448	316
Deferred financing fees	1,302	1,454	1,251	1,454
	925,006	945,854	924,890	943,023

32 NON-INTEREST INCOME

	Group and Company 2024 RM'000	Group and Company 2023 RM'000
Net gain arising from derivatives	11,225	28,133
Gain/(loss) on disposal of:		
- Financial assets at FVOCI	2,256	8,393
- Property and equipment	(52)	136
Net amount reclassified into profit or loss		
- cash flow hedge (Note 9)	(169,251)	(270,319)
Net gain on foreign exchange	170,210	268,428
Income from repo collateral	194	165
Other non-interest (expense)/income	(3,516)	4,004
	11,066	38,940

33 PERSONNEL COSTS

	2024 RM'000	2023 RM'000
Salary and allowances	18,813	17,254
Bonus	6,353	6,435
Overtime	77	77
EPF and SOCSO	4,413	4,005
Insurance	976	930
Others	3,079	2,059
	33,711	30,760

34 REVERSAL OF IMPAIRMENT LOSSES, NET

	2024 RM'000	2023 RM'000
Reversal of/(allowance) for impairment losses:		
Cash and cash equivalents	(1)	1
Deposits and placements with financial institutions	(3)	-
Financial assets at FVOCI	53	(5)
Financial assets at amortised cost	163	(633)
Amount due from counterparties	9	(9)
Islamic financing assets	45	(3)
Mortgage assets – Conventional	3,586	3,479
Mortgage assets – Islamic	2,539	5,480
Hire purchase assets – Islamic	6	6
Credit impaired:		
Mortgage assets – Conventional written-back	1,127	1,413
Mortgage assets – Islamic written-back	1,210	1,194
Hire purchase assets – Conventional written-off	-	(3)
Hire purchase assets – Islamic written-off	(25)	-
	8,709	10,920

35 PROFIT BEFORE TAXATION AND ZAKAT

The following items have been charged/(credited) in arriving at profit before taxation and zakat:

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Directors' remuneration (Note 36)	2,173	2,658	2,173	2,658
Amortisation of right-of-use asset (Note 20)	1,846	2,208	1,846	2,208
Short-term and low value assets expensed off	977	923	977	923
Auditors' remuneration				
- Audit fees	320	370	300	350
- Non-audit fees	15	15	15	15
Depreciation of property and equipment	1,224	712	1,224	712
Amortisation of intangible assets	5,112	4,153	5,112	4,153
Servicers fees	2,142	1,810	2,142	1,810
Repairs and maintenance	8,166	5,626	8,166	5,626
Donations and sponsorship	247	144	247	144
Corporate expenses	850	904	850	904
Travelling expenses	346	430	346	430

36 DIRECTORS' REMUNERATION

The Directors who have held office during the financial year are as follows:

Non-Executive Directors
Dato' Bakarudin Ishak (Chairman)
Dato' Wee Yiaw Hin
Ho Chai Huey
Tan Sri Tajuddin Atan
Abdul Rahman Hussein
Sophia Ch'ng Sok Heang

Executive Director
Kameel Abdul Halim

36 DIRECTORS' REMUNERATION (CONTINUED)

The aggregate emoluments received by the Directors during the financial year is as follows:

	Group and Company	
	2024	2023
	RM'000	RM'000
Directors' fees	450	450
Directors' other emoluments	1,723	2,208
	2,173	2,658

The Directors of the Group and the Company is covered under the Directors' Liability Insurance in respect of liabilities arising from acts committed in their capacity as, inter alia, Directors of the Group and the Company subject to the terms of the policy. The total amount of Directors' Liability Insurance effected for the Directors of the ultimate holding company was RM30.0 million. For the financial year ended 31 December 2024, a total of RM189,010 (2023: RM185,510) has been paid by the Group in relation to insurance premium paid for Directors and Officers of the Group and Company.

37 TAXATION

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
(a) Tax charge for the financial year:				
Malaysian Income tax:				
- Current tax	56,487	104,645	56,487	104,645
- Deferred taxation (Note 23)	14,898	(29,932)	14,898	(29,932)
	71,385	74,713	71,385	74,713
Current tax:				
- Current year	48,943	42,013	48,943	42,013
- Under provision in prior year	7,544	62,632	7,544	62,632
	56,487	104,645	56,487	104,645
Deferred taxation (Note 23)	14,898	(29,932)	14,898	(29,932)
	71,385	74,713	71,385	74,713

37 TAXATION (CONTINUED)

(b) Reconciliation of income tax expense

The tax on the Group's and the Company's profit before taxation and zakat differs from the theoretical amount that would arise using the statutory income tax rate of Malaysia as follows:

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Profit before taxation and zakat	310,939	303,595	311,196	306,544
Tax calculated at Malaysian tax rate of 24% (2023: 24%)	74,625	72,863	74,687	73,571
Subsidiary's current year tax losses utilised	-	-	(33)	(36)
Loss not subject to tax	29	672	-	-
Expenses not deductible for tax purposes	221	250	221	250
Deduction arising from zakat contribution	(608)	(1,079)	(608)	(1,079)
Under provision of deferred tax in prior year	(10,426)	(60,625)	(10,426)	(60,625)
Under provision of current tax in prior year	7,544	62,632	7,544	62,632
	71,385	74,713	71,385	74,713

38 DIVIDENDS

Dividends of the Group and the Company are as follows:

	Group and Company			
		2024		2023
	Per shares	Total amount	Per shares	Total amount
	Sen	RM'000	Sen	RM'000
Final dividend	15.00	22,500	15.00	22,500
Interim dividend	5.00	7,500	5.00	7,500
	20.00	30,000	20.00	30,000

The Directors recommend the payment of a final dividend of 15 sen per share on 150,000,000 ordinary shares amounting to RM22,500,000 for the financial year ended 31 December 2024 which is subject to approval of the member at the forthcoming Annual General Meeting of the Company.

The financial statements for the current financial year do not reflect this dividend and will be accounted for in equity as an appropriation of retained profits in the next financial year ending 31 December 2025.

39 STATEMENTS OF CASH FLOWS

(a) Adjustments for non-cash items:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Amortisation of premium less accretion of discount on:				
- Financial assets at FVOCI	5,053	(2,775)	5,053	(2,775)
Accretion of discount on:				
Mortgage assets				
- Conventional	(55,977)	(59,150)	(55,977)	(59,150)
- Islamic	(53,654)	(57,956)	(53,654)	(57,956)
Allowance/(reversal) for impairment losses on:				
- Cash and cash equivalents	4	(1)	4	(1)
- Financial assets at FVOCI	(53)	5	(53)	5
- Financial assets at amortised cost	(163)	633	(163)	633
- Amount due from counterparties/ Islamic financing assets	(54)	12	(54)	12
- Mortgage assets and hire purchase assets/Islamic mortgage assets and Islamic hire purchase assets	(6,131)	(8,965)	(6,131)	(8,965)
Interest income	(1,038,159)	(1,010,374)	(1,038,159)	(1,010,374)
Income from derivatives	(187,981)	(233,669)	(187,981)	(233,669)
Income from Islamic operations	(1,052,311)	(948,504)	(1,052,311)	(948,504)
Interest expense	925,006	945,854	924,948	943,023
Interest expense on derivatives	175,788	208,405	175,788	208,405
Profit attributable to Sukuk holders	909,853	833,569	909,853	833,569
Profit attributable to derivatives	396	(4,345)	396	(4,345)
Depreciation of property and equipment	1,224	712	1,224	712
Amortisation of intangible assets	5,112	4,153	5,112	4,153
Amortisation of right-of-use asset	(1,987)	2,208	(1,987)	2,208
Lease modification	3,833	-	3,833	-
(Gain)/loss on disposal of:				
- Financial assets at FVOCI	(2,519)	(8,393)	(2,519)	(8,393)
- Property and equipment	52	(136)	52	(136)
	(372,668)	(338,717)	(372,726)	(341,548)

39 STATEMENTS OF CASH FLOWS (CONTINUED)

(b) Changes in operating assets and liabilities:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Change in deposits and placements with financial institutions	(341,006)	45,461	(341,006)	45,461
Change in short term borrowings	(139,805)	(162,334)	(139,805)	(162,334)
Change in amount due from counterparties	3,139,196	(2,850,236)	3,139,196	(2,850,236)
Change in Islamic financing assets	751,439	(5,878,421)	751,439	(5,878,421)
Change in mortgage assets:				
- Conventional	473,712	459,281	473,712	459,281
- Islamic	429,942	450,533	429,942	450,533
Change in Islamic hire purchase assets	21	1	21	1
Change in other assets	6,789	12,785	6,797	12,778
Change in reverse mortgage assets	(1,809)	(1,519)	(1,809)	(1,519)
Change in deferred financing fees	(1,197)	(1,422)	-	-
Change in derivatives	101,934	205,552	101,934	205,552
Change in other liabilities	(42,050)	(48,341)	(43,462)	(49,858)
Interest received	957,748	922,179	957,748	922,179
Profit received from Islamic assets	1,038,547	825,088	1,038,547	825,088
Interest received on derivatives	220,304	195,179	220,304	195,179
Profit received on derivatives	33,564	25,199	33,564	25,199
Interest paid	(28,521)	(18,033)	(28,521)	(18,033)
Interest paid on derivatives	(193,980)	(187,321)	(193,980)	(187,321)
Profit paid on derivatives	(33,809)	(20,160)	(33,809)	(20,160)
	6,371,019	(6,026,529)	6,370,812	(6,026,631)

39 STATEMENTS OF CASH FLOWS (CONTINUED)

(c) Analysis of changes in liabilities arising from financing activities:

Group	Lease liability RM'000	Unsecured bearer bonds and notes RM'000	Sukuk RM'000	Total RM'000
2024				
As at 1 January	9,308	24,954,908	23,278,139	48,242,355
Proceeds from issuance	-	7,333,634	11,019,458	18,353,092
Repayment and redemption	(2,278)	(10,913,583)	(11,180,000)	(22,095,861)
Interest/profit paid	-	(945,548)	(925,389)	(1,870,937)
Exchange fluctuation	-	(141,007)	-	(141,007)
Other non-cash movement	4,280	897,815	909,853	1,811,948
As at 31 December	11,310	21,186,219	23,102,061	44,299,590
2023				
As at 1 January	11,384	20,414,672	20,135,060	40,561,116
Proceeds from issuance	-	15,223,801	12,505,000	27,728,801
Repayment and redemption	(2,392)	(11,013,121)	(9,395,000)	(20,410,513)
Interest/profit paid	-	(865,711)	(800,490)	(1,666,201)
Exchange fluctuation	-	267,771	-	267,771
Other non-cash movement	316	927,496	833,569	1,761,381
As at 31 December	9,308	24,954,908	23,278,139	48,242,355

Company	Lease liability RM'000	Loans from subsidiary RM'000	Unsecured bearer bonds and notes RM'000	Sukuk RM'000	Total RM'000
2024					
As at 1 January	9,308	5,473,654	19,481,344	23,278,139	48,242,445
Proceeds from issuance	-	2,589,875	4,743,759	11,019,458	18,353,092
Repayment and redemption	(2,278)	(4,238,583)	(6,675,000)	(11,180,000)	(22,095,861)
Interest/profit paid	-	(180,081)	(765,468)	(925,389)	(1,870,938)
Exchange fluctuation	-	(140,886)	-	-	(140,886)
Other non-cash movement	4,280	149,850	747,730	909,853	1,811,713
As at 31 December	11,310	3,653,829	17,532,365	23,102,061	44,299,565
2023					
As at 1 January	11,384	3,138,031	17,279,594	20,135,060	40,564,069
Proceeds from issuance	-	4,968,801	10,255,000	12,505,000	27,728,801
Repayment and redemption	(2,391)	(2,933,121)	(8,080,000)	(9,395,000)	(20,410,512)
Interest/profit paid	-	(146,259)	(719,452)	(800,490)	(1,666,201)
Exchange fluctuation	-	267,969	-	-	267,969
Other non-cash movement	316	178,233	746,201	833,569	1,758,319
As at 31 December	9,309	5,473,654	19,481,343	23,278,139	48,242,445

40 RELATED PARTIES AND SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES

(a) Related parties and relationships

The related parties and their relationships with the Group and the Company are as follows:

Related parties	Relationships
CHB	Ultimate holding company
CGP	Subsidiary
CGS	Subsidiary
Cagamas MBS Berhad ("CMBS")	Related company
BNM Sukuk Berhad ("BNM Sukuk")	Structured entity of ultimate holding company
Cagamas SME Berhad ("CSME")	Related company
Cagamas SRP Berhad ("CSRP")	Related company and trustee for LPPSA
Cagamas MGP Berhad ("CMGP")	Related company
Government of Malaysia ("GOM")	Other related party
Lembaga Pembiayaan Perumahan Sektor Awam ("LPPSA")	Originator/servicer and entity related to GOM
Bank Negara Malaysia ("BNM")	Other related party
Key management personnel	Other related party
Entities in which key management personnel have control	Other related party

Related company is defined as subsidiary of the ultimate holding company.

BNM is regarded as a related party on the basis of having significant influence over the ultimate holding company.

As BNM has significant influence over the ultimate holding company, the GOM and entities controlled, jointly controlled or has significant influence by the GOM are related parties of the Group and the Company.

The Group and the Company enter into transactions with many of these entities to purchase mortgage loans, personal loans and hire purchase and leasing debts and to issue bonds and notes to finance the purchase as part of its normal operations. The Group and the Company also purchase Islamic financing facilities such as home financing, personal financing and hire purchase financing and funded by issuance of Sukuk.

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and the Company either directly or indirectly. The key management personnel of the Company include all the Directors of the Group and its ultimate holding company, certain members of senior management and their close family members.

Entities in which key management personnel have control are defined as entities that are controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly by key management personnel.

40 RELATED PARTIES AND SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

(b) Significant related party transactions and balances

Most of the transactions involving mortgage loans, personal loans, hire purchase and leasing debts and Islamic financing facilities as well as issuance of unsecured Corporate Bonds and Sukuk are transacted with the shareholders of the ultimate holding company. These transactions have been disclosed on the statements of financial position and income statements of the Group and the Company.

Set out below are significant related party transactions and balances of the Group and the Company.

Group	Ultimate holding company RM'000	Related company RM'000	Other related party RM'000
2024			
Income			
Transaction administrator and administrator fees	-	904	-
Management fee	44	2,983	-
Expenses			
FAST* and RENTAS** charges	-	-	76
Servicers fees	-	2,142	-
Amount due from/(to)			
Transaction administrator and administrator fees	-	370	-
BNM current accounts	-	-	34
Reimbursement of operating expenses	-	-	10
Servicers fees	-	(319)	-
Management fee receivable	14	957	-
2023			
Income			
Transaction administrator and administrator fees	-	1,625	-
Management fee	41	2,265	-
Expenses			
FAST* and RENTAS** charges	-	-	138
Servicers fees	-	1,810	-
Amount due from/(to)			
Transaction administrator and administrator fees	-	586	-
BNM current accounts	-	-	23
Reimbursement of operating expenses	-	-	5
Servicers fees	-	(363)	-
Management fee receivable	10	600	-

* Denotes Fully Automated System for Issuing and Tendering ("FAST").
** Denotes Real-Time Electronic Transfer of Funds and Securities ("RENTAS").

40 RELATED PARTIES AND SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

(b) Significant related party transactions and balances (continued)

Company	Ultimate holding company RM'000	Subsidiaries RM'000	Related company RM'000	Other related party RM'000
2024				
Income				
Transaction administrator and administrator fees	-	-	904	-
Management fee	44	-	2,983	-
Expenses				
FAST* and RENTAS** charges	-	-	-	76
Servicers fees	-	-	2,142	-
Interest expense	-	149,850	-	-
Amount due from/(to)				
Transaction administrator and administrator fees	-	-	370	-
BNM current accounts	-	-	-	34
Reimbursement of operating expenses	-	-	-	10
Servicers fees	-	-	(319)	-
Loans/financing	-	(3,653,829)	-	-
Payment of expenses on behalf				
- Working capital and other expenses	-	4,294	-	-
Management fee receivable	14	-	957	-
2023				
Income				
Transaction administrator and administrator fees	-	-	1,625	-
Management fee	41	-	2,265	-
Expenses				
FAST* and RENTAS** charges	-	-	-	138
Servicers fees	-	-	1,810	-
Interest expense	-	178,234	-	-
Amount due from/(to)				
Transaction administrator and administrator fees	-	-	586	-
BNM current accounts	-	-	-	23
Reimbursement of operating expenses	-	-	-	5
Servicers fees	-	-	(363)	-
Loans/financing	-	(5,473,654)	-	-
Payment of expenses on behalf				
- Working capital and other expenses	-	4,127	-	-
Management fee receivable	10	-	600	-

* Denotes Fully Automated System for Issuing and Tendering ("FAST").
** Denotes Real-Time Electronic Transfer of Funds and Securities ("RENTAS").

40 RELATED PARTIES AND SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

(b) Significant related party transactions and balances (continued)

The Group's key management personnel received remuneration for services rendered during the financial year. The total salaries and other employees' benefits paid to the Group's key management personnel was RM8,083,477 (2023: RM8,503,799).

The total salaries and other employees' benefits include contributions to the Employees Provident Fund ("EPF") for key management personnel. Contributions to the EPF amount to RM1,112,289 (2023: RM1,150,371).

The total remuneration paid to the Directors is disclosed in Note 36 to the financial statements.

41 CAPITAL COMMITMENTS

	Group and Company	
	2024	2023
	RM'000	RM'000
Capital expenditure:		
Authorised and contracted for	13,385	3,943
Authorised but not contracted for	1,308	3,651
	14,693	7,594
Analysed as follows:		
Equipment and others	9,484	659
Computer hardware and software	5,209	6,935
	14,693	7,594

42 MATURITY ANALYSIS OF ASSETS AND LIABILITIES

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

	Within one year RM'000	More than one year RM'000	Total RM'000
Group			
2024			
ASSETS			
Cash and cash equivalents	61,121	-	61,121
Deposits and placements with financial institutions	229,209	204,016	433,225
Financial asset at fair value through other comprehensive income ("FVOCI")	327,929	3,199,710	3,527,639
Financial asset at amortised cost	-	2,287,035	2,287,035
Derivatives financial assets	391	15,012	15,403
Amount due from counterparties	4,504,999	12,328,423	16,833,422
Islamic financing assets	8,386,702	12,280,086	20,666,788
Mortgage assets			
- Conventional	442,157	2,158,734	2,600,891
- Islamic	429,521	3,069,198	3,498,719
Islamic hire purchase asset	40	-	40
Reverse mortgage	-	4,172	4,172
Amount due from			
- Related company	-	370	370
- Subsidiaries	-	-	-
Other assets	-	13,689	13,689
Investment in subsidiaries	-	-*	-*
Property and equipment	-	8,307	8,307
Intangible assets	-	13,594	13,594
Right-of-use asset	-	9,163	9,163
TOTAL ASSETS	14,382,069	35,591,509	49,973,578
LIABILITIES			
Short-term borrowings	506,132	-	506,132
Derivative financial liabilities	68,401	12,216	80,617
Other liabilities		105,612	105,612
Lease liability	2,097	9,214	11,311
Provision for taxation	3,888	-	3,888
Deferred taxation	-	213,964	213,964
Unsecured bearer bonds and notes	8,250,174	12,936,045	21,186,219
Sukuk	9,412,073	13,689,988	23,102,061
TOTAL LIABILITIES	18,242,765	26,967,039	45,209,804

* Denotes USD1 in CGP and RM2 in CGS.

42 MATURITY ANALYSIS OF ASSETS AND LIABILITIES (CONTINUED)

	Within one year RM'000	More than one year RM'000	Total RM'000
Group 2023			
ASSETS			
Cash and cash equivalents	180,359	-	180,359
Deposits and placements with financial institutions	86,947	-	86,947
Financial asset at fair value through other comprehensive income ("FVOCI")	148,606	2,541,455	2,690,061
Financial asset at amortised cost	-	2,286,680	2,286,680
Derivatives financial assets	152,273	55,386	207,659
Amount due from counterparties	6,475,771	13,512,019	19,987,790
Islamic financing assets	7,301,826	14,125,035	21,426,861
Mortgage assets			
- Conventional	631,547	2,390,303	3,021,850
- Islamic	589,800	3,291,728	3,881,528
Islamic hire purchase asset	55	-	55
Reverse mortgage	-	2,147	2,147
Amount due from			
- Related company	-	586	586
- Subsidiaries	-	-	-
Other assets	-	20,476	20,476
Investment in subsidiaries	-	-*	-*
Propert and equipment	-	1,947	1,947
Intangible assets	-	16,804	16,804
Right-of-use asset	-	7,176	7,176
TOTAL ASSETS	15,567,184	38,251,742	53,818,926
LIABILITIES			
Short-term borrowings	648,790	-	648,790
Derivative financial liabilities	10,082	5,079	15,161
Other liabilities	-	150,411	150,411
Lease liability	2,436	6,872	9,308
Provision for taxation	10,205	-	10,205
Deferred taxation	-	198,371	198,371
Unsecured bearer bonds and notes	10,223,248	14,731,660	24,954,908
Sukuk	7,553,139	15,725,000	23,278,139
TOTAL LIABILITIES	18,447,900	30,817,393	49,265,293

* Denotes USD1 in CGP and RM2 in CGS.

42 MATURITY ANALYSIS OF ASSETS AND LIABILITIES (CONTINUED)

	Within one year RM'000	More than one year RM'000	Total RM'000
Company 2024			
ASSETS			
Cash and cash equivalents	61,086	-	61,086
Deposits and placements with financial institutions	229,209	204,016	433,225
Financial asset at fair value through other comprehensive income ("FVOCI")	327,929	3,199,710	3,527,639
Financial asset at amortised cost	-	2,287,035	2,287,035
Derivatives financial assets	391	15,012	15,403
Amount due from counterparties	4,504,999	12,328,423	16,833,422
Islamic financing assets	8,386,702	12,280,086	20,666,788
Mortgage assets			
- Conventional	442,157	2,158,734	2,600,891
- Islamic	429,521	3,069,198	3,498,719
Islamic hire purchase asset	40	-	40
Reverse mortgage	-	4,172	4,172
Amount due from			
- Related company	-	370	370
- Subsidiaries	4,294	-	4,294
Other assets	-	13,667	13,667
Investment in subsidiaries	-	-*	-*
Propert and equipment	-	8,307	8,307
Intangible assets	-	13,594	13,594
Right-of-use asset	-	9,163	9,163
TOTAL ASSETS	14,386,328	35,591,487	49,977,815
LIABILITIES			
Short-term borrowings	506,132	-	506,132
Derivative financial liabilities	68,401	12,216	80,617
Other liabilities	-	105,549	105,549
Lease liability	2,097	9,214	11,311
Provision for taxation	3,888	-	3,888
Deferred taxation	-	213,964	213,964
Loans from subsidiary	2,537,355	1,116,474	3,653,829
Unsecured bearer bonds and notes	5,712,794	11,819,571	17,532,365
Sukuk	9,412,073	13,689,988	23,102,061
TOTAL LIABILITIES	18,242,740	26,966,976	45,209,716

* Denotes USD1 in CGP and RM2 in CGS.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

42 MATURITY ANALYSIS OF ASSETS AND LIABILITIES (CONTINUED)

	Within one year RM'000	More than one year RM'000	Total RM'000
Company 2023			
ASSETS			
Cash and cash equivalents	180,332	-	180,332
Deposits and placements with financial institutions	86,947	-	86,947
Financial asset at fair value through other comprehensive income ("FVOCI")	148,606	2,541,455	2,690,061
Financial asset at amortised cost	-	2,286,680	2,286,680
Derivatives financial assets	152,273	55,386	207,659
Amount due from counterparties	6,475,771	13,512,019	19,987,790
Islamic financing assets	7,301,826	14,125,035	21,426,861
Mortgage assets			
- Conventional	631,547	2,390,303	3,021,850
- Islamic	589,800	3,291,728	3,881,528
Islamic hire purchase asset	55	-	55
Reverse mortgage	-	2,147	2,147
Amount due from			
- Related company	-	586	586
- Subsidiaries	4,127	-	4,127
Other assets	-	20,463	20,463
Investment in subsidiaries	-	-*	-*
Propert and equipment	-	1,947	1,947
Intangible assets	-	16,804	16,804
Right-of-use asset	-	7,176	7,176
TOTAL ASSETS	15,571,284	38,251,729	53,823,013
LIABILITIES			
Short-term borrowings	648,790	-	648,790
Derivative financial liabilities	10,082	5,079	15,161
Other liabilities	-	150,341	150,341
Lease liability	2,436	6,872	9,308
Provision for taxation	10,205	-	10,205
Deferred taxation	-	198,371	198,371
Loan from subsidiary	4,326,371	1,147,283	5,473,654
Unsecured bearer bonds and notes	5,896,966	13,584,377	19,481,343
Sukuk	7,553,139	15,725,000	23,278,139
TOTAL LIABILITIES	18,447,989	30,817,323	49,265,312

* Denotes USD1 in CGP and RM2 in CGS.

43 FINANCIAL INSTRUMENTS BY CATEGORY

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Financial assets				
Financial assets at amortised cost:				
Cash and cash equivalents	61,121	180,359	61,086	180,332
Deposits and placements with financial institutions	433,225	86,947	433,225	86,947
Corporate bonds and Sukuk	2,287,035	2,286,680	2,287,035	2,286,680
Amount due from counterparties	16,833,422	19,987,790	16,833,422	19,987,790
Islamic financing assets	20,666,788	21,426,861	20,666,788	21,426,861
Mortgage assets				
- Conventional	2,600,891	3,021,850	2,600,891	3,021,850
- Islamic	3,498,719	3,881,528	3,498,719	3,881,528
Hire purchase assets				
- Islamic	40	55	40	55
Amount due from				
- Related company	370	586	370	586
- Subsidiaries	-	-	4,294	4,127
Other financial assets	10,462	17,627	10,461	17,626
	46,392,073	50,890,283	46,396,331	50,894,382
Financial assets at FVOCI:				
Debt instruments	3,527,639	2,690,061	3,527,639	2,690,061
Financial assets at FVTPL:				
Derivative financial assets	15,403	207,659	15,403	207,659
Reverse mortgage assets	4,172	2,147	4,172	2,147
	19,575	209,806	19,575	209,806
Financial liabilities				
Financial liabilities at amortised cost:				
Short-term borrowings	506,132	648,790	506,132	648,790
Loans from subsidiary	-	-	3,653,829	5,473,654
Unsecured bearer bonds and notes	21,186,219	24,954,908	17,532,365	19,481,343
Sukuk	23,102,061	23,278,139	23,102,061	23,278,139
	44,794,412	48,881,837	44,794,387	48,881,926
Financial liabilities at FVTPL:				
Derivative financial liabilities	80,617	15,161	80,617	15,161

44 INTEREST/PROFIT RATE RISK

Cash flow interest/profit rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest/profit rates. Fair value interest/profit rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest/profit rates. The Group and the Company take on the exposure of the effects of fluctuations in the prevailing levels of market interest/profit rates on both its fair value and cash flow risks. Interest/profit margin may increase as a result of such changes but may reduce or create losses in the event that an unexpected movement in the market interest/profit rates arise.

For decision-making purposes, the Group and the Company manage their exposure to interest/profit rate risk. The Group and the Company set limits on the sensitivity of the Group's and the Company's forecasted net interest income/profit income at risk to projected changes in interest/profit rates. The Group and the Company also undertakes duration analysis before deciding on the size and tenure of the bonds/Sukuk to be issued to ensure that the Group's and the Company's assets and liabilities are closely matched within the tolerance limit set by the Board of Directors.

The table below summarises the sensitivity of the Group's and the Company's financial instruments to interest/profit rates movements. The analysis is based on the assumptions that interest/profit will fluctuate by 100 basis points, with all other variables held constant.

Group and Company	+100 basis		-100 basis	
	2024	2023*	2024	2023*
	RM'000	RM'000	RM'000	RM'000
Impact to equity	(289,948)	(133,547)	310,692	146,032
Taxation effects on the above at tax rate of 24%	69,588	32,051	(74,566)	(35,048)
Effect on shareholder's funds	(220,360)	(101,496)	236,126	110,984
As percentage of shareholder's funds	(4.6%)	(2.2%)	5.0%	2.4%
Impact to income statements:				
Net interest income	(5,817)	(2,618)	5,804	2,610
Taxation effects at the rate of 24%	1,396	628	(1,393)	(626)
Effect on net interest income	(4,421)	(1,990)	4,411	1,984
As percentage of profit after tax	(1.9%)	(0.9%)	1.9%	0.9%

* The 31 December 2023 financial instruments' sensitivity to interest/profit rates movements have been restated to align with current year computation.

45 CREDIT RISK

45.1 Credit risk concentrations

The Group's and the Company's counterparties are mainly the GOM, financial institutions and individuals in Malaysia. The financial institutions are governed by the Financial Services Act 2013, Islamic Financial Services Act 2013 and Development Financial Institutions Act 2002. The financial institutions are subject to periodic review by the BNM. The following tables summarise the Group's and the Company's maximum exposure to credit risk by counterparty or customer or the industry in which they are engaged as at the statement of financial position date.

Industrial analysis based on its industrial distribution

Group	Cash and cash equivalent	Deposits and placements with financial institutions	Financial assets at FVOCI	Financial assets at amortised cost	Derivative financial assets	Amount Amount due from counterparties	Islamic financing assets	Mortgage assets-Conventional	Mortgage assets-Islamic	Hire purchase assets-Islamic	Reverse mortgage assets	Other assets	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2024													
Government	-	-	2,219,137	-	-	-	-	-	-	-	-	22	2,219,159
Financial institutions:													
- Commercial banks	29,144	433,225	453,930	2,136,995	15,403	16,466,653	17,358,593	-	-	-	-	-	36,893,943
- Development	31,977	-	299,397	150,040	-	-	3,240,022	-	-	-	-	-	3,721,436
Communication, electricity, gas and water	-	-	192,203	-	-	-	-	-	-	-	-	-	192,203
Transportation	-	-	149,708	-	-	-	-	-	-	-	-	-	149,708
Leasing	-	-	76,347	-	-	366,769	68,173	-	-	-	-	-	511,289
Consumers	-	-	-	-	-	-	-	2,600,891	3,498,719	40	4,172	-	6,103,822
Corporate	-	-	76,124	-	-	-	-	-	-	-	-	-	76,124
Construction	-	-	10,124	-	-	-	-	-	-	-	-	-	10,124
Others	-	-	50,669	-	-	-	-	-	-	-	-	10,810	61,479
Total	61,121	433,225	3,527,639	2,287,035	15,403	16,833,422	20,666,788	2,600,891	3,498,719	40	4,172	10,832	49,939,287

45 CREDIT RISK (CONTINUED)

45.1 Credit risk concentrations (continued)

Industrial analysis based on its industrial distribution (continued)

Group	Cash and cash equivalent RM'000	Deposits and placements with financial institutions RM'000	Financial assets at FVOCI RM'000	Financial assets at amortised cost RM'000	Derivative financial assets RM'000	Amount Amount due from counterparties RM'000	Islamic financing assets RM'000	Mortgage assets-Conventional RM'000	Mortgage assets-Islamic RM'000	Hire purchase assets-Islamic RM'000	Reverse mortgage assets RM'000	Other assets RM'000	Total RM'000
2023													
Government	-	-	1,420,577	-	-	-	-	-	-	-	-	33	1,420,610
Financial institutions:													
- Commercial banks	180,359	86,947	345,859	2,286,680	207,659	19,641,205	19,395,481	-	-	-	-	-	42,144,190
- Development	-	-	288,971	-	-	-	2,011,411	-	-	-	-	-	2,300,382
Communication, electricity, gas and water	-	-	213,271	-	-	-	-	-	-	-	-	-	213,271
Transportation	-	-	160,538	-	-	-	-	-	-	-	-	-	160,538
Leasing	-	-	60,941	-	-	346,585	19,969	-	-	-	-	-	427,495
Consumers	-	-	-	-	-	-	-	3,021,850	3,881,528	55	2,147	-	6,905,580
Corporate	-	-	128,513	-	-	-	-	-	-	-	-	-	128,513
Construction	-	-	20,420	-	-	-	-	-	-	-	-	-	20,420
Others	-	-	50,971	-	-	-	-	-	-	-	-	18,180	69,151
Total	180,359	86,947	2,690,061	2,286,680	207,659	19,987,790	21,426,861	3,021,850	3,881,528	55	2,147	18,213	53,790,150

45 CREDIT RISK (CONTINUED)

45.1 Credit risk concentrations (continued)

Industrial analysis based on its industrial distribution (continued)

Company	Cash and cash equivalent	Deposits and placements with financial institutions	Financial assets at FVOCI	Financial assets at amortised cost	Derivative financial assets	Amount due from counterparties	Islamic financing assets	Mortgage assets- Conventional	Mortgage assets- Islamic	Hire purchase assets- Islamic	Reverse mortgage assets	Other assets	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2024													
Government bodies	-	-	2,219,137	-	-	-	-	-	-	-	-	22	2,219,159
Financial institutions:													
- Commercial banks	29,109	433,225	453,930	2,136,995	15,403	16,466,653	17,358,593	-	-	-	-	-	36,893,908
- Development	31,977	-	299,397	150,040	-	-	3,240,022	-	-	-	-	-	3,721,436
Communication, electricity, gas and water	-	-	192,203	-	-	-	-	-	-	-	-	-	192,203
Transportation	-	-	144,350	-	-	-	-	-	-	-	-	-	144,350
Leasing	-	-	76,347	-	-	366,769	68,173	-	-	-	-	-	511,289
Consumers	-	-	-	-	-	-	-	2,600,891	3,498,719	40	4,172	-	6,103,822
Corporate	-	-	76,124	-	-	-	-	-	-	-	-	-	76,124
Construction	-	-	10,124	-	-	-	-	-	-	-	-	-	10,124
Others	-	-	56,027	-	-	-	-	-	-	-	-	15,103	71,130
Total	61,086	433,225	3,527,639	2,287,035	15,403	16,833,422	20,666,788	2,600,891	3,498,719	40	4,172	15,125	49,943,545

45 CREDIT RISK (CONTINUED)

45.1 Credit risk concentrations (continued)

Industrial analysis based on its industrial distribution (continued)

Company	Cash and cash equivalent RM'000	Deposits and placements with financial institutions RM'000	Financial assets at FVOCI RM'000	Financial assets at amortised cost RM'000	Derivative financial assets RM'000	Amount due from counterparties RM'000	Islamic financing assets RM'000	Mortgage assets- Conventional RM'000	Mortgage assets- Islamic RM'000	Hire purchase assets- Islamic RM'000	Reverse mortgage assets RM'000	Other assets RM'000	Total RM'000
2023													
Government bodies	-	-	1,420,577	-	-	-	-	-	-	-	-	33	1,420,610
Financial institutions:													
- Commercial banks	180,332	86,947	345,859	2,286,680	207,659	19,641,205	19,395,481	-	-	-	-	-	42,144,163
- Development	-	-	288,971	-	-	-	2,011,411	-	-	-	-	-	2,300,382
Communication, electricity, gas and water	-	-	213,271	-	-	-	-	-	-	-	-	-	213,271
Transportation	-	-	160,538	-	-	-	-	-	-	-	-	-	160,538
Leasing	-	-	60,941	-	-	346,585	19,969	-	-	-	-	-	427,495
Consumers	-	-	-	-	-	-	-	3,021,850	3,881,528	55	2,147	-	6,905,580
Corporate	-	-	128,513	-	-	-	-	-	-	-	-	-	128,513
Construction	-	-	20,420	-	-	-	-	-	-	-	-	-	20,420
Others	-	-	50,971	-	-	-	-	-	-	-	-	22,306	73,277
Total	180,332	86,947	2,690,061	2,286,680	207,659	19,987,790	21,426,861	3,021,850	3,881,528	55	2,147	22,339	53,794,249

45 CREDIT RISK (CONTINUED)

45.2 Amount due from counterparties, Islamic financing assets, mortgage assets and hire purchase assets/Islamic mortgage assets and Islamic hire purchase assets

All amount due from counterparties, Islamic financing assets, mortgage assets and hire purchase assets are categorised as either:

- neither more than 90 days past due nor individually impaired; or
- more than 90 days past due but not individually impaired.

Neither more than 90 days past due nor individually impaired comprise of amount due from counterparties, Islamic financing asset, mortgage assets and hire purchase assets, Islamic mortgage assets and Islamic hire purchase assets which are classified under Stage 1 and Stage 2 financial assets.

More than 90 days past due but not individually impaired comprise of amount due from counterparties, Islamic financing asset, mortgage assets and hire purchase assets, Islamic mortgage assets and Islamic hire purchase assets categorised under Stage 3 financial assets.

The impairment allowances are assessed on a pool of financial assets which are not individually impaired.

Credit risk loans comprise of amount due from counterparties, Islamic financing assets, mortgage assets and hire purchase assets/Islamic mortgage assets and Islamic hire purchase assets which are due more than 90 days. The coverage ratio is calculated in reference to total impairment allowances and the carrying value (before impairment) of credit risk loans.

45 CREDIT RISK (CONTINUED)

45.2 Amount due from counterparties, Islamic financing assets, mortgage assets and hire purchase assets/Islamic mortgage assets and Islamic hire purchase assets (continued)

Group and Company	Neither more than 90 days past due nor individually impaired RM'000	More than 90 days past due but not individually impaired* RM'000	Total RM'000	Impairment allowance RM'000	Total carrying value RM'000	Credit risk loans RM'000	Coverage ratio %
2024							
Amount due from counterparties	16,833,438	-	16,833,438	16	16,833,422	-	-
Islamic financing assets	20,666,839	-	20,666,839	51	20,666,788	-	-
Mortgage assets:							
- Conventional	2,600,268	8,455	2,608,723	7,832	2,600,891	8,455	93
- Islamic	3,498,226	9,665	3,507,891	9,172	3,498,719	9,665	95
Hire purchase assets:							
- Islamic	40	-	40	-	40	-	-
	43,598,811	18,120	43,616,931	17,071	43,599,860	18,120	
2023							
Amount due from counterparties	19,987,815	-	19,987,815	25	19,987,790	-	-
Islamic financing assets	21,426,957	-	21,426,957	96	21,426,861	-	-
Mortgage assets:							
- Conventional	3,022,779	10,489	3,033,268	11,418	3,021,850	10,489	109
- Islamic	3,879,336	13,903	3,893,239	11,711	3,881,528	13,903	84
Hire purchase assets:							
- Islamic	36	25	61	6	55	25	24
	48,316,923	24,417	48,341,340	23,256	48,318,084	24,417	

* These assets have been provided for under collective assessment.

45 CREDIT RISK (CONTINUED)

45.2 Amount due from counterparties, Islamic financing assets, mortgage assets and hire purchase assets/Islamic mortgage assets and Islamic hire purchase assets (continued)

Amount due from counterparties, Islamic financing assets, mortgage assets and hire purchase assets Islamic mortgage assets and Islamic hire purchase assets neither past due nor individually impaired are as below:

	Group and Company	
	2024	2023
	Strong/ Total	Strong/ Total
	RM'000	RM'000
Amount due from counterparties	16,833,438	19,987,815
Islamic financing assets	20,666,839	21,426,957
Mortgage assets:		
- Conventional	2,600,268	3,022,779
- Islamic	3,498,226	3,879,336
Hire purchase assets:		
- Islamic	40	36
	43,598,811	48,316,923

The amount due from counterparties, Islamic financing assets, mortgage assets and hire purchase assets/Islamic mortgage assets and Islamic hire purchase assets of the Group and the Company have been identified with strong credit risk quality which has a very high likelihood for full recovery.

45 CREDIT RISK (CONTINUED)

45.2 Amount due from counterparties, Islamic financing assets, mortgage assets and hire purchase assets/Islamic mortgage assets and Islamic hire purchase assets (continued)

An aging analysis of mortgage assets and hire purchase assets/Islamic mortgage assets and Islamic hire purchase assets that are past due but not individually impaired is set out below:

	Group and Company				
	91 to 120 days RM'000	121 to 150 days RM'000	151 to 180 days RM'000	Over 180 days RM'000	Total RM'000
2024					
Mortgage assets:					
- Conventional	1,036	129	479	6,811	8,455
- Islamic	300	391	756	8,218	9,665
Hire purchase assets:					
- Islamic	-	-	-	-	-
	1,336	520	1,235	15,029	18,120
2023					
Mortgage assets:					
- Conventional	1,152	520	655	8,162	10,489
- Islamic	1,769	1,191	569	10,374	13,903
Hire purchase assets:					
- Islamic	-	-	-	25	25
	2,921	1,711	1,224	18,561	24,417

For the purpose of this analysis, an asset is considered past due and included above when payment due under strict contractual terms is received late or missed. The amount included is either the entire financial assets, not just the payment, of both principal and interest, overdue on mortgage assets and hire purchase assets/Islamic mortgage assets and Islamic hire purchase assets. This may result from administrative delays on the side of the borrower leading to assets being past due but not impaired. Therefore, loans and advances less than 90 days past due are not usually considered impaired, unless other information is available to indicate the contrary.

The impairment allowances on such loans are calculated on a collective, not individual basis as this reflects homogeneous nature of the assets, which allows statistical techniques to be used, rather than individual assessments.

45 CREDIT RISK (CONTINUED)

45.2 Amount due from counterparties, Islamic financing assets, mortgage assets and hire purchase assets/Islamic mortgage assets and Islamic hire purchase assets (continued)

The movement in impairment allowances are as follows:

	Group and Company			
	As at 1 January RM'000	(Reversal)/ allowance made RM'000	Written-back/ (written-off) to principal balance outstanding RM'000	As at 31 December RM'000
2024				
Amount due from counterparties	25	(9)	-	16
Islamic financing assets	96	(45)	-	51
Mortgage assets:				
- Conventional	11,418	(4,713)	1,127	7,832
- Islamic	11,711	(3,749)	1,210	9,172
Hire purchase assets:				
- Islamic	6	19	(25)	-
	23,256	(8,497)	2,312	17,071
2023				
Amount due from counterparties	16	9	-	25
Islamic financing assets	93	3	-	96
Mortgage assets:				
- Conventional	14,897	(4,892)	1,413	11,418
- Islamic	17,191	(6,674)	1,194	11,711
Hire purchase assets:				
- Islamic	12	(3)	(3)	6
	32,209	(11,557)	2,604	23,256

45.3 Amount due from related company

None of these assets are impaired nor past due but not impaired.

45 CREDIT RISK (CONTINUED)

45.4 Credit quality

The following table contains an analysis of credit exposure by stages, together with the impairment allowances:

	Group and Company					
2024	GOM RM'000	AAA RM'000	AA1 to AA3/A+ to AA- RM'000	No rating RM'000	Total RM'000	Impairment allowance RM'000
Financial assets at FVOCI						
- Stage 1	2,268,900	552,045	706,694	-	3,527,639	317
Financial assets at amortised cost						
- Stage 1	-	-	2,287,035	-	2,287,035	3,605
Amount due from counterparties						
- Stage 1	-	7,162,901	9,670,521	-	16,833,422	16
Islamic financing assets						
- Stage 1	-	7,306,342	13,292,274	68,172	20,666,788	51
Mortgage assets:						
- Stage 1	-	-	-	2,597,345	2,597,345	5,132
- Stage 2	-	-	-	2,923	2,923	448
- Stage 3	-	-	-	8,455	8,455	2,252
	-	-	-	2,608,723	2,608,723	7,832
Islamic mortgage assets:						
- Stage 1	-	-	-	3,496,598	3,496,598	6,423
- Stage 2	-	-	-	1,628	1,628	236
- Stage 3	-	-	-	9,665	9,665	2,513
	-	-	-	3,507,891	3,507,891	9,172
Islamic hire purchase asset						
- Stage 1	-	-	-	40	40	-
- Stage 3	-	-	-	-	-	-
	-	-	-	40	40	-

45 CREDIT RISK (CONTINUED)

45.4 Credit quality (continued)

The following table contains an analysis of credit exposure by stages, together with the impairment allowances provision (continued):

	Group and Company					
2023	GOM RM'000	AAA RM'000	AA1 to AA3/A+ to AA- RM'000	No rating RM'000	Total RM'000	Impairment allowance RM'000
Financial assets at FVOCI						
- Stage 1	1,511,948	514,929	663,184	-	2,690,061	370
Financial assets at amortised cost						
- Stage 1	-	-	2,286,680	-	2,286,680	3,768
Amount due from counterparties						
- Stage 1	-	6,914,909	13,072,881	-	19,987,790	25
Islamic financing assets						
- Stage 1	-	6,463,673	14,943,219	19,969	21,426,861	96
Mortgage assets:						
- Stage 1	-	-	-	3,021,332	3,021,332	8,496
- Stage 2	-	-	-	1,447	1,447	195
- Stage 3	-	-	-	10,489	10,489	2,727
	-	-	-	3,033,268	3,033,268	11,418
Islamic mortgage assets:						
- Stage 1	-	-	-	3,876,935	3,876,935	7,846
- Stage 2	-	-	-	2,401	2,401	250
- Stage 3	-	-	-	13,903	13,903	3,615
	-	-	-	3,893,239	3,893,239	11,711
Islamic hire purchase asset						
- Stage 1	-	-	-	36	36	-
- Stage 3	-	-	-	25	25	6
	-	-	-	61	61	6

45 CREDIT RISK (CONTINUED)

45.5 Credit risk mitigation

The Group and the Company hold the properties financed by the mortgage assets as collateral. The collateral are closely monitored for financial assets considered to be credit-impaired, as it becomes more likely that the Group and the Company will take possession of collateral to mitigate potential credit losses.

Financial assets and related collateral held to mitigate potential losses are shown below:

	Gross carrying value RM'000	Impairment allowance RM'000	Net carrying value RM'000	Fair value of collateral held RM'000
2024				
Mortgage assets				
- Conventional	2,608,723	(7,832)	2,600,891	15,575,117
- Islamic	3,507,891	(9,172)	3,498,719	14,070,912
	6,116,614	(17,004)	6,099,610	29,646,029
2023				
Mortgage assets				
- Conventional	3,033,268	(11,418)	3,021,850	16,756,093
- Islamic	3,893,239	(11,711)	3,881,528	14,784,025
	6,926,507	(23,129)	6,903,378	31,540,118

45 CREDIT RISK (CONTINUED)

45.6 Offsetting financial instruments

The following financial assets/liabilities are subject to offsetting, enforceable master netting arrangements and similar agreements:

	Group and Company		
	Gross amount	Related amounts not set-off	Net amount
	RM'000	RM'000	RM'000
2024			
Derivative financial assets	15,403	(1,892)	13,511
Derivative financial liabilities	80,617	(1,892)	78,725
2023			
Derivative financial assets	207,659	(4,807)	202,852
Derivative financial liabilities	15,161	(4,807)	10,354

46 LIQUIDITY RISK

46.1 Funding approach

Sources of liquidity are regularly reviewed to maintain a wide diversification of debt portfolios. This involves managing market access in order to widen sources of funding to avoid over dependence on a single funding source as well as to minimise cost of funding.

46 LIQUIDITY RISK (CONTINUED)

46.2 Liquidity pool

The liquidity pool comprised the following cash and unencumbered assets:

	Cash and cash equivalents RM'000	Deposits and placements with financial institutions RM'000	Financial asset at FVOCI RM'000	Financial asset at financial cost RM'000	Derivative financial assets RM'000	Amount due from counter parties RM'000	Islamic financing assets RM'000	Mortgage assets RM'000	Islamic mortgage assets RM'000	Reverse mortgage assets RM'000	Other available liquidity RM'000	Total RM'000
Group												
2024	61,121	433,225	3,527,639	2,287,035	15,403	16,833,422	20,666,788	2,600,891	3,498,719	4,172	10,872	49,939,287
2023	180,359	86,947	2,690,061	2,286,680	207,659	19,987,790	21,426,861	3,021,850	3,881,528	2,147	18,268	53,790,150
Company												
2024	61,086	433,225	3,527,639	2,287,035	15,403	16,833,422	20,666,788	2,600,891	3,498,719	4,172	15,165	49,943,545
2023	180,332	86,947	2,690,061	2,286,680	207,659	19,987,790	21,426,861	3,021,850	3,881,528	2,147	22,394	53,794,249

46 LIQUIDITY RISK (CONTINUED)

46.3 Contractual maturity of financial liabilities

The table below presents the cash flows payable by the Group and the Company under financial liabilities by remaining contractual maturities at the date of the statement of financial position. The amounts disclosed in the table are contractual undiscounted cash flow, whereas the Group and the Company manage the liquidity risk based on a different basis.

Group	On demand up to one month RM'000	One to three months RM'000	Three to twelve months RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
2024						
Financial liabilities						
Short-term borrowings	101,320	407,391	-	-	-	508,711
Unsecured bearer bonds and notes	51,372	1,620,080	7,175,162	12,761,300	1,266,460	22,874,374
Sukuk	1,694,504	2,247,295	6,106,079	13,282,824	2,014,639	25,345,341
Other liabilities	104,016	1,561	-	-	-	105,577
	1,951,212	4,276,327	13,281,241	26,044,124	3,281,099	48,834,003
Assets held for managing liquidity risk	1,343,214	3,366,800	15,459,725	32,172,442	7,650,496	59,992,677
2023						
Financial liabilities						
Short-term borrowings	-	194,236	-	433,618	-	627,854
Unsecured bearer bonds and notes	100,605	3,600,221	6,878,311	15,504,741	1,027,660	27,111,538
Sukuk	49,261	432,377	6,940,787	16,909,352	1,299,941	25,631,718
Other liabilities	147,844	2,534	-	-	-	150,378
	297,710	4,229,368	13,819,098	32,847,711	2,327,601	53,521,488
Assets held for managing liquidity risk	509,564	5,832,627	15,402,686	37,800,450	5,904,098	65,449,425

46 LIQUIDITY RISK (CONTINUED)

46.3 Contractual maturity of financial liabilities

Company	On demand up to one month RM'000	One to three months RM'000	Three to twelve months RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
2024						
Financial liabilities						
Short-term borrowings	101,320	407,391	-	-	-	508,711
Unsecured bearer bonds and notes	42,110	1,609,711	4,565,426	11,614,937	1,266,460	19,098,644
Sukuk	1,694,504	2,247,295	6,106,079	13,282,824	2,014,639	25,345,341
Loans from subsidiary	9,262	10,426	2,609,592	1,146,363	-	3,775,643
Other liabilities	103,970	1,561	-	-	-	105,531
	1,951,166	4,276,384	13,281,097	26,044,124	3,281,099	48,833,870
Assets held for managing liquidity risk	1,329,630	3,356,431	12,849,989	31,026,079	7,650,496	56,212,625
2023						
Financial liabilities						
Short-term borrowings	-	194,236	-	433,618	-	627,854
Unsecured bearer bonds and notes	100,605	1,926,817	4,104,934	14,631,398	709,195	21,472,949
Sukuk	49,261	432,377	6,940,787	16,909,352	1,299,941	25,631,718
Loans from subsidiary	-	1,673,366	2,773,406	1,191,717	-	5,638,489
Other liabilities	147,798	2,534	-	-	-	150,332
	297,664	4,229,330	13,819,127	33,166,085	2,009,136	53,521,342
Assets held for managing liquidity risk	509,564	4,159,223	12,629,309	36,927,107	5,585,633	59,810,836

46 LIQUIDITY RISK (CONTINUED)

46.4 Derivative assets/liabilities

The Group's and the Company's derivatives comprise IRS, IPRS and CCS entered by the Group and the Company for which cash flows are exchanged for hedging purposes.

The following table analyses the Group's and the Company's derivatives financial assets and liabilities that will be settled on a net basis into relevant maturity groupings based on the remaining period at the date of the statement of financial position to the contractual maturity date. Contractual maturities are assessed to be essential for an understanding of all derivatives. The amounts disclosed in the table below are the contractual undiscounted cash flows.

	Group and Company					
	On demand up to one month	One to three months	Three to twelve months	One to five years	Over five years	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2024						
Net settled derivatives						
Derivatives held for hedging:						
IRS/IPRS	60	(1,545)	3,287	8,271	11,924	21,997
Gross settled derivatives						
Derivatives held for hedging:						
CCS						
- Outflow	-	(19,645)	(2,690,866)	(1,161,108)	-	(3,871,619)
- Inflow	-	19,630	2,609,736	1,146,363	-	3,775,729
2023						
Net settled derivatives						
Derivatives held for hedging:						
IRS/IPRS	(28)	(4,258)	3,636	5,732	9,865	14,947
Gross settled derivatives						
Derivatives held for hedging:						
CCS						
- Outflow	-	(1,546,315)	(2,741,675)	(1,155,848)	-	(5,443,838)
- Inflow	-	1,673,404	2,773,377	1,191,808	-	5,638,589

47 FOREIGN EXCHANGE RISK

The Group and the Company are exposed to translation foreign exchange rate on its unsecured bearer bonds and notes denominated in currencies other than the functional currencies of the Company and the Group.

The Group hedges 100% of its foreign currency denominated unsecured bearer bonds and notes and Sukuk. The Group and the Company take minimal exposure to the effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. The Group and the Company manage its exposure by entering into derivatives contracts.

47.1 Exposure to foreign currency risk

	Group and Company	
	HKD	SGD
	RM'000	RM'000
2024		
Derivatives financial instruments	-	3,654,498
Unsecured bearer bonds and notes	-	3,653,854
2023		
Derivatives financial instruments	489,854	4,987,578
Unsecured bearer bonds and notes	489,906	4,983,658

47 FOREIGN EXCHANGE RISK (CONTINUED)

47.2 Currency risk sensitivity analysis

A 1% strengthening/weakening (+/-) of the Ringgit Malaysia against the following currencies as at the date of statement of financial position would have increased/decreased equity and profit for the financial year as summarised in table below:

	Group		Company	
	Equity RM'000	Profit RM'000	Equity RM'000	Profit RM'000
2024				
SGD	+/-5	-	+/-5	-
2023				
SGD	+/-29	+/-1	+/-29	+/-1

The sensitivity analysis is based on foreign currency exchange rate variances that the Group and the Company considered to be reasonably possible at the end of the reporting period. The sensitivity analysis assumes that all other variable, in particular interest/profit rates, remained constant and ignores any impact of CCS.

The movement of the spot rate of foreign currency denominated for unsecured bearer bonds and notes and Sukuk and CCS are not shown as it offsets each other.

48 FAIR VALUE OF FINANCIAL INSTRUMENTS

48.1 Fair value of financial instruments carried at fair value

Financial instruments comprise financial assets, financial liabilities and off statement of financial position financial instruments. 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 information presented herein represents the estimates of fair values as at the date of the statement of financial position.

The face value of financial assets (less any estimated credit adjustments) and financial liabilities with a maturity period of less than one year is assumed to approximate their fair values.

Where available, quoted and observable market prices are used as the measure of fair values. Where such quoted and observable market prices are not available, fair values are estimated based on a number of methodologies and assumptions regarding risk characteristics of various financial instruments, discount rates, estimates of future cash flows and other factors. Changes in the assumptions could materially affect these estimates and the corresponding fair values.

The derivatives financial instruments become favourable (assets) or unfavourable (liabilities) as a result of fluctuations in market interest/profit rates relative to their terms. The extent to which instruments are favourable or unfavourable and the aggregate fair values of derivative financial assets and liabilities can fluctuate significantly from time to time.

The fair value of the financial assets at FVTPL and FVOCI is derived from market indicative quotes or observable market prices at the date of the statement of financial position.

The estimated fair value of the IRS, IPRS and CCS are based on the estimated cash flows discounted using the market interest/profit rate, taking into account the effect of the entity's net exposure to the credit risk of the counterparty at the statement of financial position date.

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

48 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

48.1 Fair value of financial instruments carried at fair value (continued)

	Group and Company			
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
2024				
Assets				
Financial assets at FVOCI	-	3,527,639	-	3,527,639
Derivative financial assets	-	15,403	-	15,403
Liabilities				
Derivative financial liabilities	-	80,617	-	80,617
2023				
Assets				
Financial assets at FVOCI	-	2,690,061	-	2,690,061
Derivative financial assets	-	207,659	-	207,659
Liabilities				
Derivative financial liabilities	-	15,161	-	15,161

48.2 Fair value of financial instruments carried other than fair value

The following methods and assumptions were used to estimate the fair value of financial instruments as at the statement of financial position date:

(a) Cash and cash equivalents and deposits and placements with financial institutions

The carrying amount of cash and cash equivalents and deposits and placements with financial institutions are used as reasonable estimate of fair values as the maturity is less than or equal to one year.

(b) Other financial assets

Other financial assets include other assets. The fair value of other financial assets is estimated at their carrying amount due to short tenure of less than one year.

48 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

48.2 Fair value of financial instruments carried other than fair value (continued)

(c) Amount due from related company and subsidiaries

The fair value of amount due from related company is estimated at their carrying amount due to short tenure of less than one year.

(d) Other financial liabilities

Other financial liabilities include creditors and accruals. The fair value of other financial liabilities is estimated at their carrying amount due to short tenure of less than one year.

The estimated fair values of the Group's and the Company's financial instruments approximated their carrying values in the statement of financial position except for the following:

	2024		2023	
	Carrying value RM'000	Fair value RM'000	Carrying value RM'000	Fair value RM'000
Group				
Financial assets				
Financial assets at amortised cost	2,287,035	2,314,926	2,286,680	2,312,107
Amount due from counterparties	16,833,422	17,089,698	19,987,790	20,210,096
Islamic financing assets	20,666,788	20,852,317	21,426,861	21,635,189
Mortgage assets:				
- Conventional	2,600,891	2,869,702	3,021,850	3,232,627
- Islamic	3,498,719	3,819,459	3,881,528	4,189,621
Islamic hire purchase assets	40	40	55	62
	45,886,895	46,946,142	50,604,764	51,579,702
Financial liabilities				
Short-term borrowings	506,132	508,992	648,790	648,790
Unsecured bearer bonds and notes	21,186,219	21,604,571	24,954,908	25,134,180
Sukuk	23,102,061	23,495,347	23,278,139	23,431,049
	44,794,412	45,608,910	48,881,837	49,214,019

48 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

48.2 Fair value of financial instruments carried other than fair value (continued)

The estimated fair values of the Group's and the Company's financial instruments approximated their carrying values in the statement of financial position except for the following (continued):

	2024		2023	
	Carrying value	Fair value	Carrying value	Fair value
	RM'000	RM'000	RM'000	RM'000
Company				
Financial assets				
Financial assets at amortised cost	2,287,035	2,314,926	2,286,680	2,312,107
Amount due from counterparties	16,833,422	17,089,698	19,987,790	20,210,096
Islamic financing assets	20,666,788	20,852,317	21,426,861	21,635,189
Mortgage assets:				
- Conventional	2,600,891	2,869,702	3,021,850	3,232,627
- Islamic	3,498,719	3,819,459	3,881,528	4,189,621
Islamic hire purchase assets	40	40	55	62
	45,886,895	46,946,142	50,604,764	51,579,702
Financial liabilities				
Short-term borrowings	506,132	508,992	648,790	648,790
Loans from subsidiary	3,653,829	3,704,776	5,473,654	5,530,677
Unsecured bearer bonds and notes	17,532,365	17,899,769	19,481,343	19,680,398
Sukuk	23,102,061	23,495,347	23,278,139	23,431,049
	44,794,387	45,608,884	48,881,926	49,290,914

The fair value of financial assets at amortised cost is based on observable market prices and is therefore within Level 2 of the fair value hierarchy.

The fair value of the fixed rate assets portfolio of amount due from counterparties is based on the present value of estimated future cash flows discounted at the prevailing market rates of loans with similar credit risk and maturities at the statement of financial position date and is therefore within Level 3 of the fair value hierarchy. The fair value of the floating rate assets portfolio of amount due from counterparties is based on their carrying amount as the repricing date of the floating rate assets portfolio is not greater than 6 months.

48 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

48.2 Fair value of financial instruments carried other than fair value (continued)

The fair value of the Islamic financing assets is based on the present value of estimated future cash flows discounted at the prevailing market rates of financing with similar credit risk and maturities at the statement of financial position date and is therefore within Level 3 of the fair value hierarchy.

The fair value of the mortgage assets and hire purchase assets/Islamic mortgage assets and Islamic hire purchase assets are derived at using the present value of future cash flows discounted based on the mortgage assets and hire purchase assets/Islamic mortgage assets and Islamic hire purchase assets yield to maturity at the statement of financial position date and is therefore within Level 3 of the fair value hierarchy.

The fair value of the short-term borrowing is estimated at their carrying amount due to short tenure of less than one year.

The fair value of the unsecured bearer bonds and notes and Sukuk are derived based on observable market prices and is therefore within Level 2 of the fair value hierarchy.

49 SEGMENT REPORTING

The Chief Executive Officer ("the chief operating decision maker") of the Company makes strategic decisions and allocation of resources on behalf of the Group and the Company. The financial information by geographical segment is not presented as the Group's and the Company's activities are principally conducted in Malaysia. There is no single customer which contributed revenue amount greater than 10% of the Group's and the Company's revenues for the current financial year (2023: Nil). The Group and the Company have determined the following operating segments based on reports reviewed by the chief operating decision maker in making its strategic decisions:

(a) PWR
Under the PWR scheme, the Group and the Company purchase the mortgage loans, personal loans, hire purchase and leasing debts and Islamic financing facilities such as home financing, hire purchase financing and personal financing from the primary lenders approved by the Group and the Company. The loans and financings are acquired with recourse to the primary lenders should the loans and financing fail to comply with agreed prudential eligibility criteria.

(b) PWOR
Under the PWOR scheme, the Group and the Company purchase the mortgage assets and hire purchase assets from counterparties on an outright basis for the remaining tenure of the respective assets purchased. The purchases are made without recourse to counterparties, other than certain warranties to be provided by the seller pertaining to the quality of the assets.

(c) Treasury
Under Treasury, the Group and the Company manage and invest surplus cashflow in approved treasury-related activities. The income consists of interest/profit and gains on the appreciation in the value of investment.

49. SEGMENT REPORTING (CONTINUED)

2024	PWR RM'000	PWOR RM'000	Treasury RM'000	Others RM'000	Group Total RM'000
External revenue	1,595,315	376,840	139,335	102,064	2,213,554
External interest/ profit expense	(1,531,447)	(208,265)	(7,092)	(96,896)	(1,843,700)
Segment result (Net operating income)	63,868	168,575	132,243	5,168	369,854
Personnel costs					(33,711)
Administration and general expenses					(33,913)
Operating expenses					(67,624)
Reversal of impairment losses, net	54	8,443	49	163	8,709
Profit before taxation and zakat					310,939
Taxation					(71,385)
Zakat					(1,561)
Profit after taxation					237,993
Segment assets	37,500,209	6,099,649	4,021,985	2,351,735	49,973,578
Segment liabilities	37,663,281	3,865,000	996,132	2,685,391	45,209,804
Other information					
Capital expenditure	7,177	1,167	770	450	9,564
Depreciation and amortisation	6,139	998	659	386	8,182

49. SEGMENT REPORTING (CONTINUED)

2023	PWR RM'000	PWOR RM'000	Treasury RM'000	Others RM'000	Group Total RM'000
External revenue	1,461,903	428,895	150,641	91,032	2,132,471
External interest/ profit expense	(1,402,319)	(301,632)	(255)	(77,130)	(1,781,336)
Segment result (Net operating income)	59,584	127,263	150,386	13,902	351,135
Personnel costs					(30,760)
Administration and general expenses					(27,700)
Operating expenses					(58,460)
Reversal of impairment losses, net	(12)	11,569	(4)	(633)	10,920
Profit before taxation and zakat					303,595
Taxation					(74,713)
Zakat					(2,534)
Profit after taxation					226,348
Segment assets	41,414,651	6,903,432	2,957,366	2,543,477	53,818,926
Segment liabilities	41,416,106	4,745,000	648,790	2,455,397	49,265,293
Other information					
Capital expenditure	2,764	461	197	170	3,592
Depreciation and amortisation	5,443	907	389	334	7,073

49. SEGMENT REPORTING (CONTINUED)

					Company
2024	PWR RM'000	PWOR RM'000	Treasury RM'000	Others RM'000	Total RM'000
External revenue	1,595,315	376,840	139,335	102,064	2,213,554
Internal interest/ profit expense	(149,850)	-	-	-	(149,850)
External interest/ profit expense	(1,381,481)	(208,265)	(7,092)	(96,896)	(1,693,734)
Total interest/ profit expense	(1,531,331)	(208,265)	(7,092)	(96,896)	(1,843,584)
Segment result (Net operating income)	63,984	168,575	132,243	5,168	369,970
Personnel costs					(33,711)
Administration and general expenses					(33,772)
Operating expenses					(67,483)
Reversal of impairment losses, net	54	8,443	49	163	8,709
Profit before taxation and zakat					311,196
Taxation					(71,385)
Zakat					(1,561)
Profit after taxation					238,250
Segment assets	37,500,209	6,099,649	4,021,950	2,356,007	49,977,815
Segment liabilities	34,009,426	3,865,000	996,132	6,339,158	45,209,716
Other information					
Capital expenditure	7,177	1,167	770	450	9,564
Depreciation and amortisation	6,139	998	659	386	8,182

49. SEGMENT REPORTING (CONTINUED)

2023	PWR RM'000	PWOR RM'000	Treasury RM'000	Others RM'000	Company Total RM'000
External revenue	1,461,903	428,895	150,641	91,032	2,132,471
Internal interest/ profit expense	(178,235)	-	-	-	(178,235)
External interest/ profit expense	(1,221,253)	(301,632)	(255)	(77,130)	(1,600,270)
Total interest/ profit expense	(1,399,488)	(301,632)	(255)	(77,130)	(1,778,505)
Segment result (Net operating income)	62,415	127,263	150,386	13,902	353,966
Personnel costs					(30,760)
Administration and general expenses					(27,582)
Operating expenses					(58,342)
Reversal of impairment losses, net	(12)	11,569	(4)	(633)	10,920
Profit before taxation and zakat					306,544
Taxation					(74,713)
Zakat					(2,534)
Profit after taxation					229,297
Segment assets	41,414,651	6,903,432	2,957,339	2,547,591	53,823,013
Segment liabilities	37,957,542	4,745,000	648,790	5,913,980	49,265,312
Other information					
Capital expenditure	2,764	461	197	170	3,592
Depreciation and amortisation	5,443	907	389	334	7,073

50 CAPITAL ADEQUACY

The Group's and the Company's objectives when managing capital, which is a broader concept than the "equity" on the face of the statement of financial position, are:

(a) To align with industry best practices and benchmark set by the regulators;

(b) To safeguard the Group's and the Company's ability to continue as a going concern so that it can continue to provide returns for shareholder and benefit to other stakeholders; and

(c) To maintain a strong capital base to support the development of its business.

The Group and the Company are not subject to the BNM Guidelines on the Capital Adequacy Guidelines. However, disclosure of the capital adequacy ratios is made on a voluntary basis for information purposes.

Capital adequacy and the use of regulatory capital are monitored by the Group's and the Company's management, employing techniques based on the guidelines developed by the Basel Committee and as implemented by BNM, for supervisory purposes.

The regulatory capital comprise of two tiers:

(a) Tier 1 capital: share capital (net of any book values of treasury shares) and other reserves which comprise retained profits and reserves created by appropriations of retained profits; and

(b) Tier 2 capital: comprise collective impairment allowances on mortgage assets and hire purchase assets/Islamic mortgage assets and Islamic hire purchase assets.

Common equity tier 1 ("CET1") and Tier 1 capital ratios refer to the ratio of total Tier 1 capital to risk-weighted assets. Total capital ratio ("TCR") is the ratio of total capital to risk-weighted assets.

	Group		Company	
	2024	2023**	2024	2023**
	%	%	%	%
Before deducting proposed final dividend*				
CET1 capital ratio	37.9	31.6	37.9	31.6
Tier 1 capital ratio	37.9	31.6	37.9	31.6
Total capital ratio	38.4	32.0	38.4	32.1
After deducting proposed final dividend*				
CET1 capital ratio	37.7	31.4	37.7	31.4
Tier 1 capital ratio	37.7	31.4	37.7	31.4
Total capital ratio	38.2	31.9	38.3	31.9

* Refers to proposed final dividend which will be declared after the financial year.
** The 31 December 2023 capital adequacy ratios have been restated to align with current year computation.

50 CAPITAL ADEQUACY (CONTINUED)

Components of CET1, Tier 1 and Tier 2 capital:

	Group		Company	
	2024	2023**	2024	2023**
	RM'000	RM'000	RM'000	RM'000
CET1/Tier 1 capital				
Issued capital	150,000	150,000	150,000	150,000
Retained profits and regulatory reserves	4,602,931	4,394,938	4,607,256	4,399,006
	4,752,931	4,544,938	4,757,256	4,549,006
Financial assets at FVOCI reserves	209	(2,152)	209	(2,152)
Deferred tax assets	(10,819)	(13,501)	(10,819)	(13,501)
Less: Regulatory reserves	(52,798)	(47,919)	(52,798)	(47,918)
	4,689,523	4,481,366	4,693,848	4,485,435
Tier 2 capital				
Allowance for impairment losses	14,028	17,287	14,028	17,287
Add: Regulatory reserves	52,798	47,919	52,798	47,918
Total Tier 2 capital	66,826	65,206	66,826	65,205
Total capital	4,756,349	4,546,572	4,760,674	4,550,640

The breakdown of risk-weighted assets by each major risk category is as follows:

	Group		Company	
	2024	2023**	2024	2023**
	RM'000	RM'000	RM'000	RM'000
Credit risk	11,703,181	13,543,083	11,707,446	13,547,193
Operational risk	678,580	645,292	678,580	645,292
Total risk-weighted assets	12,381,761	14,188,375	12,386,026	14,192,485

** The 31 December 2023 capital adequacy ratios have been restated to align with current year computation.

51 ISLAMIC OPERATIONS

STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

	Note	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
ASSETS					
Cash and cash equivalents	(a)	32,237	64,849	32,227	64,837
Deposits and placements with financial institutions	(b)	150,945	-	150,945	-
Financial assets at fair value through other comprehensive income (FVOCI)	(c)	807,341	623,072	807,341	623,072
Financial assets at amortised cost	(d)	681,998	681,993	681,998	681,993
Derivative financial assets		226	720	226	720
Financing assets	(e)	20,666,788	21,426,861	20,666,788	21,426,861
Mortgage assets	(f)	3,497,651	3,880,225	3,497,651	3,880,225
Hire purchase assets	(g)	35	49	35	49
Reverse mortgage assets		507	225	507	225
Other assets and prepayments		289,142	289,126	291,829	291,813
TOTAL ASSETS		26,126,870	26,967,120	26,129,547	26,969,795
LIABILITIES					
Short-term borrowings*		998,892	1,823,287	998,892	1,823,287
Derivative financial liabilities		356	2,529	356	2,529
Other liabilities	(h)	3,518	5,394	2,011	4,022
Provision for taxation		62,662	36,407	62,662	36,407
Deferred taxation		114,990	106,429	114,990	106,429
Sukuk	(i)	23,102,061	23,278,139	23,102,061	23,278,139
TOTAL LIABILITIES		24,282,479	25,252,185	24,280,972	25,250,813
ISLAMIC OPERATIONS' FUNDS		1,844,391	1,714,935	1,848,575	1,718,982
TOTAL LIABILITIES AND ISLAMIC OPERATIONS' FUNDS		26,126,870	26,967,120	26,129,547	26,969,795

* Included in short-term borrowings is Wakalah placement from the conventional operations amounting to RM1.0 billion (2023: RM1.8 billion). This inter-operations charge is eliminated at the Company level.

51 ISLAMIC OPERATIONS (CONTINUED)

INCOME STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
Total income		1,106,914	1,016,879	1,106,914	1,016,879
Profit expense attributable to the Sukuk holders	(j)	(909,853)	(833,163)	(909,853)	(833,163)
Non-profit expense*		(36,026)	(45,103)	(36,026)	(45,103)
Total net income attributable	(k)	161,035	138,613	161,035	138,613
Administration and general expenses		(2,108)	(2,190)	(1,971)	(2,041)
Reversal of impairment losses		3,813	5,537	3,813	5,537
PROFIT BEFORE TAXATION AND ZAKAT		162,740	141,960	162,877	142,109
Zakat		(1,561)	(2,534)	(1,561)	(2,534)
Taxation		(34,156)	(34,478)	(34,156)	(34,478)
PROFIT FOR THE FINANCIAL YEAR		127,023	104,948	127,160	105,097

* Included in non-profit expense during the year is Wakalah placement profit expenses paid to the conventional operations amounting to RM34.4 million (2023: RM47.7 million). This inter-operations charge is eliminated at the Company level.

51 ISLAMIC OPERATIONS (CONTINUED)

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Profit for the financial year	127,023	104,948	127,160	105,097
Other comprehensive income:				
Items that may be subsequently reclassified to income statement				
Financial assets at FVOCI				
- Net gain on fair value changes before taxation	917	12,206	917	12,206
- FVOCI ECL	7	73	7	73
- Deferred taxation	(220)	(2,929)	(220)	(2,929)
Cash flow hedge				
- Net gain/(loss) on cash flow hedge before taxation	1,830	(7,641)	1,830	(7,641)
- Deferred taxation	(439)	1,834	(439)	1,834
Other comprehensive income/ for the financial year net of taxation	2,095	3,543	2,095	3,543
Total comprehensive income for the financial year	129,118	108,491	129,255	108,640

51 ISLAMIC OPERATIONS (CONTINUED)

STATEMENTS OF CHANGES IN ISLAMIC OPERATIONS' FUNDS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

		Non-distributable			Distributable	
Group	Allocated capital funds	Financial assets at FVOCI reserves	Cashflow hedge reserves	Regulatory reserves	Retained profits	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 January 2024	294,409	2,818	(1,469)	28,331	1,390,846	1,714,935
Profit for the financial year	-	-	-	-	127,023	127,023
Other comprehensive income	-	704	1,391	-	-	2,095
Total comprehensive income for the financial year	-	704	1,391	-	127,023	129,118
Transfer from retained profits	-	-	-	2,186	(2,186)	-
Transfer to Islamic operations	338	-	-	-	-	338
Balance as at 31 December 2024	294,747	3,522	(78)	30,517	1,515,683	1,844,391
Balance as at 1 January 2023	294,159	(6,532)	4,338	44,250	1,269,979	1,606,194
Profit for the financial year	-	-	-	-	104,948	104,948
Other comprehensive income	-	9,350	(5,807)	-	-	3,543
Total comprehensive income for the financial year	-	9,350	(5,807)	-	104,948	108,491
Transfer to retained profits	-	-	-	(15,919)	15,919	-
Transfer to Islamic operations	250	-	-	-	-	250
Balance as at 31 December 2023	294,409	2,818	(1,469)	28,331	1,390,846	1,714,935

51 ISLAMIC OPERATIONS (CONTINUED)

STATEMENTS OF CHANGES IN ISLAMIC OPERATIONS' FUNDS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

			Non-distributable		Distributable	
Company	Allocated capital funds	Financial assets at FVOCI reserves	Cashflow hedge reserves	Regulatory reserves	Retained profits	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Balance as at 1 January 2024	294,409	2,818	(1,469)	28,552	1,394,672	1,718,982
Profit for the financial year	-	-	-	-	127,160	127,160
Other comprehensive income	-	704	1,391	-	-	2,095
Total comprehensive income for the financial year	-	704	1,391	-	127,160	129,255
Transfer from retained profits	-	-	-	2,186	(2,186)	-
Transfer to Islamic operations	338	-	-	-	-	338
Balance as at 31 December 2024	294,747	3,522	(78)	30,738	1,519,646	1,848,575
Balance as at 1 January 2023	294,159	(6,532)	4,338	44,471	1,273,656	1,610,092
Profit for the financial year	-	-	-	-	105,097	105,097
Other comprehensive income	-	9,350	(5,807)	-	-	3,543
Total comprehensive income for the financial year	-	9,350	(5,807)	-	105,097	108,640
Transfer to retained profits	-	-	-	(15,919)	15,919	-
Transfer to Islamic operations	250	-	-	-	-	250
Balance as at 31 December 2023	294,409	2,818	(1,469)	28,552	1,394,672	1,718,982

51 ISLAMIC OPERATIONS (CONTINUED)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	Group		Company	
		2024	2023	2024	2023
		RM'000	RM'000	RM'000	RM'000
OPERATING ACTIVITIES					
Profit before taxation and zakat		162,740	141,960	162,877	142,109
Adjustment for non-cash items	(l)(i)	(198,768)	(170,719)	(198,768)	(170,719)
Operating loss before working capital changes		(36,028)	(28,759)	(35,891)	(28,610)
Net changes in operating assets and liabilities	(l)(ii)	1,245,782	(2,760,014)	1,245,647	(2,760,163)
Zakat		(4,095)	(5,362)	(4,095)	(5,362)
Net cash flows from/(used in) operating activities		1,205,659	(2,794,135)	1,205,661	(2,794,135)
INVESTING ACTIVITIES					
Net (purchase)/redemption of:					
- Financial assets at FVOCI		(180,929)	761,371	(180,929)	761,371
- Financial assets at amortised cost		-	(325,000)	-	(325,000)
Income received from financial assets at FVOCI		28,589	33,152	28,589	33,152
Net cash flows(used in)/from investing activities		(152,340)	469,523	(152,340)	469,523

51 ISLAMIC OPERATIONS (CONTINUED)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONTINUED)

	Note	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
FINANCING ACTIVITY					
Proceed from issuance of Sukuk		11,019,458	12,505,000	11,019,458	12,505,000
Redemption of Sukuk		(11,180,000)	(9,395,000)	(11,180,000)	(9,395,000)
Profit paid to Sukuk holders		(925,389)	(800,490)	(925,389)	(800,490)
Net cash flows (used in)/from financing activity		(1,085,931)	2,309,510	(1,085,931)	2,309,510
Net change in cash and cash equivalents		(32,612)	(15,102)	(32,610)	(15,102)
Cash and cash equivalents as at 1 January		64,849	79,951	64,837	79,939
Cash and cash equivalents as at 31 December	51(a)	32,237	64,849	32,227	64,837

51 ISLAMIC OPERATIONS (CONTINUED)

(a) *Cash and cash equivalents*

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Cash and bank balances with banks and other financial institutions	260	159	250	147
Mudharabah money at call and deposits placements maturing with original maturity less than three months	31,978	64,690	31,978	64,690
	32,238	64,849	32,228	64,837
Less: Allowance for impairment losses	(1)	-	(1)	-
	32,237	64,849	32,227	64,837

The gross carrying value of cash and cash equivalents and the impairment allowances are within Stage 1 (12-month ECL). Movement in impairment allowances that reflect the ECL model on impairment are as follows:

	Group and Company	
	2024	2023
	RM'000	RM'000
Stage 1		
As at 1 January	-	1
Allowance during the year on new investments	1	-
Financial assets derecognised during the period due to maturity of assets	-	(1)
As at 31 December	1	-

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

51 ISLAMIC OPERATIONS (CONTINUED)

(b) *Deposits and placements with financial institutions*

	Group and Company	
	2024	2023
	RM'000	RM'000
Licensed banks	150,948	-
Less: Allowance for impairment losses	(3)	-
	150,945	-

The gross carrying value of deposits and placements with financial institutions and the impairment allowances are within Stage 1 (12-month ECL). Movement in impairment allowances that reflect the ECL model on impairment are as follows:

	Group and Company	
	2024	2023
	RM'000	RM'000
Stage 1		
As at 1 January	-	-
Allowance during the year on new investments	3	-
As at 31 December	3	-

51 ISLAMIC OPERATIONS (CONTINUED)

(c) *Financial assets at FVOCI*

	Group and Company	
	2024	2023
	RM'000	RM'000
At fair value:		
Corporate Sukuk	388,859	369,060
Government investment issues	397,200	232,758
Quasi Government Sukuk	21,282	21,254
	807,341	623,072

The maturity structure of financial assets at FVOCI as follows:

Maturing within one year	42,695	35,919
One to three years	167,342	130,690
Three to five years	96,392	82,045
More than five years	500,912	374,418
	807,341	623,072

The carrying amount of debt instruments at FVOCI is equivalent to their fair value. The ECL is recognised in other comprehensive income and does not reduce the carrying amount in the statement of financial position.

The gross carrying value of financial assets at FVOCI by stage are as follows:

	Gross carrying value	Impairment allowance
	RM'000	RM'000
By stage:		
2024		
Stage 1 (12-month ECL; non-credit impaired)	807,341	195
2023		
Stage 1 (12-month ECL; non-credit impaired)	623,072	188

51 ISLAMIC OPERATIONS (CONTINUED)

(c) *Financial assets at FVOCI (continued)*

Movement in impairment allowances that reflect the ECL model on impairment are as follows:

	Group and Company	
	2024	2023
	RM'000	RM'000
Stage 1		
As at 1 January	188	115
Allowance during the year on new assets purchased	44	174
Financial assets derecognised during the year due to maturity of assets	(29)	(98)
Reversal during the year due to changes in credit risk	(8)	(3)
As at 31 December	195	188

(d) *Financial assets at amortised cost*

Corporate Sukuk	681,998	681,993

The maturity structure of financial assets at amortised cost are as follows:

	Group and Company	
	2024	2023
	RM'000	RM'000
More than five years	684,128	684,173
Less: Allowance for impairment losses	(2,130)	(2,180)
	681,998	681,993

The gross carrying value by stage are as follows:

	Gross carrying value	Impairment allowance
	RM'000	RM'000
By stage:		
2024		
Stage 1 (12-month ECL; non-credit impaired)	684,128	2,130
2023		
Stage 1 (12-month ECL; non-credit impaired)	684,173	2,180

51 ISLAMIC OPERATIONS (CONTINUED)

(d) *Financial assets at amortised cost (continued)*

Movement in impairment allowances that reflect the ECL model on impairment are as follows:

	Group and Company	
	2024	2023
	RM'000	RM'000
Stage 1		
As at 1 January	2,180	1,113
Allowance during the year on new investments	-	1,095
Reversal during the year due to changes in credit risk	(50)	(28)
As at 31 December	2,130	2,180

(e) *Financing assets*

	Group and Company	
	2024	2023
	RM'000	RM'000
House financing	19,205,889	18,696,839
Personal financing	956,288	2,225,410
Hire purchase	504,611	504,612
	20,666,788	21,426,861

The maturity structure of financing assets are as follows:		
Maturing within one year	8,386,753	7,301,922
One to three years	6,928,456	9,385,918
Three to five years	4,551,354	4,739,117
More than five years	800,276	-
	20,666,839	21,426,957
Less:		
Allowance for impairment losses	(51)	(96)
	20,666,788	21,426,861

51 ISLAMIC OPERATIONS (CONTINUED)

(e) Financing assets (continued)

The gross carrying value of Islamic financing assets and the impairment allowances are within Stage 1 (12-month ECL). Movement in impairment allowances that reflect the ECL model on impairment are as follows:

	Group and Company	
	2024	2023
	RM'000	RM'000
As at 1 January	96	93
Allowance during the year on new assets purchased	13	24
Financial assets derecognised during the year due to maturity of assets	(29)	(11)
Reversal during the year due to changes in credit risk	(29)	(10)
As at 31 December	51	96

(f) Mortgage assets

	Group and Company	
	2024	2023
	RM'000	RM'000
PWOR	3,497,651	3,880,225

The maturity structure of mortgage assets are as follows:

	2024	2023
Maturing within one year	438,306	600,996
One to three years	756,986	782,496
Three to five years	655,842	689,649
More than five years	1,655,688	1,818,792
	3,506,822	3,891,933
Less:		
Allowance for impairment losses	(9,171)	(11,708)
	3,497,651	3,880,225

51 ISLAMIC OPERATIONS (CONTINUED)

(f) Mortgage assets (continued)

The gross carrying value of mortgage assets by stage are as follows;

	Gross carrying value RM'000	Impairment allowance RM'000
2024		
Stage 1 (12-month ECL; non-credit impaired)	3,495,529	6,422
Stage 2 (Lifetime ECL; non-credit impaired)	1,628	237
Stage 3 (Lifetime ECL; credit impaired)	9,665	2,512
As at 31 December	3,506,822	9,171
Impairment allowances over gross carrying value (%)		0.26
2023		
Stage 1 (12-month ECL; non-credit impaired)	3,875,629	7,843
Stage 2 (Lifetime ECL; non-credit impaired)	2,401	250
Stage 3 (Lifetime ECL; credit impaired)	13,903	3,615
As at 31 December	3,891,933	11,708
Impairment allowances over gross carrying value (%)		0.30

51 ISLAMIC OPERATIONS (CONTINUED)

(f) *Mortgage assets (continued)*

The impairment allowances by stage and movement in impairment allowances that reflect the ECL model on impairment are as follows:

	Group and Company			
2024	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
As at 1 January	7,843	250	3,615	11,708
Transfer between stages:				
-Transfer to 12-month ECL (Stage 1)	23	(175)	(1,108)	(1,260)
-Transfer to ECL not credit impaired (Stage 2)	(3)	229	(52)	174
-Transfer to ECL credit impaired (Stage 3)	(12)	(21)	778	745
Total transfer between stages	8	33	(382)	(341)
Financing derecognised during the year (other than write-offs)	(216)	(45)	(1,913)	(2,174)
Reversal during the year due to changes in credit risk	(1,213)	(1)	(18)	(1,232)
Amount written-off	-	-	1,210	1,210
As at 31 December	6,422	237	2,512	9,171

51 ISLAMIC OPERATIONS (CONTINUED)

(f) *Mortgage assets (continued)*

The impairment allowances by stage and movement in impairment allowances that reflect the ECL model on impairment are as follows (continued):

	Group and Company			
2023	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
As at 1 January	10,919	138	6,130	17,187
Transfer between stages:				
-Transfer to 12-month ECL (Stage 1)	19	(49)	(1,471)	(1,501)
-Transfer to ECL not credit impaired (Stage 2)	(6)	239	(109)	124
-Transfer to ECL credit impaired (Stage 3)	(21)	(54)	1,685	1,610
Total transfer between stages	(8)	136	105	233
Financing derecognised during the year (other than write-offs)	(327)	(20)	(3,321)	(3,668)
Reversal during the year due to changes in credit risk	(2,741)	(4)	(493)	(3,238)
Amount written-off	-	-	1,194	1,194
As at 31 December	7,843	250	3,615	11,708

51 ISLAMIC OPERATIONS (CONTINUED)

(g) *Hire purchase assets*

	Group and Company	
	2024	2023
	RM'000	RM'000
PWOR	35	49

The maturity structure of hire purchase assets are as follows:

	2024 RM'000	2023 RM'000
Maturing within one year	35	55
Less: Allowance for impairment losses	-	(6)
	35	49

The gross carrying value of hire purchase assets by stage are as follows;

	Gross carrying value RM'000	Impairment allowance RM'000
2024		
Stage 1 (12-month ECL; non-credit impaired)	35	-
As at 31 December	35	-
Impairment allowances over gross carrying value (%)		-
2023		
Stage 1 (12-month ECL; non-credit impaired)	30	-
Stage 3 (Lifetime ECL; credit impaired)	25	6
As at 31 December	55	6
Impairment allowances over gross carrying value (%)		10.91

51 ISLAMIC OPERATIONS (CONTINUED)

(g) *Hire purchase assets (continued)*

The impairment allowances by stage and movement in impairment allowances that reflect the ECL model on impairment are as follows:

	Group and Company	
	2024	2023
	RM'000	RM'000
Stage 3:		
As at 1 January	6	12
Reversal made during the year	19	(3)
Written-off to principal balance outstanding	(25)	(3)
As at 31 December	-	6

(h) *Other liabilities*

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Zakat	1,561	2,534	1,561	2,534
Other payables	1,957	2,860	450	1,488
	3,518	5,394	2,011	4,022

(i) *Sukuk*

	Group and Company	
	2024	2023
	RM'000	RM'000
Commercial papers	2,374,632	641,797
Medium-term notes	20,727,429	22,636,342
	23,102,061	23,278,139
The maturity structure of Sukuk are as follows:		
Maturing within one year	9,412,073	7,553,139
One to three years	6,374,988	8,960,000
Three to five years	5,550,000	5,620,000
More than five years	1,765,000	1,145,000
	23,102,061	23,278,139

51 ISLAMIC OPERATIONS (CONTINUED)

(j) *Profit expense attributable to the Sukuk holders*

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Mortgage assets	109,799	173,101	109,799	173,101
Hire purchase assets	62	72	62	72
Financing assets	799,992	659,990	799,992	659,990
	909,853	833,163	909,853	833,163
Income attributable to Sukuk holders analysed by concept:				
Bai Al-Dayn	909,853	833,163	909,853	833,163

(k) *Total net income attributable*

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Income from:				
Mortgage assets	94,362	57,795	94,362	57,795
Hire purchase assets	(62)	(72)	(62)	(72)
Financing assets	65,681	74,480	65,681	74,480
Financial assets at FVOCI	31,539	39,909	31,539	39,909
Deposits and placements with financial institutions	5,513	11,604	5,513	11,604
Reverse mortgage assets	28	-	28	-
Non-profit expense	(36,026)	(45,103)	(36,026)	(45,103)
	161,035	138,613	161,035	138,613

Total net income attributable analysed by concept are as follows:

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Bai Al-Dayn	123,983	87,100	123,983	87,100
Murabahah	23,852	17,380	23,852	17,380
Ijarah	-	1,696	-	1,696
Mudharabah	2,540	9,684	2,540	9,684
Musyarakah	885	4,564	885	4,564
Wakalah	4,262	6,585	4,262	6,585
Tawarruq	4,084	10,505	4,084	10,505
Qard Al-Hasan	1,429	1,099	1,429	1,099
	161,035	138,613	161,035	138,613

51 ISLAMIC OPERATIONS (CONTINUED)

(l) Statement of Cash Flows

(i) Adjustment for non- cash items:

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Amortisation of premium less accretion of discount on:				
Financial assets at FVOCI	(686)	(6,764)	(686)	(6,764)
Accretion of discount on:				
Mortgage assets	(53,654)	(57,956)	(53,654)	(57,956)
Allowance/(reversal) of impairment losses on:				
− Cash and cash equivalents	4	-	4	-
− Financial assets at FVOCI	7	73	7	73
− Financial assets at amortised cost	(50)	1,066	(50)	1,066
− Financing assets	(45)	3	(45)	3
− Mortgage assets and hire purchase assets	(2,545)	(5,486)	(2,545)	(5,486)
Income from:				
− Financial assets at FVOCI	(30,589)	(31,415)	(30,589)	(31,415)
− Islamic operations	(1,021,722)	(905,485)	(1,021,722)	(905,485)
− Derivatives	(34,020)	(25,252)	(34,020)	(25,252)
Profit attributable to Sukuk holders	909,853	833,569	909,853	833,569
Profit attributable to derivatives	34,416	25,199	34,416	25,199
Gain on disposal of financial assets at FVOCI	263	1,729	263	1,729
	(198,768)	(170,719)	(198,768)	(170,719)

51 ISLAMIC OPERATIONS (CONTINUED)

(l) Statement of Cash Flows (continued)

(ii) Changes in operating assets and liabilities:

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Change in deposits and placements with financial institutions	(150,019)	-	(150,019)	-
Change in short term borrowings	(824,395)	1,823,287	(824,395)	1,823,287
Change in financing assets	751,439	(5,878,421)	751,439	(5,878,421)
Change in mortgage assets	429,707	450,305	429,707	450,305
Change in hire purchase assets	20	2	20	2
Change in other assets and prepayments	322	247	322	237
Change in reverse mortgage	(253)	(225)	(253)	(225)
Change in derivatives	-	802	-	802
Change in other liabilities	658	1,582	523	1,443
Profit received from assets	1,038,547	842,460	1,038,547	842,460
Profit received from derivatives	33,564	25,199	33,564	25,199
Profit paid on derivatives	(33,808)	(25,252)	(33,808)	(25,252)
	1,245,782	(2,760,014)	1,245,647	(2,760,163)

(iii) Analysis of changes in liabilities arising from financing activities:

Group and Company	Sukuk	Total
	RM'000	RM'000
2024		
As at 1 January	23,278,139	23,278,139
Proceeds from issuance	11,019,458	11,015,000
Repayment and redemption	(11,180,000)	(11,180,000)
Profit paid	(925,389)	(921,048)
Other non-cash movement	909,853	909,970
As at 31 December	23,102,061	23,102,061
2023		
As at 1 January	20,135,060	20,135,060
Proceeds from issuance	12,505,000	12,505,000
Repayment and redemption	(9,395,000)	(9,395,000)
Profit paid	(800,490)	(800,490)
Other non-cash movement	833,569	833,569
As at 31 December	23,278,139	23,278,139

51 ISLAMIC OPERATIONS (CONTINUED)

(m) Capital adequacy

	Group		Company	
	2024	2023**	2024	2023**
	%	%	%	%
Before deducting proposed final dividend*				
CET1	24.6	20.7	24.7	20.7
Tier 1 capital ratio	24.6	20.7	24.7	20.7
Total capital ratio	25.1	21.1	25.2	21.2
After deducting proposed* final dividend				
CET1 capital ratio	24.6	20.7	24.7	20.7
Tier 1 capital ratio	24.6	20.7	24.7	20.7
Total capital ratio	25.1	21.1	25.2	21.2

Components of CET1, Tier 1 and Tier 2 capital:

	Group		Company	
	2024	2023**	2024	2023**
	RM'000	RM'000	RM'000	RM'000
CET1/Tier 1 capital:				
Allocated capital funds	294,747	294,409	294,747	294,409
Retained profits and regulatory reserves	1,546,200	1,419,177	1,550,384	1,423,225
	1,840,947	1,713,586	1,845,131	1,717,634
Financial assets at FVOCI reserves	1,585	1,268	1,585	1,268
Deferred tax assets	(7,767)	(3,822)	(7,767)	(3,822)
Less: Regulatory reserves	(30,517)	(28,329)	(30,517)	(28,329)
Total CET1/Tier 1 capital	1,804,248	1,682,703	1,808,432	1,686,751
Tier 2 capital:				
Add: Regulatory reserves	30,517	28,329	30,517	28,329
Allowance for impairment losses	8,077	9,676	8,077	9,676
Total Tier 2 capital	38,594	38,005	38,594	38,005
Total capital	1,842,842	1,720,708	1,847,026	1,724,756

* Refers to proposed final dividend which will be declared after the financial year.
** The 31 December 2023 capital adequacy ratios have been restated to align with current period computation.

51 ISLAMIC OPERATIONS (CONTINUED)

(m) *Capital adequacy (continued)*

The breakdown of risk-weighted assets by each major risk category is as follows:

	Group		Company	
	2024	2023**	2024	2023**
	RM'000	RM'000	RM'000	RM'000
Credit risk	7,010,861	7,877,209	7,013,546	7,879,893
Operational risk	317,831	267,106	317,831	267,106
Total risk-weighted assets	7,328,692	8,144,315	7,331,377	8,146,999

** The 31 December 2023 capital adequacy ratios have been restated to align with current period computation.

The Group and the Company are not subject to the BNM Guidelines on the Capital Adequacy Guidelines. However, disclosure of the capital adequacy ratios is made on a voluntary basis for information purposes.

(n) *Shariah advisor*

The Group and the Company consult and obtain endorsements/clearance from an independent Shariah Advisor for all the Islamic products, transactions and operations to ensure compliance with Shariah requirements. From regulatory standpoint, the Group and the Company do not have direct access to the Shariah Advisory Council ("SAC") of BNM and/or the Securities Commission of Malaysia ("SC") (collectively referred as SACs) for Shariah ruling/advice. Where applicable, the Group and the Company will obtain the approval of the SACs through counterparty or intermediary that falls under the purview of BNM, and/or through the principal advisor of Sukuk programme for submission of the Islamic financial products.

52 APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 25 March 2025.