



# MEMACU MASA HADAPAN YANG MAMPAN

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Propelling A Sustainable Future

**2023** LAPORAN TAHUNAN BERSEPADU  
INTEGRATED ANNUAL REPORT

# SEKILAS PANDANG AT A GLANCE

DITUBUHKAN PADA  
ESTABLISHED IN

2005

Small Medium Enterprise Development Bank Malaysia Berhad (SME Bank) merupakan Institusi Kewangan Pembangunan (DFI) terkemuka yang dimiliki oleh Kementerian Kewangan, dikawal selia oleh Bank Negara Malaysia (BNM) dan di bawah pengawasan Kementerian Pembangunan Usahawan dan Koperasi (KUSKOP).

Small Medium Enterprise Development Bank Malaysia Berhad (SME Bank or the Bank) is a Development Financial Institution (DFI) owned by the Ministry of Finance, regulated by Bank Negara Malaysia (BNM) and is under the supervision of the Ministry of Entrepreneur and Cooperatives Development (MECD).

**smile**

NILAI-NILAI KAMI  
OUR VALUES

S

Kerja Berpasukan dan Berintegriti  
Strong Teamwork and Integrity

M

Pengurusan Berhemah Pihak Berkepentingan  
Managing Stakeholders

I

Inovasi melalui Teknologi  
Innovation via Technology

L

Kepimpinan dan Kemajuan  
Leadership and Growth

E

Kecekapan dan Produktiviti  
Efficiency and Productivity (Lean)

Kami menyampaikan visi dan misi kami kepada semua pihak berkepentingan supaya mereka sentiasa dalam hala tuju yang sama serta memahami cara dan bagaimana kami akan mencapai kedua-duanya.

We communicate our vision and mission to all stakeholders to unite everyone towards a shared journey and understand what and how we will accomplish them.



## MISI/MISSION

Peneraju dalam Penciptaan Nilai Ekosistem PKS yang Melangkaui Perkhidmatan Pembiayaan

Leader in SME Ecosystem Value Creation Beyond Financial Services



## VISI/VISION

Menjadi Pusat Kecemerlangan bagi Memacu Agenda Pembangunan Usahawan Negara

To be the Centre of Excellence (COE) for SME Development

## Tonggak Kami

6 Ahli Lembaga Pengarah, 7 Ahli Jawatankuasa Syariah dan 13 anggota Pengurusan Kanan.

Hubungan kukuh antara pengarah yang menetapkan visi dan matlamat jangka panjang kami dan pihak pengurusan yang komited terhadap perjalanan operasi Bank telah melonjakkan kami ke tahap yang lebih tinggi.

## Our Pillars

6 members of the Board of Directors, 7 members of Shariah Committee and 13 members of the Senior Management.

The strong relationship between the directors who set our vision and long-term goals and the management team who commits to the operational running of the Bank, propel us to greater heights.

## Fungsi Korporat

Bahagian: Perniagaan • Kredit • Audit Kumpulan • Pematuhan Kumpulan • Strategik Korporat Kumpulan • Digital & Teknologi Kumpulan • Kewangan Kumpulan • Modal Insan Kumpulan • Undang-undang, Kesetiausahaan & RAM Kumpulan • Risiko Kumpulan • Syariah Kumpulan • Operasi

Jabatan: 42 • Seksyen: 108 • Unit: 144

## Subsidiari:

- Centre For Entrepreneur Development And Research Sdn. Bhd. (CEDAR)
- SMEB Asset Management Sdn. Bhd. (SAM)

## Corporate Functions

Division: Business • Credit • Group Audit • Group Compliance • Group Corporate Strategy • Group Digital & Technology • Group Financial • Group Human Capital • Group Legal, Secretarial & RAM • Group Risk • Group Shariah • Operations

Department: 42 • Section: 108 • Unit: 144

## Subsidiaries:

- Centre For Entrepreneur Development And Research Sdn. Bhd. (CEDAR)
- SMEB Asset Management Sdn. Bhd. (SAM)

• **3**  
**PLATFORM DIGITAL**  
DIGITAL PLATFORMS



• **26**  
**CAWANGAN**  
BRANCHES



• **1,134**  
**KAKITANGAN DI**  
**SELURUH NEGARA**  
EMPLOYEES NATIONWIDE



## MEMACU PERTUMBUHAN PKS MELALUI PENDIGITALAN ACCELERATING SME GROWTH THROUGH DIGITALISATION

### Aspirasi Kami

Memacu pertumbuhan PKS melalui pendigitalan. Kami merangka sebuah persekitaran kompetitif baharu sambil meneruskan usaha pendigitalan yang membolehkan kami meningkatkan capaian kepada asas pelanggan yang lebih luas dan memacu pertumbuhan strategik PKS.

### Our Aspiration

Accelerating SME growth through digitalisation. We chart a new competitive landscape as we continue with our digitalisation journey which extends our reach to a broader customer base in the market, and accelerate SME's strategic growth.

### Kakitangan Kami

1,134 kakitangan di seluruh negara. Aset kami paling bernilai dan merupakan penyumbang utama kepada pencapaian kami; yang tekun bekerja bagi merealisasikan visi dan misi kami dengan mengamalkan nilai-nilai teras kami.

### Our People

1,134 employees nationwide. Our greatest asset who are the major contributors to our achievement, working diligently to serve the vision and mission by living our core values.

### Rangkaian Kami

7 Pusat Wilayah, 18 Pusat Enterpris dan sebuah Pusat Perniagaan di seluruh Malaysia. Melalui keteguhan rangkaian 26 cawangan, kami sentiasa berusaha mengukuhkan kemampuan penyediaan perkhidmatan kami bagi menyokong pertumbuhan dan pembangunan mampan PKS.

### Our Network

7 Regional Centres, 18 Enterprise Centres and one Business Centre throughout Malaysia. Through a strong network of 26 branches, we continuously strengthen our delivery capabilities to support sustainable growth and development of SMEs.

### Platform Digital Kami

3 platform digital bagi pelanggan dalaman dan luar. Hasil daripada kecekapan tinggi yang dicapai, ekosistem digital yang kami bina berjaya menghubungkan komuniti pelanggan yang besar dan kakitangan kami serta membolehkan tahap kerjasama yang lebih tinggi antara kami dan perniagaan daripada pelbagai sektor industri.

### Our Digital Platforms

3 digital platforms for external and internal customers. The digital ecosystem we have built brings together vast communities of customers and our own people, as it enables new levels of collaboration between us and the businesses from different industry sectors.

## MEMACU MASA HADAPAN YANG MAMPAN

### PROPELLING A SUSTAINABLE FUTURE

SME Bank Malaysia Berhad is committed to leading the charge towards a more sustainable and equitable future. Our journey is guided by a clear vision: to create lasting value for our stakeholders by embedding sustainability into every facet of our business. This commitment is reflected in our theme for this year's Integrated Annual Report, "Propelling a Sustainable Future."

At SME Bank, we understand that sustainability is not just about protecting the environment; it's about creating a holistic approach that balances economic growth, social equity, and environmental stewardship. Our strategies are designed to drive sustainable transformation, empowering communities, fostering innovation, and building resilient enterprises that are prepared to face the challenges of tomorrow.

As we continue to pioneer sustainable practices, we are setting new benchmarks for the financial industry. Our efforts are not just about meeting today's needs but about ensuring that future generations inherit a world that is thriving, equitable, and resilient. Through our unwavering dedication to sustainability, we are not only propelling our own future but also that of the industries and communities we serve.

Together, with a shared commitment to sustainability, we are shaping a future where growth is inclusive, innovation is responsible, and progress is enduring. At SME Bank Malaysia Berhad, we are proud to lead the way, guiding our stakeholders towards a future that is not only sustainable but also filled with opportunities for all

SME Bank Malaysia Berhad komited untuk memimpin perjalanan ke arah masa depan yang lebih mampan dan adil. Perjalanan kami dipandu oleh visi yang jelas: untuk mencipta nilai yang berterusan bagi para pemegang kepentingan kami dengan mengintegrasikan kemampanan ke dalam setiap aspek perniagaan kami. Komitmen ini tercermin dalam tema Laporan Tahunan Bersepadu kami tahun ini, "Memacu Masa Hadapan yang Mampan."

Di SME Bank, kami memahami bahawa kemampanan bukan sahaja tentang melindungi alam sekitar; ia adalah mengenai mewujudkan pendekatan holistik yang mengimbangi pertumbuhan ekonomi, keadilan sosial, dan pemeliharaan alam sekitar. Strategi kami direka untuk mendorong transformasi mampan, memperkasa komuniti, memupuk inovasi, dan membina perusahaan yang berdaya tahan bersedia menghadapi cabaran masa depan.

Ketika kami terus merintis amalan mampan, kami menetapkan penanda aras baru untuk industri kewangan. Usaha kami bukan sahaja tentang memenuhi keperluan hari ini tetapi juga memastikan bahawa generasi akan datang mewarisi dunia yang berkembang maju, adil, dan tahan lasak. Melalui dedikasi kami yang tidak berbelah bahagi terhadap kemampanan, kami bukan sahaja memacu masa depan kami sendiri tetapi juga industri dan komuniti yang kami layani.

Bersama-sama, dengan komitmen bersama terhadap kemampanan, kami sedang membentuk masa depan di mana pertumbuhan adalah inklusif, inovasi bertanggungjawab, dan kemajuan berkekalan. Di SME Bank Malaysia Berhad, kami bangga memimpin jalan, membimbing para pemegang kepentingan kami ke arah masa depan yang bukan sahaja mampan tetapi juga penuh dengan peluang untuk semua.



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## MENGENAI LAPORAN INI

### ABOUT THIS REPORT



Di SME Bank, komitmen kami terhadap kemampuan mendorong setiap aspek operasi kami. Mengintegrasikan amalan mesra alam dan memupuk tingkah laku perniagaan beretika yang sejajar dengan nilai korporat kami. Strategi kami tertumpu kepada inovasi, kecekapan operasi, dan daya tahan ekonomi jangka panjang, bagi memastikan kami memberi sumbangan yang bermakna kepada matlamat kelestarian global.

Kami berdedikasi untuk membentuk masa depan yang teguh dan makmur bagi perniagaan dan komuniti melalui penggunaan bertanggungjawab, tindakan iklim proaktif dan perkongsian strategik. Inisiatif kami mencerminkan komitmen untuk mencipta nilai bagi semua pihak berkepentingan, menunjukkan bahawa kelestarian dan keuntungan boleh dicapai bersama. Bersama-sama, kita mencipta masa depan yang teguh dan makmur untuk perniagaan dan komuniti.

At SME Bank, our commitment to sustainability drives every aspect of our operations. Integrating eco-friendly practices and fostering ethical business conduct that aligns with our corporate values. Our strategy emphasises innovation, operational efficiency and long-term economic viability, ensuring we contribute meaningfully to global sustainability goals.

We are dedicated to shaping a resilient and prosperous future for businesses and communities through responsible consumption, proactive climate action and strategic partnerships. Our initiatives reflect a commitment to creating value for all stakeholders, demonstrating that sustainability and profitability can go hand-in-hand. Together, we create a resilient and prosperous future for businesses and communities alike.

#### Penyata Masa Depan

Laporan ini mengandungi penyata masa depan prestasi perniagaan dan kewangan SME Bank termasuk strategi, pelan, tujuan dan matlamatnya yang menyediakan peluang kepada pihak-pihak berkepentingan kami memahami kepercayaan dan pandangan pengurusan mengenai masa depan.

Penyata masa depan yang terkandung dalam laporan ini dibuat berasaskan kepada andaian berpatutan mengikut kepercayaan pengurusan Bank. Ia tidak menjamin ketepatan yang boleh dibuktikan kerana hasil sebenar dan peristiwa masa depan mungkin berbeza dengan ketara daripada apa yang dijangka dalam penyata berkenaan.

Prestasi dan keputusan kewangan sebenar pada tempoh akan datang tertakluk kepada risiko dan ketidakpastian yang diketahui dan tidak diketahui, dan dengan demikian boleh dan mungkin berbeza dengan ketara daripada sebarang unjuran prestasi atau keputusan yang dinyatakan atau dibayangkan dalam penyata masa depan tersebut.

#### Rujukan dan Garis Panduan

- Piawaian GRI 2023
- Panduan Laporan Kemampanan Bursa Malaysia
- Organisasi Antarabangsa bagi Piawaian (ISO) 26000: Panduan tentang Tanggungjawab Sosial
- Kod Tadbir Urus Korporat Malaysia
- Akta Institusi Kewangan Pembangunan (Pindaan) 2015 di bawah Seksyen 78

#### Laporan Atas Talian

Laporan ini boleh didapati di atas talian melalui <https://www.smebank.com.my>

#### Maklumat Lanjut

Laman Web [www.smebank.com.my](http://www.smebank.com.my)  
No. Tel. +603 2615 2020  
Pusat Khidmat Pelanggan +603 2603 7700

#### Forward-Looking Statements

This report contains forward-looking statements with respect to the business and financial performance of SME Bank including its strategies, plans, goals and objectives to provide our stakeholders with the opportunity to understand management's beliefs and opinions in respect of the future.

The forward-looking statements contained herein are based upon what management of the Bank believes are reasonable assumptions. There is no assurance on their proven accuracy, as actual results and future events could differ materially from those anticipated in such statements.

The actual performance and financial results in future periods will be subject to known and unknown risks and uncertainties, and therefore can and may differ materially from any projections of future performance or result expressed or implied by such forward-looking statements.

#### References and Guidelines

- GRI Standards 2023
- Bursa Malaysia's Sustainability Reporting Guide
- International Organisation for Standardisation (ISO) 26000: Guidance on Social Responsibility
- Malaysian Code on Corporate Governance
- Development Financial Institutions (Amendment) Act 2015 under Section 78

#### Online Report

The report is available online at <https://www.smebank.com.my>

#### Find Out More

Website [www.smebank.com.my](http://www.smebank.com.my)  
Tel. No. +603 2615 2020  
Contact Centre +603 2603 7700

# ANUGERAH DAN PENGIKTIRAFAN

## AWARDS AND ACCOLADES

### Pencapaian / Achievements

## 2023



#### The Asset Triple A Islamic Finance Awards 2023

Anugerah Sukuk Kelestarian Terbaik  
- Kategori PKS  
Best Sustainability Sukuk Award  
- SME Category

#### Association of Development Financing Institutions in Asia and the Pacific (ADFIAP)

Pemenang untuk Pembangunan Modal Insan Program Peningkatan Kemahiran dan Upward Mobiliti  
Winner for Human Capital Development Upskilling and Upward Mobility Programme

#### Life at Work Awards (LAWA) 2023 by TalentCorp

Pemenang untuk Juara CEO  
- Organisasi Awam  
Winner for CEO Champion  
- Public Organisation

Naib Johan Organisasi Awam Terbaik  
1st Runner Up Best Public Organisation

Naib Johan Champion CHRO  
- Organisasi Awam  
1st Runner Up CHRO Champion  
- Public Organisation

Naib Johan HR Muda Berpotensi  
- Organisasi Awam  
1st Runner Up Promising Young HR  
- Public Organisation

#### IDC Future Enterprise Awards 2023

Anugerah Ekosistem Industri Masa Depan Terbaik ELSA  
Best Future of Industry Ecosystems Award ELSA

### Pencapaian / Achievements

## 2022



#### Association of Development Financing Institutions in Asia and the Pacific (ADFIAP)

Pemenang Anugerah bagi Projek Pembangunan PKS Terbaik  
- SME Bank XCESS 2021  
Winner for Outstanding SME Development Award  
- SME Bank XCESS 2021

Pemenang Anugerah bagi Projek Perdagangan PKS Terbaik  
- eCOACH Dubai  
Winner for Outstanding Trade Development Award  
- eCOACH Dubai

#### Malaysian Institute of Integrity (IIM)

Anugerah Integriti, Governans & Anti Rasuah (AIGA) 2022  
- Anugerah Kategori Perak  
Anugerah Integriti, Governans & Anti Rasuah (AIGA) 2022  
- Anugerah Kategori Perak

### Pencapaian / Achievements

## 2021



#### Association of Development Financing Institutions in Asia and the Pacific (ADFIAP)

Anugerah Merit bagi Projek Pembangunan PKS - Program Keusahawanan Asnaf (ISHRAF)  
Merit Award for Outstanding SME Development Project Award  
- Asnaf Entrepreneurship Programme@ISHRAF

Anugerah Merit bagi Projek Tanggungjawab Sosial Korporat  
- Program Penjana Komuniti@SME Bank  
Merit Award for Outstanding Corporate Social Responsibility Project Award  
- Penjana Komuniti@SME Bank Programme

#### Malaysian Rating Corporation Berhad

Anugerah Kemampanan 2021  
Sustainability Award 2021

### Pencapaian / Achievements

## 2021



#### The Asset Triple A Sustainable Capital Markets Country & Regional Awards 2021

Anugerah Sukuk Kelestarian Terbaik  
Best Sustainability Sukuk

#### Islamic Finance News

Anugerah SRI & ESG Deal of the Year  
SRI & ESG Deal of the Year Award

#### Malaysian Society for Occupational Safety and Health (MSOSH)

Anugerah MSOSH 2021  
- Pemenang Perak  
MSOSH Occupational Safety and Health Award  
- Silver Winner



#### LinkedIn Talents Awards 2021

Jenama Majikan Terbaik  
Best Employer Brand

#### Alpha South East Asia, Hong Kong

Anugerah Sukuk SRI Hijau ASEAN Terbaik  
Best ASEAN Green SRI Sukuk

Anugerah Sukuk SRI Terbaik  
Best SRI Sukuk

#### Lang International Corporate Titan Awards 2021 (LICTA)

Agensi Terbaik bagi Pembangunan PKS  
- Sijil Kepujian  
The Best Agency in Accelerating SME Development  
- Certificate of Distinction

## ANUGERAH DAN PENGIKTIRAFAN

### AWARDS AND ACCOLADES

#### Pencapaian / Achievements

## 2020



#### Association of Development Financing Institutions in Asia and the Pacific (ADFIAP) 43rd AGM 28-29 October 2020

Pemenang Anugerah bagi Projek Pembangunan PKS Terbaik

- Bumiputera Exporters Program (BEST Exporters)
  - Anugerah ADFIAP 2020
- Winner for SME Development Project Award
- Bumiputera Exporters Program (BEST Exporters)
  - ADFIAP Awards 2020

#### Association of Development Financing Institutions in Asia and the Pacific (ADFIAP)

Pemenang Anugerah bagi Projek Pembangunan Teknologi Terbaik

- Platform Digital PKS Kebangsaan (NSDP)
  - Anugerah ADFIAP 2020
- Winner for Technology Development Project Award
- National SME Digital Platform (NSDP)
  - ADFIAP Awards 2020

#### Ministry of Energy and Natural Resources (KeTSA)

Anugerah Khas bagi Pembiayaan Tenaga Mampan untuk Kategori Institusi Kewangan Pembangunan (DFI)

- Anugerah Tenaga Kebangsaan (NEA) 2020
- Special Awards for Sustainable Energy Financing for DFI category
- National Energy Awards (NEA) 2020

#### Pencapaian / Achievements

## 2019



#### Association of Development Financing Institutions in Asia and the Pacific (ADFIAP)

Projek Pembangunan Cemerlang – Tanggungjawab Sosial Korporat:

- Program Inovasi Usahawan Muda SME Bank Y-Biz Challenge
- Anugerah ADFIAP 2019

Outstanding Development Project – Corporate Social Responsibility: ‘Program Inovasi Usahawan Muda SME Bank Y-Biz Challenge’

- ADFIAP Awards 2019

#### Laporan Kemampanan Terbaik 2019

- Anugerah ADFIAP 2019
- Special Award for Best Sustainability Report
- ADFIAP Awards 2019

#### Laman Sesawang Terbaik

- Anugerah ADFIAP 2019
- Special Award for Best Website
- ADFIAP Awards 2019

#### Syarikat Jaminan Pembiayaan Perniagaan Berhad (SJPP)

Anugerah Khas  
Special Award

#### The Malaysian Society for Occupational Safety & Health (MSOSH)

Anugerah Keselamatan dan Kesihatan Pekerjaan MSOSH

- Pemenang Emas Kelas 2
- MSOSH Occupational Safety and Health Award
- Gold Class 2 Winner

#### Pencapaian / Achievements

## 2018



#### Association of Development Financing Institutions in Asia and the Pacific (ADFIAP)

Pemenang:

- Kategori Projek Pembangunan PKS untuk SUKSES TV
- Anugerah ADFIAP 2018

Winner:

- SME Development Category for SUKSES TV Programme
- ADFIAP Awards 2018

#### Laporan Kemampanan Terbaik

- Anugerah ADFIAP 2018
- Best Sustainability Report
- ADFIAP Awards 2018

#### The BrandLaureate SMEs Best Brand Awards (The Worlds Brands Foundation)

Anugerah Rakan Niaga Strategik PKS The BrandLaureate 2017-2018

The BrandLaureate SMEs Strategic Business Partner Award 2017-2018

#### The Malaysian Society for Occupational Safety & Health (MSOSH)

Anugerah Keselamatan & Kesihatan Pekerjaan MSOSH

- Pemenang Perak
- MSOSH Occupational Safety and Health Award
- Silver Winner

#### Syarikat Jaminan Pembiayaan Perniagaan Berhad (SJPP)

Anugerah Prestasi Terbaik  
Top Performer Award

# KEHADIRAN KAMI OUR PRESENCE



**18**  
PUSAT WILAYAH  
REGIONAL CENTRES

**7**  
PUSAT ENTERPRIS  
ENTERPRISE CENTRES

**1**  
PUSAT PERNIAGAAN  
BUSINESS CENTRE



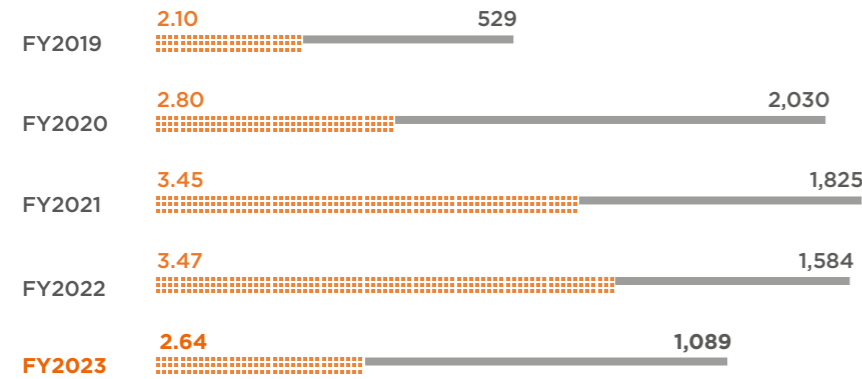
# SOROTAN KEWANGAN

## FINANCIAL HIGHLIGHTS

### Kelulusan Pembiayaan

Financing Approvals

**2.64 | 1,089**



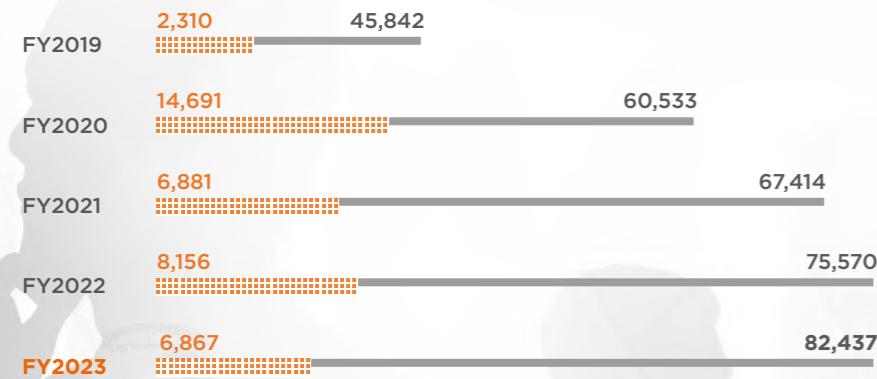
RM billion

Bil. Akaun  
No. of Accounts

### Bilangan Peserta yang Dilatih oleh CEDAR

No. of Participants Trained by CEDAR

**6,867 | 82,437**

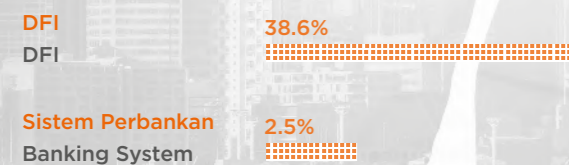


Tahunan  
Annual

Akumulatif (Sejak 2013)  
Accumulative (Since 2013)

### Bahagian Pasaran SME Bank Berbanding DFI pada Disember 2023

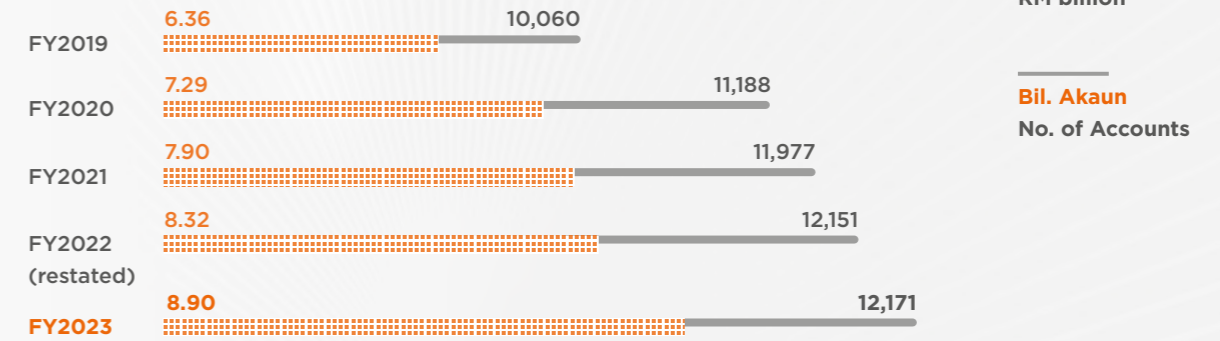
SME Bank Market Share vs DFIs as at December 2023



### Portfolio Pembiayaan

Financing Portfolio

**8.90 | 12,171**



RM billion

Bil. Akaun  
No. of Accounts

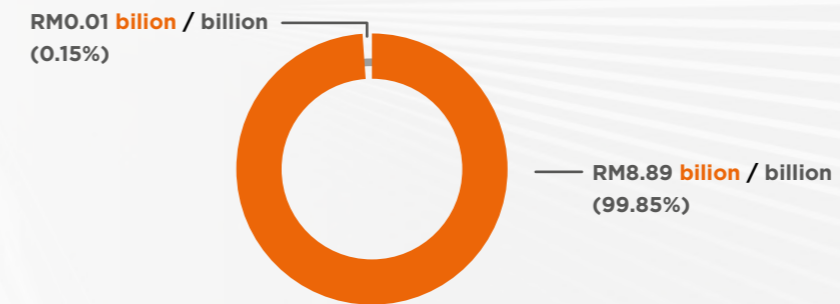
Nota / Note:

Bahagian ini hanya menyediakan maklumat berkaitan dengan portfolio pembiayaan, tidak termasuk pembiayaan kakitangan.  
This section only cater information related to financing portfolio, excluding staff financing

### Komposisi Pembiayaan

Financing Composition

Pada Disember 2023 / As at December 2023



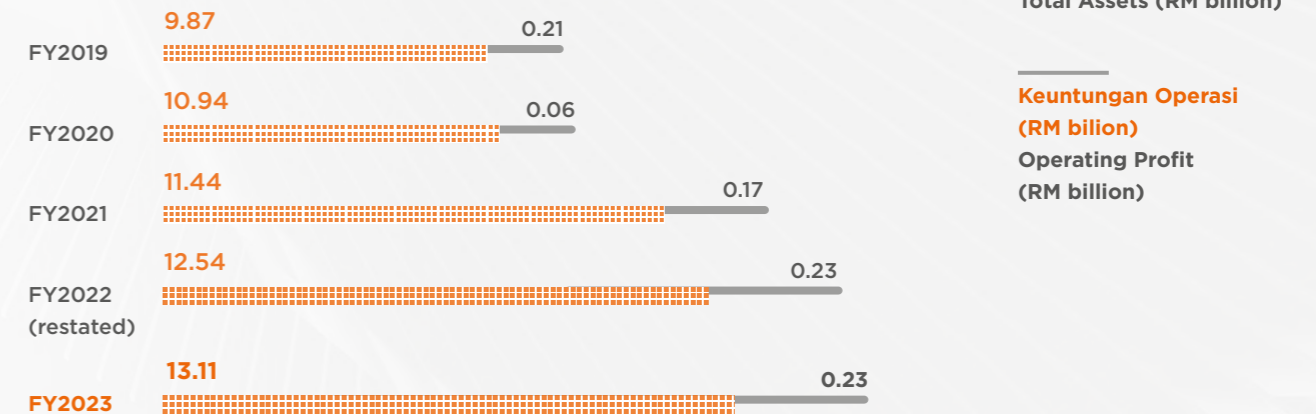
Portfolio Pembiayaan Islamik  
Islamic Financing Portfolio

Portfolio Pinjaman Konvensional  
Conventional Loan Portfolio

### Keuntungan Operasi & Jumlah Aset

Operating Profit & Total Assets

**13.11 | 0.23**



Jumlah Aset (RM billion)  
Total Assets (RM billion)

Keuntungan Operasi (RM billion)  
Operating Profit (RM billion)



# MENERAJU INDUSTRI MENUJU HARI ESOK YANG LESTARI

LEADING THE INDUSTRY  
TO A SUSTAINABLE  
TOMORROW

SME Bank Malaysia Berhad berada di barisan hadapan dalam transformasi mampan, mempelopori perubahan industri ke arah masa depan yang lebih baik. Dengan memasukkan kemampanan ke dalam strategi teras kami, kami bukan sahaja memacu pertumbuhan ekonomi tetapi juga memastikan pertumbuhan ini bertanggungjawab dan tahan lasak. Pendekatan kami adalah holistik, mengimbangi keuntungan dengan pemeliharaan alam sekitar dan keadilan sosial, menetapkan piawaian baharu tentang apa ertinya menjadi peneraju dalam kemampanan.

SME Bank Malaysia Berhad is at the forefront of sustainable transformation, leading the charge in reshaping industries for a better tomorrow. By embedding sustainability into our core strategies, we are not only driving economic growth but also ensuring that this growth is responsible and resilient. Our approach is holistic, balancing profitability with environmental stewardship and social equity, setting new standards for what it means to be a leader in sustainability.

# PERUTUSAN PENGGERUSI

## CHAIRMAN'S STATEMENT



**DATO' MUSLIM HUSSAIN**  
Pengerusi Bukan Eksekutif / Non-Executive Chairman

Sejak penubuhannya, SME Bank terus komited dalam menyokong pertumbuhan dan pembangunan perusahaan mikro, kecil dan sederhana (PMKS), sekaligus mengukuhkan peranan pentingnya dalam mendorong kemakmuran ekonomi dan inovasi. Tumpuan utama kami adalah menyediakan penyelesaian kewangan yang holistik serta sokongan yang kukuh bagi memperkasakan PMKS menuju kejayaan yang mampan.

Mengimbas kembali tahun-tahun berlalu, kami telah memantapkan usaha untuk bergerak dengan visi kami kekal jelas: untuk menjadi institusi kewangan pembangunan yang terkemuka yang mendorong PMKS ke arah masa depan yang mampan dan inklusif. Dengan berpaksikan kemampanan, kami berhasrat untuk mewujudkan ekosistem yang berdaya tahan dan berkembang maju di mana PMKS boleh berkembang, menyumbang kepada matlamat pertumbuhan ekonomi yang luas dan penjagaan alam sekitar yang lebih baik.

Since its inception, SME Bank has remained steadfast in its commitment to fostering the growth and development of micro, small and medium enterprises (MSMEs), recognising their vital role in driving economic prosperity and innovation. Our fundamental purpose is to provide comprehensive financial solutions and support that empower MSMEs to achieve sustainable success.

As we reflect on the past year and look towards the future, our vision remains clear: to be the leading developmental financial institution that propels MSMEs towards a sustainable and inclusive future. By championing sustainability, we aim to create a resilient and thriving ecosystem where MSMEs can flourish, contributing to the broader goals of economic growth and environmental stewardship.

Menerusi laporan ini, kami membentangkan usaha dan pencapaian sepanjang tahun 2023, menekankan dedikasi kami yang tidak berbelah bahagi terhadap kemampanan dan inisiatif yang dibangunkan untuk menyokong dan memperkasa sektor PMKS. SME Bank komited untuk membentuk masa depan di mana PMKS menjadi asas kepada ekonomi yang dinamik dan mampan. Ini dilaksanakan melalui penawaran produk kewangan yang inovatif, perkongsian strategik dan tumpuan berterusan terhadap amalan kelestarian.

In this report, we highlight our efforts and achievements in 2023, underscoring our unwavering dedication to sustainability and our ongoing initiatives designed to support and empower the MSME sector. Through strategic partnerships, innovative financial products and a relentless focus on sustainable practices, SME Bank is committed to shaping a future where MSMEs are the cornerstone of a vibrant, sustainable economy.

### Kepimpinan Berdaya Tahan dalam Landskap Ekonomi yang Kompleks Resilient Leadership in a Complex Economic Landscape

Kami telah berjaya mengatasi cabaran tahun kewangan 2023, mengekalkan keuntungan dalam keadaan landskap ekonomi yang dinamik dan mencabar. Daya tahan kami adalah bukti kecekalan berpaksikan kepimpinan yang teguh dan strategik dalam menyokong landskap operasi di SME Bank.

We have adeptly overcome the challenges of the 2023 fiscal year, sustaining profitability amidst a dynamic and unpredictable economic landscape. Our resilience is a testament to the robust leadership and strategic foresight that underpin our operations at SME Bank.



Tahun kewangan 2023 memperlihatkan landskap ekonomi yang kompleks, dengan gabungan faktor makroekonomi dan mikroekonomi yang mempengaruhi operasi dan keputusan strategik kami. Keadaan ekonomi global kekal tidak menentu, dengan turun naik dalam dasar perdagangan, kadar faedah dan ketegangan geopolitik mewujudkan persekitaran yang tidak menentu.

The 2023 fiscal year presented a complex economic landscape, characterised by a mix of macroeconomic and microeconomic factors that influenced our operations and strategic decisions. Global economic conditions remained volatile, with fluctuations in trade policies, interest rates, and geopolitical tensions creating an environment of uncertainty.

KDNK global bertumbuh secara perlahan kepada 2.9%, manakala kadar inflasi dalam ekonomi utama melonjak, secara purata sekitar 6.5%. Gangguan rantaian bekalan dan kenaikan harga tenaga merupakan cabaran yang ketara. Di sebalik cabaran ini, kami telah mengenal pasti dan memanfaatkan peluang strategik untuk mengukuhkan daya tahan kewangan kami dan menyokong sektor PMKS. Pendekatan proaktif dan strategi penyesuaian membolehkan kami memacu usaha dengan berkesan, memastikan kesinambungan dan kestabilan dalam perkhidmatan kami.

Global GDP growth slowed to 2.9%, while inflation rates in major economies surged, averaging around 6.5%. Supply chain disruptions and energy price hikes were notable hurdles. Despite these challenges, we identified and leveraged key opportunities to strengthen our financial resilience and support the MSME sector. Our proactive approach and adaptive strategies enabled us to navigate these effectively, ensuring continuity and stability in our services.

Pada peringkat mikroekonomi, menurut Laporan RAM, pertumbuhan KDNK Malaysia mencatat prestasi kurang memberangsangkan pada 2023 (3.7% berbanding konsensus: 4.0%), terutamanya disebabkan oleh permintaan eksport yang lebih lemah dan momentum penggunaan yang lebih perlahan.

At the microeconomic level, according to RAM Report, Malaysia's GDP growth underperformed in 2023 (3.7% vs consensus: 4.0%), mainly due to weaker export demand and consumption momentum.

## PERUTUSAN Pengerusi CHAIRMAN'S STATEMENT

Walaupun kelembapan ekonomi global ini memberi kesan kepada prestasi ekonomi Malaysia, tindak balas strategik, pembaharuan ekonomi dan aliran masuk pelaburan yang kukuh telah membantu negara mengekalkan kestabilan dan meneruskan trajektori pertumbuhannya di rantau ini.

Pada tahun 2023, ringgit Malaysia mengalami turun naik yang ketara, terutamanya dipengaruhi oleh faktor ekonomi global. Namun begitu, Ringgit Malaysia telah menunjukkan kestabilan berbanding mata wang utama, mencerminkan keyakinan pelabur. Ketika Malaysia terus melaksanakan pembaharuan ekonomi dan menarik pelaburan asing, ia semakin diiktiraf sebagai kuasa ekonomi yang semakin meningkat di Asia Tenggara.

Prestasi perdagangan Malaysia menghadapi cabaran sepanjang tahun ini. Jumlah nilai dagangan melebihi RM2 trilion pada 2023, mencecah RM2.637 trilion. Eksport menguncup 8% kepada RM1.426 trilion bagi tahun ini, manakala import susut 6.4% kepada RM1.212 trilion berbanding tahun sebelumnya.

Secara keseluruhannya, walaupun Malaysia menghadapi persekitaran perdagangan yang mencabar pada 2023, ia mengekalkan lebihan dagangan yang konsisten, mencerminkan ketahanan di tengah-tengah tekanan ekonomi global. Malaysia terus mencatatkan lebihan dagangan untuk tahun ke-26 berturut-turut sejak 1998, berjumlah RM214.1 bilion.

Malaysia mengalami peningkatan yang ketara dalam aliran masuk pelaburan langsung asing (FDI) bersih pada tahun ini. Malaysia merekodkan jumlah pelaburan diluluskan sebanyak RM329.5 bilion pada 2023 iaitu 23.0% lebih tinggi daripada 2022, dan merupakan pelaburan tertinggi yang diluluskan dalam sejarah negara. Daripada jumlah pelaburan tersebut, pelaburan asing merupakan penyumbang utama sebanyak 57.2% berbanding pelaburan domestik sebanyak 42.8%.

While this global economic slowdown had a notable impact on Malaysia's economic performance, Malaysia's strategic responses, economic reforms and strong investment inflows have helped mitigate some of these effects, enabling the country to maintain stability and continue its growth trajectory in the region.

In 2023, the Malaysian ringgit experienced significant volatility, primarily influenced by global economic factors. Nonetheless, the Malaysian Ringgit has exhibited stability against major currencies, reflecting investor confidence. As Malaysia continues to implement economic reforms and attract foreign investment, it is increasingly recognised as a rising economic powerhouse in Southeast Asia.

Malaysia's trade performance experienced both challenges and resilience during the year. The total trade value exceeded RM2 trillion in 2023, reaching RM2.637 trillion. Exports contracted by 8% to RM1.426 trillion for the year, while imports weakened by 6.4% to RM1.212 trillion compared to the previous year.

Overall, while Malaysia faced a challenging trade environment in 2023, she maintained a consistent trade surplus, demonstrating some resilience amidst global economic headwinds. Malaysia continued to register a trade surplus for 26th successive year since 1998, amounting to RM214.1 billion.

Malaysia experienced a significant rebound in its net foreign direct investment (FDI) inflows during the year. Malaysia recorded total approved investments of RM329.5 billion in 2023 which is 23.0% higher than in 2022, and is the highest approved investments in the country's history. Out of the total investments, foreign investments were the main contributor at 57.2% compared to domestic investments of 42.8%.



Disember 2023 mencatat kadar inflasi Malaysia kekal pada 1.5%, sejajar dengan jangkaan pulangan dan pendapatan. Indeks harga pengguna (CPI) Disember 2023 menjadikan inflasi tahunan pada 2023 kepada 2.5%, berbanding 3.3% pada 2022.

Kami menyaksikan perubahan ketara dalam perilaku pelanggan dan operasi perniagaan, didorong oleh kemajuan teknologi dan perubahan permintaan pasaran. PMKS terpaksa menyesuaikan diri dengan pantas kepada perubahan ini, mencari penyelesaian inovatif untuk mengekalkan daya saing dan pertumbuhan.

SME Bank memainkan peranan penting dalam peralihan ini, menawarkan produk kewangan yang disesuaikan dan khidmat nasihat yang memenuhi keperluan khusus para pelanggan kami.

Sepanjang tahun ini, kami menghadapi pelbagai cabaran dan rintangan, disebabkan oleh ketidakpastian ekonomi dan pasaran berserta peningkatan kawal selia. Namun, ia juga menawarkan prospek untuk pertumbuhan dan inovasi, membolehkan kami memanfaatkan arah aliran yang baharu dan mengembangkan capaian pasaran.

Malaysia's inflation stayed at 1.5% in December 2023, which was in line with street expectations. The December 2023 consumer price index (CPI) brought the annual headline inflation in 2023 to 2.5%, as compared to 3.3% in 2022.

We observed significant shifts in consumer behaviour and business operations, driven by technological advancements and changing market demands. MSMEs had to adapt rapidly to these changes, seeking innovative solutions to maintain competitiveness and growth.

SME Bank played a crucial role in this transition, offering tailored financial products and advisory services that addressed the specific needs of our clients.

Throughout the year, we faced a blend of challenges and opportunities. The economic environment presented numerous obstacles, from market fluctuations to regulatory shifts. Yet, it also offered prospects for growth and innovation, allowing us to capitalise on emerging trends and expand our reach.

## PERUTUSAN Pengerusi CHAIRMAN'S STATEMENT

Memanfaatkan arah aliran ini, kami mengintegrasikan teknologi digital ke dalam operasi kami dan menggalakkan amalan mampan di kalangan pelanggan kami. Kedua-dua tumpuan ini bukan sahaja meningkatkan penyampaian perkhidmatan kami tetapi juga sejajar dengan tema menyeluruh kami untuk memacu masa depan yang mampan.

SME Bank telah mencatat pencapaian kewangan yang memberangsangkan pada tahun 2023, dengan keuntungan sebanyak RM75.6 juta. Kejayaan ini bukan sekadar ukuran kestabilan kewangan kami, tetapi juga mencerminkan komitmen kami terhadap kecemerlangan dan amalan mampan. Kedudukan kewangan kami yang kukuh membolehkan kami untuk terus menyumbang ke arah pertumbuhan dan kemampanan sektor PMKS, sejajar dengan misi kami untuk memupuk pembangunan ekonomi dan inovasi.

### Menerajui Kewangan PMKS

SME Bank mengiktiraf peranan penting yang dimainkan oleh PMKS dalam memacu pertumbuhan ekonomi dan memupuk kelestarian. Selaras dengan komitmen kami untuk memupuk ekosistem PMKS yang berkembang maju, kami telah mengambil langkah proaktif untuk meningkatkan pembiayaan PMKS, dengan itu memperkasakan usahawan untuk merealisasikan sepenuhnya potensi mereka dan menyumbang kepada masa depan yang mampan.

Kami telah membangunkan penyelesaian pembiayaan komprehensif yang disesuaikan untuk memenuhi keperluan khusus PMKS merentas pelbagai industri dan peringkat pembangunan perniagaan. Dalam era kemajuan teknologi yang pesat, kami memanfaatkan inovasi digital untuk terus berada di hadapan. Kami memperkenalkan penyelesaian teknologi kewangan (*fintech*) termaju, dan dengan berbuat demikian, kami telah memperkemas dan mengurangkan masa yang diambil untuk kelulusan pembiayaan.

Kami terus memperkasa sokongan kami kepada PMKS melalui perkongsian strategik dengan agensi kerajaan, institusi kewangan dan persatuan industri. Melalui strategi ini, misi kami adalah untuk memperkasakan daya saing usahawan dengan menawarkan program pembangunan keusahawan di samping bantuan kewangan. Program keusahawanan ini termasuk khidmat nasihat yang komprehensif, program bimbingan dan inisiatif pembangunan kapasiti.

We embraced these trends, integrating digital technologies into our operations and promoting sustainable practices among our customers. This dual focus not only enhanced our service delivery but also aligned with our overarching theme of propelling a sustainable future.

Financially, SME Bank has achieved another prosperous year, disclosing a profit of RM75.6 million. This success is not just a measure of our financial health, but also a reflection of our commitment to excellence and sustainable practices. Our strong financial standing empowers us to make positive contributions towards the growth and sustainability of the MSME sector, aligning with our broader mission of fostering economic development and innovation.

### Taking the Lead in MSME Financing

SME Bank recognises the pivotal role that MSMEs play in propelling economic growth and fostering sustainability. In line with our commitment to nurturing a thriving MSME ecosystem, we have undertaken proactive measures to enhance MSME financing, thereby empowering entrepreneurs to realise their full potential and contribute to a sustainable future.

We have developed a comprehensive suite of financing solutions tailored to address specific requirements of MSMEs across various industries and stages of business development. In an era characterised by rapid technological advancement, we embrace digital innovation to stay ahead of the curve. We leverage cutting-edge fintech solutions, and in doing so, we have streamlined our lending processes and reduced the time taken for loan approvals.

We have augmented our support for MSMEs through strategic partnerships with government agencies, financial institutions and industry associations. Ultimately, our mission is to empower entrepreneurial success by providing more than just financial assistance. Through our holistic approach to MSME development, we offer comprehensive advisory services, mentorship programmes, and capacity-building initiatives.



**54.9%**  
Peningkatan  
Keuntungan Bersih  
Net Profit Increase

Mencipta Nilai untuk Pihak Berkepentingan Kami  
Creating Value for Our Stakeholders

Dalam mencipta nilai yang mampan untuk pihak berkepentingan kami, pihak Bank menekankan untuk memupuk hubungan jangka panjang dengan mereka, yang dibina atas prinsip kepercayaan, ketelusan dan kemakmuran bersama, di samping terus fokus untuk mencapai kecemerlangan operasi dan inovasi.

In creating sustainable value for all our stakeholders, our relentless pursuit of excellence and innovation is aimed at not only driving financial performance but also fostering long-term relationships built on trust, transparency, and mutual prosperity.

Fokus utama kami terhadap pengurusan kewangan yang baik dan amalan risiko yang berhemat telah membolehkan kami mencapai prestasi kewangan yang kukuh walaupun dalam keadaan pasaran yang mencabar. Peningkatan keuntungan bersih sebanyak 54.9% yang kami catatkan pada 2023 mencerminkan keupayaan kami untuk menyesuaikan diri dan berkembang maju dalam persekitaran ekonomi yang dinamik sambil memberikan pulangan yang mampan kepada para pemegang saham kami.

Kepuasan dan kejayaan pelanggan menjadi misi utama kami. Ini dilakukan melalui pelaburan berterusan untuk mempertingkatkan tahap penawaran perkhidmatan, menambah baik proses pembiayaan dan keupayaan digital kami.

Tenaga kerja profesional kami yang berdedikasi adalah penggerak di sebalik kejayaan kami. Kami kekal komited untuk memupuk budaya pemerkasaan, kepelbagaian dan keterangkuman, di mana setiap pekerja dihargai, dihormati dan diberi peluang untuk berkembang maju.

Our steadfast focus on sound financial management and prudent risk practices has enabled us to achieve robust financial performance despite challenging market conditions. The 54.9% net profit increase that we recorded in 2023 reflects our ability to adapt and thrive in dynamic economic environments while delivering sustainable returns to our shareholders.

Central to our mission is the satisfaction and success of our customers. We have continuously invested in enhancing our service offerings and digital capabilities to meet the evolving needs of our customers. Through personalised advisory services, streamlined loan processes, and innovative digital platforms, we have elevated the customer experience.

Our dedicated team of professionals is the driving force behind our success. We remain committed to nurturing a culture of empowerment, diversity, and inclusion, where every employee is valued, respected, and given the opportunity to thrive.

## PERUTUSAN Pengerusi CHAIRMAN'S STATEMENT

Sebagai warga korporat yang bertanggungjawab, kami cakna akan peranan kami dalam menyumbang kepada kesejahteraan komuniti, menerusi program dan inisiatif tanggungjawab sosial korporat kami. Ini termasuk sumbangan kepada bidang pendidikan, penjagaan kesihatan, pemuliharaan alam sekitar dan kebijakan sosial.

Kami menjalin kerjasama dan perkongsian strategik dengan agensi kerajaan, persatuan industri, organisasi bukan keuntungan (NGO) dan pihak berkepentingan lain untuk memperkasa agenda kelestarian dan kemampanan kami dan memacu ke arah matlamat bersama. Kerjasama dan perkongsian ini telah membolehkan kami memanfaatkan kepakaran, sumber dan jalinan rangkaian, memupuk inovasi, daya tahan dan pertumbuhan inklusif dalam komuniti.

### Memacu Kelestarian

SME Bank, sebagai institusi kewangan pembangunan amat komited dan berdedikasi untuk memperkasa amalan kemampanan dan meningkatkan impak operasi kami terhadap masyarakat, pihak berkepentingan, alam sekitar dan planet.

As a responsible corporate citizen, we recognise our role in contributing to the well-being of the communities we serve. Through our corporate social responsibility programmes and initiatives, we have made meaningful contributions to education, healthcare, environmental conservation and social welfare.

Collaboration is at the heart of our approach to sustainability. We have forged strategic partnerships with government agencies, industry associations, non-profit organisations and other stakeholders to amplify our impact and drive collective action towards shared goals. These partnerships have enabled us to leverage complementary expertise, resources, and networks, fostering innovation, resilience, and inclusive growth in the communities we serve.

### Advancing Sustainability

SME Bank is committed to deepening our sustainability capabilities and enhancing our impact on society and the environment. We recognise that as a development financial institution, our operations have far-reaching consequences, and therefore, we are dedicated to advancing sustainability practices that benefit not only our stakeholders but also the planet.

Sebagai sebahagian daripada komitmen berterusan kami terhadap kemampanan, kami mengintegrasikan prinsip alam sekitar, sosial dan tadbir urus (ESG) ke dalam operasi perniagaan teras kami, termasuklah dalam proses membuat keputusan pembiayaan dan pelaburan. Pada tahun 2023, 99.9% daripada kelulusan pembiayaan kami menggabungkan kriteria ESG, mencerminkan komitmen kami terhadap pembiayaan yang bertanggungjawab dan pembangunan mampan.

Menyedari keperluan mendesak untuk menangani perubahan iklim dan kemerosotan alam sekitar, kami mengambil langkah proaktif dalam memperkasakan usaha untuk mencapai matlamat kelestarian kami. Ini termasuk mengurangkan jejak karbon, meminimumkan penggunaan sumber dan menggalakkan amalan mampan dalam operasi kami.

Kami komited untuk menggalakkan rangkuman sosial dan ekuiti dalam komuniti termasuk memastikan akses perkhidmatan kewangan kepada semua lapisan usahawan kecil dan sederhana. Kami juga memupuk kepelbagaian dan keterangkuman dalam tenaga kerja kami, dan menyokong inisiatif yang menangani ketidaksamaan sosial dan menggalakkan pemeraksanaan ekonomi.

Kami akan melancarkan Pelan Hala Tuju Kelestarian 2.0 pada tahun 2024, meneruskan komitmen SME Bank kepada "Penerapan ESG & Penambahbaikan Berterusan ke arah Kemampanan." Pelan hala tuju baharu ini diolah berdasarkan Pelan Tiga Tahun Hala Tuju Kelestarian yang dilancarkan pada 2021, di mana kami kini berada di fasa terakhir pelan ini.

As part of our ongoing commitment to sustainability, we are integrating environmental, social and governance (ESG) principles into our core business operations. This involves embedding sustainability considerations into our decision making processes, from lending practices to investment strategies. In 2023, 99.9% of our lending approvals incorporated ESG criteria, demonstrating our commitment to responsible financing and sustainable development.

Recognising the urgent need to address climate change and environmental degradation, we are taking proactive measures to strengthen our efforts in achieving our environmental targets. This includes reducing our carbon footprint, minimising resource consumption, and promoting sustainable practices across our operations.

Our commitment to promoting social inclusion and equity within the communities we serve involves ensuring access to financial services for all small and medium entrepreneurs. We also foster diversity and inclusion within our workforce, and supporting initiatives that address social inequalities and promote economic empowerment.

We will be launching our Sustainability Roadmap 2.0 in 2024, furthering SME Bank's commitment to "ESG Adoption & Continuous Improvements towards Sustainability." This new roadmap builds on our previous three-year Sustainability Roadmap, launched in 2021, where we are now in the final phase of this roadmap.



Penerapan ESG & Penambahbaikan Berterusan ke arah Kemampanan  
ESG Adoption & Continuous Improvements towards Sustainability

## PERUTUSAN Pengerusi CHAIRMAN'S STATEMENT



Kami telah mengenal pasti empat matlamat kelestarian utama sebagai sebahagian daripada Kerangka Matlamat Pembangunan Mampan (SDG) yang komprehensif. Matlamat-matlamat utama berkenaan merangkumi usaha menggembleg dana untuk pembiayaan lestari, meningkatkan waktu sukarelawan pekerja, mencapai operasi neutral karbon menjelang 2030 dan mencapai pelepasan karbon sifar bersih menjelang 2050.

Pendekatan kemamparan kami diolah berdasarkan tiga teras: Perbankan Bertanggungjawab, Amalan Perniagaan Bertanggungjawab dan Mewujudkan Impak Sosial. Bersama dengan Pelan Hala Tuju Kelestarian 2.0, kami akan terus bergerak ke hadapan untuk memperkasa dan menambah baik inisiatif strategik bagi mencapai matlamat kelestarian kami.

As part of our comprehensive Sustainable Development Goal (SDG) Framework, we have identified four key sustainable goals: mobilising funds for sustainable financing, increasing employee volunteering hours, achieving carbon-neutral operations by 2030, and attaining net-zero carbon emissions by 2050.

Our sustainability approach is structured around three pillars: Responsible Banking, Responsible Business Practices, and Creating Social Impact. Sustainability Roadmap 2.0 will guide us towards more ambitious targets within these pillars, ensuring continuous improvement and impactful progress.



Kami cakna akan kepentingan penilaian prestasi matlamat kemamparan bagi tujuan kebertanggungjawaban dan ketelusan. Oleh itu, kami komited untuk sentiasa memantau, menilai dan melaporkan prestasi pencapaian. Ini termasuk memantau petunjuk prestasi utama (KPI) yang berkaitan dengan kesan alam sekitar, kemajuan sosial dan amalan tadbir urus dan dialog berterusan dengan pihak berkepentingan. Penerbitan laporan tahunan Bank mengintegrasikan pelaporan kemamparan dan memperincikan kemajuan kami ke arah mencapai matlamat kemamparan.

We understand that our sustainability performance is essential for accountability and transparency. Therefore, we are committed to regular monitoring, measuring and reporting on our sustainability outcomes. This includes tracking key performance indicators (KPIs) related to environmental impact, social progress, and governance practices. We engage stakeholders in dialogue on performance and impact. The publication of the Bank's annual reports integrates sustainability reporting, detailing our progress towards sustainability goals.

### Panduan Kepimpinan dan Tadbir Urus

Sepanjang tahun 2023, operasi SME Bank dipengaruhi oleh landskap ekonomi dan geopolitik yang mencabar, berserta dengan pemulihan global daripada pandemik Covid-19. Di sebalik ketidaktentuan ini, SME Bank disokong oleh tadbir urus korporat yang kukuh, amalan pengurusan risiko yang teguh, dan budaya kerja kondusif, yang membolehkan kami meneruskan operasi yang mampan.

Sebagai Pengerusi, saya berdedikasi untuk memperkasakan tadbir urus korporat yang mantap dan menerajui Lembaga Pengarah yang cekap dalam membimbing hala tuju strategik Bank dan memastikan kebertanggungjawaban kepada pihak berkepentingan.

Kerangka tadbir urus kami mengutamakan amalan beretika dan Lembaga Pengarah sentiasa menerapkan piawaian etika dan integriti tertinggi dalam keseluruhan operasi dan proses membuat keputusan. Pada tahun 2023, kami mengukuhkan komitmen terhadap amalan beretika dengan melaksanakan dasar dan prosedur yang jelas untuk mencegah penipuan, rasuah dan konflik kepentingan, dengan itu melindungi kepentingan pemegang taruh dan memelihara kepercayaan orang ramai terhadap institusi kami.

### Guiding Governance and Leadership

The year 2023 posed significant challenges within a complex landscape marked by geopolitical tensions and the ongoing global recovery from the Covid-19 pandemic. Despite these uncertainties, SME Bank is equipped with strong corporate governance, robust risk management practices, and a conducive culture, enabling us to operate a profitable and sustainable business over the long run.

As Chairman, I am dedicated to upholding sound corporate governance and an efficient Board in guiding the Bank's strategic direction and ensuring accountability to our stakeholders.

Ethical conduct lies at the heart of our governance framework. The Board remains steadfast in upholding the highest ethical standards and integrity in all our operations and decision-making processes. In 2023, we reinforced our commitment to ethical behaviour by implementing robust policies and procedures to prevent fraud, corruption, and conflicts of interest, thereby safeguarding the interests of our stakeholders and preserving public trust in our institution.

## PERUTUSAN PENGERUSI CHAIRMAN'S STATEMENT

**Kami cakna bahawa tadbir urus yang berkesan memerlukan amalan pengurusan risiko yang berhemat untuk melindungi aset Bank dan memastikan kemampuan operasi. Lembaga Pengarah sentiasa mengutamakan kawal selia dan pemantauan risiko menerusi penilaian berkala ke atas citarasa & pendedahan risiko; dan strategi mitigasi. Melalui penilaian risiko proaktif dan perancangan senario, kami berusaha untuk mengenal pasti risiko yang bakal dihadapi beserta cabaran dan mengadaptasi kepada dinamik pasaran, dengan itu meningkatkan daya tahan dan melindungi nilai pihak berkepentingan.**

We recognise that effective governance entails prudent risk management practices to safeguard the Bank's assets and ensure long term sustainability. The Board continues to prioritise risk oversight and monitoring, regularly reviewing the Bank's risk appetite, risk exposure, and mitigation strategies. Through proactive risk assessments and scenario planning, we strive to identify emerging risks, anticipate challenges, and adapt swiftly to changing market dynamics, thereby enhancing resilience and protecting stakeholder value.

Kepelbagaian dan kepakaran adalah tonggak utama tadbir urus yang berkesan. Lembaga Pengarah kekal komited untuk menggalakkan kepelbagaian dalam komposisinya, merangkumi pelbagai kemahiran, latar belakang dan perspektif. Ahli Lembaga Pengarah mempunyai latar belakang kepakaran yang meliputi aspek kewangan, teknologi dan kemampuan. Kepelbagaian pengalaman ini memperkasakan perbincangan kami, memupuk inovasi dan mengukuhkan keupayaan kami untuk mengharungi cabaran yang kompleks dalam persekitaran perniagaan yang semakin dinamik.

Sesi libat urus yang berterusan dengan pihak berkepentingan adalah penting dalam proses membuat keputusan. Lembaga Pengarah secara aktif mendapatkan maklum balas daripada pihak pemegang taruh yang terdiri daripada pemegang saham, warga kerja, pelanggan, pengawal selia dan komuniti untuk memahami perspektif, jangkaan dan kebimbangan mereka. Ini dilakukan melalui dialog dan komunikasi yang kerap bagi memastikan pihak berkepentingan dimaklumkan tentang hala tuju strategik, prestasi dan amalan tadbir urus kami.

Lembaga Pengarah terus komited untuk memperkasakan amalan tadbir urus, membuat perbandingan terhadap piawaian industri dan menerima pakai amalan terbaik untuk mengukuhkan pengawasan dan akauntabiliti. Pada tahun 2023, kami menjalankan penilaian amalan tadbir urus yang komprehensif, mengenal pasti ruang untuk penambahbaikan dan melaksanakan langkah untuk menyelaraskan proses, meningkatkan kecekapan membuat keputusan, dan mengukuhkan keberkesanan Lembaga Pengarah dalam memenuhi tugas fidusiarinya.

Diversity and expertise are key pillars of effective governance. The Board remains committed to promoting diversity in its composition, encompassing a broad range of skills, backgrounds, and perspectives. The directors of the Board bring diverse expertise in finance, technology and sustainability to the Board. This diversity of thought and experience enriches our deliberations, fosters innovation, and strengthens our ability to navigate complex challenges in an increasingly dynamic business environment.

Meaningful engagement with stakeholders is essential for informed decision-making and accountability. The Board actively seeks input from shareholders, employees, customers, regulators and the broader community to understand their perspectives, expectations, and concerns. Through regular dialogue and communication channels, we ensure that stakeholders are informed about our strategic direction, performance, and governance practices, fostering trust, transparency and mutual respect.

The Board remains committed to enhancing governance practices, benchmarking against industry standards, and adopting best practices to strengthen oversight and accountability. In 2023, we conducted a comprehensive governance review, identifying areas for enhancement and implementing measures to streamline processes, enhance decision making efficiency, and reinforce the Board's effectiveness in fulfilling its fiduciary duties.

### Tinjauan 2024 2024 Outlook

**Menjelang tahun 2024, SME Bank bersedia untuk memacu masa depan yang mampan, dengan memupuk inovasi dan penciptaan nilai untuk pihak berkepentingan, dalam mengharungi landskap ekonomi yang berkembang dan mencabar.**

Looking ahead to 2024, SME Bank is poised to build upon the momentum achieved in propelling a sustainable future. As we navigate an evolving economic landscape and address emerging challenges, we remain steadfast in our commitment to driving sustainable growth, fostering innovation and delivering value to our stakeholders.

Dalam tahun mendatang, kami akan terus memberi keutamaan kepada transformasi digital dan proses sebagai pemangkin inovasi dan kecekapan. Dengan memanfaatkan teknologi dan analisis data, kami menasarkankan untuk meningkatkan pengalaman pelanggan, menyelaraskan operasi dan meluaskan akses kepada perkhidmatan kewangan untuk PMKS merentas pelbagai sektor dan wilayah. Bagi tahun 2024, IMF meramalkan pertumbuhan KDNK global sebanyak 6.3% dan ini sesuatu yang baik untuk pengembangan pasaran.

Kami terus komited untuk mengintegrasikan prinsip ESG ke dalam operasi perniagaan, strategi pelaburan dan amalan pengurusan risiko. Dengan prospek ekonomi Malaysia 2024 yang menunjukkan tanda-tanda pemulihan dan pertumbuhan yang memberansangkan, kami akan melaksanakan inisiatif kemampuan dan seterusnya menyumbang kepada peralihan negara ke arah ekonomi yang lebih mampan dan berdaya tahan.

Sejajar dengan inisiatif ekonomi MADANI Malaysia yang bertujuan memacu pertumbuhan ekonomi yang mampan dan inklusif, kami bersedia untuk bekerjasama dengan pihak berkepentingan untuk memperkasakan model pembiayaan inovatif, teknologi digital dan dasar inklusif untuk meluaskan akses kepada perkhidmatan kewangan dan pembangunan keusahawanan.

In the coming year, we will continue to prioritise digital and process transformation as a catalyst for innovation and efficiency. By leveraging technology and data analytics, we aim to enhance customer experience, streamline operations and expand access to financial services for MSMEs across diverse sectors and regions. With the IMF forecasting a 6.3% global GDP growth in 2024, we anticipate increased opportunities for market expansion.

Environmental, social and governance (ESG) considerations will remain at the forefront of our decision making processes. We are committed to deepening our integration of ESG principles into our business operations, investment strategies, and risk management practices. With Malaysia's 2024 economic outlook showing promising signs of recovery and growth, we will seize the opportunity to accelerate our sustainability initiatives and contribute to the country's transition towards a more sustainable and resilient economy.

In line with Malaysia's MADANI economy initiative aimed at driving sustainable and inclusive economic growth, we are poised to collaborate with stakeholders to leverage innovative financing models, digital technologies and inclusive policies to expand access to financial services and promote entrepreneurship.





## PERUTUSAN Pengerusi CHAIRMAN'S STATEMENT

Penglibatan yang berterusan dengan pihak berkepentingan akan kekal sebagai asas pendekatan kami terhadap kemampanan dan tadbir urus korporat. Pada tahun-tahun mendatang, kami akan terus menggalakkan dialog terbuka dan sesi libat urus dengan pihak berkepentingan termasuklah pemegang saham, warga kerja, pelanggan, pengawal selia dan komuniti.

Bergerak ke hadapan, kami komited terhadap pertumbuhan yang bertanggungjawab dan mampan, dengan menilai peluang dan cabaran yang muncul. Oleh itu, SME Bank terus berdedikasi untuk memastikan masa depan yang lebih cerah bagi kemakmuran bersama semua pihak berkepentingan terutamanya PMKS dan negara.

Meaningful engagement with our stakeholders will remain a cornerstone of our approach to sustainability and corporate governance. In the coming year, we will continue to foster open dialogue and collaboration with shareholders, employees, customers, regulators and the broader community.

As we move forward, our outlook is marked by a strong commitment to responsible and sustainable growth, with an eye on emerging opportunities and challenges. SME Bank thus remains dedicated to ensuring a brighter, more prosperous future for all stakeholders mainly the MSMEs, and the nation.



### Penghargaan

Bagi pihak Lembaga Pengarah, saya ingin merakamkan penghargaan ikhlas kami kepada pasukan pengurusan, kakitangan dan rakan perniagaan atas sokongan padu sepanjang TK2023.

Saya ingin merakamkan penghargaan khas kepada Kementerian Kewangan dan Kementerian Pembangunan Usahawan dan Koperasi atas bimbingan yang tidak ternilai dalam usaha kami memartabatkan pembangunan PMKS. Setinggi-tinggi penghargaan kami kepada Bank Negara Malaysia atas sokongan dan kepercayaan mereka terhadap wawasan dan misi kami.

### Appreciation

On behalf of the Board of Directors, I wish to express our sincere appreciation to the management team, employees and business partners for their demonstrated resilience and strong support throughout FY2023.

I would like to specially record our appreciation to the Ministry of Finance and the Ministry of Entrepreneur and Cooperatives Development for their invaluable guidance towards uplifting our MSMEs. Our deepest appreciation to Bank Negara Malaysia for their support and belief in our vision and mission.

Saya merakamkan penghargaan kepada ahli Lembaga Pengarah yang dihormati atas kepakaran mereka yang berwawasan dalam mengemudi SME Bank ke arah mencapai objektifnya dan memenuhi mandatnya sebagai Institusi Kewangan Pembangunan (DFI) yang terkemuka di Malaysia

Akhir sekali, kami ingin merakamkan ucapan terima kasih kepada semua pelanggan kami atas sokongan dan kepercayaan mereka yang tidak berbelah bahagi terhadap visi bersama kami untuk memacu PMKS ke arah masa depan yang mampan. Bersama-sama, kita akan terus memberi impak positif, memacu pertumbuhan inklusif dan membina hari esok yang lebih cerah untuk generasi akan datang.

I express my appreciation to the esteemed members of the Board for their insightful business expertise in steering SME Bank towards achieving its objectives and fulfilling its mandate as the leading Development Financial Institution (DFI) in Malaysia.

Last but not least, we would like to express our gratitude to our customers for their unwavering support and belief in our shared vision of propelling MSMEs towards a sustainable future. Together, we will continue to make a positive impact, drive inclusive growth and build a brighter tomorrow for generations to come.

### DATO' MUSLIM HUSSAIN

Pengerusi Bukan Eksekutif/Non-Executive Chairman



# ULASAN PRESIDEN KUMPULAN/ KETUA PEGAWAI EKSEKUTIF

## GROUP PRESIDENT/CHIEF EXECUTIVE OFFICER'S REVIEW

Pada tahun 2023, SME Bank memperkukuhkan komitmen kami untuk menerajui penciptaan nilai dalam ekosistem Perusahaan Mikro, Kecil dan Sederhana (PMKS). Sejak penubuhan SME Bank pada tahun 2005, kami telah menumpukan usaha kami dalam memupuk pertumbuhan dan pembangunan PMKS, sekali gus mengiktiraf peranan penting mereka dalam ekonomi negara.

As we reflect on 2023, SME Bank reaffirms its steadfast commitment to spearheading value creation within the Micro, Small and Medium Enterprise (MSME) ecosystem. Since our inception in 2005, we have dedicated ourselves to fostering the growth and development of MSMEs, recognising their vital role in the national economy.

**RM** **RM75.6**  
juta/million

Keuntungan sebelum perbelanjaan cukai dan zakat  
Profit before tax expense and zakat

**RM** **RM2.6**  
bilion/billion

Meluluskan pembiayaan untuk 1,000 PMKS  
Approved financing for 1,000 MSMEs

**RM** **7.0%**

Pertumbuhan Pembiayaan YoY kepada RM8.9 bilion  
YoY Financing Growth of RM8.9 billion



**DATUK WIRA (DR.) ARIA PUTERA ISMAIL**  
Presiden Kumpulan/Ketua Pegawai Eksekutif  
Group President/Chief Executive Officer

Visi kami untuk menjadi peneraju dalam penciptaan nilai ekosistem PMKS melangkaui penyediaan perkhidmatan kewangan. Ia merangkumi pendekatan holistik yang menyatukan penyelesaian inovatif, perkongsian strategik dan sokongan menyeluruh yang disesuaikan dengan keperluan unik pelanggan kami.

Peranan tersebut kini lebih penting berbanding sebelum ini, memandangkan landskap ekonomi 2023 yang tidak menentu. Namun, ia juga membuka peluang baharu untuk pertumbuhan. Walaupun dengan ketidakpastian ini, SME Bank kekal teguh dalam misinya, memanfaatkan kepakaran dan sumber bagi menyokong pelanggan kami. Strategi yang bersesuaian telah memastikan kami untuk terus memacu ke hadapan, sejajar dengan matlamat ke arah kemampanan dan kejayaan jangka panjang sektor PMKS.

### Prestasi Kewangan

Pada tahun kewangan berakhir 31 Disember 2023, SME Bank mencatat prestasi kewangan yang kukuh, dengan keuntungan sebelum perbelanjaan cukai dan zakat sebanyak RM75.6 juta. Prestasi ini adalah hasil dari peningkatan dalam pendapatan pembiayaan serta kecekapan operasi kami. Keputusan kewangan kami menunjukkan komitmen bank terhadap pertumbuhan mampan dan penciptaan nilai untuk pihak berkepentingan kami.

Pada tahun 2023, Bank meneruskan pengurusan kualiti aset yang cekap, dan ini telah berjaya meningkatkan kualiti aset dengan Nisbah Kemerosotan Kasar (GIR) menurun kepada 12.5% daripada 13.2% pada tahun 2022. Selain itu, jumlah aset kami meningkat sebanyak 4.5% kepada RM13.1 bilion, meletakkan kami pada kedudukan yang baik untuk menurunkan lagi GIR.

Kami meluluskan pembiayaan berjumlah RM2.6 bilion untuk 1,000 PMKS pada tahun ini, membuktikan peranan penting SME Bank dalam pembangunan PMKS di Malaysia. Daripada jumlah ini, 51% diluluskan kepada usahawan kecil, dan 41% kepada usahawan sederhana.

Hampir 100% daripada kelulusan pembiayaan kami adalah kepada PMKS yang terlibat dalam sektor berkaitan ESG, berbanding sasaran awal kami sebanyak hampir 50%.

Pada akhir tahun 2023, portfolio pembiayaan kami meningkat sebanyak 7.0%, mencecah RM8.9 bilion. Pertumbuhan ini didorong oleh peningkatan permintaan dalam sektor utama dan inisiatif strategik kami untuk menyokong projek ESG.

**RM** **RM13.1**  
bilion/billion

jumlah aset  
4.5% pertumbuhan daripada 2022  
total assets  
4.5% grew from 2022

Our vision to be a leader in MSME ecosystem value creation extends beyond providing financial services. It encompasses a holistic approach that integrates innovative solutions, strategic partnerships, and comprehensive support tailored to the unique needs of our customers.

Our role is more crucial than ever, given the economic landscape of 2023 which posed numerous uncertainties. Yet, it also opened new avenues for growth and resilience. Despite these fluctuations, SME Bank has remained steadfast in its mission, leveraging our expertise and resources to support our customers through these times. Our adaptive strategies have ensured that we continue to drive forward, aligning with our vision of sustainability and long-term success for the MSME sector.

### Financial Performance

In the fiscal year ended 31 December 2023, SME Bank has demonstrated robust financial performance, reflecting our strategic initiatives and operational efficiency. Our financial results are indicative of the bank's commitment to sustainable growth and value creation for our stakeholders.

We achieved a stronger financial performance with profit before tax expense and zakat of RM75.61 million. This figure, which underscores the efficacy of our strategic financial management and operational prudence, is mainly contributed by higher financing income and operational efficiencies.

In 2023, the Bank demonstrated continued growth with a significant improvement in asset quality. The Gross Impaired Ratio (GIR) decreased to 12.5% from 13.2% in 2022, highlighting our effective asset quality management. Additionally, our total assets grew by 4.5% to RM13.1 billion, positioning us favourably to further reduce the GIR and align with the industry average in the future.

We approved RM2.6 billion in financing for 1,000 MSMEs during the year, underscoring SME Bank's pivotal role in the development of MSMEs in Malaysia. Of this amount, 51% was benefitted by small entrepreneurs, and 41% to medium-sized entrepreneurs.

Almost 100% of our financing approval was extended to MSMEs involved in ESG related sectors, exceeding our initial target by nearly 50%.

By the end of 2023, our financing portfolio grew by 7.0% year-on-year, reaching RM8.9 billion. This growth was driven by increased demand in key sectors and our strategic initiatives to support green and sustainable projects.

## ULASAN PRESIDEN KUMPULAN/ KETUA PEGAWAI EKSEKUTIF

### GROUP PRESIDENT/CHIEF EXECUTIVE OFFICER'S REVIEW

Pembiayaan kepada usahawan kecil merupakan majoriti portfolio pembiayaan sebanyak 46%, diikuti oleh usahawan bersaiz sederhana sebanyak 36%. Tiga sektor teratas adalah Perdagangan Borong & Runcit dan Restoran & Hotel pada 28%; serta Pembuatan dan Pembinaan, masing-masing pada 18%.

#### Sokongan Pembiayaan untuk Kemampanan PMKS

SME Bank telah meluluskan pembiayaan yang berjumlah lebih RM44.0 bilion untuk hampir 24,000 pelanggan sejak penubuhannya pada 2005.

Dengan menawarkan penyelesaian pembiayaan yang bersesuaian, serta inisiatif pembangunan usahawan dan tumpuan kepada kemampanan, kami terus menyokong PMKS untuk berkembang maju dalam persekitaran perniagaan yang mencabar sambil menyumbang kepada kemakmuran ekonomi jangka panjang.

Pada tahun kewangan 2023, kami terus menyokong inisiatif kerajaan untuk membantu PMKS dengan menawarkan pelbagai program pembiayaan bersasar. Ini termasuklah Skim Pembiayaan Perusahaan Sosial (SPPS), Skim Juara Lestari (SJL), Skim Insentif Kelestarian (SIK), Dana Pemberdayaan Usahawan Muda 2.0 (YEF 2.0), Dana Pemangkin Ekosistem IBS 2.0 (IBS 2.0), Dana Kemampanan PMKS Bumiputera (LBF), Skim Pembiayaan Pelancongan PENJANA, Geran Pemandangan PEMERKASA dan Dana Transformasi Teknologi PKS.

Financing to small entrepreneurs made up the majority of 46% of our financing portfolio, followed by medium-sized entrepreneurs which accounted for 36%. The top three sectors were Wholesale & Retail Trade and Restaurants & Hotels at 28%; and Manufacturing and Construction at 18%, respectively.

#### Financing Support for Sustainable MSME Growth

SME Bank has approved financing totalling over RM44.0 billion for close to 24,000 customers since its inception in 2005.

By offering tailored financing solutions, capacity-building initiatives and a focus on sustainability, we have the opportunity to empower MSMEs to thrive in a rapidly changing business environment while contributing to long term economic prosperity.

In fiscal year 2023, we continued to support the government's initiatives to assist MSMEs by offering various financing programmes. These include Social Enterprise Financing Scheme (SPPS), Skim Juara Lestari (SJL), Skim Insentif Kelestarian (SIK), Young Entrepreneur Fund 2.0 (YEF 2.0), Industrial Building System Promotion Fund 2.0 (IBS 2.0), TERAJU Bumiputera Supply Chain for Wholesale and Retail Sector (BSC), Lestari Bumi Financing Scheme (LBF), PENJANA Tourism Fund (PTF), PEMERKASA Matching Grant (PMG) and SME Technology Transformation Fund (STTF).

Bil No	Program Programme	Jenis Type	Objektif Objective	Diluluskan pada 2023/ Approved in 2023	
				RM juta/ million	Bil. pelanggan/ No. of customers
1	Skim Pembiayaan Perusahaan Sosial (SPPS)/ Social Enterprise Financing Scheme (SEFS)	Pembiayaan/ Financing	Untuk menyediakan bantuan kewangan kepada Perusahaan Sosial Asas (Basic SE) dan Perusahaan Sosial Bertauliah (Accredited SE) untuk pembelian aset dan/atau keperluan modal kerja./To provide financial assistance to Basic Social Enterprise (Basic SE) and Accredited Social Enterprise (Accredited SE) for asset acquisition and/or working capital requirement.	5.6	19
2	Skim Juara Lestari (SJL)/ Skim Juara Lestari (SJL)	Pembangunan keupayaan/ Capacity building	Untuk menyokong perusahaan sosial dalam perjalanan mereka ke arah menjadi Perusahaan Sosial Bertauliah./To support social enterprises in their journey towards becoming Accredited Social Enterprises.	-	20
3	Skim Insentif Kelestarian (SIK)/Skim Insentif Kelestarian (SIK)	Pembangunan keupayaan/ Capacity building	Untuk meningkatkan daya saing PKS melalui penggunaan amalan mampan./To enhance the competitiveness of SME through the adoption of sustainable practices.	-	851
4	Dana Pemberdayaan Usahawan Muda 2.0 (YEF 2.0)/Young Entrepreneur Fund 2.0 (YEF 2.0)	Pembiayaan/ Financing	Untuk membantu dan menyokong usahawan muda meningkatkan perniagaan mereka ke tahap yang lebih tinggi dan kekal berdaya maju pasca COVID-19 atau untuk memulakan perniagaan baharu di bawah inisiatif SME Bank Umbrella./To assist and support young entrepreneurs to elevate their businesses to higher level and remain viable post-COVID-19 or to start a new business under SME Bank Umbrella initiative.	69.3	155

Bil No	Program Programme	Jenis Type	Objektif Objective	Diluluskan pada 2023/ Approved in 2023	
				RM juta/ million	Bil. pelanggan/ No. of customers
5	Dana Pemangkin Ekosistem IBS 2.0 (IBS 2.0)/ Industrial Building System Promotion Fund 2.0 (IBS 2.0)	Pembiayaan/ Financing	Untuk menyediakan bantuan kewangan untuk menyokong kontraktor Sistem Binaan Perindustrian (IBS) yang layak sehingga G7, pengilang dan pemasangan projek yang diperakui IBS atau memiliki pensijilan IBS daripada Lembaga Pembangunan Industri Pembinaan (CIDB)./To provide financial assistance to support eligible Industrial Building System (IBS) contractors up to G7, manufacturers and installers IBS certified projects or possess IBS certification from Construction Industry Development Board (CIDB).	141.1	24
6	TERAJU Bumiputera Supply Chain for Wholesale and Retail Sector (BSC)/TERAJU Bumiputera Supply Chain for Wholesale and Retail Sector (BSC)	Pembiayaan/ Financing	Untuk menyediakan pembiayaan dan pemberian bayaran balik kepada keseluruhan rantaian bekalan yang termasuk pengilang, pemborong dan peruncit bagi tujuan aset dan keperluan modal kerja./To provide financing and reimbursement grant to the whole supply chain which include manufacturer, wholesaler and retailer for the purpose of asset and working capital requirement.	23.9	17
7	Dana Kemampanan PMKS Bumiputera (LBF)/Lestari Bumi Financing Scheme (LBF)	Pembiayaan/ Financing	Untuk membantu membangunkan PMKS bagi meningkatkan kapasiti pengeluaran, meluaskan akses pasaran dan menjadikan perniagaan mereka lebih mampan dan berdaya saing./To help develop MSMEs to increase production capacity, expand market access and make their businesses more sustainable and competitive.	83.3	223
8	Skim Pembiayaan Pelancongan PENJANA/ PENJANA Tourism Fund (PTF)	Pembangunan keupayaan/ Capacity building	Untuk menyokong PMKS dalam sektor pelancongan dengan mengekalkan keupayaan mereka dan membantu mereka membuat pelaburan yang diperlukan untuk menyesuaikan dan kekal berdaya maju pasca COVID-19./To support MSMEs in the tourism sectors by preserving their capacity and assisting them to undertake the necessary investments to adjust and remain viable post-COVID-19.	4.8	15
9	PEMERKASA Matching Grant (PMG)/ PEMERKASA Matching Grant (PMG)	Pembiayaan/ Financing	Untuk membantu PMKS dalam sektor 3D (kotor, berbahaya dan sukar) terutamanya dalam pembuatan, perkhidmatan, pertanian dan pembinaan, yang telah terkesan akibat wabak COVID-19./To assist MSMEs in 3D (dirty, dangerous and difficult) sectors particularly in manufacturing, services, agriculture and construction, which have been affected by COVID-19 pandemic.	67.2	70
10	Dana Transformasi Teknologi PKS/ SME Technology Transformation Fund (STTF)	Pembiayaan/ Financing	Untuk membantu PMKS dalam penggunaan digital dan/atau automasi di dalam operasi perniagaan bagi mencapai produktiviti yang lebih tinggi, kecekapan proses serta pengurusan kos dan meningkatkan penembusan pasaran./To assist MSME to adopt digitalisation and/or automation in their business operations in achieving higher productivity, process efficiency, efficient cost management and greater market penetration.	31.6	26

\* Butiran penuh bantuan pembiayaan Bank boleh diakses melalui laman web SME Bank.  
\* Full details of the Bank's financing assistance can be accessed via SME Bank website.

## ULASAN PRESIDEN KUMPULAN/ KETUA PEGAWAI EKSEKUTIF

### GROUP PRESIDENT/CHIEF EXECUTIVE OFFICER'S REVIEW

**Memacu Pertumbuhan Mampan**  
Advancing Sustainable Growth

**SME Bank akan memanfaatkan dana sebanyak RM1.7 bilion yang diumumkan dalam Bajet Malaysia 2024 untuk memacu pertumbuhan mampan dan daya tahan dalam sektor PMKS.**

SME Bank is strategically leveraging the RM1.7 billion allocation announced in the Malaysia 2024 Budget to drive sustainable growth and resilience within the MSME sector.

Dengan kemunculan Malaysia sebagai hab global bagi produk dan perkhidmatan halal, SME Bank memperkukuh komitmennya terhadap industri halal melalui inisiatif HalalBiz, disokong oleh dana sebanyak RM100.0 juta.

With Malaysia emerging as a global hub for halal products and services, SME Bank is reinforcing its commitment to the halal industry through the HalalBiz initiative, supported by a substantial RM100.0 million fund.



#### Melangkaui Pembiayaan: Sokongan Bukan Pembiayaan Komprehensif

Di SME Bank, komitmen kami terhadap pembangunan PMKS melangkaui pembiayaan tradisional. Kami kekal fokus untuk memajukan pertumbuhan dan kejayaan perusahaan mikro, kecil dan sederhana (PMKS), sejajar dengan misi kami untuk memacu perniagaan ini sebagai enjin pertumbuhan negara.

Melengkapkan usaha kami di atas, Centre for Entrepreneur Development and Research Sdn. Bhd. (CEDAR), anak syarikat milik penuh SME Bank, mencatat pencapaian yang signifikan dalam pembangunan kapasiti dengan melatih sebanyak 79,815 usahawan sejak penubuhannya, termasuklah seramai 6,867 peserta pada tahun 2023.

CEDAR terus menawarkan program pembangunan dan bimbingan usahawan yang berkesan, bertujuan untuk membolehkan usahawan merealisasikan potensi perniagaan mereka, mencipta nilai dan mengekalkan pertumbuhan. Selain itu, CEDAR memperoleh program pembangunan kapasiti di bawah Perjanjian Perdagangan Bebas China ASEAN-Hong Kong (AHKFTA) ECOTECH 2023, menumpukan kepada Perlindungan Harta Intelektual, yang akan dijalankan pada Q1 2024.

#### Beyond Financing: Comprehensive Non-Financing Support

At SME Bank, our commitment to the development of MSMEs goes far beyond traditional financing. Over the years, we remained focused on advancing the growth and success of micro, small and medium enterprises (MSMEs), aligning with our mission to propel these businesses as the nation's engine of growth.

Complementing our efforts, the Centre for Entrepreneur Development and Research Sdn. Bhd. (CEDAR), a wholly-owned subsidiary of SME Bank, achieved significant milestones in capacity development. In 2023, CEDAR recorded over 6,867 training engagements, contributing to a cumulative total of 79,815 entrepreneurs trained since its inception.

CEDAR continues to enhance our role by offering effective entrepreneur development and coaching programmes aimed at enabling entrepreneurs to realise their business potential, create value, and sustain growth. Additionally, CEDAR secured a capacity development programme under the ASEAN-Hong Kong China Free Trade Agreement (AHKFTA) ECOTECH 2023, focusing on Intellectual Property Protection, to be conducted in Q1 2024.

#### Business Exports Programme Business Exports Programme

**Melalui Business Exports Programme (BEP), SME Bank bekerjasama dengan Kementerian Pembangunan Usahawan dan Koperasi (KUSKOP) dan Perbadanan Pembangunan Perdagangan Luar Malaysia (MATRADE) untuk membangunkan PMKS berpotensi menjadi pengeksport yang berjaya melalui intervensi berstruktur selama tiga tahun. Inisiatif ini menyokong usaha kerajaan untuk meningkatkan pertumbuhan eksport PMKS.**

Our collaborative efforts and developmental initiatives positioned us as a supportive partner in ensuring MSMEs' success. Notably, through the Business Exports Programme (BEP), a collaboration with the Ministry of Entrepreneur and Cooperatives Development (MECD) and Malaysia External Trade Development Corporation (MATRADE), we have been able to develop potential MSMEs into successful exporters through a structured three-year intervention. This initiative supports the government's efforts to boost the export growth of MSMEs.

Tahun ini mencatat penyertaan sebanyak 59 syarikat, dengan peserta dijangka menamatkan program pada tahun 2024 dan 2026.

Sepanjang tahun 2023, Misi Peningkatan Eksport (*Export Accelerated Missions*) (EAM) telah menarik penyertaan sehingga 24 syarikat dalam pelbagai industri di lokasi termasuk Dubai, Bangkok, Tokyo-Osaka, Pattani dan Kuala Lumpur. Misi ini secara kolektif menjana potensi nilai jualan eksport keseluruhan sebanyak RM153.8 juta.

Program ini mencatatkan jumlah hasil eksport tambahan sebanyak RM46.8 juta oleh peserta pada 2023. Selain itu, peserta daripada Fasa 1 dan Fasa 2 memperoleh pembiayaan baharu atau tambahan berjumlah RM120.0 juta daripada Bank. BEP akan diteruskan pada tahun 2024, dengan enam EAM dirancang di London, Dubai, Bangkok Kuala Lumpur (MIHAS), China dan Turkiye dari Januari hingga November 2024.

The year recorded a participation of 59 companies, with participants expected to complete the programme in 2024 and 2026.

Throughout 2023, each Export Accelerated Missions (EAM) attracted participation of up to 24 companies across various industries at locations including Dubai, Bangkok, Tokyo-Osaka, Pattani and Kuala Lumpur. These missions collectively generated an overall potential export sales value of RM153.8 million.

The programme recorded a total incremental export revenue of RM46.8 million by participants in 2023. Additionally, participants from Phase 1 and Phase 2 secured new or additional financing amounting to RM120.0 million from the Bank. The BEP will continue in 2024, with six EAMs planned in London, Dubai, Bangkok Kuala Lumpur (MIHAS), China, and Turkiye from January to November 2024.



# ULASAN PRESIDEN KUMPULAN/ KETUA PEGAWAI EKSEKUTIF

## GROUP PRESIDENT/CHIEF EXECUTIVE OFFICER'S REVIEW

### Program Premis Usahawan

Program Premis Usahawan (*Entrepreneur Premises Programme*) (EPP) adalah satu lagi inisiatif penting, yang mana menawarkan 26 Kompleks Premis Usahawan (EPC) di seluruh negara, dengan menyediakan 454 ruang kilang untuk disewa pada kadar berpatutan kepada usahawan. Dengan 90% daripada ruang ini telah disewakan, EPP terus menyokong keperluan operasi PMKS dengan menyediakan ruang yang kondusif untuk aktiviti perniagaan.

### Peningkatan Perniagaan

Kami meneruskan program intervensi peningkatan perniagaan untuk meningkatkan taraf perniagaan pelanggan kami. Kejayaan program ini terbukti dengan 397 pelanggan berjaya mencatatkan peningkatan. Ini termasuklah pertumbuhan dalam keuntungan, hasil dan bilangan pekerja mereka, transformasi digital dan teknologi serta pengembangan kepada pasaran eksport dan kawasan pertumbuhan baharu.

Pada masa yang sama, sejumlah 41 pelanggan menyaksikan peningkatan dalam kategori PMKS mereka, beralih daripada perusahaan Mikro kepada Kecil dan daripada perusahaan Kecil kepada Sederhana.

### Program Pembangunan Kapasiti & Keupayaan Vendor

Program Pembangunan Kapasiti & Keupayaan Vendor (*Vendor Capacity & Capability Development Programme*) (PPKV) bertujuan untuk meningkatkan kecekapan, produktiviti dan kemajuan teknologi vendor Bumiputera serta membantu vendor tersebut dalam memperolehi akreditasi dan pensijilan antarabangsa untuk membantu mereka menembusi kedua-dua pasaran domestik dan global.

Menjelang penghujung tahun 2023, kami meluluskan 67 permohonan berjumlah RM8.6 juta untuk belanja pembangunan. Di samping itu, vendor ini memperoleh pembiayaan baharu atau tambahan berjumlah RM60.1 juta daripada Bank.

### Entrepreneur Premises Programme

Another notable initiative, the Entrepreneur Premises Programme (EPP), offers 26 Entrepreneur Premises Complexes (EPCs) nationwide, providing 454 factory spaces for rent at affordable rates to entrepreneurs. With 90% of these spaces already rented out, the EPP continues to support MSMEs' operational needs by providing conducive spaces for business activities.

### Upward Migration

We continued with the Bank's upward migration intervention programme during the year to elevate the status of our customers' businesses. Its success is evident with 397 customers experiencing upward migration. These entrepreneurs saw a growth in their profit, revenue and number of employees, digital and technology transformation as well as expansion to the export market and new growth area.

Additionally, a total of 41 customers saw an improvement in their MSME category, transitioning from Micro to Small enterprises and from Small to Medium enterprises.

### Vendor Capacity & Capability Development Programme

The Vendor Capacity & Capability Development Programme (PPKV) aims to enhance the efficiency, productivity and technological advancement of Bumiputera vendors and also to equip these vendors with international accreditation and certification to help them penetrate both domestic and global markets.

By the end of 2023, we approved 67 applications totalling RM8.6 million for development expenditure. Additionally, these vendors secured new or additional financing amounting to RM60.1 million from the Bank.

### Memudahcara Peluang Pertumbuhan Perniagaan

Melalui inisiatif strategik dan usaha sama, SME Bank tekad untuk memudahcara peluang pertumbuhan perniagaan PMKS dalam pelbagai sektor. Kami terus komited untuk menyediakan platform, sumber dan sokongan yang diperlukan oleh PMKS untuk mengembangkan perniagaan mereka, menjalin perkongsian berharga dan merebut peluang baharu dalam pasaran domestik dan antarabangsa. Ini dilakukan menerusi acara padanan perniagaan tahunan seperti SME Bank XCESS serta sesi libat urus pelanggan di seluruh negara seperti Jom XCESS dan program intervensi berstruktur seperti Business Exports Programme (BEP).

SME Bank XCESS adalah acara padanan perniagaan tahunan utama kami yang berfungsi sebagai platform penting bagi PMKS tempatan untuk menjalin hubungan dan meneroka peluang perniagaan baharu secara langsung. Usahawan berpeluang menjalin rangkaian dan berpotensi menjadi pembekal, pengimport atau rakan perniagaan. Selain itu, peserta boleh menyertai Program *SME Bank Umbrella*, satu inisiatif bersama antara SME Bank dengan syarikat-syarikat induk, untuk mengembangkan lagi perniagaan mereka.

Edisi SME Bank XCESS 2023: XCESS Beyond Borders adalah merupakan XCESS antarabangsa pertama yang menampilkan penyertaan daripada 22 rakan antarabangsa dan pembeli dari 10 negara, termasuk negara-negara ASEAN, China dan India. Dijalankan dalam format hibrid untuk memaksimumkan penglibatan dan jangkauan, acara fizikal berlangsung di MITEC Kuala Lumpur dan telah dirasmikan oleh Menteri Pembangunan Usahawan dan Koperasi, Datuk Ewon Benedick. Acara ini menarik kehadiran fizikal seramai 996 orang, dan 111,800 pengunjung maya, serta menjana potensi nilai jualan RM42.5 juta.

Pada tahun 2023, kami meneruskan program Jom XCESS yang dibangunkan berdasarkan format SME Bank XCESS, sebagai sebahagian daripada pendekatan proaktif kami untuk meluaskan peluang bagi usahawan PMKS di seluruh negara. Kami menjalankan lapan sesi program Jom XCESS di seluruh Malaysia, bertujuan untuk menyediakan akses bagi PMKS untuk mendapat sokongan kewangan dan pelbagai program pembangunan kapasiti yang ditawarkan oleh SME Bank dan rakan strategik kami.

### Facilitating Business Growth Opportunities

Through strategic initiatives and collaborative platforms, SME Bank is dedicated to facilitating business growth opportunities for MSMEs across various sectors. From annual business matching events like SME Bank XCESS to nationwide outreach efforts such as Jom XCESS and structured intervention programmes like the Business Exports Programme (BEP), we are committed to providing MSMEs with the tools, resources and support they need to expand their businesses, forge valuable partnerships, and seize new opportunities in domestic and international markets.

SME Bank XCESS is our flagship annual business matching event which serves as a vital platform for local MSMEs to forge connections and explore new business opportunities directly. Entrepreneurs have the chance to network and potentially become suppliers, importers, or business partners. Moreover, participants can join the SME Bank Umbrella Programme, a collaborative effort between SME Bank and anchor companies, to further expand their businesses.

The SME Bank XCESS 2023 edition marked the first international XCESS, featuring participation from 22 international partners and buyers from 10 countries, including ASEAN nations, China and India. Conducted in a hybrid format to maximise engagement and audience reach, the physical event took place at MITEC Kuala Lumpur and was inaugurated by Minister of Entrepreneur and Co-operatives Development, Datuk Ewon Benedick. The event attracted 996 physical attendees and 111,800 virtual visitors, generating a potential sales value of RM42.5 million.

In 2023, we continued our Jom XCESS programme which was developed based on the SME Bank XCESS format, as part of our proactive approach to extending opportunities for MSME entrepreneurs nationwide. We conducted eight sessions of Jom XCESS outreach programme at regional level, aimed at providing MSMEs with access to financial support and various capacity-building solutions offered by SME Bank and our strategic partners.

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Kompleks Premis Usahawan (EPC) di seluruh negara

Entrepreneur Premises Complexes (EPCs) nationwide

397



Pelanggan berjaya mencatatkan peningkatan

Customers' experiencing upward migration

67



Keluluskan berjumlah RM8.6 juta untuk perbelanjaan pembangunan PPKV.

Approvals totaling RM8.6 million for PPKV development expenditure.

## ULASAN PRESIDEN KUMPULAN/ KETUA PEGAWAI EKSEKUTIF

### GROUP PRESIDENT/CHIEF EXECUTIVE OFFICER'S REVIEW

Program ini menyaksikan penyertaan 560 PMKS, yang mendapat manfaat daripada sokongan menyeluruh kami. Untuk Jom XCESS 2023, kami bekerjasama dengan rakan strategik, termasuk pihak berkuasa koridor wilayah serta organisasi dan agensi pembangunan usahawan.

#### Memacu Pemerksaan PMKS

Enterprise Lifecycle Scoring Assessment (ELSA) dibangunkan sebagai kompas digital yang menjadi rujukan untuk pelan pertumbuhan dan pembangunan PMKS. Menggunakan teknologi AI terkini, ELSA menganalisa profil PMKS, mengenal pasti bidang pertumbuhan dan membimbing intervensi yang bersasar.

ELSA telah mendapat pengiktirafan antarabangsa melalui penganugerahan Ekosistem Industri Masa Depan daripada Perbadanan Data Antarabangsa (IDC) sebagai pengiktirafan terhadap impak yang signifikan kepada PMKS.

Sementara itu, platform rangkaian B2B milik kami, ODELA, telah mengubah cara PMKS berhubung dan berurusan. ODELA telah mengukuhkan kedudukannya sebagai asas kecekapan dan kesalinghubungan dalam landskap B2B dengan nilai transaksi yang melebihi RM200 juta dalam nilai barangan kasar (NBK) pada tahun 2023.

#### Memacu Masa Depan Yang Mampan melalui Perkongsian dan Inisiatif Strategik

Usaha SME Bank ke arah masa depan yang mampan digariskan melalui perkongsian dan inisiatif strategik bertujuan untuk memperkukuh pembangunan PMKS di Malaysia.

Komitmen Bank terhadap pengurusan pihak berkepentingan dijayakan melalui pelbagai inisiatif yang memberi impak. Inisiatif ini merangkumi kerjasama dengan pemain industri utama, sesi libat urus dengan pihak berkepentingan dan pakatan strategik dengan institusi pendidikan. Memorandum Persefahaman (MOU) dengan Halal Development Corporation dan Perbadanan Pembangunan Pertanian Negeri Perak merupakan satu usaha bersepadu untuk menyokong ekosistem Halal. Pihak Bank juga memeterai perkongsian strategik dengan Johor Petroleum Development Corporation Berhad untuk memperkasa ekosistem rantaian bekalan.

Selain itu, Skim Pembiayaan Perusahaan Sosial (SPPS) yang dilancarkan adalah sejajar dengan Pelan Tindakan Keusahawanan Sosial Malaysia 2030 (SEMy2030), bertujuan untuk mengarusperdanakan keusahawanan sosial ke dalam ekonomi.

This programme saw the participation of 560 MSMEs, benefitting from our comprehensive support. For Jom XCESS 2023, we collaborated with strategic partners, including regional corridor authorities, entrepreneur development organisations and agencies.

#### Driving MSME Empowerment

Developed to empower MSMEs, Enterprise Lifecycle Scoring Assessment (ELSA) serves as a digital compass, guiding businesses through their developmental journey. Utilising cutting-edge AI technology, ELSA conducts thorough analyses, pinpointing areas for growth and guiding targeted interventions.

ELSA also garnered international recognition when it received the prestigious Future of Industry Ecosystem award from the International Data Corporation (IDC) for its profound impact to MSMEs.

Meanwhile, our very own B2B networking platform, ODELA, has revolutionised the way MSMEs connect and transact. By facilitating transactions exceeding RM200 million in gross merchandise value (GMV) in 2023 alone, ODELA has become a cornerstone of efficiency and connectivity in the B2B landscape.

#### Propelling a Sustainable Future through Strategic Partnerships and Initiatives

SME Bank's pursuit of a sustainable future is underscored by its strategic partnerships and initiatives aimed at bolstering the development of micro, small and medium sized enterprises (MSMEs) in Malaysia.

The Bank's commitment to stakeholder management is evident through a range of impactful endeavours. These initiatives encompass collaborations with key industry players, engagement sessions with stakeholders, and strategic alliances with educational institutions. Notable highlights include the MOU with Halal Development Corporation and Perak State Agricultural Development Corporation, signifying a concerted effort to support the Halal ecosystem. The Bank also entered into strategic ecosystem collaboration with Johor Petroleum Development Corporation Berhad to augment the development of supply-chain ecosystem.

Additionally, the launch of the Social Enterprise Financing Scheme (SEFS) aligns with the Malaysia Social Entrepreneurship Blueprint 2030 (SEMy2030), aimed at mainstreaming social entrepreneurship in the economy.



### Kelestarian dalam Tindakan: Pelan Hala Tuju Kelestarian dan Kejayaan Kami

SME Bank telah mencapai kemajuan yang signifikan dalam mengintegrasikan elemen kemampanan ke dalam operasi dan inisiatif strategik. Komitmen kami dizahirkan melalui pendekatan berstruktur dan usaha berdedikasi untuk mengimbangi impak ekonomi, alam sekitar dan sosial.

#### Sustainability in Action: Our Roadmap and Achievements

SME Bank has made significant strides in integrating sustainability into our core operations and strategic initiatives. Our commitment is exemplified through a structured approach and dedicated efforts to balance economic, environmental and social impacts.

#### Pelan Hala Tuju Kelestarian

Pada tahun 2024, kami akan melancarkan Pelan Kelestarian 2.0 sebagai meneruskan agenda kemampanan. Pelan ini diolah berdasarkan Pelan Tiga Tahun hala tuju kelestarian yang kami lancarkan pada 2021. Pelan tersebut menggariskan objektif jangka pendek dan matlamat jangka panjang yang dibahagikan kepada tiga fasa di mana kami kini berada di fasa terakhir pelan ini.

Kami membangunkan Kerangka Matlamat Pembangunan Mampan (SDG) yang komprehensif. Kami mengenal pasti matlamat dan komitmen mampan utama, termasuk menggembelng dana untuk pembiayaan mampan, menggalakkan waktu sukarelawan pekerja, mencapai operasi neutral karbon menjelang tahun 2030 dan mencapai pelepasan karbon sifar bersih menjelang tahun 2050.

Pendekatan kemampanan kami bertunjangan tiga teras iaitu Perbankan Bertanggungjawab, Amalan Perniagaan Bertanggungjawab dan Mewujudkan Impak Sosial.

Agenda kemampanan kami juga sejajar dengan Rangka Kerja Pengukuran Prestasi (PMF) BNM. PMF menekankan kepentingan Institusi Kewangan Pembangunan (DFI) dalam mengintegrasikan elemen nilai tambah dalam sebahagian daripada operasi perniagaan, untuk menghasilkan impak pembangunan yang signifikan. Ini akan memperkasa mandat SME Bank dalam menyediakan peluang pembiayaan dan pembangunan usahawan, dan seterusnya mengukuhkan peranan SME Bank sebagai institusi awam.

#### Sustainability Roadmap

To further our sustainability journey, we will launch Sustainability Roadmap 2.0 in 2024, which builds on the three-year Sustainability Roadmap we launched in 2021. This initial roadmap outlined near-term objectives and long-term goals divided into three phases where we are now in the final phase of this roadmap.

We established our own comprehensive and customised Sustainable Development Goal (SDG) Framework. During its development, we identified key sustainable goals and commitments, including mobilising funds for sustainable financing, promoting employee volunteering hours, achieving carbon-neutral operations by 2030, and attaining net-zero carbon emissions by 2050.

Our sustainability approach is rooted in three pillars namely Responsible Banking, Responsible Business Practices, and Creating Social Impact.

Additionally, our sustainability agenda aligns with BNM's Performance Measurement Framework (PMF). The PMF emphasises the importance of Development Financial Institutions (DFIs) in incorporating additionalities as part of business operations to promote greater development outcomes and strengthen accountability as public institutions.

## ULASAN PRESIDEN KUMPULAN/ KETUA PEGAWAI EKSEKUTIF GROUP PRESIDENT/CHIEF EXECUTIVE OFFICER'S REVIEW

### Pembiayaan Lestari

Bank telah melaksanakan pelbagai program pembiayaan mampan, termasuk IBS 2.0 dan SEFS, untuk membantu PMKS dalam peralihan mereka kepada amalan yang lebih mesra alam dan tanggungjawab sosial. Hampir keseluruhan pembiayaan yang diluluskan pada tahun 2023 adalah kepada PMKS yang terlibat dalam sektor berkaitan ESG.

### Projek Eko-Pendidikan

Sebagai sebahagian daripada komitmen kami terhadap kemampanan alam sekitar dan sosial, kami memulakan Projek Eko-Pendidikan dengan SK Temonyong, Langkawi. Projek ini, yang dianjurkan bersama Bahagian Risiko Kumpulan SME Bank dan SK Temonyong Langkawi Kedah, mengintegrasikan pendidikan alam sekitar dengan pembangunan sosial, memupuk penetapan minda yang mampan dalam kalangan pelajar dan komuniti.

Melalui inisiatif ini, kami menunjukkan bahawa kemampanan dan pertumbuhan perniagaan boleh berjalan seiring. Dengan berbuat demikian, kami bukan sahaja mencipta nilai jangka panjang untuk pemegang berkepentingan kami tetapi juga menyumbang kepada masa depan yang mampan untuk semua.

### Pertandingan SME Bank Sandbox 2023

Pada tahun ini, kami melancarkan Pertandingan SME Bank Sandbox 2023 iaitu satu pertandingan berbentuk pembentangan idea perniagaan. Para peserta diundang untuk menyampaikan dan membentangkan idea-idea inovatif yang sejajar dengan Matlamat Pembangunan Mampan Pertumbuhan Bangsa-Bangsa Bersatu 12 (SDG 12): Penggunaan dan Pengeluaran Mampan.

Pertandingan ini bertujuan untuk memupuk kreativiti dan inovasi dalam mendorong amalan mampan dengan menggalakkan peserta membangunkan idea perniagaan yang bertanggungjawab secara sosial dan inovatif, yang menyumbang kepada penggunaan sumber yang lebih cekap dan bertanggungjawab.

Pertandingan yang julung kali diadakan ini menerima 461 penyertaan dalam dua kategori: Universiti/Kolej dan Terbuka. Dua puluh finalis daripada setiap kategori menyertai kem latihan dalam talian selama tiga hari dengan anak syarikat kami, CEDAR; dan pada peringkat akhir, mereka membentangkan idea perniagaan mereka kepada panel hakim yang berpengalaman.

### Sustainable Financing

To support MSMEs in their transition towards greener practices and social responsibility, the Bank has introduced several financing programmes such as IBS 2.0 and SEFS. By the end of the year, close to 100% of our financing approvals were to MSMEs involved in ESG related sectors.

### Eco-Education Project

As part of our commitment to environmental and social sustainability, we initiated the Eco-Education Project with SK Temonyong, Langkawi. This project, organised collaboratively by the Group Risk Division of SME Bank and SK Temonyong Langkawi Kedah, integrates environmental education with social development, fostering a sustainable mindset among students and the broader community.

Through these initiatives, we at SME Bank continue to lead by example, demonstrating that sustainability and business growth can go hand-in-hand. By doing so, we are not only creating long term value for our stakeholders but also contributing to a sustainable future for all.

### SME Bank Sandbox Competition 2023

During the year, we launched the SME Bank Sandbox Competition 2023, a pitch-type proposal competition inviting participants to present innovative ideas aligned with the United Nations' Sustainable Development Goal 12 (SDG 12): Sustainable Consumption and Production.

This competition aims to foster creativity and innovation in promoting sustainable practices by encouraging participants to develop socially responsible and innovative business ideas that contribute to more efficient and responsible use of resources.

The inaugural competition received 461 entries across two categories: University/College and Open. Twenty finalists from each category participated in a three-day online boot camp with our subsidiary, CEDAR; and in the final stage, they presented their business ideas to a panel of experienced judges.

### Pengiktirafan Utama pada 2023: Komitmen SME Bank terhadap Kewangan Mampan Key Recognition in 2023: SME Bank's Commitment to Sustainable Finance



**Sukacita saya kongsi bahawa pada tahun 2023, SME Bank telah diberi penghormatan dengan Anugerah Sukuk Kelestarian PKS Terbaik yang berprestij oleh The Asset Triple A semasa majlis Anugerah Kewangan Islam. Pengiktirafan ini adalah bukti komitmen kami yang utuh dalam menyepadukan prinsip Alam Sekitar, Sosial dan Tadbir Urus (ESG) ke dalam strategi pembiayaan kami.**

**I am happy to share that in 2023, SME Bank was honoured with the prestigious Best SME Sustainability Sukuk Award by The Asset Triple A during the Islamic Finance Awards ceremony. This recognition is a testament to our unwavering commitment to integrating Environmental, Social, and Governance (ESG) principles into our financing strategies.**

Kami memperoleh pencapaian yang signifikan dengan meluluskan pembiayaan hampir RM2.6 bilion untuk sektor berkaitan ESG pada tahun 2023 yang dibiayai oleh Program Wakalah Sukuk Kelestarian SME Bank yang dilancarkan pada Julai 2021, dan telah memenangi pelbagai anugerah.

Program Sukuk Wakalah kami mencapai standard Emas oleh Malaysian Rating Corporation Bhd (MARC), penarafan tertinggi di bawah rangka kerja Sukuk Kelestarian MARC.

Pencapaian ini mencerminkan dedikasi kami dalam menyokong projek yang menggalakkan pemeliharaan alam sekitar, kemajuan sosial dan tadbir urus yang kukuh, yang kesemuanya merupakan asas penting untuk membina ekonomi yang berdaya tahan dan berkembang maju. Dengan menyalurkan dana khusus dan hasil daripada terbitan Sukuk kami ke arah inisiatif ini, kami memainkan peranan penting dalam memupuk pembangunan mampan.

Penghargaan dan penarafan AAA<sub>IS</sub>/MARC-1<sub>IS</sub> ke atas program sukuk kami menyerlahkan dedikasi kami terhadap standard dan nilai etika yang tinggi. Pengiktirafan sedemikian bukan sahaja menggariskan komitmen kami untuk memberi kesan positif kepada masyarakat dan alam sekitar tetapi juga mempamerkan keupayaan kami untuk memimpin melalui teladan. Kami menetapkan piawaian yang lebih tinggi untuk industri, memupuk landskap kewangan yang lebih mampan dan bertanggungjawab untuk masa hadapan.

We reached a significant milestone by approving close to RM2.6 billion in financing for ESG-related sectors in 2023, funded by our award winning Wakalah Sukuk Kelestarian Programme, which was launched in July 2021.

Our Wakalah Sukuk Programme has achieved the Gold standard by the Malaysian Rating Corporation Bhd (MARC), the highest rating under MARC's Sustainability Sukuk framework.

This achievement reflects our dedication to supporting projects that promote environmental preservation, social progress, and strong governance, all of which are foundations essential for building a resilient and thriving economy. By directing dedicated funds and proceeds from our Sukuk issuances towards these initiatives, we are playing a pivotal role in fostering sustainable development.

Awards and AAA<sub>IS</sub>/MARC-1<sub>IS</sub> rating accoladed to our sukuk programme highlighted our dedication to high ethical standards and values. Such recognition not only underscores our commitment to making a positive impact on society and the environment but also showcases our ability to lead by example. We are setting higher standards for the industry, fostering a more sustainable and responsible financial landscape for the future.

## ULASAN PRESIDEN KUMPULAN/ KETUA PEGAWAI EKSEKUTIF

### GROUP PRESIDENT/CHIEF EXECUTIVE OFFICER'S REVIEW

#### Memperkasakan Usahawan Asnaf

Kami yakin bahawa keusahawanan mempunyai potensi untuk menjadi pemangkin kepada peningkatan sosial dan transformasi ekonomi. Selaras dengan visi ini, kami meneruskan Program SME Bank iTEKAD ISHRAF pada tahun ini, satu inisiatif berimpak tinggi yang khusus untuk memperkasakan usahawan Asnaf di seluruh Malaysia.

#### SME Bank iTEKAD ISHRAF 2.0

Program ini dikendalikan melalui kerjasama dengan rakan strategik yang terdiri daripada agensi kerajaan dan institusi korporat iaitu Bank Negara Malaysia iTEKAD, Yayasan Pembangunan Ekonomi Ekonomi Malaysia (YaPEIM), Etiqa Takaful, Bank Islam, FGV Holdings Berhad dan Permodalan Nasional Berhad. Ia bertujuan untuk meningkatkan daya saing usahawan B40 yang berpotensi dengan platform, latihan dan sokongan kewangan yang diperlukan untuk membina perniagaan yang berjaya dan mampan.

Dengan jumlah dana sebanyak RM5.6 juta yang terdiri daripada RM2.0 juta dana iTEKAD yang disediakan oleh Kementerian Kewangan melalui BNM, RM1.0 juta dana zakat daripada SME Bank dan tambahan RM2.6 juta daripada rakan strategik, kami telah meluaskan jangkauan program ke seluruh negara. Inisiatif ini bukan sahaja menyokong pertumbuhan 400 usahawan Asnaf tetapi juga menyumbang kepada matlamat yang lebih luas dalam memupuk daya tahan ekonomi dan kemakmuran dalam komuniti yang kurang mendapat perkhidmatan.

Para peserta menerima latihan komprehensif daripada CEDAR dalam strategi pemasaran dan jualan, pendigitalan, pengurusan kewangan, proses dan operasi, serta pengurusan modal insan. Program ini menetapkan sasaran prestasi yang jelas, termasuk peningkatan jualan, penciptaan pekerjaan, inovasi dan penggunaan teknologi, untuk memastikan kejayaan peserta bersaing dalam pasaran kompetitif hari ini.

Pada tahun 2023, seramai 200 usahawan Asnaf dari Pahang, Perak, Johor, Pulau Pinang, Terengganu dan Kelantan telah dipilih oleh Majlis Agama Islam Negeri masing-masing. Mereka menghadiri sesi latihan dalam kelas dan sesi bimbingan secara individu yang dijalankan oleh CEDAR serta menerima geran sebanyak RM10,000. Kumpulan kedua yang terdiri daripada 200 peserta menyertai program ini pada November 2023 dan dijangka menamatkan program tersebut pada suku pertama tahun 2024.

Program SME Bank iTEKAD ISHRAF mempamerkan komitmen kami yang tidak berbelah bahagi untuk memacu impak sosial yang positif dan keterangkuman ekonomi. Dengan memperkasakan usahawan Asnaf, kami bukan sahaja mengubah kehidupan individu tetapi juga menyumbang kepada pembangunan ekonomi Malaysia yang mampan. Inisiatif tanggungjawab korporat sosial ini bertujuan untuk membantu golongan Asnaf dan B40 mengembangkan perniagaan mereka dengan lebih berkesan.

#### Empowering Asnaf Entrepreneurs

We believe in the power of entrepreneurship as a catalyst for economic transformation and social upliftment. In line with this vision, we continued the SME Bank iTEKAD ISHRAF Programme during the year, a high impact initiative designed to empower Asnaf entrepreneurs across Malaysia.

#### SME Bank iTEKAD ISHRAF 2.0

This programme thrives through the collaborative effort with strategic partners from government agencies and corporate institutions, namely Bank Negara Malaysia iTEKAD, Yayasan Pembangunan Ekonomi Ekonomi Malaysia (YaPEIM), Etiqa Takaful, Bank Islam and FGV Holdings Berhad. It aims to provide potential B40 entrepreneurs with the tools, training and financial support needed to build successful and sustainable businesses.

With the total fund of RM5.6 million which consists of RM2.0 million in iTEKAD funds provided by the Ministry of Finance through BNM, RM1.0 million zakat fund from SME Bank and an additional RM2.6 million from our strategic partners, we have expanded the programme's reach nationwide. This initiative not only supports the individual growth of 400 Asnaf entrepreneurs but also contributes to the broader goal of fostering economic resilience and prosperity within underserved communities.

Participants received comprehensive training from CEDAR in marketing and sales strategy, digitalisation, financial management, process and operations, and human capital management. The programme sets clear performance targets, including increased sales, job creation, innovation and technology adoption, ensuring participants are well-equipped to succeed in today's competitive market.

In 2023, a total of 200 Asnaf entrepreneurs from Pahang, Perak, Johor, Pulau Pinang, Terengganu and Kelantan were selected by the respective State Religious Councils. They attended classroom training and one-on-one coaching sessions conducted by CEDAR and received RM10,000 grant. A second batch of 200 participants was onboarded in November 2023 and is expected to complete the programme in the first half of 2024.

The SME Bank iTEKAD ISHRAF Programme is a testament to our unwavering commitment to drive positive social impact and economic inclusivity. By empowering Asnaf entrepreneurs, we are not only transforming individual lives but also contributing to the sustainable development of Malaysia's economy. This corporate social responsibility initiative aims to assist Asnafs and B40s develop their businesses more effectively.

#### SME Bank iTEKAD PENJANA Komuniti

Dalam komitmen berterusan kami untuk memupuk pertumbuhan ekonomi inklusif, SME Bank telah memperuntukkan RM1.24 juta dana pemudah cara untuk membantu 249 peserta Program Komuniti iTEKAD PENJANA SME Bank.

Inisiatif tanggungjawab korporat ini diolah secara strategik untuk merapatkan jurang peluang dan mewujudkan impak ekonomi yang mampan untuk usahawan B40. Program ini melengkapkan peserta dengan kemahiran, platform dan sokongan yang diperlukan untuk berjaya menubuhkan dan mengekalkan perniagaan mereka.

Kami pada asalnya melancarkan program ini pada tahun 2020 sebagai tindak balas pantas dalam membantu PMKS semasa pandemik. Sejak itu, ia telah memanfaatkan lebih 700 usahawan mikro B40, dengan lebih RM4.6 juta diperuntukkan untuk dana pemudah cara dan bimbingan keusahawanan.

#### Tinjauan Ekonomi 2024 dan Visi SME Bank untuk Kemampanan

Pertumbuhan KDNK global dijangka berkembang kepada 2.8% pada 2024, dengan ekonomi utama seperti AS dan China menghadapi prospek yang lebih lemah. Walau bagaimanapun, pertumbuhan ASEAN diunjurkan lebih kukuh pada 4.5%, disokong oleh permintaan domestik yang berdaya tahan, pelancongan yang mampan dan sektor pembuatan yang semakin pulih.

SME Bank berada pada kedudukan yang baik untuk memajukan visinya dalam memupuk masa depan yang mampan, memandangkan prospek ekonomi yang menggalakkan bagi ASEAN dan prospek pembangunan khusus di Malaysia. Dengan menyelaraskan produk kewangan dan perkhidmatan sokongan kami dengan trend pertumbuhan ini, kami dapat memupuk ekosistem PMKS yang mampan dan berdaya tahan, sekali gus menyumbang kepada kestabilan ekonomi dan penegasan terhadap alam sekitar.

Penjajaran strategik ini bukan sahaja meningkatkan peranan SME Bank dalam pembangunan ekonomi tetapi juga mengukuhkan komitmennya terhadap kemampanan, memacu perubahan positif dan mencipta nilai jangka panjang untuk semua pihak berkepentingan.

#### SME Bank iTEKAD PENJANA Komuniti

In our ongoing commitment to fostering inclusive economic growth, SME Bank has allocated RM1.24 million in facilitation fund to support 249 participants of the SME Bank iTEKAD PENJANA Komuniti Programme.

This corporate responsibility initiative is strategically designed to bridge opportunity gaps and create sustainable economic impacts for B40 entrepreneurs. The programme equips participants with the necessary skills, tools, and support to successfully establish and sustain their businesses.

We originally launched this programme in 2020 as a rapid response to support MSMEs during the pandemic. Since then, it has benefited over 700 B40 micro entrepreneurs, with more than RM4.6 million allocated for facilitation funds and entrepreneurial guidance.

#### 2024 Economic Outlook and SME Bank's Vision for Sustainability

The global GDP growth is expected to moderate to 2.8% in 2024, with major economies like the US and China facing softer outlooks. However, ASEAN growth is projected to be stronger at 4.5%, supported by resilient domestic demand, sustained tourism, and a recovering manufacturing sector.

The positive economic outlook for ASEAN and specific growth prospects in Malaysia provide a fertile ground for SME Bank to advance its vision of propelling a sustainable future. By aligning our financial products and support services with these growth trends, we can foster a resilient and sustainable MSME ecosystem, contributing to broader economic stability and environmental stewardship.

This strategic alignment not only enhances SME Bank's role in economic development but also reinforces its commitment to sustainability, driving positive change and long-term value for all stakeholders.



# ULASAN PRESIDEN KUMPULAN/ KETUA PEGAWAI EKSEKUTIF

## GROUP PRESIDENT/CHIEF EXECUTIVE OFFICER'S REVIEW

### Kesan terhadap Strategi SME Bank

Pertumbuhan yang lebih kukuh di rantau ASEAN memberikan peluang besar kepada SME Bank untuk meningkatkan sokongannya kepada PMKS dalam mengembangkan operasi perniagaan dengan menyediakan penyelesaian kewangan bersasar.

Dengan ekonomi ASEAN yang berdaya tahan, PMKS berpeluang untuk meningkatkan eksport serantau. Inisiatif SME Bank, seperti pembiayaan untuk perniagaan berorientasikan eksport dan program pembinaan kapasiti, sejajar dengan trajektori pertumbuhan serantau ini.

Jangkaan pertumbuhan KDNK Malaysia sebanyak 4.4% pada tahun 2024 yang dipacu oleh pemulihan eksport dan perbelanjaan pengguna yang mampan, adalah amat menggalakkan. SME Bank boleh menyokong PMKS tempatan dengan menyediakan pembiayaan eksport dan modal pelaburan, memudahkan integrasi mereka ke dalam rantaian bekalan global.

Selain itu, perbelanjaan pengguna yang mampan menawarkan pasaran yang stabil untuk PMKS. Kami boleh menyokong dengan menawarkan pembiayaan perniagaan yang menumpukan kepada produk dan perkhidmatan yang mampan, menggalakkan ekonomi sirkular.

### Melangkah ke Hadapan

Bagi tahun 2024, SME Bank terus komited untuk memacu pertumbuhan dan pembangunan PMKS Malaysia melalui inisiatif dan program strategik yang berimpak tinggi. Iniu termasuklah pelbagai program yang diumumkan di bawah Bajet Negara 2024, bertujuan untuk menyokong PMKS melalui bantuan kewangan dan inisiatif pembinaan kapasiti.

### Program Diumumkan Di Bawah Bajet Negara 2024

Sorotan utama termasuk Dana Transformasi Teknologi PKS (STTF) dengan dana sebanyak RM400 juta, direka untuk membantu PKS mengguna pakai pendigitalan dan automasi; Program Pembiayaan Halal Biz dengan dana sebanyak RM100 juta untuk menggalakkan penyertaan PMKS dalam ekosistem industri Halal; RM200 juta bagi Dana Kemampanan PMKS Bumiputera 2.0 untuk memartabatkan PMKS Bumiputera; dan RM300 juta bagi Program Jaguh Serantau untuk menyokong PKS Bumiputera menjadi juara serantau.

### Impact on SME Bank's Strategy

The firmer growth in the ASEAN region presents a significant opportunity for SME Bank to enhance its support for MSMEs aiming to expand their operations regionally by providing tailored financial solutions.

With ASEAN economies showing resilience, there is also a considerable opportunity to boost regional exports. SME Bank's initiatives, such as financing for export-oriented businesses and capacity-building programmes, align perfectly with this regional growth trajectory.

Malaysia's anticipated GDP growth of 4.4% in 2024, driven by a rebound in exports and sustained consumer spending, is particularly encouraging. SME Bank can support local MSMEs by providing export financing and investment capital, facilitating their integration into global supply chains.

Additionally, sustained consumer spending offers a stable market for MSMEs. We can further support this by financing businesses that focus on sustainable products and services, promoting a circular economy.

### Moving Forward

As we look ahead to 2024, SME Bank remains committed to driving the growth and development of Malaysia's MSMEs through a series of impactful initiatives and programmes. Our strategic offerings for the coming year include a range of programmes announced under the National Budget 2024, aimed at supporting MSMEs through financial assistance and capacity-building initiatives.

### Programmes Announced Under National Budget 2024

Key highlights include the RM400.0 million for SME Technology Transformation Fund (STTF), designed to help MSMEs adopt digitalisation and automation; RM100.0 million for Program Pembiayaan Halal Biz to encourage MSMEs' participation in the Halal industry ecosystem; RM200.0 million for Dana Kemampanan PMKS Bumiputera 2.0 to elevate Bumiputera SMEs; and RM300.0 million for Program Jaguh Serantau to support Bumiputera SMEs into becoming regional champions.

**RM400**  
juta/mil



Dana Transformasi Teknologi PKS (STTF) direka untuk membantu PKS mengguna pakai pendigitalan dan automasi

SME Technology Transformation Fund (STTF), designed to help MSMEs adopt digitalisation and automation

**RM15**  
juta/mil



Untuk bantuan kewangan bagi pemerolehan aset dan modal kerja untuk perusahaan sosial

For financial assistance for asset acquisition and working capital for social enterprises

Selanjutnya, Dana Pemangkin Ekosistem IBS menyediakan RM70 juta untuk menyokong kontraktor, pengilang dan pemasang IBS; Tabung Khas Pelancongan dengan dana sebanyak RM60 juta untuk memperkukuh industri pelancongan Malaysia; dan Dana Pemantapan Automasi yang menawarkan RM50 juta untuk membantu PKS dalam sektor 3D (kotor, berbahaya, sukar), dalam mengguna pakai automasi dan mengurangkan pergantungan kepada pekerja asing.

Skim Pembiayaan Perusahaan Sosial (SPPS) dengan dana sebanyak RM15 juta untuk bantuan kewangan bagi pemerolehan aset dan modal kerja untuk perusahaan sosial; manakala akhir sekali, Business Exports Programme 3.0 dengan dana sebanyak RM3 juta untuk program intervensi berstruktur bagi mewujudkan lebih ramai pengeksport Bumiputera; dan dana Juara Lestari Perusahaan Sosial 2.0 sebanyak RM1 juta untuk membantu perusahaan sosial memperoleh akreditasi dan membangunkan rancangan perniagaan yang mampan.

Further, Dana Pemangkin Ekosistem Industrial Building System provides RM70.0 million to support IBS contractors, manufacturers and installers; Tabung Khas Pelancongan with RM60.0 million allocation to bolster Malaysia's tourism industry; and Dana Pemantapan Automasi which offers RM50.0 million to assist SMEs in 3D sectors (dirty, dangerous, difficult) in adopting automation and reducing reliance on foreign workers.

The Skim Pembiayaan Perusahaan Sosial (SPPS) provides RM15.0 million for financial assistance for asset acquisition and working capital for social enterprises; while RM3.0 million under the Business Exports Programme 3.0 receives RM3 million for structured intervention programmes to create more Bumiputera exporters; and the Juara Lestari Perusahaan Sosial 2.0 allocates RM1.0 million to help social enterprises obtain accreditation and develop sustainable business plans.

# ULASAN PRESIDEN KUMPULAN/ KETUA PEGAWAI EKSEKUTIF

## GROUP PRESIDENT/CHIEF EXECUTIVE OFFICER'S REVIEW

### SME Bank XCESS 2024

Acara tahunan utama kami, SME Bank XCESS 2024, akan berlangsung pada separuh kedua tahun 2024. Disesuaikan khusus untuk pelanggan sedia ada kami, acara ini akan mereplikasi model XBB dengan mengenal pasti pembeli antarabangsa untuk sesi padanan perniagaan. Inisiatif ini akan menyediakan peluang berharga untuk membina hubungan, rangkaian dan perbincangan kolaboratif, memupuk persekitaran yang kondusif untuk pertumbuhan dan perkongsian strategik.

### Jom XCESS 2024

SME Bank akan bekerjasama dengan agensi kerajaan yang berkaitan, pihak berkuasa koridor wilayah, penyedia geran, agensi pembangunan usahawan, dewan perniagaan dan persatuan perniagaan. Kerjasama ini bertujuan untuk menyediakan penyelesaian komprehensif tersedia untuk PMKS, menyokong pertumbuhan dan pembangunan mereka di seluruh wilayah.

### Zero-to-Hero 2.0

Bagi menyokong agenda kerajaan untuk membantu golongan penganggur dalam memperoleh kemahiran penting untuk kelangsungan hidup masa depan, program Zero-to-Hero 2.0 akan diteruskan pada tahun 2024. Peserta akan dibekalkan dengan sijil kecekapan yang diperlukan dan pengetahuan berguna untuk mendapatkan peluang pekerjaan yang lebih baik dalam bidang perancah dan automotif, memperkasakan mereka dengan kemahiran yang diperlukan untuk kerjaya yang mampan.

### SME Bank XCESS 2024

Our flagship annual event, SME Bank XCESS 2024, is set to take place in the second half of the year. Specifically tailored for our existing clients, this event will replicate the successful XBB model by identifying international buyers for business matching sessions. This initiative will provide valuable opportunities for relationship-building, networking and collaborative discussions, fostering a conducive environment for growth and strategic partnerships.

### Jom XCESS 2024

SME Bank will collaborate with relevant government agencies, regional corridor authorities, grant providers, entrepreneur development agencies, chambers of commerce and business organisations. This collaboration aims to ensure comprehensive solutions are available to MSMEs, supporting their growth and development across the regions.

### Zero-to-Hero 2.0

In support of the government's agenda to assist the unemployed in acquiring essential skills for future survival, the Zero-to-Hero 2.0 programme will continue in 2024. Participants will be provided with the necessary certificates of competency and useful knowledge to secure better employment opportunities in the scaffolding and automotive fields, empowering them with the skills needed for sustainable careers.

### Penghargaan

Saya ingin mengakhiri ulasan saya dengan mengucapkan ribuan terima kasih kepada seluruh warga SME Bank, termasuk Ahli Lembaga Pengarah yang dihormati, rakan sekerja di dalam Pasukan Pengurusan, dan setiap kakitangan yang berdedikasi di seluruh organisasi. Komitmen yang tidak berbelah bahagi dan sumbangan secara kolektif telah mendorong kami untuk menjadi Institusi Kewangan Pembangunan terkemuka hari ini.

Penting bagi saya untuk mengiktiraf sokongan tidak ternilai daripada semua individu di Kementerian Kewangan, KUSKOP dan BNM.

Akhir sekali, terima kasih yang tidak terhingga saya ucapkan kepada semua pihak berkepentingan terutamanya pelanggan dan rakan perniagaan kami. Dengan sokongan mereka yang tidak ternilai dan disokong oleh asas kukuh kami, kami menjangkakan kejayaan yang berterusan pada tahun 2024.

Saya yakin bahawa SME Bank akan terus berada di hadapan dalam meningkatkan kesedaran alam sekitar dan menyediakan penyelesaian yang mampan untuk menggalakkan keterangkuman kewangan, dan akhirnya, membina masa depan yang lebih baik untuk semua.

**DATUK WIRA (DR.) ARIA PUTERA ISMAIL**  
Presiden Kumpulan/Ketua Pegawai Eksekutif  
Group President/Chief Executive Officer

### Acknowledgements

In concluding my statement, I want to express my heartfelt appreciation to the entire SME Bank team, from our esteemed Board of Directors to my colleagues in the Management Team, and every dedicated employee across the organisation. Your unwavering commitment and your individual contributions have collectively propelled us to become a leading Development Financial Institution that we are today.

It is essential to recognise the invaluable support of everyone at the Ministry of Finance, Ministry of Entrepreneur Development and Cooperatives and Bank Negara Malaysia.

Last but never the least, my utmost gratitude goes to all our stakeholders especially our customers and business partners. With their invaluable support and bolstered by our robust foundation, we anticipate another fruitful year in 2024.

As we continue to advance our mission, I am confident that SME Bank will remain at the forefront of enhancing environmental consciousness and providing sustainable solutions to promote financial inclusivity, and ultimately, building a better future for all.

# INOVASI MENDORONG PERTUMBUHAN MAMPAN

## INNOVATION DRIVING SUSTAINABLE GROWTH

Inovasi adalah teras strategi SME Bank Malaysia Berhad. Kami sentiasa mencari cara baharu untuk memacu pertumbuhan mampan melalui teknologi canggih dan penyelesaian yang progresif. Dengan mengamalkan inovasi, kami sedang membentuk masa depan di mana kejayaan ekonomi dan kelestarian alam sekitar berjalan seiring, sekali gus mewujudkan nilai berpanjangan untuk pihak berkepentingan dan komuniti yang kami sokong.

Innovation is at the heart of our strategy at SME Bank Malaysia Berhad. We are constantly seeking new ways to drive sustainable growth through cutting-edge technologies and forward-thinking solutions. By embracing innovation, we are paving the way for a future where economic success and environmental sustainability go hand in hand, creating lasting value for our stakeholders and the communities we support.



## LEMBAGA PENGARAH BOARD OF DIRECTORS

**En. Zulkiflee Hashim**  
Pengaruh Bebas  
Bukan Eksekutif  
Independent  
Non-Executive  
Director

**Dato' Muslim  
Hussain**  
Pengerusi Bukan  
Eksekutif  
Non-Executive  
Chairman

**Datuk Ahmad Hizzad  
Baharuddin**  
Pengaruh Bebas  
Bukan Eksekutif  
Independent  
Non-Executive Director

**Pn. Suharti Mohd Ali**  
Pengaruh Bebas  
Bukan Eksekutif  
Independent  
Non-Executive  
Director

**Datuk Haji Zamri@  
Fazillah Salleh**  
Pengaruh Bukan  
Bebas Bukan Eksekutif  
Non-Independent  
Non-Executive  
Director

**Datuk Wan Azhar  
Wan Ahmad**  
Pengaruh Bebas  
Bukan Eksekutif  
Independent  
Non-Executive  
Director

**Pn. Rozainah Awang**  
Pengaruh Bebas  
Bukan Eksekutif  
Independent  
Non-Executive  
Director

**Pn. Afidah Azwa  
Abdul Aziz**  
Pengaruh Bukan  
Bebas Bukan  
Eksekutif  
Non-Independent  
Non-Executive  
Director



# PROFIL LEMBAGA PENGARAH

## BOARD OF DIRECTORS PROFILE

### DATO' MUSLIM HUSSAIN

Pengerusi Bukan Eksekutif / Non-Executive Chairman

#### KELAYAKAN

- Ijazah Sarjana Muda, Universiti Malaya
- Sijil Undang-undang Tinggi - Maktab Polis Diraja Malaysia
- Diploma Pengajaran Bahasa Inggeris sebagai Bahasa Kedua (TESL)

#### PENGALAMAN

- Ketua Pegawai Risiko Agrobank dari 2011 hingga 2017
- Malayan Banking Berhad (Maybank) dari 1984 hingga 2011 (menyandang pelbagai jawatan antaranya Pegawai Kredit, Pegawai Kelulusan Kredit, Ketua Dasar Kredit & Pengurusan Risiko Kredit Portfolio dan Timbalan Presiden Eksekutif dan Ketua Risiko Operasi Kumpulan Maybank)

#### JAWATAN PENGARAH

- Semasa: Lain-lain Syarikat/Badan**
- Pengerusi Jawatankuasa Pengurusan Risiko Dana Peladang Kebangsaan ("DPK")/NAFAS
  - Ahli Jawatankuasa Pemandu DPK/NAFAS.

**Terdahulu: Lain-lain Syarikat/Badan**  
Tiada

**Keahlian Jawatankuasa Lembaga SME BANK**  
Tiada

**Pegangan Saham Dalam SME Bank**  
Tiada

#### QUALIFICATION

- B.A (Hons), University of Malaya
- Certificate in Police High Law, Royal Malaysian Police College
- Diploma in Teaching English as Second Language (TESL)

#### WORKING EXPERIENCE

- Chief Risk Officer of Agrobank from 2011 to 2017
- Malayan Banking Berhad (Maybank) from 1984 to 2011 (held various positions among others Credit Officer, Credit Approval Officer, Head Credit Policy & Portfolio Management Credit Risk and Executive Vice President & Head of Maybank Group Operational Risk)

#### DIRECTORSHIPS

##### Present: Other Companies/Bodies

- Chairman of Risk Management Committee of Dana Peladang Kebangsaan ("DPK")/NAFAS
- Member of the Steering Committee of DPK/NAFAS

##### Past: Other Companies/Bodies

Nil

##### Membership of Board Committees in SME Bank

Nil

##### Shareholding in SME Bank

Nil



Warganegara /  
Nationality:  
**Malaysia /  
Malaysian**



Umur / Age:  
**67 / 67**



Jantina / Gender:  
**Lelaki / Male**



Tarikh Pelantikan /  
Date of Appointment:



- **1 September 2018 sebagai Pengerah Bebas Bukan Eksekutif**
- **1 Oktober 2023 sebagai Pengerusi Bukan Eksekutif/**
- **1 September 2018 as Independent Non-Executive Director**
- **1 October 2023 as Non-Executive Chairman**

Kehadiran Mesyuarat  
Lembaga Pengarah 2023 /  
Board Meeting Attendance  
2023:  
**12/12 (100%)**



### DATUK AHMAD HIZZAD BAHARUDDIN

Pengarah Bebas Bukan Eksekutif / Independent Non-Executive Director

#### KELAYAKAN

- Ijazah Sarjana Pentadbiran Perniagaan - St. Louis University, Missouri Amerika Syarikat
- Ijazah Sarjana Muda Pengajian Perniagaan - Eastern Illinois University

#### PENGALAMAN

- Penolong Gabenor Bank Negara Malaysia dari 2014 hingga 2018
- Ketua Pengarah, Labuan Financial Services Authority dari 2011 hingga 2017

#### JAWATAN PENGARAH

##### Semasa: Lain-lain Syarikat/Badan

- Pengerusi FWD Takaful Berhad
- Pengerusi KAF Digital Berhad
- Felo Fakulti Perbankan Islam, Universiti Utara Malaysia
- Felo Chartered Banker, Asian Institute of Chartered Banker

##### Terdahulu: Lain-lain Syarikat/Badan

- Pengerusi Payment Network Malaysia Sdn Bhd (Paynet)

##### Keahlian Jawatankuasa Lembaga SME BANK

- Jawatankuasa Lembaga Pencalonan dan Imbuhan (Pengerusi)
- Jawatankuasa Lembaga Pengurusan Risiko (Pengerusi)
- Jawatankuasa Lembaga Audit (Ahli)
- Jawatankuasa Lembaga Teknologi Maklumat (Ahli)

**Pegangan Saham Dalam SME Bank**  
Tiada

#### QUALIFICATION

- Master of Business Administration, St. Louis University, Missouri United States of America
- Bachelor in Business Studies, Eastern Illinois University, Illinois United States of America

#### WORKING EXPERIENCE

- Assistant Governor, Bank Negara Malaysia from 2014 to 2018
- Director General, Labuan Financial Services Authority from 2011 to 2017

#### DIRECTORSHIPS

##### Present: Other Companies/Bodies

- Chairman of FWD Takaful Berhad
- Chairman of KAF Digital Berhad
- Fellow of Islamic Banking School of University Utara Malaysia
- Fellow Chartered Banker, Asian Institute of Chartered Banker

##### Past: Other Companies/Bodies

- Chairman of Payment Network Malaysia Sdn Bhd (Paynet)

##### Membership of Board Committees in SME Bank

- Board Nomination and Compensation Committee (Chairman)
- Board Risk Management Committee (Chairman)
- Board Audit Committee (Member)
- Board Information Technology Committee (Member)

##### Shareholding in SME Bank

Nil



Warganegara /  
Nationality:  
**Malaysia /  
Malaysian**



Umur / Age:  
**60 / 60**



Jantina / Gender:  
**Lelaki / Male**



Tarikh Pelantikan /  
Date of Appointment:



- **6 Mac 2019/  
6 March 2019**

Kehadiran Mesyuarat  
Lembaga Pengarah 2023 /  
Board Meeting Attendance  
2023:



**11/12 (92%)**

##### Shareholding in SME Bank

Nil

## PROFIL LEMBAGA PENGARAH

### BOARD OF DIRECTORS PROFILE

#### ZULKIFLEE HASHIM

Pengarah Bebas Bukan Eksekutif / Independent Non-Executive Director

##### KELAYAKAN

- Diploma Pengurusan Kredit – Institut Teknologi MARA (kini dikenali Universiti Teknologi MARA)

##### PENGALAMAN

- Ketua Pegawai Operasi, Sokongan Strategik Kumpulan, Hong Leong Bank Berhad dari 2011 hingga 2015
- Pengarah Eksekutif, Hong Leong Bank Berhad dari 1998 hingga 2011
- Timbalan Pengarah Pengurusan, Deutsche Bank (Malaysia) Berhad dari 1991 hingga 1997
- Pelbagai jawatan kanan dengan jawatan terakhir sebagai Naib Presiden, Citibank dari tahun 1979 hingga 1991

##### JAWATAN PENGARAH

###### Semasa: Lain-lain Syarikat/Badan

- Pengarah GuocoLand (Malaysia) Berhad
- Pengarah Hong Leong MSIG Takaful Berhad
- Pengarah Al Rajhi Banking & Investment Corporation (Malaysia) Bhd

###### Terdahulu: Lain-lain Syarikat/Badan

- Pengarah, Hong Leong Bank Berhad

##### Keahlian Jawatankuasa Lembaga SME BANK

- Jawatankuasa Lembaga Pembiayaan dan Pelaburan (Pengerusi)
- Jawatankuasa Lembaga Audit (Pengerusi)
- Jawatankuasa Lembaga Pengurusan Risiko (Ahli)
- Jawatankuasa Lembaga Teknologi Maklumat (Ahli)

##### Pegangan Saham Dalam SME Bank

Tiada

##### QUALIFICATION

- Diploma in Credit Management, Institut Teknologi MARA (now known as Universiti Teknologi MARA)

##### WORKING EXPERIENCE

- Chief Operating Officer Group Strategic Support, Hong Leong Bank Berhad from 2011 to 2015
- Executive Director, Hong Leong Bank Berhad from 1998 to 2011
- Deputy Managing Director, Deutsche Bank (Malaysia) Berhad from 1991 to 1997
- Various senior positions with last position as Vice President, Citibank from 1979 to 1991

##### DIRECTORSHIPS

###### Present: Other Companies/Bodies

- Director of GuocoLand (Malaysia) Berhad
- Director of Hong Leong MSIG Takaful Berhad
- Director of Al Rajhi Banking & Investment Corporation (Malaysia) Bhd

###### Past: Other Companies/Bodies

- Director of Hong Leong Bank Berhad

##### Membership of Board Committees in SME Bank

- Board Financing and Investment Committee (Chairman)
- Board Audit Committee (Chairman)
- Board Risk Management Committee (Member)
- Board Information Technology Committee (Member)

##### Shareholding in SME Bank

Nil



Warganegara /  
Nationality:  
**Malaysia /  
Malaysian**



Umur / Age:  
**65 / 65**



Jantina / Gender:  
**Lelaki / Male**



Tarikh Pelantikan /  
Date of Appointment:  
**6 Mac 2019/  
6 March 2019**



Kehadiran Mesyuarat  
Lembaga Pengarah 2023 /  
Board Meeting Attendance  
2023:  
**12/12 (100%)**



#### SUHARTI MOHD ALI

Pengarah Bebas Bukan Eksekutif / Independent Non-Executive Director

##### KELAYAKAN

- Ijazah Sarjana Pentadbiran Perniagaan (MBA) - Universiti Utara Malaysia
- Diploma Pentadbiran Awam (Inggeris) – Institut Teknologi MARA (UiTM)

##### PENGALAMAN

- Pengarah, Transformasi Teknologi Maklumat, Celcom Axiata dari 2012 hingga 2016
- Pelbagai Jawatan di Telekom Malaysia dari 1980 hingga 2012, jawatan terakhir sebagai Pengurus Besar, IT HSBB Project (“NOVA”)
- Pegawai Sumber Manusia, Karyaneka (dahulu dikenali sebagai Batik Malaysia) dari tahun 1979 hingga 1980

##### JAWATAN PENGARAH

###### Semasa: Lain-lain Syarikat/Badan

- Pengarah Takaful Ikhlas Family Berhad

###### Terdahulu: Lain-lain Syarikat/Badan

- Pengarah CEIL Sdn Bhd

##### Keahlian Jawatankuasa Lembaga SME BANK

- Jawatankuasa Lembaga Teknologi Maklumat (Pengerusi)
- Jawatankuasa Lembaga Audit (Ahli)
- Jawatankuasa Lembaga Pengurusan Risiko (Ahli)
- Jawatankuasa Lembaga Pembiayaan dan Pelaburan (Ahli)

##### Pegangan Saham Dalam SME Bank

Tiada

##### QUALIFICATION

- Master of Business Administration (MBA) from Universiti Utara Malaysia
- Diploma in Public Administration (English) from MARA Institute of Technology (UiTM)

##### WORKING EXPERIENCE

- Director of IT Transformation, Celcom Axiata from 2012 to 2016
- Various Position Telekom Malaysia from 1980 to 2012, the last position being the General Manager, IT HSBB Project (“NOVA”)
- Human Resources Officer, Karyaneka (then known as Batik Malaysia) from 1979 to 1980

##### DIRECTORSHIPS

###### Present: Other Companies/Bodies

- Director of Takaful Ikhlas Family Berhad

###### Past: Other Companies/Bodies

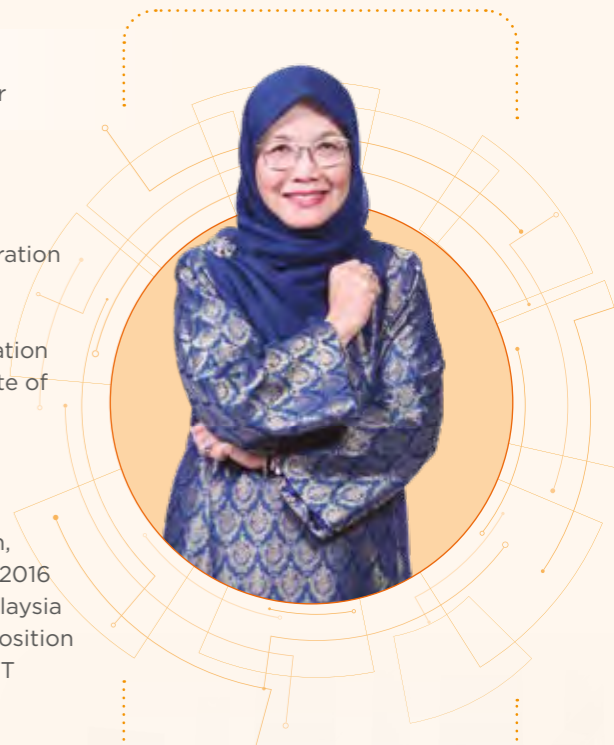
- Director of CEIL Sdn Bhd

##### Membership of Board Committees in SME Bank

- Board Information Technology Committee (Chairman)
- Board Risk Management Committee (Member)
- Board Financing and Investment Committee (Member)
- Board Nomination and Compensation Committee (Member)

##### Shareholding in SME Bank

Nil



Warganegara /  
Nationality:  
**Malaysia /  
Malaysian**



Umur / Age:  
**65 / 65**



Jantina / Gender:  
**Perempuan / Female**



Tarikh Pelantikan /  
Date of Appointment:  
**1 Mac 2021/  
1 March 2021**



Kehadiran Mesyuarat  
Lembaga Pengarah 2023 /  
Board Meeting Attendance  
2023:  
**12/12 (100%)**



## PROFIL LEMBAGA PENGARAH

### BOARD OF DIRECTORS PROFILE

#### DATUK HAJI ZAMRI @ FAZILLAH SALLEH

Pengarah Bukan Bebas Bukan Eksekutif / Non-Independent Non-Executive Director

#### KELAYAKAN

- Ijazah Sarjana Sains (Pengurusan), Universiti Utara Malaysia (UUM)
- Ijazah Sarjana Muda Kejuruteraan Awam, Universiti of Nebraska, Amerika Syarikat
- Diploma Sains Pengurusan – Institut Tadbiran Awam Negara (INTAN).

#### PENGALAMAN

- Timbalan Ketua Setiausaha (Pembangunan Usahawan), Kementerian Pembangunan Usahawan dan Koperasi (KUSKOP) dari April 2020 hingga kini
- Timbalan Setiausaha (Pengurusan) Kementerian Perumahan dan Kerajaan Tempatan (KPKT) dari 2019 hingga 2020
- Timbalan Setiausaha (Kesejahteraan Bandar), Kementerian Perumahan dan Kerajaan Tempatan (KPKT) dari 2017 hingga 2019
- Setiausaha Bahagian, Bahagian Pembangunan Projek dan Pelaksanaan Kesejahteraan Bandar, Kementerian Pembangunan dan Kerajaan Tempatan (KPKT) dari June 2016 sehingga Ogos 2017
- Timbalan Pengarah, Bahagian Penyelidikan, Perancangan dan Dasar, Jabatan Perkhidmatan Awam dari 2013-2015
- Pengarah, Jabatan Penstrukturan Komuniti, ICU, Jabatan Perdana Menteri dari 2009 hingga 2012
- Timbalan Pengarah Kanan, Kementerian Pembangunan Usahawan dan Koperasi (KUSKOP) dari 2005 hingga 2007
- Pelbagai jawatan di Jabatan Perdana Menteri dari 1989 hingga 2005.

#### JAWATAN PENGARAH

##### Semasa: Lain-lain Syarikat/Badan

- Lembaga Pemegang Amanah Tekun Malaysia
- Lembaga Pemegang Amanah Yayasan Didik Negara
- Lembaga Penasihat Yayasan Wilayah Persekutuan
- Lembaga Pemegang Amanah Yayasan Bank Rakyat

##### Terdahulu: Lain-lain Syarikat/Badan

- Pengarah UDA Holdings Berhad.
- Pengarah SME Corp Malaysia
- Pengarah Suruhanjaya Koperasi Malaysia
- Pengarah Institut Koperasi Malaysia
- Lembaga Pemegang Amanah Institut Keusahawanan Negara (INSKEN)

##### Keahlian Jawatankuasa Lembaga SME BANK

- Jawatankuasa Lembaga Audit (Ahli)
- Jawatankuasa Lembaga Pencalonan dan Imbuan (Ahli)
- Jawatankuasa Lembaga Teknologi Maklumat (Ahli)

##### Pegangan Saham Dalam SME Bank

Tiada

#### QUALIFICATION

- Master of Science (Management), Universiti Utara Malaysia (UUM)
- Bachelor's Degree in Civil Engineering, University of Nebraska, United States
- Diploma in Science Management, National Institute of Public Administration (INTAN)

#### WORKING EXPERIENCE

- Deputy Secretary General (Entrepreneurship Development), Ministry of Entrepreneur and Cooperatives (KUSKOP) from April 2020 to present
- Deputy Secretary General (Management), Ministry, Housing and Local Government (KPKT) from 2019 to 2020
- Deputy Secretary General (Urban Wellbeing), Ministry of Housing and Local Government (KPKT) from 2017 to 2019
- Divisional Secretary, Project Development and Implementation Division Ministry of Urban Wellbeing, Housing and Local Government from June 2016 to August 2017
- Deputy Director, Research, Planning and Policy Division Public Service Department from 2013 to 2015
- Director, Community Restructuring Division ICU, Prime Minister's Department from 2009 to 2012
- Principal Assistant Director, Ministry of Entrepreneur Development and Cooperatives (MECD) from 2005 to 2007
- Various positions in Prime Minister's Department from 1989 to 2005.

#### DIRECTORSHIPS

##### Present: Other Companies/Bodies

- Board of Trustee of Tekun Malaysia
- Board of Trustee of Yayasan Didik Negara
- Advisory Board of Yayasan Wilayah Persekutuan
- Board of Trustee of Yayasan Bank Rakyat

##### Past: Other Companies/Bodies

- Director of UDA Holdings Berhad.
- Director of SME Corp Malaysia
- Director of Suruhanjaya Koperasi Malaysia
- Director of Institut Koperasi Malaysia
- Board of Trustee of Institut Keusahawanan Negara (INSKEN)

##### Membership of Board

##### Committees in SME Bank

- Board Audit Committee (Member)
- Board Nomination and Compensation Committee (Member)
- Board Information Technology Committee (Member)

##### Shareholding in SME Bank

Nil



Warganegara /  
Nationality:  
**Malaysia /  
Malaysian**



Umur / Age:  
**58 / 58**



Jantina / Gender:  
**Lelaki / Male**



Tarikh Pelantikan /  
Date of Appointment:  
**1 Februari 2023 /  
1 February 2023**



Kehadiran Mesyuarat  
Lembaga Pengarah 2023 /  
Board Meeting Attendance  
2023:  
**10/11 (91%)**



## PROFIL LEMBAGA PENGARAH BOARD OF DIRECTORS PROFILE

### AFIDAH AZWA ABDUL AZIZ

Pengarah Bukan Bebas Bukan Eksekutif / Non-Independent Non-Executive Director

#### KELAYAKAN

- Ijazah Sarjana Ekonomi - Universiti Putra Malaysia (UPM)
- Ijazah Sarjana Muda Ekonomi - Universiti Islam Antarabangsa Malaysia (UIA)
- Diploma Lulusan Ijazah dalam Pentadbiran Awam - Institut Tadbiran Awam Negara (INTAN)

#### PENGALAMAN

- Timbalan Setiausaha, Bahagian Sektor Komersil Syarikat Pelaburan Kerajaan, Kementerian Kewangan dari 2022 sehingga kini
- Timbalan Setiausaha, Sektor Penilaian Pelaburan, Bahagian Pelaburan Strategik, Kementerian Kewangan dari 2017 hingga 2022
- Ketua Bahagian, Sektor Penilaian, Bahagian Pelaburan Strategik, Kementerian Kewangan dari 2014 hingga 2017
- Penolong Setiausaha Utama, Unit Infrastruktur 1, Bahagian Pelaburan Strategik, Kementerian Kewangan pada tahun 2014.
- Penolong Setiausaha Utama, Unit Jaminan Kerajaan, Hutang & Institusi Amanah, Bahagian Pelaburan Strategik, Kementerian Kewangan dari 2009 hingga 2014.
- Timbalan Setiausaha Bahagian, Unit Pentadbiran dan Kewangan, Bahagian Pengurusan Pinjaman dan Pasaran Kewangan, Kementerian Kewangan dari 2006 sehingga 2007
- Penolong Setiausaha, Unit Pasaran Modal Industri, Pengurusan Pinjaman, Bahagian Pasaran Kewangan dan Aktuari, Kementerian Kewangan dari 2003 sehingga 2006
- Penolong Setiausaha Unit Perbankan Industri, Bahagian Pengurusan Pinjaman, Pasaran Kewangan dan Aktuari, Kementerian Kewangan dari Mei 2002 sehingga Disember 2003
- Penolong Setiausaha, Bahagian Ekonomi dan Antarabangsa, Kementerian Kewangan dari April 2001 hingga October 2001.

#### JAWATAN PENGARAH

##### Semasa: Lain-lain Syarikat/Badan

- Pengarah Perbadanan Nasional Berhad ("PERNAS")
- Pengarah Lembaga Pinjaman Perumahan Sektor Awam ("LPPSA"),
- Pengarah Perbadanan Tabung Pendidikan Tinggi Nasional ("PTPTN")
- Panel Pelaburan Lembaga Tabung Angkatan Tentera ("LTAT")

##### Terdahulu: Lain-lain Syarikat/Badan

- Pengarah Perbadanan Usahawan Nasional Berhad
- Pengarah TEKUN Nasional
- Pengarah Malaysia Digital Economy Corporation (MDEC)
- Ahli Malaysian Venture Capital Development Council (MVCDC)

##### Keahlian Jawatankuasa Lembaga SME BANK

- Jawatankuasa Lembaga Pembiayaan dan Pelaburan (Ahli)
- Jawatankuasa Lembaga Pencalonan dan Imbuan (Ahli)
- Jawatankuasa Lembaga Pengurusan Risiko (Ahli)

##### Pegangan Saham Dalam SME Bank

Tiada

#### QUALIFICATION

- Master's in Economics, Universiti Putra Malaysia (UPM)
- Bachelor's Degree in economics from International Islamic University Malaysia (IIUM)
- Post Graduate Diploma in Public Administration, National Institute of Public Administration (INTAN)

#### WORKING EXPERIENCE

- Deputy Undersecretary, Commercial Sector Government Investment Companies Division, Ministry of Finance from 2022 to present
- Deputy Undersecretary, Investment Evaluation Sector, Strategic Investment Division, Ministry of Finance from 2017 to 2022
- Head of Section, Evaluation Section, Strategic Investment Division, Ministry of Finance from 2014 to 2017
- Principal Assistant Secretary, Infrastructure 1-unit, Strategic Investment Division, Ministry of Finance in 2014
- Principal Assistant Secretary, Government Guarantee, Debt & Trust Institutions Unit, Strategic Investment Division, Ministry of Finance from 2009 to 2014
- Principal Assistant Secretary, Administrative and Finance Unit, Loan Management and Financial Market Division, Ministry of Finance from 2006 to 2007
- Assistant Secretary, Capital Market Industry Unit, Loan Management, Financial Market and Actuary Division, Ministry of Finance from 2003 to 2006
- Assistant Secretary, Banking Industry Unit, Loan Management, Financial Market and Actuary Division, Ministry of Finance from May 2002 to December 2003
- Assistant Secretary, Economic and International Division, Ministry of Finance from April 2001 to October 2001.

#### DIRECTORSHIPS

##### Present: Other Companies/Bodies

- Director of Perbadanan Nasional Berhad ("PERNAS")
- Director of Lembaga Pinjaman Perumahan Sektor Awam ("LPPSA"),
- Director of Perbadanan Tabung Pendidikan Tinggi Nasional ("PTPTN")
- Panel Investment of Lembaga Tabung Angkatan Tentera ("LTAT")

##### Past: Other Companies/Bodies

- Director of Perbadanan Usahawan Nasional Berhad
- Director of TEKUN Nasional
- Director of Malaysia Digital Economy Corporation ("MDEC")
- Member of Malaysian Venture Capital Development Council "(MVCDC")

##### Membership of Board

##### Committees in SME Bank

- Board Financing and Investment Committee (Member)
- Board Nomination and Compensation Committee (Member)
- Board Risk and Management Committee (Member)

##### Shareholding in SME Bank

Nil



Warganegara /  
Nationality:  
**Malaysia /  
Malaysian**



Umur / Age:  
**48 / 48**



Jantina / Gender:  
**Perempuan / Female**



Tarikh Pelantikan /  
Date of Appointment:  
**1 Februari 2023 /  
1 February 2023**



Kehadiran Mesyuarat  
Lembaga Pengarah 2023 /  
Board Meeting Attendance  
2023:  
**10/11 (91%)**





## PROFIL LEMBAGA PENGARAH

### BOARD OF DIRECTORS PROFILE

#### ROZAINAH AWANG

Pengarah Bebas Bukan Eksekutif / Independent Non-Executive Director

#### KELAYAKAN

- Ahli Bersekutu Institut Akauntan Pengurusan Bertauliah ("CIMA"), United Kingdom; dan Ahli Kelayakan Institut Akauntan Malaysia ("MIA").

#### PENGALAMAN

- Naib Presiden Kewangan / Ketua Pegawai Kewangan MISC Berhad dari tahun 2013 hingga 2019
- Pengurus Besar dan Pengurus Kanan di pelbagai jabatan di MISC termasuk Unit Perniagaan Kewangan Offshore, Perancangan Strategik dan Kewangan & Perkhidmatan Projek, dan Perniagaan Offshore dari tahun 2002 hingga 2013;
- Akauntan Kanan di Colgate Palmolive (M) Sdn. Bhd dari tahun 1998 hingga 2002;
- Ketua Jabatan Kewangan KUB GAS Sdn Bhd dari tahun 1997 hingga 1998.

#### JAWATAN PENGARAH

**Semasa: Lain-lain Syarikat/Badan**

- Pengarah Swift Haulage Berhad

**Terdahulu: Lain-lain Syarikat/Badan**

- Ahli Majlis MARA
- Pengarah Malaysia Marine and Heavy Engineering Holdings Berhad
- Pengarah Labuan Reinsurance (L) Limited
- Pengarah The London P&I Club
- Pengarah pelbagai anak syarikat Kumpulan MISC

**Keahlian Jawatankuasa Lembaga Pengarah di SME Bank**

- Jawatankuasa Lembaga Audit (Ahli)
- Jawatankuasa Lembaga Pengurusan Risiko (Ahli)
- Jawatankuasa Lembaga Kewangan dan Pelaburan (Ahli)

**Pegangan Saham Dalam SME Bank**  
Tiada

#### QUALIFICATION

- Fellow Member of Chartered Institute of Management Accountant ("CIMA"), United Kingdom; and Qualified Member of Malaysia Institute of Accountants ("MIA")

#### WORKING EXPERIENCE

- Vice President of Finance/ Chief Financial Officer of MISC Berhad from 2013 to 2019;
- General Manager and Senior Manager in various departments at MISC including Finance Offshore Business Unit, Strategic Planning and Finance & Project Services, and Offshore Business from 2002 to 2013;
- Senior Cost Accountant Colgate Palmolive (M) Sdn. Bhd from 1998 to 2002;
- Head of Finance Department of KUB GAS Sdn Bhd from 1997 to 1998.

#### DIRECTORSHIPS

**Present: Other Companies/Bodies**

- Director of Swift Haulage Berhad.

**Past: Other Companies/Bodies**

- Council Member of MARA
- Director of Malaysia Marine and Heavy Engineering Holdings Berhad
- Directo of Labuan Reinsurance (L) Limited,
- Director of The London P&I Club
- Director of various subsidiaries of MISC Group

**Membership of Board Committees in SME Bank**

- Board Audit Committee (Member)
- Board Risk Management Committee (Member)
- Board Financing and Investment Committee (Member)

**Shareholding in SME Bank**  
Nil



Warganegara /  
Nationality:  
**Malaysia /  
Malaysian**



Umur / Age:  
**56 / 56**



Jantina / Gender:  
**Perempuan / Female**



Tarikh Pelantikan /  
Date of Appointment:  
**1 Januari 2024/  
1 January 2024**



#### DATUK WAN AZHAR WAN AHMAD

Pengarah Bebas Bukan Eksekutif / Independent Non-Executive Director

#### KELAYAKAN

- Sarjana Perniagaan Pentadbiran Perniagaan Antarabangsa - National University San Diego, Amerika Syarikat
- Ijazah Sarjana Muda Perniagaan (Kewangan) - Universiti Pacific, Stockton, Amerika Syarikat
- Diploma dalam Pengajian Perniagaan - Universiti Teknologi MARA (UiTM)

#### PENGALAMAN

- Ketua Pegawai Eksekutif, Credit Guarantee Corporation Malaysia Berhad ("CGC") dari tahun 1997 hingga 2014.
- Timbalan Pengurus Besar, CGC dari tahun 1995 hingga 1997
- Ketua Operasi Cawangan, CGC dari tahun 1993 hingga 1995

#### JAWATAN PENGARAH

**Semasa: Lain-lain Syarikat/Badan**

- Pengerusi Alliance Islamic Bank Berhad

**Terdahulu: Lain-lain Syarikat/Badan**

- Pengarah Urusan Credit Guarantee Corporation Malaysia Berhad ("CGC")
- Pengarah Alliance Bank Malaysia Berhad
- Pengerusi Jawatankuasa Penyelesaian Hutang Kecil di Bank Negara Malaysia
- Pengarah Bank Pembangunan Malaysia Berhad dan Pengerusi Anak Syarikatnya
- Pengarah Bina Darulaman Berhad
- Pengarah Tekun Nasional Malaysia (Institut Mikro Kredit)
- Ahli Lembaga Amanah NAMA Foundation
- Pengerusi Credit Bureau Malaysia Sdn Bhd (Agensi Penarafan)
- Pengerusi Persatuan Institusi Pembiayaan Pembangunan Asia dan Pasifik ("ADFIAP")

**Keahlian Jawatankuasa Lembaga Pengarah di SME Bank**

- Jawatankuasa Lembaga Audit (Ahli)
- Jawatankuasa Lembaga Pengurusan Risiko Pengarah (Ahli)
- Jawatankuasa Lembaga Pembiayaan dan Pelaburan (Ahli)
- Jawatankuasa Lembaga Pencalonan dan Imbuhan (Ahli)

**Pegangan Saham Dalam SME Bank**  
Nil

#### QUALIFICATION

- Master of Business Administration (International Business) from National University San Diego, United States of America
- Bachelor's in Business Administration (Finance) from the University of Pacific, Stockton, United States of America,
- Diploma in Business Studies from Universiti Teknologi MARA ("UiTM")

#### WORKING EXPERIENCE

- Chief Executive Officer, Credit Guarantee Corporation Malaysia Berhad ("CGC") from 1997 to 2014.
- Assistant General Manager, CGC from 1995 to 1997;
- Head of Branches Operations, CGC from 1993 to 1995.

#### DIRECTORSHIPS

**Present: Other Companies/Bodies**

- Chairman of Alliance Islamic Bank Berhad

**Past: Other Companies/Bodies**

- Managing Director of Credit Guarantee Corporation Malaysia Berhad ("CGC")
- Director of Alliance Bank Malaysia Berhad
- Chairman of and Small Debt Resolution Committee ("SDRC") at Bank Negara Malaysia.
- Director of Bank Pembangunan Malaysia Berhad and Chairman of its Subsidiaries
- Director of Bina Darulaman Berhad
- Director of Tekun Nasional Malaysia (Microcredit Institution)
- Board Trustee of NAMA Foundation
- Chairman of Credit Bureau Malaysia Sdn Bhd (Rating Agency)
- Chairman of the Association of Development Financing Institutions in Asia and the Pacific ("ADFIAP")

**Membership of Board Committees in SME Bank**

- Board Audit Committee (Member)
- Board Risk Management Committee (Member)
- Board Financing and Investment Committee (Member)
- Board Nomination and Compensation Committee (Member)

**Shareholding in SME Bank**  
Nil



Warganegara /  
Nationality:  
**Malaysia /  
Malaysian**



Umur / Age:  
**66 / 66**



Jantina / Gender:  
**Lelaki / Male**



Tarikh Pelantikan /  
Date of Appointment:  
**1 Februari 2024/  
1 February 2024**



# JAWATANKUASA SYARIAH

## SHARIAH COMMITTEE

**Prof. Dr. Amir  
Shaharuddin**  
Pengerusi  
Chairman



**Dr. Shamsiah  
Mohamad**



**En. Faizal  
Jaffar**



**Dr. Ahmad Sufian  
Che Abdullah**



**Associate Prof. Dr.  
Ahmad Zaki Salleh**



**En. Ahmad Husni  
Abd Rahman**



# PROFIL JAWATANKUASA SYARIAH

## SHARIAH COMMITTEE PROFILE

### PROF. DR. AMIR SHAHARUDDIN

Pengerusi, Jawatankuasa Syariah / Chairman, Shariah Committee



#### KELAYAKAN

- Doktor Falsafah, Pengajian Arab dan Islam – Universiti Exeter, United Kingdom
- Sarjana, Pentadbiran Perniagaan – Universiti Islam Antarabangsa Malaysia (UIA)
- Sarjana Muda, Syariah – Universiti Al-Azhar Mesir

#### JAWATAN SEMASA

- Professor, Fakulti Ekonomi dan Muamalat, Universiti Sains Islam Malaysia (USIM)
- Pengerusi, Jawatankuasa Syariah, Hong Leong MSIG Takaful
- Ahli, Jawatankuasa Syariah Hong Leong Islamic Bank
- Ahli, Panel Pakar Syariah, Jabatan Kemajuan Islam Malaysia (JAKIM)

#### PENGALAMAN KERJA

- Ketua Pegawai Eksekutif (CEO), Yayasan Waqaf Malaysia
- Ahli, Jawatankuasa Syariah RHB Islamic Bank
- Penasihat Syariah, Malaysia Electronic Payment (MEPS)
- Penasihat Syariah, Malaysia Airport Consultancy Berhad
- Felo Pelawat Pertama di bawah Scholar in Residence Program (Program dengan penyelidikan bertajuk “Harmonising Shariah Rulings in Islamic Finance: Issues, Ways and Challenges”
- Dekan Fakulti Ekonomi dan Muamalat dan Timbalan Dekan (Akademik dan Penyelidikan), USIM

#### QUALIFICATION(S)

- PhD in Arab and Islamic Studies from University of Exeter, United Kingdom
- Master’s Degree in Business Administration from International Islamic University Malaysia (IIUM)
- Bachelor Honours Degree in Shariah from Al-Azhar University, Egypt

#### PRESENT OCCUPATION

- Professor, Faculty of Economics and Muamalat, Universiti Sains Islam Malaysia (USIM)
- Chairman, Shariah Committee of Hong Leong MSIG Takaful
- Member, Shariah Committee of Hong Leong Islamic Bank
- Member, Shariah Panel Experts of Jabatan Kemajuan Islam Malaysia (JAKIM)

#### WORKING EXPERIENCE

- Chief Executive Officer (CEO) of Malaysian Waqaf Foundation
- Member of Shariah Committee RHB Islamic Bank
- Shariah Advisor, Malaysia Electronic Payment (MEPS)
- Shariah Advisor, Malaysia Airport Consultancy Berhad
- First Visiting Fellow under the Scholar in Residence Program (Program) with his research titled “Harmonising Shariah Rulings in Islamic Finance: Issues, Ways and Challenges”
- Dean of Faculty of Economics and Muamalat and a Deputy Dean (Academic and Research) at USIM

Warganegara /  
Nationality:  
**Malaysia /  
Malaysian**



Umur / Age:  
**45 / 45**



Jantina / Gender:  
**Lelaki / Male**



Tarikh Pelantikan /  
Date of Appointment:  
**1 Mei 2021/  
1 May 2021**



### DR. SHAMSIAH MOHAMAD

Ahli, Jawatankuasa Syariah / Member, Shariah Committee



#### KELAYAKAN

- Doktor Falsafah, Asas Perundangan (Fiqh dan Usul Fiqh) - University of Jordan
- Sarjana, Syariah – Universiti Malaya (UM)
- Sarjana Muda Kelas Pertama, Syariah – Universiti Malaya (UM)

#### JAWATAN SEMASA

- Ahli, Majlis Penyeliaan Syariah Bank Islam Malaysia Berhad
- Ahli, Jawatankuasa Penasihat Syariah Persatuan Perbankan Islam Malaysia (AIBIM)
- Ahli, Jawatankuasa Syariah Kumpulan MNRB
- Ahli, Jawatankuasa Syariah Lembaga Zakat Selangor
- Ahli, Jawatankuasa Syariah Pertubuhan Peladang Kebangsaan
- Ahli, Jawatankuasa Penasihat Ibadat Haji TH-JAKIM

#### PENGALAMAN KERJA

- Profesor Madya, Jabatan Fiqh & Usul, Akademi Pengajian Islam, Universiti Malaya
- Penyelidik Kanan, International Shariah Research Academy for Islamic Finance (ISRA)
- Pakar Syariah, Jabatan Pasaran Modal Islam, Suruhanjaya Sekuriti, Malaysia
- Ahli, Majlis Penasihat Syariah (SAC) Suruhanjaya Sekuriti, Malaysia
- Ahli, Jawatankuasa Syariah, Bursa Malaysia Securities Berhad
- Ahli, Majlis Penasihat Syariah (SAC) Bank Negara Malaysia
- Ahli, Jawatankuasa Syariah, BIMP Investment
- Ahli, Jawatankuasa Syariah, BIMP Securities Sdn Bhd
- Ahli, Jawatankuasa Syariah Medic IG Holdings
- Ahli, Jawatankuasa Syariah Standard Chartered Saadiq Berhad
- Ahli, Jawatankuasa Syariah Bank Muamalat Malaysia Berhad
- Ahli, Jawatankuasa Syariah Takaful Ikhlas
- Ahli, Panel Pakar Syariah & Penyelidikan Syariah, JAKIM
- Ahli, Jawatankuasa Syariah Goldina International Sdn Bhd

#### QUALIFICATION(S)

- PhD. in Foundation of Jurisprudence (Fiqh and Usul Fiqh), University of Jordan
- Master of Shariah, University of Malaya
- Bachelor of Shariah, University of Malaya (First Class Honours)

#### PRESENT OCCUPATION

- Member, Shariah Supervisory Council of Bank Islam Malaysia Berhad
- Member, Shariah Advisory Committee, Association of Islamic Banking Institutions Malaysia (AIBIM)
- Member, Shariah Committee of MNRB Group
- Member, Shariah Committee of Lembaga Zakat Selangor
- Member, Shariah Committee of Pertubuhan Peladang Kebangsaan
- Member, Jawatankuasa Penasihat Ibadat Haji TH-JAKIM

#### WORKING EXPERIENCE

- Associate Professor, Department of Fiqh & Usul, Academy of Islamic Studies, University of Malaya
- Senior Researcher, International Shariah Research Academy for Islamic Finance (ISRA)
- Shariah Specialist, Islamic Capital Market Department, Securities Commission, Malaysia
- Member, Shariah Advisory Council (SAC) Securities Commission Malaysia
- Member, Shariah Committee, Bursa Malaysia Securities Berhad
- Member, Shariah Advisory Council of Bank Negara Malaysia
- Member, Shariah Committee, BIMP Investment
- Member, Shariah Committee, BIMP Securities Sdn Bhd
- Member, Shariah Committee of Medic IG Holdings
- Member, Shariah Committee of Standard Chartered Saadiq Berhad
- Member, Shariah Committee of Bank Muamalat Malaysia Berhad
- Member, Shariah Committee of Takaful Ikhlas
- Member, Shariah Research & Shariah Expert Panel, JAKIM
- Member, Shariah Committee Goldina International Sdn Bhd

Warganegara /  
Nationality:  
**Malaysia /  
Malaysian**



Umur / Age:  
**56 / 56**



Jantina / Gender:  
**Perempuan / Female**



Tarikh Pelantikan /  
Date of Appointment:  
**1 Mei 2020/  
1 May 2020**



## PROFIL JAWATANKUASA SYARIAH SHARIAH COMMITTEE PROFILE

### DR. AHMAD SUFIAN CHE ABDULLAH

Ahli, Jawatankuasa Syariah / Member, Shariah Committee

#### KELAYAKAN

- Doktor Falsafah, Ekonomi dan Perbankan - Universiti Yarmouk, Jordan
- Sarjana, Syariah (Kewangan Islam) - Universiti Malaya (UM)
- Sarjana Muda Syariah dan Pengurusan - Universiti Malaya (UM)

#### JAWATAN SEMASA

- Pensyarah Kanan, Jabatan Syariah dan Pengurusan, Akademi Pengajian Islam, Universiti Malaya
- Ahli, Jawatankuasa Syariah CIMB Islamic Berhad
- Ahli, Jawatankuasa Penasihat Syariah Syarikat Takaful Malaysia Keluarga Berhad
- Ahli, Jawatankuasa Waqaf, Majlis Agama Islam dan Adat Istiadat Negeri Kelantan (MAIK)
- Ahli, Jawatankuasa Fatwa Jabatan Fatwa Negeri Perlis
- Ahli, Jawatankuasa Penasihat Perundangan Islam, Wilayah Persekutuan
- Penasihat Syariah, Persatuan Penasihat Syariah dalam Perbankan Islam Malaysia
- Ahli Lembaga Pengarah Universiti (LPU), Kolej Universiti Islam Perlis (KUIPs)
- Ahli, Jawatankuasa Penasihat Syariah, Sabnuha Jewellery Sdn Bhd
- Penasihat Syariah, KAB Goldynamics Sdn Bhd
- Lembaga Syariah, Precious Amber International Bhd
- Penasihat untuk pelbagai perniagaan swasta dan Organisasi Bukan Bermotifkan Keuntungan

#### PENGALAMAN KERJA

- Ahli, Jawatankuasa Syariah, Kenanga Investment Bank Berhad
- Panel Pakar Muamalat Jabatan Kemajuan Islam Malaysia (JAKIM)
- Lembaga Syariah, Precious Amber International Sdn Bhd
- Penasihat untuk pelbagai perniagaan swasta dan Organisasi Bukan Bermotifkan Keuntungan
- Lembaga Syariah, Precious Amber International Sdn Bhd
- Penasihat untuk pelbagai perniagaan swasta dan Organisasi Bukan Bermotifkan Keuntungan

#### QUALIFICATION(S)

- PhD in Islamic Economy and Banking, University of Yarmouk, Jordan
- Master's Degree in Shariah (Islamic Finance), University of Malaya
- Bachelor's Degree in Shariah and Management, University of Malaya

#### PRESENT OCCUPATION

- Senior Lecturer at Department of Shariah and Management, Academy of Islamic Studies, University of Malaya
- Member, Shariah Committee of CIMB Islamic Berhad
- Member, Shariah Advisory Board of Syarikat Takaful Malaysia Keluarga Berhad
- Member, Waqaf Committee, Majlis Agama Islam dan Adat Istiadat Negeri Kelantan (MAIK)
- Member, Fatwa Committee of Jabatan Fatwa Negeri Perlis
- Member, Islamic Legal Consultative Committee, Federal Territories
- Shariah Advisor, Association of Shariah Advisors in Islamic Finance Malaysia
- Member, University Board of Director (LPU) Kolej Universiti Islam Perlis (KUIPs)
- Member, Shariah Advisor Committee, Sabnuha Jewellery Sdn Bhd
- Shariah Adviser, KAB Goldynamics Sdn Bhd
- Shariah Board, Precious Amber International Bhd
- Advisor for various private business and Non-Profit Organisations

#### WORKING EXPERIENCE

- Member, Shariah Committee, Kenanga Investment Bank Berhad
- Muamalat Expert Panel of Jabatan Kemajuan Islam Malaysia (JAKIM)
- Shariah Board, Precious Amber International Bhd
- Advisor for various private business and Non-Profit Organisations
- Shariah Board, Precious Amber International Bhd
- Advisor for various private business and Non-Profit Organisations



Warganegara /  
Nationality:  
**Malaysia /  
Malaysian**



Umur / Age:  
**44 / 44**



Jantina / Gender:  
**Lelaki / Male**



Tarikh Pelantikan /  
Date of Appointment:  
**1 Januari 2021/  
1 January 2021**



### FAIZAL BIN JAFFAR

Ahli, Jawatankuasa Syariah / Member, Shariah Committee

#### KELAYAKAN

- Sarjana Sains, Kewangan Islam - International Center for Islamic Finance (INCEIF), Kuala Lumpur, Malaysia
- Sarjana Muda dengan Kepujian, Akauntansi - Universiti Teknologi MARA (UiTM) Shah Alam, Selangor, Malaysia
- Diploma Akauntansi, Universiti Teknologi MARA (UiTM) Shah Alam, Selangor, Malaysia

#### JAWATAN SEMASA

- Ahli, Jawatankuasa Syariah OCBC Al Amin Bank Berhad

#### KEAHLIAN BADAN PROFESIONAL

- Akauntan Bertauliah, Institut Akauntan Malaysia (1995 - kini)
- CPA, Australia (2010-2019)

#### PENGALAMAN KERJA

- Pengarah Bersekutu, Pacific Trustee Berhad
- Timbalan Pengarah, Jabatan Perbankan Islam dan Takaful (JPIT), Bank Negara Malaysia

#### QUALIFICATION(S)

- Master of Science in Islamic Finance, International Center for Islamic Finance (INCEIF), Kuala Lumpur, Malaysia
- Bachelor's Degree (Honors) in Accountancy, Universiti Teknologi MARA (UiTM) Shah Alam, Selangor, Malaysia
- Diploma in Accountancy, Universiti Teknologi MARA (UiTM) Shah Alam, Selangor, Malaysia

#### PRESENT OCCUPATION

- Member, Shariah Committee OCBC Al Amin Bank Berhad

#### PROFESSIONAL MEMBERSHIP

- Chartered Accountant, Malaysian Institute of Accountant (1995 - current)
- CPA, Australia (2010-2019)

#### WORKING EXPERIENCE

- Associate Director, Pacific Trustee Berhad
- Deputy Director, Islamic Banking and Takaful Department (JPIT), Bank Negara Malaysia



Warganegara /  
Nationality:  
**Malaysia /  
Malaysian**



Umur / Age:  
**59 / 59**



Jantina / Gender:  
**Lelaki / Male**



Tarikh Pelantikan /  
Date of Appointment:  
**15 Ogos 2022/  
15 August 2022**



## PROFIL JAWATANKUASA SYARIAH SHARIAH COMMITTEE PROFILE

### ASSOC. PROF. DR. AHMAD ZAKI SALLEH

Ahli, Jawatankuasa Syariah / Member, Shariah Committee

#### KELAYAKAN

- Doktor Falsafah, Ilmu Wahyu dan Warisan Islam - Universiti Islam Antarabangsa Malaysia (UIA)
- Sarjana, Ilmu Wahyu dan Warisan Islam - Universiti Islam Antarabangsa Malaysia (UIA)
- Sarjana Muda Fiqh dan Usul al-Fiqh, Al-Albayt Universiti Jordan

#### JAWATAN SEMASA

- Profesor Madya, Jabatan Syariah dan Undang-undang, Universiti Sains Islam Malaysia (USIM)
- Timbalan Dekan, Penyelidikan dan Inovasi, Fakulti Syariah dan Undang-undang, Universiti Sains Islam Malaysia (USIM)
- Pengerusi, Jawatankuasa Syariah Ambank Islamic Berhad
- Ahli, Jawatankuasa Zakat, Majlis Agama Islam Negeri Pahang Darul Makmur

#### PENGALAMAN KERJA

- Ahli Jawatankuasa Syariah Bank Simpanan Nasional
- Ahli Jawatankuasa Syariah Prudential BSN Takaful Berhad
- Pengerusi, Jawatankuasa Syariah Bank Simpanan Nasional
- Pensyarah Kanan, Fakulti Syariah dan Undang-undang, Universiti Sains Islam Malaysia (USIM)
- Ketua Perunding, Projek Kajian dan Penggubalan Akta Pemajuan Komersial (CDA), Kementerian Perumahan dan Kerajaan Tempatan
- Panel Pakar Muamalat, JAKIM
- Tutor, Fakulti Syariah dan Undang-undang, Universiti Sains Islam Malaysia (USIM)

#### QUALIFICATION(S)

- Doctor of Philosophy in Islamic Revealed Knowledge and Heritage, International Islamic University Malaysia (IIUM)
- Masters of Islamic Revealed Knowledge and Heritage, International Islamic University Malaysia (IIUM)
- Bachelor of Fiqh and Usul al-Fiqh, Al Albayt University, Jordan

#### PRESENT OCCUPATION

- Associate Professor, Faculty of Syariah and Law, Universiti Sains Islam Malaysia (USIM)
- Deputy Dean, Research and Innovation, Faculty of Syariah and Law, Universiti Sains Islam Malaysia (USIM)
- Chairman of Shariah Committee, Ambank Islamic Berhad
- Member of Zakat Committee, Majlis Agama Islam Negeri Pahang Darul Makmur

#### WORKING EXPERIENCE

- Member of Shariah Committee, Bank Simpanan Nasional
- Member of Shariah Committee, Prudential BSN Takaful Berhad
- Chairman, Shariah Committee of Bank Simpanan Nasional
- Senior Lecturer, Faculty of Syariah and Law, Universiti Sains Islam Malaysia (USIM)
- Chief Negotiator, Projek Kajian dan Penggubalan Akta Pemajuan Komersial (CDA), Kementerian Perumahan dan Kerajaan Tempatan
- Muamalat Panel Experts of Jabatan Kemajuan Islam Malaysia (JAKIM)
- Tutor, Faculty of Syariah and Law, Universiti Sains Islam Malaysia (USIM)



Warganegara /  
Nationality:  
**Malaysia /  
Malaysian**



Umur / Age:  
**47 / 47**



Jantina / Gender:  
**Lelaki / Male**



Tarikh Pelantikan /  
Date of Appointment:  
**15 Ogos 2022/  
15 August 2022**



### USTAZ AHMAD HUSNI ABD RAHMAN

Ahli, Jawatankuasa Syariah / Member, Shariah Committee

#### KELAYAKAN

- Sarjana Muda Syariah Islamiah - Universiti Islam Madinah Al Munawwarah, Arab Saudi
- Sijil Bahasa Arab - Universiti Islam Madinah Al Munawwarah, Arab Saudi

#### JAWATAN SEMASA

- Pengurus Kanan, Unit Syariah & Perhubungan Antarabangsa, Pusat Pungutan Zakat, Majlis Agama Islam Wilayah Persekutuan (PPZ-MAIWP)
- Ahli, Jawatankuasa Syariah, Affin Islamic Bank Berhad
- Pengerusi, Jawatankuasa Syariah, Amanah Warisan Berhad (AWARIS)
- Ahli, Jawatankuasa Agihan Zakat Perbadanan Tabung Pendidikan Tinggi Nasional (PTPTN)
- Jawatankuasa Penyelidikan Korporat dan Syariah PPZ
- Jawatankuasa Agihan Wakalah Zakat PPZ

#### PENGALAMAN KERJA

- Jurulatih Sijil Asas Syariah Untuk Perbankan Dan Program Kewangan (FCSBF) Penyelidikan Antarabangsa Pusat Ekonomi dan Kewangan Islam (IRCIEF) KUIS
- Eksekutif Pentadbiran Kolej Negeri Negeri Sembilan

#### QUALIFICATION(S)

- Degree (B.A) In Shariah Islamiah, Islamic University of Madinah Munawwarah, Kingdom of Saudi Arabia
- Certificate in Arabic Language, Islamic University of Madinah Munawwarah, Kingdom of Saudi Arabia

#### PRESENT OCCUPATION

- Senior Manager, Shariah & International Relation Unit, Pusat Pungutan Zakat, Majlis Agama Islam Wilayah Persekutuan (PPZ-MAIWP)
- Member of Shariah Committee, Affin Islamic Bank Berhad
- Chairman, Shariah Committee of Amanah Warisan Berhad (AWARIS)
- Member of Jawatankuasa Agihan Zakat Perbadanan Tabung Pendidikan Tinggi Nasional (PTPTN)
- Committee of Jawatankuasa Penyelidikan Korporat dan Syariah PPZ
- Committee of Jawatankuasa Agihan Wakalah Zakat PPZ

#### WORKING EXPERIENCE

- Trainer for Fundamental Certificate In Shariah For Banking And Finance Programme (FCSBF) International Research Center in Islamic Economy and finance (IRCIEF) KUIS
- Administration Executive Kolej Negeri Negeri Sembilan



Warganegara /  
Nationality:  
**Malaysia /  
Malaysian**



Umur / Age:  
**44 / 44**



Jantina / Gender:  
**Lelaki / Male**



Tarikh Pelantikan /  
Date of Appointment:  
**15 Ogos 2022/  
15 August 2022**



# PENGURUSAN KANAN

## SENIOR MANAGEMENT

**Pn. Shuhaibatulaslamiyah  
Hurmuzan**  
Ketua Pegawai Modal  
Insan Kumpulan  
Group Chief  
Human Capital Officer

**Datuk Wira (Dr.) Aria  
Putera Ismail**  
Presiden Kumpulan/  
Ketua Pegawai  
Eksekutif  
Group President/Chief  
Executive Officer

**En. Mohd Fikri  
Abdul Ghapar**  
Penasihat  
Undang-undang  
Kumpulan  
Group Legal  
Counsel

**En. Zabidi Abdullah**  
Ketua Pegawai  
Perniagaan  
Chief Business  
Officer

**Datuk Dr. Mohammad  
Hardee Ibrahim**  
Ketua Pegawai Strategi  
Korporat Kumpulan  
Group Chief Corporate  
Strategy Officer

**En. Samad Majid  
Zain  
Abdul Majid**  
Ketua Pegawai  
Kewangan Kumpulan  
Group Chief Financial  
Officer

**En. Hasrul Farid  
Hasnan**  
Ketua Juruaudit  
Dalam Kumpulan  
Group Chief Internal  
Auditor

**Pn. Zarina Nor  
Ismail**  
Ketua Pegawai  
Operasi  
Chief Operating  
Officer

**En. Hairil Izwar Abd  
Rahman**  
Ketua Pegawai Digital  
& Teknologi Kumpulan  
Group Chief Digital  
& Technology Officer

**En. Rosehamidi  
Kamaruddin**  
Ketua Pegawai  
Pematuhan  
Kumpulan  
Group Chief  
Compliance Officer

**En. Mohamad  
Nizam Matori**  
Ketua Pegawai  
Kredit  
Chief Credit  
Officer

**En. Jumadi Kadir**  
Ketua Pegawai  
Syariah  
Kumpulan  
Group Chief  
Shariah Officer

**En. Mohammad  
Azam Ahmad**  
Ketua Pegawai  
Risiko Kumpulan  
Group Chief Risk  
Officer





# MEMBINA PERUSAHAAN YANG TAHAN LASAK DAN MAMPAN

BUILDING RESILIENT  
AND SUSTAINABLE  
ENTERPRISES

Ketahanan dan kemamparan adalah asas kejayaan sesebuah Perusahaan. Di SME Bank Malaysia Berhad, kami berdedikasi membantu perniagaan untuk membina asas kukuh dan mampan yang dapat menghadapi cabaran masa depan. Melalui sokongan yang menyeluruh dan penyelesaian kewangan yang disesuaikan, kami memperkasakan PKS untuk berjaya dalam persekitaran pasaran yang dinamik, memastikan kejayaan jangka panjang mereka dan sumbangan kepada ekonomi yang mampan.

Resilience and sustainability are the cornerstones of successful enterprises. At SME Bank Malaysia Berhad, we are dedicated to helping businesses build strong, sustainable foundations that can withstand the challenges of tomorrow. Through our comprehensive support and tailored financial solutions, we empower SMEs to thrive in a dynamic market environment, ensuring their long-term success and contribution to a sustainable economy.

# MEMACU TRANSFORMASI LESTARI

## DRIVING SUSTAINABLE TRANSFORMATION

Selaras dengan misi kami untuk menyokong pembangunan perusahaan kecil dan sederhana (PKS) serta komitmen terhadap pembangunan mampan, kami telah memulakan perjalanan kelestarian yang menyeluruh. Sepanjang perjalanan ini, kami kekal komited kepada tiga teras utama: Perbankan Bertanggungjawab, Amalan Perniagaan Bertanggungjawab, dan Penciptaan Impak Sosial. Teras-teras ini penting kerana ia menyokong industri, pelanggan, dan komuniti dalam mencipta nilai jangka panjang untuk semua pihak berkepentingan.

In line with our mission to support the development of small and medium enterprises (SMEs) and our commitment to sustainable development, we have embarked on a comprehensive sustainability roadmap. As we progress along the path, we remain committed to the pillars of Responsible Banking, Responsible Business Practices, and Creating Social Impact. These pillars are crucial as we support industries, customers, and communities in creating long term value for all stakeholders.



**Perbankan Bertanggungjawab**  
Responsible Banking



**Amalan Perniagaan Bertanggungjawab**  
Responsible Business Practices



**Mencipta Impak Sosial**  
Creating Social Impact



Kelestarian adalah sebahagian daripada strategi pertumbuhan Bank, sama ada di peringkat organisasi mahupun dalam usaha memacu perubahan di sektor PKS ke arah mengamalkan amalan mampan. Ekosistem PKS yang berkeseluruhan akan menarik lebih ramai pelabur yang mengambil kira aspek Alam Sekitar, Sosial, dan Tadbir Urus (ESG) dalam portfolio mereka.

Daripada perspektif yang lebih luas, peralihan kepada amalan mampan dalam sektor PKS menyumbang kepada matlamat Malaysia untuk mencapai pelepasan Sifar Bersih menjelang tahun 2050. Penekanan terhadap impak ESG juga menyokong matlamat Rancangan Malaysia Ke-12 (RMKe-12) dalam merangsang semula pembangunan sosioekonomi, dengan kelestarian dan kemakmuran sebagai asas untuk memperbaiki kehidupan rakyat.

Sebagai Institusi Kewangan Pembangunan (DFI), SME Bank memainkan peranan penting dalam menyokong PKS sebagai pemacu ekonomi melalui langkah-langkah berikut:

Sustainability is integral to the Bank's growth strategy, both within the organisation and in catalysing change in the SME sector towards embracing sustainable practices. A sustainable SME ecosystem will attract the growing number of investors that include Environmental, Social and Governance (ESG) matters in their portfolios.

From a wider perspective, this shift to sustainable practices in the SME sector contributes towards Malaysia's goal of achieving Net Zero emissions by 2050. The emphasis on ESG impacts underpins the goal of the 12th Malaysia Plan (12MP) to revitalise socioeconomic development, with sustainability and prosperity serving as the foundation for improving the lives of the people.

As a Developmental Financial Institution (DFI), SME Bank plays an integral role in supporting SMEs as drivers of the economy through:

**Meningkatkan Daya Saing:**

Menguatkan daya saing PKS melalui penggunaan teknologi, digitalisasi, dan inovasi.

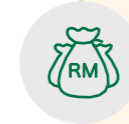


**Enhancing Competitiveness:**

Strengthening the competitiveness of SMEs through technology adoption, digitalisation, and innovation.

**Menambah baik akses kepada pembiayaan:**

Memperluas pilihan pembiayaan untuk PKS bagi menyokong pertumbuhan dan perkembangan mereka.



**Improving Access to Financing:**

Expanding financing options for SMEs to support their growth and development.

**Pembinaan kemampuan/kapasiti dan Pembangunan Kemahiran:**

Meningkatkan keupayaan PKS melalui program latihan, bengkel, dan peluang pembelajaran berterusan untuk memperkukuh kemahiran pengurusan serta kepakaran teknikal.



**Capacity Building and Skills Development:**

Enhancing the capabilities of SMEs through training programmes, workshops, and continuous learning opportunities to improve management skills and technical expertise.

**Pengembangan Pasaran:**

Menyokong PKS dalam memperluaskan kehadiran pasaran mereka, baik di peringkat domestik mahupun antarabangsa.



**Market Expansion:**

Supporting SMEs in expanding their market presence both domestically and internationally.

**Kelestarian dan Pertumbuhan Hijau:**

Menggalakkan PKS untuk mengamalkan amalan mampan serta memenuhi kriteria ESG dalam operasi mereka.



**Sustainability and Green Growth:**

Encouraging SMEs to adopt sustainable practices and ESG criteria in their operations.

**Sokongan Dasar dan Kawal Selia:**

Menyelaraskan peraturan dan memberi sokongan dasar untuk mewujudkan persekitaran perniagaan yang kondusif bagi PKS. Ini termasuk mempermudah proses pendaftaran perniagaan, mengurangkan kos pematuhan, serta mempertingkatkan program sokongan kerajaan.



**Policy and Regulatory Support:**

Streamlining regulations and providing policy support to create a conducive business environment for SMEs. This includes simplifying business registration processes, reducing compliance costs, and enhancing governmental support programmes.



# MEMACU TRANSFORMASI LESTARI

## DRIVING SUSTAINABLE TRANSFORMATION

### Hala Tuju Kelestarian

Sebagai DFI, kami mengamalkan pendekatan proaktif dalam memastikan kami memenuhi jangkaan awam dan pengawal selia. Ini termasuk Rangka Kerja Pengukuran Prestasi (PMF) BNM, yang menekankan kepentingan DFI menggabungkan nilai tambahan sebagai sebahagian daripada operasi perniagaan untuk mempromosikan hasil pembangunan yang lebih besar serta mengukuhkan akauntabiliti sebagai institusi awam.

Untuk memenuhi PMF, pada tahun 2021, kami memulakan Hala Tuju Kelestarian selama tiga tahun (2021 - 2023) yang meletakkan asas untuk Visi dan Misi kami.

### Our Sustainability Roadmap

As a DFI, we adopt a proactive approach in ensuring we meet public and regulator expectations. These include BNM's Performance Measurement Framework (PMF), which emphasises the importance of DFIs incorporating additionalities as part of business operations to promote greater development outcomes and strengthen their accountability as public institutions.

To accommodate the PMF, in 2021 we embarked on a three-year Sustainability Roadmap (2021 - 2023), laying the foundations for our Vision and Mission.

**Visi:**  
Menjadi peneraju dalam penciptaan nilai ekosistem PKS melangkaui perkhidmatan kewangan.



**Vision:**  
To be a Leader in the SME Ecosystem Value Creation Beyond Financial Services

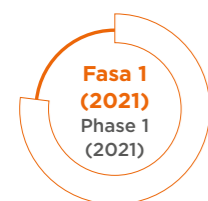
**Misi:**  
Menjadi **Pusat Kecemerlangan (CoE)** bagi pembangunan PKS.



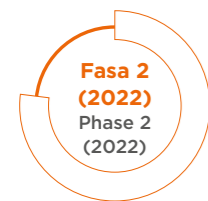
**Mission:**  
To be the Centre of Excellence (CoE) for SME Development

Pelan ini menggariskan pendekatan berfasa untuk mengintegrasikan pertimbangan kelestarian serta memperkukuhkan dasar-dasar berkaitan.

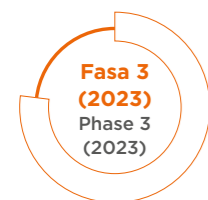
The Roadmap outlines a phased approach to integrating sustainability considerations and strengthening policies.



**Fasa 1**, pada 2021, penumpuan kepada usaha mengenal pasti dan memperkemas pertimbangan ESG dalam Fokus Perniagaan, termasuk pembiayaan dan Sukuk Kelestarian.  
**Phase 1**, in 2021, focused on identifying and streamlining ESG considerations in the Business Focus, including financing and Sustainability Sukuk efforts.



**Fasa 2**, yang dilaksanakan pada 2022, melibatkan penerapan ESG merentasi aspek operasi, meningkatkan kesedaran di kalangan pekerja dan pelanggan, serta menjalankan penilaian jurang dan materialiti agar selari dengan strategi Bank.  
**Phase 2**, implemented in 2022, involved embedding ESG across operations, raising awareness among employees and customers, and conducting materiality and gap assessments for better alignment with the Bank's strategy.



**Fasa 3**, yang dilaksanakan sepanjang tahun 2023, memberi tumpuan kepada penglibatan pelanggan, mempromosikan penerapan ESG, dan memperhalusi pemantauan serta penilaian impak inisiatif kelestarian.  
**Phase 3**, which was implemented throughout 2023, focuses on customer engagement, promoting ESG adoption, and refining the monitoring and impact assessment of sustainability initiatives.

### Mencipta Strategi Untuk Perjalanan Hari Esok Strategising Our Journey Ahead



**Permulaan ESG & Pengemasan Fokus Perniagaan (termasuk pendanaan)**  
ESG Initiation & Streamlining Business Focus (including funding)

#### AKTIVITI PEMBIAYAAN

- Penubuhan Rangka Kerja ESG (Kertas Konsep)
- Penubuhan Rangka Kerja Sukuk Kelestarian SME Bank (sejajar dengan ICMA & ACMF)
- Penubuhan Sukuk Kelestarian RM3B IMTN & Program ICP
- Penubuhan Pelan Hala Tuju Kelestarian 3-tahun Kumpulan SME Bank
- Penubuhan Jawatankuasa Kerja Sukuk Kelestarian (SSWC)
- Terbitan Sukuk Kelestarian (Trans Pertama - RM500 juta)
- Penubuhan Jawatankuasa Kerja ESG (Suku ke-4)

#### FINANCING ACTIVITIES

- Establishment of ESG Framework (Conceptual Paper)
- Establishment of SME Bank's Sustainability Sukuk Framework (Aligned with ICMA & ACMF)
- Establishment of RM3B Sustainability Sukuk IMTN & ICP Programme
- Establishment of SME Bank Group's 3-Year Sustainability Roadmap
- Establishment of Sustainability Sukuk Working Committee (SSWC)
- Issuance of Sustainability Sukuk (1st Tranche - RM500m)
- Establishment of ESG Working Committee (Q4)



**Pelaksanaan & Pengemasan ESG Fokus Bukan Perniagaan**  
ESG Implementation & Streamlining Non-Business Focus

#### AKTIVITI BUKAN PEMBIAYAAN

- Penginstitutional ESG di seluruh Bank**
  - Kesedaran Kakitangan
  - Kempen/Inisiatif Kemampanan Dalaman
- Sesi Kesedaran ESG Pelanggan**
- Penciptaan Impak Sosial**
- Penubuhan Rangka Kerja SDG**
  - Ujian Materialiti
  - Gap Analisis
  - Penyelarasan Strategi

#### NON - FINANCING ACTIVITIES

- ESG Institutionalisation across the Bank**
  - Staff Awareness
  - Internal Sustainability Campaign/Initiatives
- Customer ESG Awareness Session**
- Creation of Social Impact**
- Establishment of SDG Framework**
  - Materiality Test
  - Gap Analysis
  - Strategy Alignment



**Gunakai ESG & Peningkatan Berterusan ke arah Kemampanan**  
ESG Adoption & Continuous Improvements Towards Sustainability

#### FOKUS PELANGGAN

- Merangkumkan ESG ke dalam Pengurusan Pelanggan**
  - Latihan Berstruktur/khusus kepada pelanggan

#### PEMANTAUAN/IMPAK

- Gunakai ESG & Peningkatan Berterusan ke arah Kemampanan**
  - Pemantauan & Penilaian

#### CUSTOMER FOCUS

- Emulate ESG into Customer Management**
  - Structured/customised training to customers

#### MONITORING/IMPACT

- ESG Adoption & Continuous Improvements towards Sustainability**
  - Monitoring & Impact Assessment

## MEMACU TRANSFORMASI LESTARI DRIVING SUSTAINABLE TRANSFORMATION

Menjelang masa hadapan, kami telah membangunkan Hala Tuju Kelestarian 2.0 yang akan membimbing perjalanan kelestarian kami mulai tahun 2024 dan seterusnya.

### Tadbir Urus Kelestarian

Tadbir urus kelestarian SME Bank diawasi oleh Lembaga Pengarah (atau Lembaga), yang memikul tanggungjawab utama untuk memupuk pertumbuhan kemampuhan dan kestabilan kewangan Bank selaras dengan misinya. Lembaga ini dibantu oleh Jawatankuasa Lembaga Pengurusan Risiko (BRMC) dan Jawatankuasa Eksekutif (EXCO), yang membantu menguruskan risiko utama, membentuk strategi kelestarian, serta memantau pelaksanaan dan keberkesannya.

Sejak Mei 2023, SME Bank telah melantik seorang Ketua Pegawai Kelestarian (CSO) yang melaporkan terus kepada Presiden Kumpulan / Ketua Pegawai Eksekutif (GP/CEO) untuk memacu pelaksanaan inisiatif kelestarian di seluruh Bank dan memastikan ia selaras dengan rangka kerja, polisi, serta strategi yang ditetapkan oleh Jawatan Kuasa Eksekutif (EXCO) / Lembaga Pengarah.

Tambahan pula, pada tahun 2024, kami telah menubuhkan Jawatankuasa Pengurusan Kelestarian (SMC) untuk mengurus pelaksanaan dan pengawasan usaha kelestarian Bank, merangkumi aktiviti pembiayaan dan bukan pembiayaan. Jawatankuasa ini, yang terdiri daripada Ketua Jabatan dari setiap bahagian, bermesyuarat setiap suku tahun untuk menilai kemajuan berdasarkan penanda aras yang ditetapkan.

Moving forward, we have developed a Sustainability Roadmap 2.0 which will guide our sustainability journey from 2024 onwards.

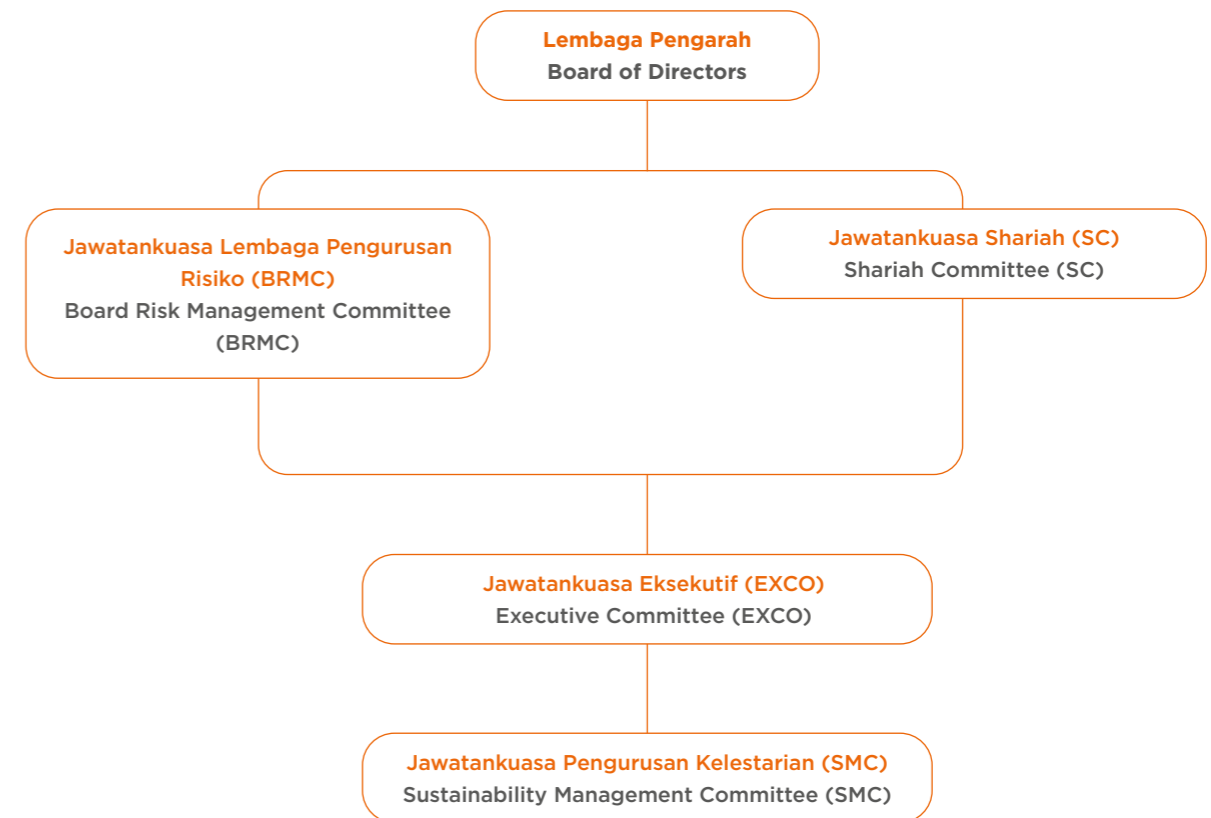
### Sustainability Governance

SME Bank's sustainability governance is overseen by the Board of Directors (BOD, or Board), who bear ultimate responsibility for fostering the Bank's sustainable growth and financial stability in line with its mission. The Board is aided by the Board Risk Management Committee (BRMC) and the Executive Committee (EXCO), which help manage principal risks, shape sustainability strategies, and monitor their execution and effectiveness.

Since May 2023, SME Bank has appointed a Chief Sustainability Officer (CSO), who reports directly to the GPCEO to drive the execution of sustainability initiatives across the Bank and ensure alignment with the framework, policies and strategies set by the EXCO/ Board.

In addition, in 2024, we established a Sustainability Management Committee (SMC) to manage the implementation and supervision of the Bank's sustainability efforts, covering both financial and non-financial activities. This committee, comprising Heads of Division and meets quarterly to review progress against established milestones.

### Struktur Tadbir Urus Kelestarian / Sustainability Governance Structure



#### Penerangan tentang peranan:

- Lembaga Pengarah menyediakan pengawasan dan memimpin strategi kelestarian Bank.
- BRMC memantau pelaksanaan strategi kelestarian, prestasi, dan pengurusan risiko secara bersepadu.
- EXCO mendorong prestasi kelestarian dalam organisasi.

#### Description of roles:

- The Board of Directors provide oversight and spearhead the Bank's sustainability strategy.
- The Board Risk Management Committee (BRMC) monitors the implementation of the sustainability strategy, performance and risk management in an integrated manner.
- The EXCO drives sustainability performance within the organisation.

## MEMACU TRANSFORMASI LESTARI

### DRIVING SUSTAINABLE TRANSFORMATION

Sepanjang tahun tinjauan, GSM telah memperkemas komunikasi dalaman melalui saluran seperti Wacana Kelestarian, sesi perkongsian suku tahunan dengan pengurusan kanan dan pakar industri, dan perbincangan merentas fungsi. Pasukan ini juga telah membangunkan Rangka Kerja Kelestarian dan Kad Skor Kelestarian untuk membimbing dan memantau kemajuan pelaksanaan.

Throughout the year in review, the GSM has streamlined the internal communication channels via avenues such as *Wacana Kelestarian*, quarterly sharing sessions with senior management and industry experts, and cross-functional discussions. The team has also developed a Sustainability Framework and Sustainability Scorecard to guide and monitor the progress of implementation.

#### Mengintegrasikan Kelestarian ke dalam Operasi Kami

#### Integrating Sustainability into Our Operations

Pendekatan kami untuk mengintegrasikan kelestarian ke dalam operasi kami dipandu oleh enam (6) prinsip utama LEAD IT:

Our approach to integrating sustainability into our operations is guided by the six (6) key principles of LEAD IT:

L

**Kepimpinan:** Menunjukkan ciri kepimpinan dalam proses kelestarian dengan memberikan pendidikan kepada warga kerja untuk memastikan aktiviti-aktiviti perniagaan memberikan impak positif kepada pemegang taruh sedia ada dan baharu dalam jangka masa panjang serta tidak terlibat dengan aktiviti perniagaan yang tidak menepati kehendak polisi

**Leadership:** Demonstrate leadership in sustainability by educating our staff to ensure that our business activities have a net positive impact on our existing and future stakeholders over the long term and not engage in business activities that do not meet our policy requirements

E

**Penglibatan:** Terlibat secara aktif dan terbuka dengan pemegang taruh termasuk pembekal terhadap pengurusan proaktif risiko kelestarian dan mengenal pasti peluang untuk pertumbuhan kelestarian.

**Engagement:** Engage actively and openly with our stakeholders, including suppliers on proactive management of sustainability risks and identification of opportunities for sustainable growth

A

**Pengamalan:** Mengambil pendekatan inklusif terhadap pelanggan kami dan berusaha untuk mempengaruhi secara positif prestasi dan komitmen kelestarian mereka.

**Adoption:** Adopt an inclusive approach to our customers and strive to positively influence their own sustainability performance and commitment

D

**Pendigitalan:** Ruang lingkup tanggungjawab isu-isu kelestarian berkait dengan teknologi digital mencakupi system yang lebih luas, sebahagiannya adalah jangka hayat dan rantaian bekalan

**Digitalisation:** The scope of responsibility for sustainability issues associated with digital technology covers the broader systems part of, its whole lifecycle, and its supply chains

I

**Integrasi:** Mengintegrasikan pertimbangan alam sekitar, ekonomi dan sosial (EES) dalam semua aspek perniagaan

**Integration:** Integrate Environmental, Economic and Social (EES) considerations into all aspects of our business

T

**Ketelusan:** Kepimpinan melalui teladan menerusi amalan tadbir urus dan pelaporan kemajuan

**Transparency:** Leading by example our own governance practices and reporting the progress

Di bawah pendekatan ini, kami menyelaraskan perkara penting kami kepada 11 daripada 17 Matlamat Pembangunan Lestari Pertubuhan Bangsa-Bangsa Bersatu (UN SDG), yang diselaraskan di bawah tiga teras utama:

Under this approach, we align our material matters to 11 of the 17 United Nations Sustainable Development Goals (UN SDGs), streamlining them under the three (3) core pillars of:



Menyediakan produk dan perkhidmatan yang mempromosikan pembangunan lestari serta menjalankan perniagaan secara adil, bertanggungjawab, dan telus.

Delivering products and services that promote sustainable development and conducting business in a fair, responsible, and transparent manner.



Melakukan perkara yang betul dan memasukkan pertimbangan alam sekitar serta sosial dalam operasi harian kami.

Doing the right thing and including environmental and social considerations in our day-to-day operations.



Menjadi 'Kuasa untuk Kebaikan' dengan menawarkan penyelesaian pembiayaan inovatif serta memainkan peranan sebagai rakan kongsi yang menyokong kejayaan PKS dalam menyumbang kepada ekonomi, menjana peluang pekerjaan, dan akhirnya mencipta kesan limpahan positif kepada komuniti.

Being a 'Force for Good' by offering innovative financing solutions and playing our role as a supportive partner to ensure the success of SMEs in contributing to the economy, generating employment opportunities, and ultimately creating a positive spillover effect into communities.

## MEMACU TRANSFORMASI LESTARI

### DRIVING SUSTAINABLE TRANSFORMATION

Rangka Kerja SDG kami, yang ditubuhkan pada tahun 2022, mengenal pasti tujuh bidang tumpuan, di bawahnya terdapat 17 pelan taktikal untuk membimbing pelaksanaan.

Our SDG Framework, which was established in 2022, identifies seven (7) focus areas, under which there are 17 tactical plans to guide implementation



**Di Pasaran/  
In the  
Market**



**Pembiayaan  
Financing**

SME Bank kekal komited untuk menyediakan penyelesaian kewangan yang inovatif dan mudah diakses, disesuaikan mengikut keperluan perusahaan kecil dan sederhana (PKS). Melalui pelbagai produk pembiayaan yang ditawarkan, kami menyokong pertumbuhan dan pembangunan perniagaan merentasi pelbagai sektor, seterusnya memacu pembangunan ekonomi mampan di Malaysia.

SME Bank remains committed to providing innovative and accessible financial solutions tailored to the needs of small and medium enterprises (SMEs). By offering a range of financing products, we support the growth and development of businesses across various sectors, fostering sustainable economic development in Malaysia.



**Melangkaui Pembiayaan  
Beyond Financing**

Sokongan kami kepada PKS bukan hanya terhad kepada pembiayaan tradisional. Kami juga menyediakan perkhidmatan tambah nilai seperti khidmat nasihat perniagaan, program pembangunan kapasiti, dan peluang akses pasaran untuk membantu usahawan memperkukuh model perniagaan, meningkatkan daya tahan operasi, serta mencapai kejayaan jangka panjang.


Our support for SMEs extends beyond traditional financing. We provide value-added services such as business advisory, capacity building, and market access opportunities to help entrepreneurs strengthen their business models, improve operational resilience, and achieve long-term success.




**Komunikasi  
Communication**

Komunikasi yang berkesan adalah elemen penting dalam strategi SME Bank. Kami mengutamakan keterlibatan yang telus dan konsisten dengan semua pihak berkepentingan, termasuk pelanggan, pekerja, pengawal selia, serta komuniti, bagi memastikan setiap mesej yang disampaikan selari dengan visi kami untuk memacu pertumbuhan perniagaan dan kelestarian.

Effective communication is integral to our strategy at SME Bank. We prioritise transparent and consistent engagement with stakeholders, including clients, employees, regulators, and the community, ensuring that our messaging aligns with our vision of fostering business growth and sustainability.




**Amalan  
Baik  
Industri/  
Best  
Industry  
Practices**



**Pengurusan Risiko dan Pematuhan  
Risk Management and Compliance**

Rangka kerja pengurusan risiko yang kukuh adalah asas kepada operasi kami. Kami memastikan pematuhan terhadap piawaian peraturan sambil menguruskan risiko kewangan, operasi, dan strategik, bagi melindungi kepentingan pelanggan serta mengekalkan kestabilan ekosistem kewangan.


A strong risk management framework is the foundation of our operations. We ensure compliance with regulatory standards while managing financial, operational, and strategic risks, enabling us to safeguard our clients' interests and maintain the stability of the financial ecosystem.



**Impak Sosial dan Alam Sekitar  
Social and Environmental Impact**

SME Bank berusaha mencipta impak sosial dan alam sekitar yang positif melalui amalan pinjaman yang bertanggungjawab dan inisiatif perniagaan mampan. Dengan mengintegrasikan prinsip ESG dalam operasi kami, kami menyumbang kepada peralihan Malaysia ke arah ekonomi yang lebih mampan dan inklusif.


SME Bank seeks to create a positive social and environmental impact through responsible lending practices and sustainable business initiatives. By integrating ESG principles into our operations, we contribute to Malaysia's transition towards a more sustainable and inclusive economy.



**Bakat dan Budaya  
Talent and Culture**

Tenaga kerja kami adalah teras kejayaan kami. Di SME Bank, kami menggalakkan budaya pembelajaran berterusan, inovasi, dan keterangkuman. Kami berusaha untuk menarik, membangunkan, dan mengekalkan bakat yang komited untuk menyampaikan kecemerlangan serta memacu misi Bank dalam menyokong PKS.

Our people are at the core of our success. At SME Bank, we foster a culture of continuous learning, innovation, and inclusivity. We aim to attract, develop, and retain talent who is committed to delivering excellence and driving the Bank's mission to support SMEs.



**Kecekapan Operasi  
Operational Efficiency**

Memaksimumkan kecekapan operasi adalah penting bagi keupayaan SME Bank untuk menyediakan perkhidmatan yang pantas dan berkesan. Dengan memanfaatkan teknologi dan memperkemaskan proses, kami memastikan dapat memenuhi keperluan PKS yang sentiasa berkembang sambil mengekalkan standard perkhidmatan yang tinggi.

Maximising operational efficiency is crucial to SME Bank's ability to deliver timely and effective services. By leveraging technology and streamlining processes, we ensure that we can meet the evolving needs of SMEs while maintaining high service delivery standards.

# MEMACU TRANSFORMASI LESTARI

## DRIVING SUSTAINABLE TRANSFORMATION

**Menginstitutionalkan kelestarian di seluruh organisasi dan menyokong Perusahaan Malaysia untuk menjadi mampan dengan mengguna pakai model perniagaan rendah karbon dan amalan kelestarian**

**Institutionalise sustainability across the organisation and support Malaysian Enterprises to be sustainable by adopting low-carbon business models and sustainability practices**

**SIFAR BERSIH MENJELANG 2050  
NET ZERO BY 2050**



**OPERASI NEUTRAL KARBON  
MENJELANG 2030  
CARBON NEUTRAL  
OPERATIONS BY 2030**



**JAM SUKARELAWAN  
PEKERJA MENJELANG 2030  
EMPLOYEE VOLUNTEERING  
HOURS BY 2030**



**MENGERAKKAN DANA  
UNTUK PEMBIAYAAN  
LESTARI MENJELANG 2030  
MOBILISING FUND ON  
SUSTAINABLE FINANCING BY  
2030**



### Tonggak / Pillars

#### Perbankan Bertanggungjawab

Kami mengambil pendekatan pemupukan dan inklusif dalam amalan perbankan yang bertanggungjawab untuk memastikan perniagaan yang tidak mendapat pelayanan dan kurang mendapat pelayanan menerima tahap perkhidmatan dan nasihat berkualiti tinggi yang sama untuk menyokong penggunaan amalan kelestarian.

#### Responsible Banking

We take a nurturing and inclusive approach in our responsible banking practices to ensure the underserved businesses receive the same level of high-quality services and advice to support their adoption of sustainability practices.



#### Amalan Perniagaan Bertanggungjawab

Kami percaya dengan mengamalkan dengan contoh, amalan kelestarian yang baik di seluruh organisasi. Kami berhasrat untuk mencapainya dengan menarik dan mengekalkan bakat terbaik dan dengan melaksanakan inisiatif yang mengurangkan jejak alam sekitar secara langsung.

#### Responsible Business Practices

We believe in walking the talk by adopting sound sustainability practices across our organisation. We aim to achieve it by attracting and retaining the best talent and by implementing initiatives that reduces our direct environmental footprint.



#### Mencipta Impak Sosial

Kami berusaha menjadi kuasa untuk kebaikan dengan menyokong usaha komuniti seperti mendorong impak alam sekitar dan sosial yang positif.

#### Creating Social Impact

We seek to be a force for good by supporting community causes such as those that are driving positive environmental and social impact.

### Tumpuan / Focus areas

#### Pembiayaan

- Pembiayaan lestari
- Rangkuman pembiayaan



#### Financing

- Sustainable financing
- Financial inclusion

#### Melangkaui pembiayaan

#### Beyond financing

- Bakat dan budaya
- Pengurusan risiko dan pematuhan
- Kecekapan operasi
- Komunikasi



- Talent and culture
- Risk management and compliance
- Operational efficiency
- Communication

#### Impak sosial dan alam sekitar

- Menyokong komuniti setempat
- Kesukarelawanan Pekerja



#### Social and environmental impact

- Supporting local communities
- Employee volunteerism

INTEGRASI PERTIMBANGAN ALAM SEKITAR, SOSIAL DAN TADBIR URUS  
INTEGRATION OF ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) CONSIDERATIONS

Disokong oleh struktur tadbir urus kelestarian dan dipandu oleh prinsip "LEAD IT"

Supported by sustainability governance structure and guided by the "LEAD IT" principles

Menyokong agenda pembangunan lestari Malaysia

Supporting Malaysia's sustainable development agenda

Dipetakan kepada Matlamat Pembangunan Lestari Bangsa Bersatu

Mapped to United Nation's Sustainable Development Goals

Penglibatan pihak berkepentingan yang berterusan

Continuous stakeholder engagement

Pendekatan yang disasarkan pada perkara penting

Targeted approach on material matters

Pengukuran impak dan tetapkan sasaran yang jelas

Measure impact and set clear targets

# MEMACU TRANSFORMASI LESTARI

## DRIVING SUSTAINABLE TRANSFORMATION

Kami telah menggariskan pencapaian kami ke arah mencapai matlamat kelestarian: We have outlined our milestones towards achieving our sustainability goals:

Sifar bersih menjelang 2050 Net Zero by 2050	Operasi neutral karbon menjelang 2030 Carbon neutral operations by 2030	Jam sukarelawan pekerja menjelang 2030 Employee volunteering hours by 2030	Menggerakkan dana untuk pembiayaan lestari menjelang 2030 Mobilising fund on sustainable financing by 2030
<b>2023</b>			
Membangunkan kaedah pengukuran dan penilaian Skop 3 garis dasar pelepasan kewangan Develop methodology to measure and assess Scope 3 financed emissions baseline	Pemudahcara kepada warga kerja untuk terlibat dengan program kerja sukarela yang terpilih (contohnya memberikan pelepasan masa kepada aktiviti kesukarelawanan) Facilitate employees to engage in selected volunteering programmes (e.g. giving employee time-off for volunteering activities)  Menilai dan menetapkan sasaran untuk jam kesukarelawanan To assess and set target for volunteering hours	Membangunkan strategi pembiayaan lestari termasuk Panduan Kelestarian Produk To develop strategies for sustainable financing including a Sustainable Product Guide  Menilai dan menetapkan matlamat untuk pembiayaan lestari To assess and set target for sustainable financing	
<b>2024</b>			
Menetapkan sasaran berasaskan sains ke atas laluan nyahkarbon dan membangunkan pelan peralihan sifar bersih To set science-based targets (SBTi) on decarbonisation pathways and develop a net zero transition plan	Menyumbangkan 4,000-6,000 jam kesukarelawanan setahun merentasi Bank untuk menggalakkan budaya kesukarelawanan warga kerja To contribute 4,000-6,000 volunteer hours per annum across the Bank to promote a culture of employee volunteerism	Membangunkan penyelesaian lestari yang disesuaikan dengan PMKS dan menyediakan pendekatan yang membolehkan mereka beralih kepada amalan Lestari (contoh, pembiayaan berkaitan kelestarian) To develop a tailored sustainable solutions suite for MSMEs and provide an approach that enables them to shift towards sustainable practices (e.g., sustainability-linked financing)	
<b>2025</b>			
Mencapai sasaran nyahkarbon sementara bagi mencapai operasi neutral karbon To meet decarbonisation interim targets to be a carbon neutral operation	Menghitung himpunan jam kesukarelawanan warga kerja dari 2022 hingga 2030 To calculate employee volunteering hours accumulatively from 2022 to 2030	Memberikan modal untuk menyokong pelanggan yang tidak mendapat pelayanan dan kurang mendapat pelayanan serta para pelanggan dalam mengguna pakai amalan perniagaan lestari To commit capitals to support the unserved and underserved customers and customers to adopt sustainable business practices	
<b>2050</b>			
Menjadi Bank sifar bersih dengan menyelaraskan semua portfolio kewangan dengan pelepasan sifar bersih To become a Net-Zero Bank aligning all financing portfolios with net-zero emissions			

### Mewujudkan Budaya Kelestarian

Mewujudkan Budaya Kelestarian dan memupuk budaya pemikiran dan tindakan yang mampan adalah penting untuk mencapai matlamat kelestarian kami. Budaya ini meningkatkan reputasi Bank, nilai jenama, moral kakitangan, dan prestasi keseluruhan. Ia juga menanamkan rasa tujuan bersama dan meningkatkan motivasi dalam kalangan kakitangan, menghasilkan kepuasan kerja yang lebih baik serta tenaga kerja yang lebih komited. Slogan kelestarian kami, "Think Sustainably, Act Responsibly," memberi inspirasi kepada kakitangan untuk mengintegrasikan amalan kelestarian dalam kehidupan seharian mereka dan menjadi juara amalan ini kepada pelanggan serta komuniti yang lebih luas selaras dengan kemajuan Bank.

Sesi Wacana Kelestarian oleh GSM secara aktif melibatkan pelbagai bahagian dalam menyokong perjalanan kelestarian Bank dengan memberikan kemas kini dan menjawab pertanyaan.

Salah satu matlamat kelestarian kami adalah untuk meningkatkan jumlah jam sukarelawan kakitangan menjelang 2030. Kami menggalakkan kakitangan untuk menyertai inisiatif kelestarian di tempat kerja, dan setiap bahagian menjejaki jam sukarelawan mereka sebagai sebahagian daripada KPI Bahagian. Sasaran tahunan telah ditetapkan pada 10 jam bagi setiap kakitangan. Pada tahun 2023, sasaran ini sejajar dengan UN SDG 3 (Kesihatan yang Baik dan Kesejahteraan) dalam menggalakkan amalan yang menyokong kesejahteraan kakitangan kami. Pada tahun 2023, sebanyak 25,259 jam sukarelawan kakitangan telah dikumpulkan, yang menunjukkan komitmen kami terhadap tanggungjawab alam sekitar dan sosial di tempat kerja serta komuniti.

Sepanjang tahun dalam tinjauan, Bank terus melaksanakan pelbagai inisiatif penglibatan untuk membina budaya ESG di seluruh organisasi.

### Creating a Culture of Sustainability

Creating a Culture of Sustainability and Fostering a culture of sustainable thinking and actions is crucial for achieving our sustainability goals. This culture enhances the Bank's reputation, brand value, employee morale, and overall performance. It also cultivates a shared sense of purpose and increases motivation among employees, resulting in improved job satisfaction and a more committed workforce. Our sustainability tagline, "Think Sustainably, Act Responsibly," motivates employees to integrate sustainable practices into their daily lives and to champion these practices to customers and the broader community as the Bank advances.

The GSM's *Wacana Kelestarian* sessions actively engage the various divisions in contributing to the Bank's sustainability journey by providing updates and addressing queries.

One of our sustainability goals is to increase employees' volunteering hours by 2030. We encourage our staff to participate in sustainability initiatives at the workplace, and each division tracks their volunteering hours as part of the Divisional KPI. For year 2023, an annual target has been set at 10 hours for each staff member. This target aligns with UN SDG 3 (Good Health and Wellbeing) in advocating for practices that promote the wellbeing of our staff. For year 2023, a total of 25,259 employee volunteer hours have been accumulated, showcasing our commitment to both environmental and social responsibility in the workplace and community.

Throughout the year in review, the Bank continued to implement various engagement initiatives to build the ESG culture across the organisation.








Setakat ini kami tekah mengumpulkan 25,259 jam sukarelawan, menunjukkan komitmen kami terhadap tanggungjawab alam sekitar dan sosial di tempat kerja dan komuniti.

To date, a total of 25,259 employee volunteer hours have been accumulated, showcasing our commitment to both environmental and social responsibility in the workplace and community.

## MEMACU TRANSFORMASI LESTARI

### DRIVING SUSTAINABLE TRANSFORMATION

Bil. No.	Aktiviti Activities	Keterangan Description
1.	Hari Kesedaran Kanser Sedunia World Cancer Awareness Day 	Sebarkan kesedaran mengenai kanser dan langkah-langkah pencegahan, menawarkan sokongan kepada mereka yang memerlukan. Berhubung dengan Persatuan Kanser Kebangsaan Malaysia (NCSM) untuk membuka reruai. Seramai 70 kakitangan mengambil bahagian. Spread awareness on cancer and preventative measures, offered support to those in need. Liaised with the National Cancer Society of Malaysia (NCSM) to set up a booth. A total of 70 staff members participated.
2.	Hari Wanita Sedunia International Women's Day 	Meraikan dedikasi dan menghargai pencapaian wanita. Celebrated the achievements of women at the Bank.
3.	Minggu Kitar Semula Sedunia Global Recycling Week 	Menganjurkan pertandingan Trash to Treasure 2.0 untuk kakitangan. Organised Trash to Treasure 2.0 competition for staff.
4.	Earth Hour Earth Hour 	Lampu yang tidak digunakan di setiap tingkat Ibu Pejabat telah dimatikan selama 2 jam. Unused lights on every floor of HQ were switched off for 2 hours.
5.	Hari Kesihatan Sedunia World Health Day 	Mengadakan QR Hunt untuk kakitangan dari Ibu Pejabat dengan hadiah termasuk baucar barangan sukan. Held a QR Hunt for staff from the Head Office with prizes including vouchers for sporting goods.
6.	Hari Tanpa Plastik - Julai Plastic Free July 	Bekerjasama dengan jenama dan mengadakan aktiviti untuk mengurangkan penggunaan plastik sepanjang bulan. Collaborated with brands and held activities to reduce the use of plastic throughout the month.
7.	Minggu Alam Sekitar Sedunia World Environment Week 	Mengadakan program alam sekitar sepanjang minggu, termasuk sesi kuiz Kahoot. Held environmental programmes throughout the week, including a Kahoot quiz session.
8.	Kempen Embrace Changes Embrace Changes Campaign 	Memberi tumpuan kepada memupuk budaya kemampanan, tanggungjawab sosial dan penglibatan komuniti. 121 kakitangan menawarkan diri, untuk hampir 81 jam. Focused on fostering a culture of sustainability, social responsibility, and community engagement. 121 staff volunteered close to 81 hours.

Bil. No.	Aktiviti Activities	Keterangan Description
9.	Bulan Kesedaran Kanser Payudara - Pink-tober Pink-tober - Breast Cancer Awareness Month 	Mewujudkan kesedaran mengenai kanser payudara melalui pelbagai program. Created awareness of breast cancer through various programmes.
10.	Festival SME Bank Green-Tober 2023 SME Bank Green-Tober Festival 2023 	Dianjurkan buat kali pertama untuk mempromosikan amalan mampan di tempat kerja. Organised for the first time to promote sustainable practices at work.
11.	Hari Kesedaran Kesihatan Mental - Mind Over Matter Mind Over Matter - Mental Health Awareness Day 	Mengadakan pelbagai program untuk menangani kesejahteraan mental, memberi tumpuan kepada menguruskan tekanan berkaitan kerja. Held various programmes to address mental wellbeing, focusing on managing work-related stress.
12.	SDG Brainiac Battle 2023 SDG Brainiac Battle 2023 	Pertempuran kuiz yang menyeronokkan untuk menguji pengetahuan kakitangan mengenai SDG. A fun quiz battle to test staff's knowledge of SDG matters.
13.	Pertandingan Penulisan Artikel dan Video SME Bank's 2023: Gaya Hidup SME Bank's ESG Article Writing & Video Competition 2023: Way of Life 	Menyediakan platform untuk kakitangan berkongsi kisah inspirasi mereka mengenai usaha mereka dalam melaksanakan kemampanan ke dalam kehidupan sendiri. Provided a platform for staff to share their inspiring stories of how they have implemented sustainability into their own lives.

#### Budaya Kelestarian

Budaya kelestarian juga meliputi cara kami mempersembahkan Bank kepada pihak berkepentingan luar. Sepanjang tahun, Bank telah menyertai beberapa acara untuk memperkukuh kedudukan ESG kami serta melibatkan diri dalam perkongsian pengetahuan. Acara-acara ini termasuk:

- Program Pembangunan Vendor UMW
- Mesyuarat Jawatankuasa Penyelarasan ASEAN ke-15 mengenai Perusahaan Mikro, Kecil, dan Sederhana (ACCMSME)
- Forum Inovasi Digital APEC "Facilitate SMEs' Green Transformation"
- NaviGate: *Siri Capital Market Green Financing*
- "Knowledge Sharing Session" RAM Holdings Bhd

Penyertaan dalam acara-acara ini menunjukkan komitmen kami terhadap kelestarian dan memperkukuhkan peranan kami sebagai pemacu ESG dalam ekosistem PKS.

#### Sustainability Culture

The sustainability culture extends to how we present the Bank to external stakeholders. Throughout the year, the Bank participated in several events to elevate our ESG positioning, as well as to engage in knowledge sharing. These events included:

- UMW Vendor Development Programme
- 15th ASEAN Coordinating Committee on Micro, Small, and Medium Enterprise (ACCMSME)
- APEC Digital Innovation Forum to Facilitate SMEs' Green Transformation
- NaviGate: Capital Market Green Financing Series
- RAM Holdings Bhd's "Knowledge Sharing Session"

Participation in these events demonstrates our commitment to sustainability and strengthens our role as an ESG driver in the SME ecosystem.

# PENGLIBATAN PIHAK BERKEPENTINGAN

## STAKEHOLDER ENGAGEMENT

SME Bank terus memupuk hubungan yang kukuh dengan semua pemegang taruh melalui penglibatan yang aktif dan telus. Ini membolehkan kami mengenal pasti dan menangani isu utama dengan berkesan, serta peluang dan risiko yang boleh memberi kesan kepada penyampaian nilai. Bidang kepentingan kumpulan pemegang taruh, kaedah penglibatan, nilai yang kami sasarkan untuk mencipta dan aktiviti penglibatan yang dijalankan pada tahun 2023 adalah seperti berikut:

SME Bank continues to foster strong relationships with all our stakeholders through active and transparent engagements. This allows us to identify and address key issues effectively, as well as opportunities and risks that could impact our value delivery. Our stakeholders' areas of interest, methods of engagement, the value we aim to create, and the engagement activities conducted in 2023 are as follows:




Pemegang Taruh Stakeholders	Mod Penglibatan Engagement Modes	Bidang Kepentingan Areas of Interest	Nilai Yang Didapati Value Created	Aktiviti 2023 Activities in 2023
<p><b>Pekerja</b> <b>Employees</b></p>	<ul style="list-style-type: none"> <li>Mesyuarat/panggilan</li> <li>Perbincangan</li> <li>Tinjauan dan maklum balas tetap</li> <li>E-mel dan buletin</li> <li>Penerbitan</li> <li>Komunikasi intranet</li> <li>Komunikasi berterusan melalui dasar/ budaya pintu terbuka</li> <li>Mesej Presiden Kumpulan / Ketua Pegawai Eksekutif (GP/CEO)</li> <li>Aktiviti sosial</li> <li>Program latihan dan pembangunan</li> <li>Semakan prestasi pekerja dan ganjaran</li> <li>Anugerah pengiktirafan</li> </ul>	<ul style="list-style-type: none"> <li>Kesejahteraan pekerja</li> <li>Keseimbangan kerja-kehidupan</li> <li>Latihan dan pembangunan kerjaya</li> <li>Pampasan</li> <li>Kemas kini Rancangan Perniagaan/ Operasi</li> <li>Integriti dan urusan tadbir urus</li> </ul>	<ul style="list-style-type: none"> <li>Persekitaran kerja yang kondusif</li> <li>Kajian prestasi yang telus dan rancangan pembangunan kerjaya</li> <li>Menambah dan meningkatkan kemahiran pengetahuan dan kecekapan pembelajaran pekerja</li> <li>Meningkatkan pemahaman tentang matlamat Bank dan sentiasa mendapat maklumat terkini mengenai SME Bank</li> </ul>	<ul style="list-style-type: none"> <li>Makan Malam Penghargaan Pekerja dan Anugerah Kesetiaan Pekerja 2023</li> <li>Indeks Penglibatan Pekerja</li> <li>Penyertaan Anugerah GHCM</li> <li>Program Pelatih Pengurusan Perhubungan (RMT)</li> <li>Rangka Kerja Program Pembangunan Kredit</li> <li>Pengijazahan MBA Kohort 1 (2021/2023).</li> <li>MBA Kohort 2 (2023/2025) Tajaan</li> <li>Rumah Terbuka Raya SME Bank 2023</li> <li>Piala Presiden SME Bank 2023</li> <li>Latihan Keselamatan BOMBA untuk ERT SME Bank</li> <li>Pemanduan Bertahan untuk Pemandu</li> <li>Pensijilan Train-the-Trainer</li> </ul>
	<ul style="list-style-type: none"> <li>Meetings/calls</li> <li>Townhall</li> <li>Surveys and regular feedback</li> <li>Emails and newsletter</li> <li>Publications</li> <li>Intranet communication</li> <li>Ongoing communication via open-door policy/culture</li> <li>Group President / Chief Executive Officer (GP/CEO) messages</li> <li>Social activities</li> <li>Training and development programmes</li> <li>Employee performance review and rewards</li> <li>Recognition awards</li> </ul>	<ul style="list-style-type: none"> <li>Employee wellbeing</li> <li>Work-life balance</li> <li>Training and career development</li> <li>Compensation</li> <li>Business Plan/Operational updates</li> <li>Integrity and governance matters</li> </ul>	<ul style="list-style-type: none"> <li>Conducive working environment</li> <li>Transparent performance review and career development plan</li> <li>Enhancing and upskilling employees' knowledge and learning competencies</li> <li>Improve understanding of the Bank's goals and keep up-to-date on SME Bank information</li> </ul>	<ul style="list-style-type: none"> <li>Employee Appreciation Dinner and Employee Loyalty Award 2023</li> <li>Employee Engagement Index</li> <li>GHCM Award Participation</li> <li>Relationship Management Trainee Programme (RMT)</li> <li>Credit Development Programme Framework</li> <li>MBA Cohort 1 (2021/2023) Graduation</li> <li>MBA Cohort 2 (2023/2025) Sponsorship</li> <li>SME Bank Raya Open House 2023</li> <li>SME Bank President's Cup 2023</li> <li>BOMBA Safety Training for SME Bank ERT</li> <li>Defensive Driving for Drivers</li> <li>Train-the-Trainer Certification</li> </ul>



# PENGLIBATAN PIHAK BERKEPENTINGAN

## STAKEHOLDER ENGAGEMENT

Pemegang Taruh Stakeholders	Mod Penglibatan Engagement Modes	Bidang Kepentingan Areas of Interest	Nilai Yang Didapati Value Created	Aktiviti 2023 Activities in 2023
 <p><b>Pelanggan Customers</b></p>	<ul style="list-style-type: none"> <li>Panggilan dan mesyuarat bersemuka</li> <li>Tinjauan dan maklum balas tetap</li> <li>Jerayawara dan program jalinan rangkaian</li> <li>Penerbitan</li> <li>Komunikasi digital</li> <li>Talian Utama</li> </ul>	<ul style="list-style-type: none"> <li>Pelbagai perkhidmatan untuk sokongan dan pembangunan usahawan</li> <li>Platform maya SME Bank XCESS</li> </ul>	<ul style="list-style-type: none"> <li>Mewujudkan kesedaran dan penyertaan usahawan PKS dalam sokongan pembangunan perniagaan dan menjadi penyumbang ekonomi</li> <li>Peluang perniagaan yang dipertingkatkan dan dikembangkan untuk pelanggan kami</li> </ul>	<ul style="list-style-type: none"> <li>XCESS 2023</li> <li>Jom XCESS</li> <li>Webinar BIAYA Usahawan 2023</li> <li>Skim Pembiayaan Perusahaan Sosial ("SEFS")</li> <li>Rumah Terbuka Raya SME Bank 2023</li> <li>Dana Transformasi Teknologi PKS</li> <li>Dana Pemantapan Automasi</li> <li>HalalBiz</li> <li>Dana Kemampuan PMKS Bumiputera</li> <li>Program Premis Usahawan (EPP)</li> <li>Penilaian Skor Kitaran Hidup Perniagaan (ELSA)</li> <li>Dana Peralihan Karbon Rendah</li> <li>Kemudahan Bantuan Bencana</li> <li>Kemudahan Teknologi Tinggi &amp; Hijau</li> <li>Skim Pembiayaan Teknologi Hijau</li> <li>Dana Pemberdayaan Usahawan Muda 2.0</li> <li>Pembiayaan Dana Promosi IBS 2.0</li> </ul>
	<ul style="list-style-type: none"> <li>Face-to-face, meetings and calls</li> <li>Surveys and regular feedback</li> <li>Roadshows and networking programmes</li> <li>Publications</li> <li>Digital communication</li> <li>Hotline</li> </ul>	<ul style="list-style-type: none"> <li>Range of services for entrepreneur support and development</li> <li>SME Bank XCESS virtual platform</li> </ul>	<ul style="list-style-type: none"> <li>Create awareness and participation of SME entrepreneurs in business development support and become economic contributors</li> <li>Enhanced business opportunities and expansion for our customers</li> </ul>	<ul style="list-style-type: none"> <li>XCESS 2023</li> <li>Jom XCESS</li> <li>Webinar BIAYA Usahawan 2023</li> <li>Social Enterprise Financing Scheme ("SEFS")</li> <li>SME Bank Raya Open House 2023</li> <li>SME Technology Transformation Fund</li> <li>Dana Pemantapan Automasi</li> <li>HalalBiz</li> <li>Dana Kemampuan PMKS Bumiputera</li> <li>Entrepreneur Premises Programme (EPP)</li> <li>Enterprise Lifecycle Scoring Assessment (ELSA)</li> <li>Low Carbon Transition Fund</li> <li>Disaster Relief Facility</li> <li>High Tech &amp; Green Facility</li> <li>Green Technology Financing Scheme</li> <li>Young Entrepreneur Fund 2.0</li> <li>IBS Promotion Fund 2.0</li> </ul>



# PENGLIBATAN PIHAK BERKEPENTINGAN

## STAKEHOLDER ENGAGEMENT

Pemegang Taruh Stakeholders	Mod Penglibatan Engagement Modes	Bidang Kepentingan Areas of Interest	Nilai Yang Didapati Value Created	Aktiviti 2023 Activities in 2023
<p><b>Komuniti Tempatan</b> <b>Local Communities</b></p>	<ul style="list-style-type: none"> <li>Penglibatan sukarela</li> <li>Acara amal/kemasyarakatan</li> <li>Pekerjaan tempatan/pejuang latihan industri</li> </ul>	<ul style="list-style-type: none"> <li>Pembinaan komuniti</li> <li>Pendidikan usahawan</li> <li>Pembangunan usahawan dan pembinaan kapasiti/ kemampuan</li> </ul>	<ul style="list-style-type: none"> <li>Membina hubungan positif dengan masyarakat</li> <li>Menyokong usaha Kerajaan untuk memangkin PKS negara melalui program pendidikan untuk komuniti terpinggir</li> </ul>	<ul style="list-style-type: none"> <li>SDG 14: Kehidupan Di Dalam Air / Projek pengangkatan Karang / Penanaman Karang</li> <li>Jabatan &amp; Bahagian: Pengurusan Pemulihan &amp; Aset (RAM) dan Pengurusan Aset SMEB ("SAM")</li> <li>Program Pameran Kerjaya dan Pembinaan Kerjaya 2023</li> <li>Program ISHRAF 3.0</li> <li>Program Ramadan SME Bank 2023</li> <li>Projek Eko-Pendidikan bersama SK Temonyong, Langkawi</li> <li>Penjana Komuniti@SME Bank</li> </ul>
	<ul style="list-style-type: none"> <li>Volunteering engagements</li> <li>Charity/community events</li> <li>Local employment/internship opportunities</li> </ul>	<ul style="list-style-type: none"> <li>Community building</li> <li>Entrepreneur education</li> <li>Entrepreneur development and capacity building</li> </ul>	<ul style="list-style-type: none"> <li>Build positive relationships with the community</li> <li>Support the Government's effort to catalyse the country's SMEs through educational programmes for marginalised communities</li> </ul>	<ul style="list-style-type: none"> <li>SDG 14: Life Underwater / Coral Adoption / Coral Planting</li> <li>Department &amp; Division: Recovery &amp; Asset Management (RAM) and SMEB Asset Management ("SAM")</li> <li>Career Fair and Career Building Program 2023</li> <li>ISHRAF 3.0 Programme</li> <li>SME Bank Ramadan Programme 2023</li> <li>Eco-Education Project with SK Temonyong, Langkawi</li> <li>Penjana Komuniti@SME Bank</li> </ul>

# PENGLIBATAN PIHAK BERKEPENTINGAN

## STAKEHOLDER ENGAGEMENT

Pemegang Taruh Stakeholders	Mod Penglibatan Engagement Modes	Bidang Kepentingan Areas of Interest	Nilai Yang Didapati Value Created	Aktiviti 2023 Activities in 2023
 <p><b>Kerajaan dan Pengawal Selia</b> <b>Government and Regulators</b></p>	<ul style="list-style-type: none"> <li>Mesyuarat tetap, bengkel strategik, forum/dialog</li> <li>Perundingan mengenai perkara kawal selia dan pematuhan</li> <li>E-mel dan surat</li> <li>Maklum balas tetap</li> </ul>	<ul style="list-style-type: none"> <li>Sokongan yang relevan kepada usahawan, membina ekosistem, membangun peluang dan idea kerjasama</li> <li>Hala tuju perniagaan</li> <li>Memastikan daya maju perniagaan dan perkhidmatan</li> <li>Etika dan integriti</li> </ul>	<ul style="list-style-type: none"> <li>Wujudkan hubungan yang kukuh dengan Kerajaan dan pengawal selia, untuk menyokong industri PKS secara kolektif, dan setanding dengan keperluan/peraturan semasa</li> </ul>	<ul style="list-style-type: none"> <li>Sesi penglibatan dengan Pemegang Taruh Tahap 1 iaitu Kementerian Pembangunan Usahawan dan Koperasi (KUSKOP), Kementerian Kewangan (MOF) &amp; Bank Negara Malaysia (BNM)</li> <li>Menjemput wakil dari KUSKOP untuk memberi taklimat mengenai Perusahaan Sosial kepada Lembaga Pengarah dan Pasukan Kepimpinan Kanan</li> <li>Laporan yang dikeluarkan dan kemas kini berkala</li> <li>Mengambil bahagian secara aktif dan menyumbang kepada industri serta kumpulan kerja pengawalseliaan</li> </ul>
	<ul style="list-style-type: none"> <li>Regular meetings, strategic workshops, forums/dialogues</li> <li>Consultation on regulatory and compliance matters</li> <li>Emails and letters</li> <li>Regular feedback</li> </ul>	<ul style="list-style-type: none"> <li>Relevant support to entrepreneurs, building ecosystem, developing opportunities and collaboration ideas</li> <li>Business direction</li> <li>Ensuring business and service viability</li> <li>Ethics and integrity</li> </ul>	<ul style="list-style-type: none"> <li>Create strong rapport with Government and regulators, to collectively support the SME industry, and be on par with current requirements/regulations</li> </ul>	<ul style="list-style-type: none"> <li>Engagement session with Stakeholder Tier 1 namely Kementerian Pembangunan Usahawan dan Koperasi (KUSKOP), Kementerian Kewangan (MOF) &amp; Bank Negara Malaysia (BNM)</li> <li>Invited representative from KUSKOP to brief on Social Enterprises to Board of Directors and Senior Leadership Team</li> <li>Issued reports and periodic updates</li> <li>Actively participated in and contributed to industry and regulatory working groups</li> </ul>
 <p><b>Rakan-rakan Rantaian Bekalan</b> <b>Supply chain partners</b></p>	<ul style="list-style-type: none"> <li>Mesyuarat dan panggilan</li> <li>Maklum balas tetap</li> <li>Penerbitan</li> <li>Komunikasi digital</li> <li>Talian Utama</li> <li>Platform tender dan perolehan</li> </ul>	<ul style="list-style-type: none"> <li>Pengurusan rantaian bekalan</li> <li>Polisi, amalan dan sistem perolehan</li> <li>Ketelusan dan tadbir urus</li> <li>Penilaian pembekal dan sub-kontraktor</li> </ul>	<ul style="list-style-type: none"> <li>Proses perolehan yang telus yang mewujudkan hubungan menang-menang dengan vendor/pembekal kami</li> <li>Pemantauan prestasi dan meningkatkan kecekapan sepanjang rantaian bekalan</li> </ul>	<ul style="list-style-type: none"> <li>Berkongsi dasar dan prosedur perolehan Bank</li> <li>Menjalankan audit pembekal, apabila diperlukan</li> <li>Menjalankan lawatan tapak ke kemudahan, jika perlu</li> <li>Menggalakkan pemahaman tentang dasar Bank, tadbir urus dan sebagainya</li> </ul>
	<ul style="list-style-type: none"> <li>Meetings and calls</li> <li>Regular feedback</li> <li>Publications</li> <li>Digital communication</li> <li>Hotline</li> <li>Tendering and procurement platforms</li> </ul>	<ul style="list-style-type: none"> <li>Supply chain management</li> <li>Procurement policy, practices and system</li> <li>Transparency and governance</li> <li>Suppliers and sub-contractors' evaluation</li> </ul>	<ul style="list-style-type: none"> <li>A transparent procurement process that creates a win-win relationship with our vendors/suppliers</li> <li>Performance monitoring and improving efficiency throughout supply chain</li> </ul>	<ul style="list-style-type: none"> <li>Shared the Bank's procurement policies and procedures</li> <li>Conducted supplier audits, as and when required</li> <li>Conducted site visits to facilities, as necessary</li> <li>Promoted understanding of the Bank's policy, governance and so forth</li> </ul>

# PENGLIBATAN PIHAK BERKEPENTINGAN

## STAKEHOLDER ENGAGEMENT

Pemegang Taruh Stakeholders	Mod Penglibatan Engagement Modes	Bidang Kepentingan Areas of Interest	Nilai Yang Didapati Value Created	Aktiviti 2023 Activities in 2023
<p><b>Komuniti Pelaburan Investment Community</b></p>	<ul style="list-style-type: none"> <li>Mesyuarat</li> <li>Mesyuarat Agung Tahunan</li> <li>Acara dan persidangan</li> <li>Penerbitan</li> <li>Komunikasi digital</li> </ul>	<ul style="list-style-type: none"> <li>Strategi perniagaan dan kemampanan</li> <li>Kestabilan kewangan</li> <li>Penciptaan nilai pihak berkepentingan</li> </ul>	<ul style="list-style-type: none"> <li>Penyertaan dalam platform pembiayaan hijau dan kelestarian iaitu kelestarian sukuk</li> <li>Memahami dan menyokong kelestarian dan strategi ESG Bank</li> </ul>	<ul style="list-style-type: none"> <li>Rangka Kerja Kelestarian Sukuk dan program Kelestarian Sukuk terlebih langgan, pesanan melebihi RM1 bilion</li> <li>Menjalankan AGM mengikut keperluan berkanun</li> <li>Perbincangan tetap dengan peserta pasaran mengenai strategi dan keputusan kewangan Bank</li> <li>Menerbitkan maklumat syarikat, pengumuman, pembentangan, keputusan kewangan dan laporan bukan kewangan secara bercetak dan di laman web Bank</li> <li>Menerbitkan pengumuman yang berkaitan dalam media</li> <li>Rumah Terbuka Raya SME Bank</li> </ul>
	<ul style="list-style-type: none"> <li>Meetings</li> <li>Annual General Meeting</li> <li>Events and conference</li> <li>Publications</li> <li>Digital communication</li> </ul>	<ul style="list-style-type: none"> <li>Business and sustainability strategies</li> <li>Financial stability</li> <li>Stakeholder value creation</li> </ul>	<ul style="list-style-type: none"> <li>Participation in green and sustainability funding platforms i.e. sustainability sukuk</li> <li>Understanding and supporting of Bank's sustainability and ESG strategies</li> </ul>	<ul style="list-style-type: none"> <li>Sustainability Sukuk Framework and Sustainability Sukuk programme oversubscribed, orders exceed RM1 billion</li> <li>Conducted AGM as per statutory requirement</li> <li>Regular exchange with market participants on the Bank's strategy and financial results</li> <li>Published company information, announcements, presentations, financial results and non-financial reports in print and on the Bank's website</li> <li>Published relevant announcements in the media</li> <li>SME Bank Raya Open House</li> </ul>
<p><b>Media Media</b></p>	<ul style="list-style-type: none"> <li>Siaran Media</li> <li>Sidang media</li> <li>Temu bual</li> </ul>	<ul style="list-style-type: none"> <li>Strategi perniagaan dan kemampanan</li> <li>Tanggungjawab korporat</li> <li>Kebolehcapaian dan kesedaran pembiayaan dan seterusnya perkhidmatan pembiayaan untuk usahawan</li> <li>Mengurus dan berkomunikasi berkaitan isu</li> </ul>	<ul style="list-style-type: none"> <li>Kesedaran yang lebih tinggi tentang sokongan yang tersedia untuk pembangunan PKS</li> <li>Cara komunikasi perniagaan Bank dan aktiviti kemampanan</li> </ul>	<ul style="list-style-type: none"> <li>Siaran akhbar dan pengumuman</li> <li>Taklimat media dan penglibatan</li> <li>Penerbitan Laporan Tahunan Bersepadu</li> </ul>
	<ul style="list-style-type: none"> <li>Media Release</li> <li>Press Conference</li> <li>Interviews</li> </ul>	<ul style="list-style-type: none"> <li>Business and sustainability strategies</li> <li>Corporate responsibility</li> <li>Accessibility and awareness of financing and beyond financing services for entrepreneurs</li> <li>Managing and communicating on related issues</li> </ul>	<ul style="list-style-type: none"> <li>Greater awareness of support available for SME development</li> <li>Mode of communication of Bank's business and sustainability activities</li> </ul>	<ul style="list-style-type: none"> <li>Press releases and announcements</li> <li>Media briefings and engagements</li> <li>Publication of Integrated Annual Report</li> </ul>

# PENGLIBATAN PIHAK BERKEPENTINGAN

## STAKEHOLDER ENGAGEMENT

Pemegang Taruh Stakeholders	Mod Penglibatan Engagement Modes	Bidang Kepentingan Areas of Interest	Nilai Yang Didapati Value Created	Aktiviti 2023 Activities in 2023
 <p><b>Pertubuhan industri dan Rakan Kongsi yang sehaluan Industry Associations and likeminded partners</b></p>	<ul style="list-style-type: none"> <li>Perkongsian strategik, MOU dan kerjasama</li> </ul>	<ul style="list-style-type: none"> <li>Sokongan yang relevan kepada usahawan, membina ekosistem, membangun peluang dan kerjasama idea</li> </ul>	<ul style="list-style-type: none"> <li>Mewujudkan hubungan yang kukuh dengan pemain industri untuk menyokong pembangunan industri PKS secara kolektif</li> </ul>	<ul style="list-style-type: none"> <li>Bekerjasama dengan badan Industri - Perbadanan Pembangunan Halal (HDC) dan Perbadanan Kemajuan Negeri Perak (SADC Perak)</li> <li>Lawatan daripada Islamic Development Bank (IsDB) dan INCEIF University (ISRA Consulting)</li> <li>Bekerjasama dengan UiTM untuk memudahkan pertumbuhan PKS serta meningkatkan keupayaan kakitangan daripada kedua-dua organisasi melalui inisiatif pembinaan kapasiti</li> <li>Bekerjasama dengan UniSZA untuk memudahkan pertumbuhan perusahaan kecil dan sederhana (PKS) serta meningkatkan keupayaan kakitangan bagi tujuan pembinaan kapasiti.</li> <li>Perkongsian strategik dengan pemimpin industri cth. Ramly, Chatime, Ayamas, Bateriku.com untuk menyediakan peluang perniagaan kepada PKS melalui "Umbrella Financing"</li> <li>Kerjasama dengan Unit Pemandu Agenda Bumiputera (TERAJU) dan Perbadanan Pembangunan Perdagangan Luar Malaysia (MATRADE) mengenai Business Exports Programme (BEP) untuk memudahkan pertumbuhan PKS Bumiputera berpotensi menjadi pengeksport</li> </ul>
	<ul style="list-style-type: none"> <li>Strategic partnerships, MOUs and collaborations</li> </ul>	<ul style="list-style-type: none"> <li>Relevant support to entrepreneurs, building ecosystems, developing opportunities and collaboration of ideas</li> </ul>	<ul style="list-style-type: none"> <li>Create strong rapport with industry players to collectively support SME industry development</li> </ul>	<ul style="list-style-type: none"> <li>Collaborated with Industry bodies - Halal Development Corporation (HDC) and Perak State Development Corporation (Perak SADC)</li> <li>Visit from Islamic Development Bank (IsDB) and INCEIF University (ISRA Consulting)</li> <li>Collaborated with UiTM to facilitate the growth of SMEs as well as enhance the capabilities of the staff from both organizations through capacity building initiatives</li> <li>Collaborated with UniSZA to facilitate the growth of small and medium-sized enterprises (SMEs) as well as enhance the capabilities of the staff for the purpose of capacity building.</li> <li>Strategically partnered with industry leaders e.g. Ramly, Chatime, Ayamas, Bateriku.com to provide business opportunities for SMEs via Umbrella Financing</li> <li>Collaboration with the Bumiputera Agenda Steering Unit (TERAJU) and Malaysia External Trade Development Corporation (MATRADE) on Business Exports Programme (BEP) to facilitate growth of potential Bumiputera SMEs into exporters</li> </ul>

# PERKARA-PERKARA PENTING

## MATERIAL MATTERS

Pada tahun 2022, SME Bank menjalani Penilaian Materialiti (*Materiality Assessment*) yang komprehensif bagi menilai secara mendalam landskap pasaran semasa, mengenal pasti risiko dan impak dan menangani kebimbangan semasa.

Penilaian ini, berpandukan Panduan Laporan Kelestarian Bursa Malaysia (Edisi ke-2) dan Alat Bantu Penglibatan Pihak Berkepentingan dan Penilaian Kepentingan, merangkumi penilaian dalaman yang terperinci serta maklum balas bernilai dari pihak berkepentingan. Ini memastikan semua suara didengar dan diambil kira.

Dengan menyelaraskan isu-isu utama dengan citarasa (toleransi) risiko perusahaan, kami mengintegrasikan risiko utama dan yang sedang muncul ke dalam proses pengurusan risiko, memberikan perspektif yang realistik dan strategik mengenai tentang persekitaran dan cabaran semasa.

In 2022, SME Bank undertook a comprehensive Materiality Assessment to thoroughly evaluate the current market landscape, identify risks and impacts and address trending concerns.

This assessment, guided by Bursa Malaysia's Sustainability Reporting Guide (2nd Edition) and the Toolkit on Stakeholder Engagement and Materiality Assessment, involves detailed internal evaluations and the invaluable incorporation of stakeholder feedback, ensuring that every voice is heard and considered.

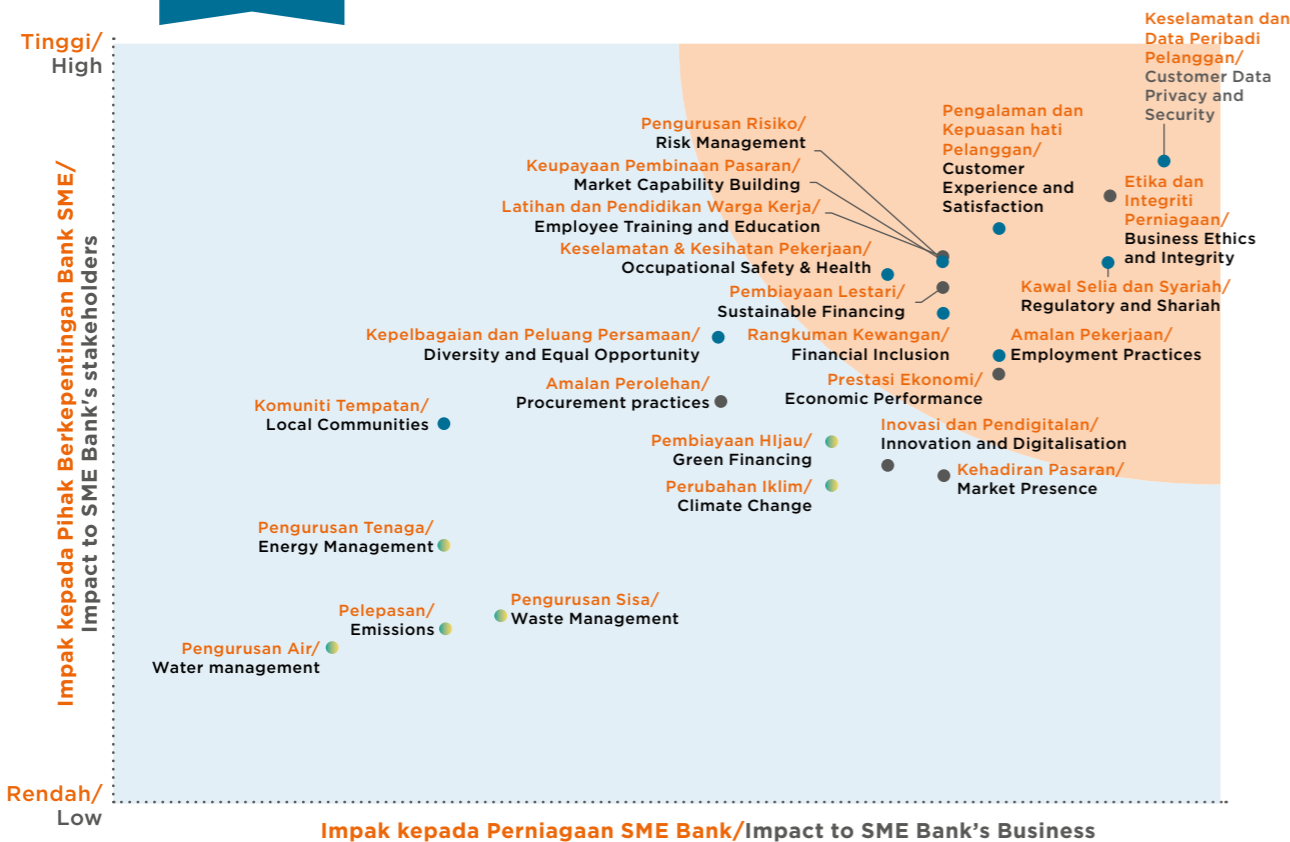
By aligning our identified material matters with our enterprise risk appetite, we ensured the integration of top and emerging risks into our existing risk management processes, thus providing a realistic and strategic perspective on the existing business environment and challenges.

### 10 Perkara Penting Utama Top 10 Material Matters

Aras keutamaan Priority Level	Perkara Penting Material Matters
1.	Privasi dan Keselamatan Data Pelanggan/Customer Data Privacy & Security
2.	Etika Perniagaan dan Integriti/Business Ethics and Integrity
3.	Pengalaman dan Kepuasan Pelanggan/Customer Experience & Satisfaction
4.	Kawal Selia dan Pematuhan Syariah/Regulatory & Shariah Compliance
5.	Pengurusan Risiko/Risk Management
6.	Keupayaan Pembinaan Pasaran/Market Capability Building
7.	Pendidikan dan Latihan Kakitangan/Employee Training and Education
8.	Keselamatan dan Kesihatan Pekerja/Occupational Safety & Health
9.	Pembiayaan Lestari/Sustainable Financing
10.	Rangkuman Kewangan/Financial Inclusion

23 isu-isu penting/  
Material Matters

Matriks Materialiti SME BANK / SME Bank's Materiality Matrix



Petunjuk/  
Legend



- Ekonomi dan Tadbir Urus/  
Economic and Governance
- Sosial/  
Social
- Alam Sekitar/  
Environmental




# PERKARA-PERKARA PENTING

## MATERIAL MATTERS

Perkara-perkara penting berikut, bersama dengan kepentingannya kepada SME Bank, telah dikenal pasti:

The following material matters, along with their significance to SME Bank, were identified:

Perkara-perkara Penting Material Matters	Keterangan Description	Kepentingan kepada SME Bank Importance to SME Bank
<b>1.</b> <b>Privasi dan Keselamatan Data Pelanggan</b> <b>Customer data privacy and security</b> 	<p>Menguruskan dan melindungi maklumat sensitif pelanggan semasa melakukan transaksi. Seiring dengan pertumbuhan perdagangan dalam talian, isu berkaitan privasi data pelanggan menimbulkan kebimbangan.</p> <p>Involves managing and safeguarding sensitive customer information during transactions. As online commerce grows, customer data privacy has become an increasing concern.</p>	<p>Mewujudkan hubungan digital yang selamat dan boleh dipercayai dengan pelanggan untuk mengelakkan kebocoran maklumat.</p> <p>Establishing a secure, trustworthy digital relationship with clients to prevent information leakage.</p>
<b>2.</b> <b>Etika Perniagaan dan Integriti</b> <b>Business ethics and integrity</b> 	<p>Bertindak dengan integriti, secara terbuka dan peribadi, bermakna memenuhi komitmen dan memupuk budaya beretika di seluruh organisasi.</p> <p>Acting with integrity, both publicly and privately, means fulfilling commitments and fostering an ethical culture throughout the organisation.</p>	<p>Etika dan integriti perniagaan adalah penting kepada perbankan dan amat penting kepada pengawal selia, pekerja dan pelanggan. Bank mesti mengurus dan melindungi kewangan pelanggan secara bertanggungjawab.</p> <p>Business ethics and integrity are central to banking and critically important to regulators, employees and customers. Bank must responsibly manage and safeguard customers' finances.</p>
<b>3.</b> <b>Pengalaman dan Kepuasan Pelanggan</b> <b>Customer experience and satisfaction</b> 	<p>Mengukur kepuasan pelanggan terhadap perniagaan, produk, atau pengalaman secara keseluruhan.</p> <p>The measure of a customer's satisfaction with a business, product, or overall experience.</p>	<p>Mewujudkan pengalaman pelanggan yang cemerlang adalah penting bagi bank. Ia memupuk kesetiaan kepada jenama, meningkatkan imej jenama dan menyediakan kelebihan daya saing untuk pertumbuhan yang mampan.</p> <p>Crafting an outstanding customer experience is paramount for Bank. It fosters brand loyalty, enhances brand image and provides a competitive edge for sustainable growth.</p>

Perkara-perkara Penting Material Matters	Keterangan Description	Kepentingan kepada SME Bank Importance to SME Bank
<b>4.</b> <b>Kawal Selia dan Pematuhan Syariah</b> <b>Regulatory and Shariah compliance</b> 	<p>Produk/Perkhidmatan/Aktiviti kewangan yang mematuhi prinsip-prinsip Syariah (Undang-undang Islam)</p> <p>A financial product/service/activity complies with the principles of Shariah (Islamic Law).</p>	<p>Kawal Selia dan Pematuhan Syariah memastikan kelulusan untuk beroperasi. Bank sepatutnya komited memastikan segala keperluan kawal selia dan pelaporan dipenuhi.</p> <p>Regulatory and Shariah Compliance ensures license for operation. Banks should be committed to ensure that all reporting or regulatory requirements are fulfilled.</p>
<b>5.</b> <b>Pengurusan Risiko</b> <b>Risk management</b> 	<p>Proses mengenal pasti, menilai dan mengawal ancaman kepada modal dan perolehan organisasi.</p> <p>The process of identifying, assessing and controlling threats to an organisation's capital and earnings.</p>	<p>Untuk menilai potensi kerugian bank pada masa depan dan mengambil langkah-langkah keselamatan untuk menangani potensi masalah.</p> <p>To evaluate the potential losses for the banks in the future and to take precautions to deal with upcoming potential problems when they occur.</p>
<b>6.</b> <b>Pembinaan Keupayaan Pasaran</b> <b>Market capability building</b> 	<p>Keupayaan sesebuah organisasi untuk memenuhi keperluan pelanggan pada masa, tempat, dan kos yang tepat adalah penting. Keupayaan pemasaran adalah penting untuk prestasi perniagaan yang berlanjutan.</p> <p>The ability of an organisation to understand and fulfil customers' needs at the right time, right place, and right cost. Marketing capability is essential for sustainable business performance.</p>	<p>Menawarkan pekerja persekitaran yang selamat untuk belajar dan melibatkan diri dengan teknologi, alatan dan proses baharu yang penting untuk penyepaduan di tempat kerja.</p> <p>Offering employees a secure environment to learn and engage with new technologies, tools, and processes essential for integration into the workplace.</p>

## PERKARA-PERKARA PENTING

### MATERIAL MATTERS



Perkara-perkara Penting Material Matters	Keterangan Description	Kepentingan kepada SME Bank Importance to SME Bank
<p>7.</p> <p><b>Pendidikan dan Latihan Kakitangan</b> Employee training and education</p>	<p>Usaha berterusan syarikat untuk meningkatkan prestasi pekerja melalui pelbagai kaedah dan program pendidikan yang bertujuan untuk latihan dan pembangunan.</p> <p>The continued efforts of a company to enhance employee performance through diverse educational methods and programs aimed at training and development.</p>	<p>Bank harus membangunkan kemahiran dan kecekapan kakitangan bagi membina tenaga kerja yang bersedia untuk masa hadapan dan memenuhi jangkaan serta permintaan pihak berkepentingan yang semakin meningkat.</p> <p>Banks should develop their people's skills and competencies to build a future-ready workforce and meet the increasing expectations and demands of stakeholders.</p>
<p>8.</p> <p><b>Keselamatan dan Kesihatan Pekerja</b> Occupational safety and health</p>	<p>Bidang kesihatan awam memantau trend penyakit dan kecederaan dalam kalangan warga kerja, mencadangkan dan melaksanakan strategi dan peraturan untuk mencegahnya.</p> <p>The field of public health monitors trends in illnesses and injuries among the workforce, proposing and implementing strategies and regulations to prevent them.</p>	<p>Persekitaran kerja yang selamat dan selesa melindungi pekerja daripada bahaya dan meningkatkan produktiviti.</p> <p>Safe and comfortable working environment protects the employees from harm and improves productivity.</p>
<p>9.</p> <p><b>Pembiayaan Lestari</b> Sustainable financing</p>	<p>Sebarang proses kewangan yang memupuk pertumbuhan ekonomi sambil menyepadukan faktor persekitaran, sosial dan tadbir urus (ESG) untuk menggalakkan hasil pembangunan mampan.</p> <p>Any financial process that fosters economic growth while integrating environmental, social, and governance (ESG) factors to promote sustainable development outcomes.</p>	<p>Institusi kewangan memainkan peranan penting dalam membantu tindakan global bagi mengurangkan kesan perubahan iklim. Bank boleh menyalurkan pelaburan kepada tenaga boleh diperbaharui dan perniagaan yang bertanggungjawab secara sosial ke atas perniagaan yang merosakkan, menggalakkan ekonomi rendah karbon dan pembangunan lestari.</p> <p>Financial institutions play an important role in assisting global action to mitigate the impacts of climate change. Banks could channel investments in renewable energies and socially responsible businesses over destructive businesses, promoting a low-carbon economy and sustainable development.</p>




Perkara-perkara Penting Material Matters	Keterangan Description	Kepentingan kepada SME Bank Importance to SME Bank
<p>10.</p> <p><b>Rangkuman Kewangan</b> Financial inclusion</p>	<p>Inisiatif yang bertujuan untuk menjadikan produk dan perkhidmatan kewangan boleh diakses dan mampu dimiliki oleh individu dan perniagaan.</p> <p>Initiatives aimed at making financial products and services accessible and affordable to both individuals and businesses.</p>	<p>Rangkuman kewangan adalah penting dalam mengurangkan kemiskinan dan memupuk perkembangan lestari dalam ekonomi tempatan. Bank berusaha untuk meningkatkan kebolehcapaian dan kemampuan produk.</p> <p>Financial inclusion is crucial for reducing poverty and fostering sustainable growth in the local economy. Bank endeavor to enhance the accessibility and affordability of our products.</p>
<p>11.</p> <p><b>Amalan pekerjaan</b> Employment practices</p>	<p>Corak yang mungkin diguna pakai dalam pengambilan pekerja dan keadaan tempat kerja.</p> <p>The patterns that may be observed in a company's hiring and workplace conditions.</p>	<p>Pekerja ialah aset Bank yang paling berharga, berkhidmat sebagai duta, wakil barisan hadapan dan tulang belakang. Ia membolehkan Bank melaksanakan strategi perniagaan dan memberikan nilai kepada semua pihak berkepentingan.</p> <p>Employees are a Bank's most valuable asset, serving as its ambassadors, frontline representatives, and backbone. They enable Bank to execute business strategies and deliver value to all stakeholders.</p>
<p>12.</p> <p><b>Kepelbagaian dan peluang yang sama</b> Diversity and equal opportunity</p>	<p>Amalan yang memastikan setiap orang mempunyai peluang yang sama dan tidak dibeza atau didiskriminasi berdasarkan ciri-ciri mereka.</p> <p>A practice that ensures everybody has an equal opportunity and is not treated differently or discriminated against because of their characteristics.</p>	<p>Untuk kekal berfikiran terbuka dan menyediakan peluang yang sama kepada semua untuk menerima manfaat kepelbagaian dari segi budaya, latar belakang, jantina dan kemahiran.</p> <p>To stay open-minded and provide equal opportunities for all to embrace the benefits of diversity in terms of culture, background, gender and skills.</p>



## PERKARA-PERKARA PENTING

### MATERIAL MATTERS

Perkara-perkara Penting Material Matters	Keterangan Description	Kepentingan kepada SME Bank Importance to SME Bank
<b>13.</b>  <b>Prestasi Ekonomi</b> <b>Economic performance</b>  	<p>Isu-isu yang berkaitan dengan jumlah nilai wang, kekayaan, hutang, dan pelaburan.</p> <p>Those issues dealing with the amount of value of money, wealth, debt, and investment</p>	<p>Memastikan Bank memaksimumkan penciptaan nilai untuk pemegang saham dan mencipta kekayaan dalam ekonomi.</p> <p>Ensuring that Bank are maximising value creation for the shareholders and creating wealth in the economy.</p>
<b>14.</b>  <b>Amalan perolehan</b> <b>Procurement practices</b>  	<p>Setiap aktiviti melibatkan perolehan barangan dan perkhidmatan yang diperlukan untuk menyokong operasi harian syarikat. Ini termasuk mendapatkan sumber, merundingkan terma, membeli item, menerima dan memeriksa barangan mengikut keperluan, dan mengekalkan rekod semua langkah dalam proses.</p> <p>Every activity involves acquiring the goods and services necessary to support a company's daily operations. This includes sourcing, negotiating terms, purchasing items, receiving and inspecting goods as necessary, and maintaining records of all steps in the process.</p>	<p>Untuk membantu perniagaan dalam meminimumkan sisa dan pelepasan, menggalakkan keadaan kerja yang beretika, dan memupuk daya tahan dan pertumbuhan ekonomi yang mampan.</p> <p>To assist businesses in minimising waste and emissions, promoting ethical working conditions, and fostering resilience and sustainable economic growth.</p>
<b>15.</b>  <b>Komuniti setempat</b> <b>Local communities</b>  	<p>Sekumpulan orang yang berinteraksi dan tinggal dalam lokasi yang sama.</p> <p>A group of interacting people living in a common location.</p>	<p>Memberikan impak positif kepada masyarakat di samping memaksimumkan pewujudan nilai yang dikongsi bersama untuk pemegang taruh utama</p> <p>To positively impact society while maximising shared value creation for key stakeholders.</p>

Perkara-perkara Penting Material Matters	Keterangan Description	Kepentingan kepada SME Bank Importance to SME Bank
<b>16.</b>  <b>Pembiayaan hijau</b> <b>Green financing</b>  	<p>Pembiayaan atau pelaburan yang menyokong aktiviti mesra alam, seperti pembelian barangan dan perkhidmatan mesra alam atau membina infrastruktur mesra alam.</p> <p>A financing or investment that supports environmentally friendly activity, such as purchasing environmentally friendly goods and services or building environmentally friendly infrastructure.</p>	<p>Institusi kewangan memainkan peranan dalam menyokong inisiatif untuk mengurangkan dan menyesuaikan diri dengan perubahan iklim, sejajar dengan usaha kerajaan untuk meningkatkan daya tahan ekosistem dan mempelbagaikan pelaburan.</p> <p>Financial institutions play a role in supporting initiatives to mitigate and adapt to climate change, aligning with government efforts to enhance ecosystem resilience and diversify investments.</p>
<b>17.</b>  <b>Inovasi dan pendigitalan</b> <b>Innovation and digitalisation</b>  	<p>Amalan menggunakan teknologi digital kontemporari untuk menangani cabaran perniagaan dengan memperkemas proses, meningkatkan pengalaman pelanggan dan memperkenalkan model perniagaan baharu.</p> <p>The practice of deploying contemporary digital technology to address business challenges by streamlining processes, enhancing customer experiences and introducing new business models.</p>	<p>Inovasi berterusan adalah penting bagi melindungi perniagaan untuk masa hadapan. Ia membuka peluang baharu dan meuar-uarkan kaedah unggul untuk menarik perniagaan baharu dan memupuk kesetiaan pelanggan.</p> <p>Continuous innovation is essential for safeguarding the business for the future. It opens up fresh opportunities and informs superior methods of attracting new business and fostering customer loyalty.</p>
<b>18.</b>  <b>Kehadiran dalam pasaran</b> <b>Market presence</b>  	<p>Mesej yang disampaikan organisasi kepada prospek dan pangkalan pelanggannya.</p> <p>The message your organisation communicates to its prospect and customer base.</p>	<p>Kehadiran bank dalam pasaran meningkatkan kesedaran tentang jenama dan penawarannya, membolehkan pengembangan kepada asas pelanggan yang lebih luas dan memastikan pertumbuhan yang mampan. Ini memberi kesan yang berkekalan pada pelanggan dan memupuk kesetiaan.</p> <p>The bank's market presence raises awareness of the brand and its offerings, enabling expansion to a broader customer base and ensuring sustainable growth. This fosters a lasting impression on customers and cultivates loyalty.</p>

## PERKARA-PERKARA PENTING

### MATERIAL MATTERS

Perkara-perkara Penting Material Matters	Keterangan Description	Kepentingan kepada SME Bank Importance to SME Bank
<p><b>19.</b></p> <p><b>Perubahan iklim</b> Climate change</p>	<p>Peralihan jangka panjang dalam suhu dan corak cuaca. Peralihan ini mungkin semula jadi, seperti melalui variasi dalam kitaran suria. Tetapi sejak tahun 1800-an, aktiviti manusia telah menjadi pemacu utama perubahan iklim, terutamanya disebabkan oleh pembakaran bahan api fosil seperti arang batu, minyak dan gas.</p> <p>Long-term shifts in temperatures and weather patterns. These shifts may be natural, such as through variations in the solar cycle. But since the 1800s, human activities have been the main driver of climate change, primarily due to burning fossil fuels like coal, oil and gas.</p>	<p>Untuk mengurus dan mengurangkan kesan daripada operasi bank terhadap alam sekitar.</p> <p>To manage and reduce the impacts from bank's operations on the environment.</p>
<p><b>20.</b></p> <p><b>Pengurusan tenaga</b> Energy management</p>	<p>Proses menjejak dan mengoptimalkan penggunaan tenaga bagi menjimatkan penggunaan dalam bangunan</p> <p>Langkah-langkah yang terlibat termasuk:</p> <ul style="list-style-type: none"> <li>Mengumpul dan menganalisa data yang berterusan</li> <li>Mengenal pasti pengoptimuman dalam jadual peralatan, titik tetapan, dan kadar aliran untuk meningkatkan kecekapan tenaga.</li> </ul> <p>The process of tracking and optimising energy consumption to conserve usage in a building.</p> <p>Steps involved include:</p> <ul style="list-style-type: none"> <li>Collecting and analysing continuous data.</li> <li>Identify optimisations in equipment schedules, set points and flow rates to improve energy efficiency.</li> </ul>	<p>Untuk mengurangkan pelepasan gas rumah hijau bagi tanggungjawab sosial korporat yang lebih besar dan menjejaki kos utiliti bagi menyediakan belanjawan yang lebih tepat dan mendapatkan gambaran yang lebih mendalam tentang kos operasi bank.</p> <p>To reduce greenhouse gas emissions for greater corporate social responsibility and track the bank's utility costs to prepare more accurate budgets and gain greater insight into the bank's operational costs.</p>

Perkara-perkara Penting Material Matters	Keterangan Description	Kepentingan kepada SME Bank Importance to SME Bank
<p><b>21.</b></p> <p><b>Pengurusan sisa</b> Waste management</p>	<p>Pendekatan organisasi untuk menguruskan sisa merangkumi pelupusan, pengurangan, penggunaan semula dan pencegahan. Kaedah pengurusan sisa yang berpotensi termasuk kitar semula, pengkomposan, insinerasi, tapak pelupusan, bioremediasi, sisa-ke-tenaga dan meminimumkan sisa.</p> <p>An organisation's approach to managing waste encompasses disposal, reduction, reuse, and prevention. Potential waste management methods include recycling, composting, incineration, landfills, bioremediation, waste-to-energy and waste minimisation.</p>	<p>Untuk membantu perniagaan dalam meningkatkan keberkesanan rantaian bekalan, meningkatkan kecekapan, meminimumkan pembaziran, menjimatkan kos dan menggalakkan pemuliharaan alam sekitar untuk mencegah kemudaratan kepada alam sekitar.</p> <p>To assist businesses in enhancing the effectiveness of their supply chain, increasing efficiency, minimising waste, saving costs and promoting environmental conservation to prevent harm to the environment.</p>
<p><b>22.</b></p> <p><b>Pelepasan</b> Emissions</p>	<p>Pelepasan merujuk kepada pelepasan atau pelupusan bahan seperti gas, cecair, haba, bunyi, cahaya dan radiasi. Pelepasan boleh berasal dari sumber semula jadi atau mesin.</p> <p>Emission refers to the release or discharge of substances such as gas, liquid, heat, sound, light, and radiation. These emissions can originate from natural sources or from machinery.</p>	<p>Menyumbang kepada usaha global yang menasarkannya kepada pencapaian pelepasan sifar bersih menjelang 2050. Pengurangan pelepasan gas rumah hijau mampu mengurangkan perubahan iklim sementara meminimumkan pencemaran udara mampu meningkatkan kualiti udara dan meningkatkan kesihatan manusia.</p> <p>To contribute to global efforts aimed at achieving net zero emissions by 2050. Reducing greenhouse gas emissions can mitigate climate change while minimizing air pollutants can enhance air quality and promote human health.</p>
<p><b>23.</b></p> <p><b>Pengurusan air</b> Water management</p>	<p>Proses merancang, membangunkan, mengagihkan dan mengoptimalkan penggunaan sumber air dalam dasar dan peraturan air yang dibangunkan.</p> <p>The process of planning, developing, distributing, and optimising the use of water resources within established water policies and regulations.</p>	<p>Kekurangan air memberi impak kepada lebih daripada 40% penduduk dunia. Pihak Bank perlu membimbing negara dalam memastikan penggunaan air yang lestari, meningkatkan daya tahan cuaca dan mengukuhkan pengurusan bersepadu.</p> <p>Water scarcity impacts over 40% of the world's population. Banks should assist nations in ensuring the sustainable use of water, enhancing climate resilience and bolstering integrated management.</p>

# MEMANGKIN MASA DEPAN YANG LESTARI MELALUI PERBANKAN BERTANGGUNGJAWAB

## CATALYSING A SUSTAINABLE FUTURE THROUGH RESPONSIBLE BANKING

Di bawah tonggak Perbankan Bertanggungjawab, SME Bank mensasarkan untuk menyampaikan impak Ekonomi dan Alam Sekitar melalui Pembiayaan Lestari, Rangkuman Kewangan, Nasihat dan Penyelesaian ESG, Pembinaan Keupayaan Pasaran dan Pendigitalan.

Under SME Bank's pillar of Responsible Banking, we aim to deliver Economic and Environmental impacts through Sustainable Financing, Financial Inclusion, ESG Advisory and Solutions, Market Capability Building, and Digitalisation.



### Hala Tuju Kelestarian 1.0 (3 Tahun : 2021 - 2023)

#### PENCAPAIAN UTAMA

#### Sustainability Roadmap 1.0 (3 Year : 2021 - 2023)

#### KEY ACHIEVEMENTS

##### Pembiayaan Lestari/ Sustainable Financing

RM5.89  
billion/billion  
(2022 & 2023)



- Melebihi Sasaran CKPI sebanyak 210%
- Sasaran 2022: RM1.0 billion
- Sasaran 2023: RM1.8 billion
- Surpassing the CKPI target by 210%
- Target 2022: RM1.0 billion
- Target 2023: RM1.8 billion

- Institusi Kewangan Pembangunan (DFI) Pertama di Malaysia yang menerbitkan Sukuk Kelestarian
- 1<sup>st</sup> DFI in Malaysia to issue Sustainability Sukuk



##### Keterangkuman Kewangan (PMKS)/ Financial Inclusion (MSME)

RM5.68  
billion/billion  
(2022 & 2023)



- Melebihi Sasaran CKPI sebanyak 113%
- Sasaran 2022: RM2.55 billion
- Sasaran 2023: RM2.5 billion
- Surpassing the CKPI target by 113%
- Target 2022: RM2.55 billion
- Target 2023: RM2.5 billion

- Pengiraan Skop 1 & 2 (Operasi) bagi tahun 2021-2023
- Calculated Scope 1 & 2 (Operation) 2021-2023



- Penerbitan Sukuk Kelestarian: RM2.0 billion
- Issuance RM2.0 billion Sustainability Sukuk



- Menerbitkan 2 Laporan Tahunan Sukuk Kelestarian (2022 & 2023)
- Published 2 Annual Sustainability Sukuk Progress Reports (2022 & 2023)



##### Pengurusan Jejak Alam Sekitar/ Managing Environmental Footprint

Pengurangan Penggunaan Kertas: 22% (2023)

- 2022: Paras dasar
- Penjimatan Kos: RM60,000
- Pokok yang Diselamatkan: 124
- 22% reduction in paper usage (2023)
- 2022 (Baseline)
- Cost Saving RM60,000
- Saved 124 trees



- Mewujudkan rangka kerja/polisi ESG dan Kelestarian yang penting serta jawatankuasa kerja\*
- Established Essential ESG/Sustainability Frameworks/Policies & Working Committees\*



Jam Kesukarelawanan Kakitangan : 25,259 jam (2023)  
Employee Volunteering Hours : 25,259 hours (2023)

- Termasuk kesejahteraan kakitangan
- Melebihi sasaran sebanyak 129%
- Sasaran 2023: 11,030 jam
- Including staff wellbeing
- Surpassing target by 129%
- Target 2023: 11,030 hours



##### Mencipta Impak Sosial/Alam Sekitar Creating Social/Environmental Impact



- Lebih daripada 1,700 (terkumpul sejak 2022) pokok ditanam
- Lebih daripada 400 usahawan yang diberi bimbingan di bawah Program Ishraf
  - Kumpulan pertama (200 usahawan menunjukkan peningkatan jualan kumulatif sebanyak 129%)
  - 30 Asnaf yang diberi bimbingan dan mendapat pekerjaan di bawah Program Zero to Hero
- More than 1,700 (accumulated since 2022) trees planted
- More than 400 entrepreneurs coached under ISHRAF Program
  - 1st Batch (200 entrepreneurs showed cumulative increase in sales by 129%)
  - 30 Asnaf coached & obtained job under Zero to Hero program



#### \*Tadbir Urus/Governance

##### Penubuhan:

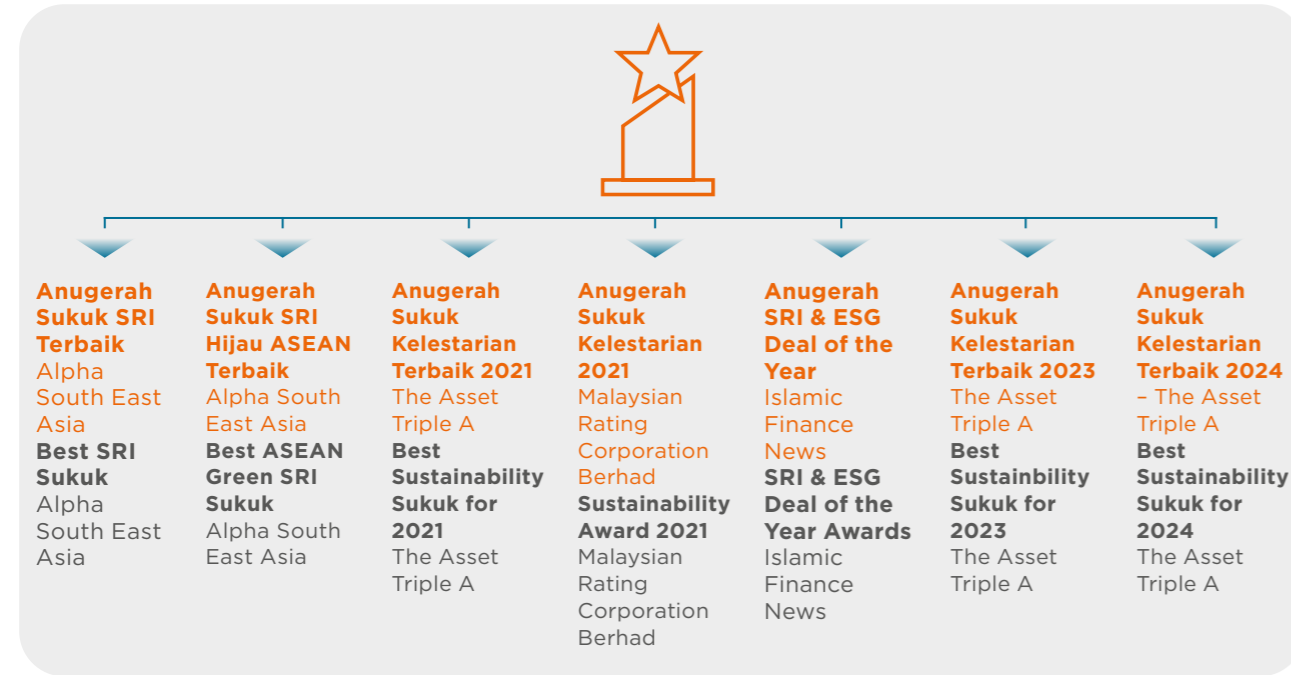
- Rangka kerja ESG
- Rangka kerja Sukuk Kelestarian (selari dengan SC ARI, ICMA dan ACMF)
- RM3 bilion Sukuk Kelestarian (IMTN/Program ICP)
- Pelan Hala Tuju Kelestarian 3-tahun Kumpulan
- Polisi ESG untuk Pembiayaan dan Aktiviti Berkaitan Kewangan
- Rangka kerja SDG
- Rangka kerja Kelestarian
- Jawatankuasa Pengurusan Kelestarian
- Jabatan Pengurusan Kelestarian Kumpulan

##### Establishment of:

- ESG Framework
- Sustainability Sukuk Framework (Aligned with SC SRI, ICMA and ACMF)
- RM3.0 bil Sustainability Sukuk IMTN/ICP Programme
- Group's 3-Year Sustainability Roadmap
- ESG Policy for Financing and Treasury Related Activities
- SDG Framework
- Sustainability Framework
- Sustainability Management Committee
- Group Sustainability Management Department

# MEMANGKIN MASA DEPAN YANG LESTARI MELALUI PERBANKAN BERTANGGUNGJAWAB

## CATALYSING A SUSTAINABLE FUTURE THROUGH RESPONSIBLE BANKING



### 1. Pembiayaan Lestari/Sustainable Financing

Impak Perkara-perkara Penting/Material Matters Impacted

- Pembiayaan Lestari Sustainable Financing
- Pembiayaan Hijau Green Financing
- Perubahan Iklim Climate Change
- Pelepasan Emissions

	Pencapaian setakat Dis 2022 Achievement as at Dec 2022	Sasaran FY2022 Target FY2022	Pencapaian setakat Dis 2023 Achievement as at Dec 2023	Sasaran FY2023 Target FY2023
Jumlah pembiayaan pembiayaan lestari yang diluluskan Amount of sustainable financing approved	RM3.25 billion	RM1.0 billion	RM2.64 billion	RM1.8 billion
Jumlah pembiayaan yang diluluskan kepada kategori unserved dan underserved Amount of financing approved to the unserved and underserved	RM3.16 billion	RM2.55 billion	RM2.52 billion	RM2.50 billion

Banyak PKS menghadapi halangan kewangan apabila cuba beralih kepada teknologi yang lebih hijau atau mengamalkan amalan perniagaan yang lestari. Inisiatif Pembiayaan Lestari Bank disasarkan untuk menyediakan penyelesaian pembiayaan yang berorientasikan PKS, membolehkan peralihan dan meningkatkan kebolehpasaran dan daya tahan mereka.

Many SMEs face financial barriers when attempting to transition to greener technologies or adopt sustainable business practices. The Bank's Sustainable Financing initiatives are targeted at providing financing solutions that are SME-oriented, enabling their transition and enhancing their marketability and resilience.

### 1. Pembiayaan Lestari/Sustainable Financing

Untuk meluaskan inisiatif inklusi kewangan, kami telah mengenal pasti bidang yang perlu diperkukuhkan dalam strategi kami untuk menyokong komuniti yang kurang mendapat perkhidmatan dan tidak diberi perkhidmatan. Bank akan memperkenalkan dasar responsif gender dan membangunkan program yang disasarkan untuk usahawan wanita, serta mengumpul data berkaitan jantina.

To further develop our financial inclusion initiatives, we have identified areas of enhancement in our strategies to support the underserved and unserved communities. The Bank will introduce gender-responsive policies and develop programmes aimed at women entrepreneurs, and collect data related to gender.



# MEMANGKIN MASA DEPAN YANG LESTARI MELALUI PERBANKAN BERTANGGUNGJAWAB

## CATALYSING A SUSTAINABLE FUTURE THROUGH RESPONSIBLE BANKING

### 1. Pembiayaan Lestari/Sustainable Financing



#### Program Sukuk Kelestarian

Pelancaran Program Sukuk Kelestarian RM3.0 bilion SME Bank, bermula dengan terbitan sulung sebanyak RM500.0 juta, telah menjadikan Bank ini sebagai peneraju dalam Sukuk Kelestarian untuk Institusi Kewangan Pembangunan (DFI) di Malaysia. Inisiatif ini bukan sahaja meningkatkan daya tarikan Bank kepada pelabur tempatan dan antarabangsa tetapi juga memberikan kelebihan daya saing.

Program ini beroperasi di bawah Rangka Kerja Sukuk Kelestarian Bank SME, yang memastikan pengumpulan dana dan penggunaan hasil mematuhi piawaian dan garis panduan yang diiktiraf di peringkat antarabangsa, termasuk:

- Rangka Kerja Pelaburan Sukuk Kelestarian dan Bertanggungjawab oleh Suruhanjaya Sekuriti Malaysia (SC),
- Piawaian Bon Kemampuan ASEAN, Piawaian Bon Hijau ASEAN dan Piawaian Bon Sosial ASEAN oleh Forum Pasaran Modal ASEAN (ACMF),
- Garis Panduan Bon Kemampuan, Prinsip Bon Hijau dan Prinsip Bon Sosial oleh Persatuan Pasaran Modal Antarabangsa (ICMA).

Dana yang diperoleh melalui Sukuk Kelestarian memudahkan PKS dalam membiayai projek yang mesra alam dan bermanfaat dari segi sosial, serta turut menyokong 11 daripada 17 Matlamat Pembangunan Lestari (SDG) PBB.

#### Sustainability Sukuk Programme

The launch of SME Bank's RM3.0 billion Sustainability Sukuk Programme, starting with an inaugural issuance of RM500.0 million, has established the Bank as a leader in Sustainable Sukuk for DFIs in Malaysia. This initiative not only enhances the Bank's appeal to both local and international investors but also provides it with a competitive advantage.

The programme operates under SME Bank's Sustainability Sukuk Framework, which ensures that fundraising and proceeds utilisation adhere to internationally recognised standards and guidelines, including:

- The Sustainable and Responsible Investment Sukuk Framework by the Securities Commission Malaysia (SC),
- The ASEAN Sustainability Bond Standards, ASEAN Green Bond Standards, and ASEAN Social Bond Standards by the ASEAN Capital Markets Forum (ACMF),
- The Sustainability Bond Guidelines, Green Bond Principles, and Social Bond Principles by the International Capital Market Association (ICMA).

The funds raised through the Sustainability Sukuk facilitate SMEs in financing projects that are environmentally friendly and socially beneficial, supporting 11 of the 17 UN Sustainable Development Goals (SDGs).



Pelancaran Program Sukuk Kelestarian RM3.0 bilion SME Bank, bermula dengan terbitan sulung sebanyak RM500.0 juta, telah menjadikan Bank ini sebagai peneraju dalam Sukuk Kelestarian untuk Institusi Kewangan Pembangunan (DFI) di Malaysia.

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### 1. Pembiayaan Lestari/Sustainable Financing



Berikutan kejayaan dua tranche sebelumnya berjumlah RM1.0 bilion, pada 2023 Bank mengeluarkan tranche ketiga berjumlah RM1.0 bilion. Jumlah pesanan untuk terbitan Sukuk melebihi RM1.0 bilion, melepasi sasaran kami sebanyak RM500 juta.

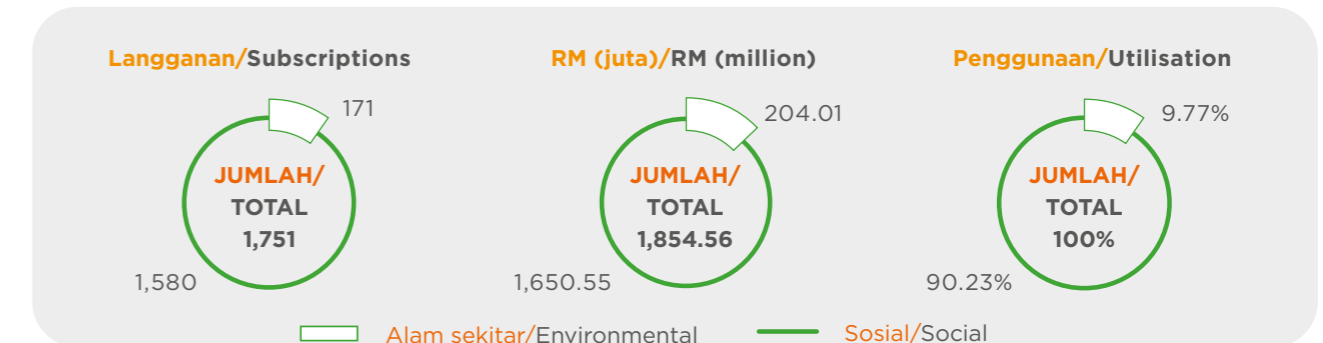
Bank menyediakan Laporan Sukuk Kelestarian Tahunan, yang boleh didapati di laman web kami.

Sehingga 31 Disember 2023, penggunaan hasil Sukuk adalah seperti berikut:

Following the success of the previous two tranches totalling RM1.0 billion, in 2023 the Bank issued a third tranche of RM1.0 billion. Total orders for the Sukuk issuance exceeded RM1.0 billion, surpassing our target of RM500 million.

The Bank prepares an Annual Sustainability Sukuk Report, which is available on our website.

As of 31 December 2023, the utilisation of the Sukuk proceeds are as follows:



Note: Balance of unallocated Sustainability Sukuk proceeds is allocated to temporary investments such as cash, cash equivalents and/or other liquid marketable investments in accordance with SME Bank's normal liquidity management policy.

Nota: Baki hasil Sukuk Kelestarian yang tidak diperuntukkan turut diperuntukkan kepada pelaburan sementara seperti tunai, setera tunai dan/atau pelaburan boleh pasar cair lain menurut dasar pengurusan mudah tunai biasa SME Bank.

#### Pembiayaan Berkaitan ESG

Sebagai pengantara kewangan, Bank memainkan peranan penting dalam menyediakan modal untuk membiayai pelaburan dalam tenaga boleh diperbaharui, teknologi penyesuaian iklim dan peralihan kepada ekonomi kitaran. SME Bank, melalui peruntukan pembiayaan yang berdisiplin dan tumpuan kepada pulangan, menggunakan kad skor seimbang yang menggabungkan kedua-dua metrik keuntungan dan kemampuan di peringkat perniagaan. Pendekatan ini membolehkan SME Bank menyokong pelanggan dan komuniti kami untuk jangka panjang.

Sejak 2022, SME Bank telah menawarkan pembiayaan berkaitan ESG untuk perniagaan dan projek yang memfokuskan pada teknologi hijau, peralihan karbon rendah dan tenaga boleh diperbaharui. Strategi ini sejajar dengan matlamat ekonomi hijau negara dan menggalakkan keusahawanan diterajui ESG yang lebih besar dalam kalangan PKS.

SME Bank juga menjalankan pemantauan berkala ke atas semua portfolio pembiayaan untuk memastikan pematuhan kepada pegangan portfolio ESG kami tidak kurang daripada 25%, mengekalkan komitmen kami terhadap amalan perbankan yang mampan.

#### ESG-Linked Financing

As financial intermediaries, Banks play a crucial role in providing capital to finance investments in renewable energy, climate adaptation technologies, and the transition to a circular economy. SME Bank, through disciplined funding allocation and a focus on returns, employs a balanced scorecard that incorporates both profitability and sustainability metrics at the business level. This approach enables SME Bank to support our customers and communities for the long term.

Since 2022, SME Bank has offered ESG-linked financing for businesses and projects that focus on green technology, low-carbon transitions, and renewable energy. This strategy aligns with the country's green economy goals and promotes greater ESG-led entrepreneurship among SMEs.

SME Bank also conducts regular monitoring of all financing portfolios to ensure adherence to our ESG portfolio threshold of not less than 25%, maintaining our commitment to sustainable banking practices.

# MEMANGKIN MASA DEPAN YANG LESTARI MELALUI PERBANKAN BERTANGGUNGJAWAB

## CATALYSING A SUSTAINABLE FUTURE THROUGH RESPONSIBLE BANKING



### 1. Pembiayaan Lestari/Sustainable Financing

Pada tahun 2022, Bank telah melancarkan dua (2) program pembiayaan kemampaan di mana Bank menyediakan insentif kadar keuntungan pada tahun terakhir tempoh perkhidmatan kepada pelanggan yang telah mengekalkan pematuhan ESG.

In 2022, the Bank launched two (2) sustainability-linked financing programmes under which the Bank provides a profit rate incentive in the final year of tenure to customers that have maintained ESG compliance.

#### Dana Pemberdayaan Usahawan Muda 2.0

#### Young Entrepreneur Fund 2.0

YEF 2.0 menyediakan bantuan kewangan kepada usahawan muda berumur antara 31 dan 40 tahun untuk sama ada meningkatkan perniagaan sedia ada, atau memulakan perniagaan baharu, di bawah inisiatif Government's Umbrella, yang merangkumi pemerolehan aset atau modal kerja dengan subsidi kadar keuntungan sebanyak 1.50% setiap setahun.

YEF 2.0 provides financial assistance to young entrepreneurs between 31 and 40 years of age to either elevate their existing business, or start a new one, under the Government's Umbrella initiative, which includes asset acquisition or working capital with a profit rate subsidy of 1.50% per annum.

	Sasaran 2023 Target 2023	Kelulusan 2023 Approval 2023
RM'j RM'm	70.0	69.3
Jumlah Pelanggan No. of Customer	100	155



#### Dana Pemberdayaan Usahawan Muda 2.0

(SDG 8: pertumbuhan ekonomi)

#### Young Entrepreneur Fund 2.0

(SDG 8: economic growth)



#### Pembiayaan Dana Promosi IBS 2.0

IBS 2.0 menawarkan bantuan kewangan kepada kontraktor Sistem Binaan Perindustrian (IBS) yang layak sehingga G7, serta pengilang dan pemasang dengan pensijilan IBS daripada CIDB. Sokongan ini termasuk bantuan pemerolehan aset atau modal kerja, dengan Kerajaan menyediakan 1.50% subsidi kadar keuntungan tahunan.

#### IBS Promotion Fund 2.0

IBS 2.0 offers financial assistance to eligible Industrial Building System (IBS) contractors up to G7, as well as manufacturers and installers with IBS certification from CIDB. This support includes help with asset acquisition or working capital, with the Government providing a 1.50% annual profit rate subsidy.

### 1. Pembiayaan Lestari/Sustainable Financing



	Sasaran 2023 Target 2023	Kelulusan 2023 Approval 2023
RM'j RM'm	140.0	141.1
Jumlah Pelanggan No. of Customer	14	24



#### Pembiayaan Dana Promosi IBS 2.0

(SDG 12: mempromosikan kelestarian dari persekitaran produksi terkawal dan meminimumkan penghasilan sisa).

#### IBS Promotion Fund 2.0

(SDG 12: to promote sustainability from a controlled production environment and minimisation of waste generation).



#### Pembiayaan Berkaitan Iklim

Perubahan iklim menimbulkan banyak risiko kepada perniagaan, termasuk gangguan operasi, pasaran dan rantaian bekalan. Dengan menyediakan dan mengambil bahagian dalam penyelesaian pembiayaan khusus untuk perubahan iklim, kami boleh membantu PKS mengurangkan risiko ini serta membina kesinambungan perniagaan.

#### Climate-Related Financing

Climate change poses numerous risks to businesses, including operational, market, and supply chain disruptions. By providing and participating in financing solutions specific to climate change, we can help SMEs mitigate these risks, fostering business continuity.

#### Dana Peralihan Karbon Rendah

LCTF bernilai RM1 bilion oleh Bank Negara Malaysia (BNM), yang dilancarkan pada 2022, menyokong PKS yang bertujuan mengurangkan jejak karbon dengan melabur kepada peningkatan kecekapan tenaga dan mengguna pakai teknologi tenaga boleh diperbaharui. Ia menyediakan sumber kewangan penting untuk PKS bagi melaksanakan projek yang sejajar dengan piawaian kelestarian global. Amalan lestari ini termasuk, tetapi tidak terhad kepada, mendapatkan pensijilan kelestarian, meningkatkan penggunaan bahan lestari untuk pengeluaran, meningkatkan kecekapan tenaga bangunan dan perkakas, dan memasang peralatan penjanaan tenaga boleh diperbaharui di lokasi. Bank, dan institusi kewangan lain yang mengambil bahagian, menyediakan pembiayaan pada asas satu untuk satu padanan.

#### Low Carbon Transition Fund

The RM1 billion LCTF by Bank Negara Malaysia (BNM), launched in 2022, supports SMEs aiming to reduce their carbon footprints by investing in energy efficiency improvements and adopting renewable energy technologies. It provides essential financial resources for SMEs to implement projects that align with global sustainability standards. These sustainable practices include, but are not limited to, obtaining sustainability certification, increasing the use of sustainable material for production, improving energy efficiency of building and appliances, and installing on-site renewable energy generation equipment. The Bank, and other participating financial institutions, provide funding on a one for one matching basis.

# MEMANGKIN MASA DEPAN YANG LESTARI MELALUI PERBANKAN BERTANGGUNGJAWAB

## CATALYSING A SUSTAINABLE FUTURE THROUGH RESPONSIBLE BANKING



### 1. Pembiayaan Lestari/Sustainable Financing

#### Kemudahan Peralihan Rendah Karbon/Low Carbon Transition Facility (LCTF)

	Kelulusan 2023 Approval 2023
RM'j	5.14
RM'm	
Jumlah Pelanggan No. of Customer	2

#### Kemudahan Bantuan Bencana

Kemudahan ini disesuaikan untuk menyokong PKS yang terjejas akibat bencana alam, menyediakan bantuan kewangan untuk membantu memulihkan dan membina semula perniagaan dengan daya tahan dan kemampuan yang dipertingkatkan. Ia menekankan kepentingan memasukkan kesediaan terhadap bencana dan amalan mampan ke dalam strategi pemulihan mereka.

#### Disaster Relief Facility

This facility is crafted to support SMEs impacted by natural disasters, providing financial assistance to help businesses recover and rebuild with enhanced resilience and sustainability. It underscores the importance of incorporating disaster readiness and sustainable practices into their recovery strategies.

#### Kemudahan Bantuan Bencana/Disaster Relief Facility

	Kelulusan 2023 Approval 2023
RM'j	20.57
RM'm	
Jumlah Pelanggan No. of Customer	45

#### Kemudahan Teknologi Tinggi & Hijau

HTG menggalakkan PKS mengguna pakai teknologi mesra dan berteknologi. Ia menyediakan sokongan kewangan untuk projek yang menyepadukan penyelesaian teknologi termaju bagi meningkatkan kelestarian alam sekitar dan kecekapan operasi.

#### High Tech & Green Facility

The HTG encourages SMEs to adopt high-tech and environmentally friendly technologies. It provides financial support for projects that integrate advanced technological solutions to improve environmental sustainability and operational efficiency.

#### Kemudahan Teknologi Tinggi & Hijau/High Tech & Green Facilities (HTG)

	Kelulusan 2023 Approval 2023
RM'j	130.77
RM'm	
Jumlah Pelanggan No. of Customer	39

#### Skim Pembiayaan Teknologi Hijau

GTFS, yang dibentangkan dalam Belanjawan Negara 2023, memudahkan pembiayaan projek teknologi hijau. Skim ini direka bentuk untuk mempercepatkan pembangunan dan penggunaan teknologi mesra alam, membantu mengurangkan jejak karbon dan memupuk pertumbuhan yang mampan.

#### Green Technology Financing Scheme

The GTFS, unveiled in the 2023 National Budget, facilitates the funding of green technology projects. This scheme is designed to expedite the development and adoption of eco-friendly technologies, helping to reduce carbon footprints and foster sustainable growth.

### 2. Penasihat ESG dan Penyelesaian/ESG Advisory and Solutions



Impak Perkara-perkara Penting/Material Matters Impacted



Pengalaman dan Kepuasan Pelanggan  
Customer Experience and Satisfaction



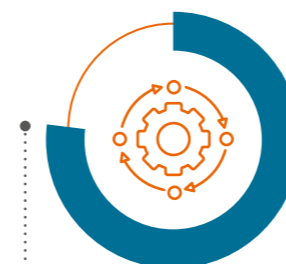
Pembinaan Keupayaan Pasaran  
Market Capability Building

Sebagai Institusi Kewangan Pembangunan (DFI), Bank menyediakan program pembangunan untuk menggalakkan PKS melaksanakan amalan perniagaan hijau dan mampan. Selain itu, program ini bertujuan untuk meningkatkan pengetahuan ESG pelanggan kami. Galakan penyertaan aktif dan penyepaduan amalan ESG dalam operasi PKS adalah penting untuk menghasilkan kesan jangka panjang yang positif kepada ekosistem PKS.

As a DFI, the Bank promotes and provides development programmes to encourage SMEs to implement green and sustainable business practices. Additionally, these programmes aim to enhance the ESG knowledge of our customers. Encouraging active participation and integration of ESG practices within SME operations is crucial for yielding a positive, long-term impact on the SME ecosystem.

Untuk meningkatkan penawaran kami dalam bidang ini, Bank akan terus membangunkan program yang bertujuan untuk meningkatkan literasi ESG PKS dan pengetahuan tentang pembiayaan ESG.

To enhance our offerings in this area, the Bank will continue to develop programmes aimed at improving SMEs' ESG literacy and knowledge of ESG financing.



25  
Program/  
Programmes



299  
Sesi/Sessions



6,867  
Peserta untuk  
program  
peningkatan  
kemahiran dan  
pembangunan/  
Participants for  
upskilling and  
development  
programmes



851  
Peserta untuk  
khidmat nasihat/  
Participants for  
advisory services

# MEMANGKIN MASA DEPAN YANG LESTARI MELALUI PERBANKAN BERTANGGUNGJAWAB

## CATALYSING A SUSTAINABLE FUTURE THROUGH RESPONSIBLE BANKING

### 3. Pembinaan Keupayaan Pasaran/Market Capability Building

Impak Perkara-perkara Penting/Material Matters Impacted

Pembinaan Keupayaan Pasaran  
Market Capability Building



SME Bank ialah Institusi Kewangan Pembangunan (DFI) tunggal di Malaysia dengan anak syarikat yang disesuaikan khusus untuk meningkatkan keupayaan usahawan mengekalkan pertumbuhan mereka dan menyumbang kepada ekonomi negara. Ditubuhkan pada 2013, Centre For Entrepreneur Development And Research Sdn. Bhd. (CEDAR) memainkan peranan penting dalam menambah objektif pembangunan SME Bank.

CEDAR menawarkan pelbagai perkhidmatan pembangunan dan intervensi kepada PKS seperti bimbingan, tunjuk ajar, nasihat, latihan dan perundingan. Perkhidmatan ini direka bentuk untuk meningkatkan kemahiran pengurusan PKS dan usaha membina kapasiti/ kemampuan. Pendekatan kami melibatkan bimbingan dan sokongan rapat sepanjang program, ditambah dengan pemantauan kemajuan berkala untuk menangani cabaran perniagaan dengan berkesan.

Program kami berorientasikan hasil, mengukur impak dan nilai yang dijana oleh intervensi pembangunan yang dilaksanakan. Pendekatan ini menekankan komitmen kami untuk membantu PKS bukan sahaja berjaya tetapi juga maju ke tahap operasi yang lebih tinggi. CEDAR telah menyepadukan modul ESG ke dalam rangka kerja pendidikannya untuk menyerapkan lagi prinsip ESG ke dalam operasi PKS.

SME Bank is the sole DFI in Malaysia with a subsidiary specifically tailored to enhance the capabilities of entrepreneurs to maintain their growth and contribute to the national economy. Established in 2013, the Centre for Entrepreneur Development and Research Sdn. Bhd. (CEDAR) plays a pivotal role in augmenting SME Bank's developmental objectives.

CEDAR offers SMEs a range of development and intervention services such as coaching, mentoring, advising, training, and consulting. These services are designed to elevate SMEs' managerial skills and capacity-building efforts. Our approach involves close mentoring and support throughout their programmes, coupled with real-time monitoring of their progress to effectively address business challenges.

Our programmes are outcome-oriented, assessing the impact and value generated by these developmental interventions. This approach underscores our commitment to helping SMEs not only succeed but also progress to higher levels of operation. CEDAR has integrated ESG modules into its educational framework to further embed ESG principles into the operations of SMEs.

### 3. Pembinaan Keupayaan Pasaran/Market Capability Building



CEDAR bekerjasama rapat dengan kementerian, agensi kerajaan, dan kedua-dua entiti awam dan swasta untuk menggalakkan pembelajaran dan pembangunan kolektif. Kerjasama ini memastikan peserta mendapat manfaat daripada pendedahan kepada pakar industri dan akses kepada rangkaian luas perkhidmatan sokongan yang disediakan oleh rakan kongsi kami.

Bimbingan dan tunjuk ajar yang diberikan CEDAR dikendalikan oleh para profesional dan pemimpin industri, termasuk tokoh perniagaan yang terkenal dan pelanggan SME Bank yang berjaya, yang mana semuanya berdedikasi untuk memupuk pertumbuhan dan pembangunan PKS.

#### Program "Upward Migration" CEDAR

Dilancarkan pada 2017, Program Upward Migration direka untuk menyokong pelanggan Bank dalam mencapai sasaran yang ditetapkan di bawah rangka kerja G.E.T.X.NG, yang bermaksud Pertumbuhan, Pekerjaan, Teknologi, Eksport dan Pertumbuhan Baharu. Sepanjang pelaksanaan program sepanjang tahun ini, Jurulatih Perniagaan CEDAR menggunakan metodologi dan alatan berstruktur untuk membantu PKS mencapai pertumbuhan yang disasarkan dalam bidang utama seperti peningkatan jualan, keuntungan, hasil eksport, pekerjaan, dan penggunaan dan peningkatan teknologi.

Kitaran intervensi program ini bermula dengan mendapatkan persetujuan syarikat terpilih untuk mengambil bahagian dan memastikan komitmen mereka terhadap objektif program. Selepas itu, Petunjuk Prestasi Utama (KPI) ditubuhkan berdasarkan dasar syarikat dan matlamat yang mereka cita-citakan untuk dicapai di bawah parameter G.E.T.X.NG, biasanya ditetapkan pada suku pertama tahun itu.

Dalam kes di mana syarikat terjejas akibat prestasi yang kurang memuaskan, jurulatih perniagaan CEDAR bekerjasama rapat dengan Pengurus Perhubungan (RM) syarikat untuk membantu dalam penstrukturan semula pembiayaan mereka atau memudahkan pemulihan perniagaan, sekiranya boleh. Syarikat terlibat secara berkala, dengan sesi bimbingan dijalankan setiap suku tahun atau mengikut keperluan, bergantung pada keperluan khusus mereka.

CEDAR collaborates closely with ministries, government agencies, and both public and private entities to promote collective learning and development. This collaboration ensures that participants benefit from exposure to industry experts and access to a broad network of support services provided by our partners.

Coaching and mentoring at CEDAR are conducted by our professionals and industry leaders, including notable business figures and successful clients of SME Bank, all dedicated to fostering SME growth and development.

#### CEDAR's Upward Migration Programme

Launched in 2017, the Upward Migration Programme is designed to support the Bank's customers in reaching targets set under the G.E.T.X.NG framework, which stands for Growth, Employment, Technology, Exports, and New Growth. Over the course of this year-long programme, CEDAR Business Coaches employ structured methodologies and tools to help SMEs achieve their targeted growth in key areas such as sales increase, profitability, export revenue, employment, and the adoption and enhancement of technology.

The intervention cycle for the Upward Migration Programme begins by obtaining the consent of selected companies to participate and securing their commitment to the programme's objectives. Subsequently, Key Performance Indicators (KPIs) are established based on the company's baseline and the goals they aspire to achieve under the G.E.T.X.NG parameters, typically set in the first quarter of the year.

In cases where companies become delinquent or impaired due to underperformance, CEDAR's business coaches collaborate closely with the company's Relationship Managers (RMs) to assist in restructuring their financing or facilitating a business turnaround, if feasible. The companies are engaged periodically, with coaching sessions conducted quarterly or as required, depending on their specific needs.



# MEMANGKIN MASA DEPAN YANG LESTARI MELALUI PERBANKAN BERTANGGUNGJAWAB

## CATALYSING A SUSTAINABLE FUTURE THROUGH RESPONSIBLE BANKING

### 3. Pembinaan Keupayaan Pasaran/Market Capability Building



#### Skim Insentif Kelestarian

SIK, sebahagian daripada SCI 2023-2024, ialah program berkaitan ESG yang diluluskan semasa Belanjawan Negara 2023. Ia mempunyai saiz dana RM10.0 juta, disediakan sebagai geran daripada kerajaan di bawah Belanjawan Negara 2023.

#### Skim Insentif Kelestarian

The SIK, part of the SCI 2023-2024, is an ESG-related programme approved during the National Budget 2023. It has a fund size of RM10.0 million, provided as a grant from the government under the National Budget 2023.



**446**  
penyertaan/participation

Sesi pertama SIK bermula pada Julai 2023, menarik penyertaan daripada 446 PKS—165 daripadanya adalah pelanggan Bank, manakala 281 bukan pelanggan Bank.

The first session of the SIK commenced in July 2023, attracting participation from 446 SMEs—165 of whom are customers of the Bank, while 281 are not currently Bank customers.

Bank juga menasarkankan pada masa akan datang untuk membangunkan program bagi membantu PKS di negara membangun bersaing di peringkat antarabangsa.

Moving forward, the Bank aims to develop programmes to assist SMEs in developing countries compete at an international level.

#### Pembinaan Kemampuan Perusahaan Sosial

Perusahaan Sosial (SE) - Inisiatif Bina Kemampuan, sebahagian daripada program Modaliti Masa Depan, menawarkan insentif pembangunan bernilai sehingga RM25,000 bagi setiap perusahaan sosial. Program ini mempunyai saiz dana berjumlah RM1.0 juta, disediakan sebagai geran daripada kerajaan di bawah Belanjawan Negara 2023. CEDAR telah berjaya menamatkan latihan untuk 49 SE Asas merentas dua kelompok, melepasi sasaran awal 40 SE. CEDAR merancang untuk terus menyokong SE Asas terpilih ini ke arah menjadi SE Bertauliah.

#### Social Enterprise Capacity Building

The Social Enterprise (SE) - Capacity Building initiative, part of the Future Modality programme, offers a developmental incentive worth up to RM25,000 per social enterprise. The programme has a total fund size of RM1.0 million, provided as a grant from the government under the National Budget 2023. CEDAR has successfully completed training for 49 Basic SEs across two batches, surpassing the initial target of 40 SEs. CEDAR plans to continue supporting these selected Basic SEs towards becoming Certified SEs.

### 3. Pembinaan Keupayaan Pasaran/Market Capability Building



#### Skim Pembiayaan Perusahaan Sosial

SEFS, yang dilancarkan pada 2023, menyediakan program bantuan kewangan, akreditasi dan pembinaan kapasiti/kemampuan kepada perusahaan sosial. Dibiayai dengan RM20.0 juta daripada Kerajaan di bawah Belanjawan Negara 2023, skim ini membolehkan perusahaan sosial mengakses pembiayaan penting yang diperlukan untuk meluaskan impaknya.

#### Social Enterprise Financing Scheme

The SEFS, launched in 2023, provides financial assistance, accreditation, and capacity-building programmes to social enterprises. Funded with RM20.0 million from the Government under the National Budget 2023, this scheme enables social enterprises to access essential funding needed to broaden their impact.

	Sasaran 2023 Target 2023	Kelulusan 2023 Approval 2023
RM'j	1.00	5.0
RM'm		
Jumlah Pelanggan No. of Customer	5	10

#### Bengkel "SME Enrichment" (SEW)

Pada tahun 2021, CEDAR melancarkan SEW, sebuah inisiatif pendidikan awam yang direka untuk menyediakan kursus dan aktiviti latihan kewangan kepada PKS, termasuk mereka yang tidak mempunyai perbankan dengan SME Bank. Program latihan bukan berasaskan yuran ini bertujuan untuk memperkukuh kemahiran dan pengetahuan PKS serta meningkatkan prestasi perniagaan mereka. SEW bertindak sebagai platform pengenalan, melengkapkan peserta dengan kemahiran asas dalam pengurusan kewangan dan perniagaan.

#### SME Enrichment Workshops (SEW)

In 2021, CEDAR launched SEW, a public educational initiative designed to provide financial training courses and activities to SMEs, including those not currently banking with SME Bank. This non-fee-based training program aims to bolster SMEs' skillsets and knowledge, enhancing their business performance. SEW acts as an introductory platform, equipping participants with foundational skills in financial and business management.

Kurikulum termasuk modul Perakaunan untuk Pemilik Perniagaan, Pengurusan Aliran Tunai untuk Perniagaan Kecil, Belanjawan Perniagaan, Strategi Menjaga Kredit dan Kepentingan dan Prosedur Pendaftaran Harta Intelek. Bengkel ini diadakan setiap dwi-bulanan dan boleh didapati dalam talian, serta distrim langsung di platform media sosial CEDAR.

The curriculum includes modules on Accounting for Business Owners, Cash Flow Management for Small Businesses, Business Budgeting, Credit Securing Strategy, and the Importance and Procedures of Intellectual Property Registration. The workshops are held bi-monthly and are available online, as well as live-streamed on CEDAR's social media platforms.

# MEMANGKIN MASA DEPAN YANG LESTARI MELALUI PERBANKAN BERTANGGUNGJAWAB

## CATALYSING A SUSTAINABLE FUTURE THROUGH RESPONSIBLE BANKING

### 4. Pendigitalan/Digitalisation

Impak Perkara-perkara Penting/Material Matters Impacted

Inovasi dan pendigitalan  
Innovation and digitalisation

Perubahan Iklim  
Climate Change

Pelepasan  
Emissions

SME Bank sedang memanfaatkan pendigitalan sebagai pemboleh teras ke arah membina kemampanan dalam operasi kami untuk pemegang kepentingan utama kami - komuniti PKS. Kami terus membangunkan strategi bagi meningkatkan interaksi dan penyampaian perkhidmatan kepada pelanggan kami melalui cara digital dan konvensional. Semenjak pelaksanaan strategi digital beberapa tahun yang lalu, kami telah memperkenalkan platform digital secara berperingkat untuk kemudahan dan keselesaan pelanggan kami.

Untuk menyokong pelanggan pada semua peringkat kitaran hayat perniagaan mereka, kami menumpukan pada inovasi dan integrasi untuk memudahkan interaksi mereka dengan Bank. Kami menggunakan keupayaan kecerdasan buatan (AI) dan pembelajaran mesin (ML) untuk membangunkan penyelesaian yang didayakan secara digital, berpusatkan pelanggan seperti ScoreXcess, ODELA, ELSA, HalalXcess, MySMEBank dan Book Your Banker. Kami juga memastikan bahawa pelanggan kami dilengkapi secara digital untuk kekal relevan dalam landskap perniagaan hari ini melalui program dengan CEDAR.

SME Bank is harnessing digitalisation as a core enabler towards building sustainability in our operations and for our main stakeholders - the SME community. We continuously develop strategies to enhance our interaction and service delivery to our customers through both digital and conventional means. Since the implementation of our digital strategy a few years ago, we have progressively introduced digital platforms for the ease and convenience of our customers.

To support our customers at all stages of their business lifecycle, we focus on innovation and integration to simplify their interactions with the Bank. We utilise the capabilities of artificial intelligence (AI) and machine learning (ML) to develop digitally enabled, client-centric solutions such as ScoreXcess, ODELA, ELSA, HalalXcess, MySMEBank, and Book Your Banker. We also ensure that our customers are digitally equipped to remain relevant in today's business landscape through programmes with CEDAR.

**ELSA**  
ENTERPRISE LIFECYCLE  
SCORING ASSESSMENT  
**691**  
peserta/  
participants

**ODELA**  
**322**  
peniaga/  
merchants

**SCORE XCESS**  
**200**  
pemohon/  
applicants



### 4. Pendigitalan/Digitalisation



#### ELSA untuk Kelestarian Perniagaan

Penilaian Skor Kitaran Hidup Perniagaan (ELSA) direka bentuk bagi menawarkan kaedah yang mapan dan sistematik menentukan peringkat pembangunan perusahaan dan mengenal pasti sebarang sumber tambahan atau penambahbaikan yang diperlukan untuk berjaya menavigasi kitaran hayatnya. Ia fleksibel dan boleh disesuaikan, mampu menampung PKS merentas pelbagai sektor perniagaan, saiz dan umur.

ELSA menggunakan Kecerdasan Buatan (AI) untuk membandingkan kapasiti yang diinginkan dengan yang sedia ada dengan menilai sumber dan keperluan yang ada. Pemahaman ini membantu PKS mengutamakan cabaran perniagaan mereka dalam bidang seperti kualiti produk dan perkhidmatan, pengurusan sumber manusia, operasi dan pengurusan kewangan.

Faedah yang berpotensi untuk melaksanakan ELSA termasuk menggalakkan ketekalan dalam pengelasan dan pemprofilan PKS; menyumbang kepada pecutan pembangunan PKS melalui penilaian dan pengukuran keperluan kitaran hayat dan merealisasikan potensi pertumbuhan; dan menyokong pembinaan kapasiti institusi agensi promosi PKS. Setelah menyelesaikan alat penilaian kitaran hayat ini, inisiatif analisis selanjutnya dijangka akan dilaksanakan untuk menyokong transformasi digital dan penghijauan sektor PKS, serta untuk memupuk ekonomi yang lebih inklusif.

ELSA mula diperkenalkan pada tahun 2021, dan semenjak itu, bilangan peserta dan program yang mendapat manfaat daripada ELSA telah meningkat secara berterusan.

#### ELSA for Business Sustainability

The Enterprise Lifecycle Scoring Assessment (ELSA) is designed to offer a rigorous and systematic method for determining the development stage of an enterprise and identifying any additional resources or improvements needed to successfully navigate its lifecycle. It is flexible and adaptable, capable of accommodating SMEs across various business sectors, sizes, and ages.

ELSA employs Artificial Intelligence (AI) to compare desired capacities with existing ones by assessing available resources and needs. This understanding helps SMEs prioritise their business challenges in areas such as product and services quality, human resources management, operations, and financial management.

The potential benefits of implementing ELSA include promoting consistency in the classification and profiling of SMEs; contributing to the acceleration of SME development through the evaluation and assessment of lifecycle needs and the realisation of growth potential; and supporting the institutional capacity building of SME promotion agencies. Upon completion of this lifecycle assessment tool, further analytical initiatives are expected to be undertaken to support the digital transformation and greening of the SME sector, and to foster a more inclusive economy.

ELSA was first introduced in 2021, and since then, the number of participants and programmes benefitting from ELSA has steadily increased.



# KESINAMBUNGAN YANG BERDAYA TAHAN MELALUI AMALAN PERNIAGAAN BERTANGGUNGJAWAB

## ENSURING RESILIENT BUSINESS CONTINUITY THROUGH RESPONSIBLE BUSINESS PRACTICES

Di bawah teras Amalan Perniagaan Bertanggungjawab, Bank komited terhadap impak Ekonomi dan Tadbir Urus melalui inisiatif di bawah fokus Komunikasi, Pengurusan Risiko & Pematuhan, Bakat & Budaya, dan Kecekapan Operasi.

Under the pillar of Responsible Business Practices, the Bank commits to Economic and Governance impacts through initiatives under the focus areas of Communication, Risk Management & Compliance, Talent & Culture, and Operational Efficiency.



### KOMUNIKASI/COMMUNICATION

#### 1. Laporan Kelestarian/Impak/Sustainability/Impact reporting

Impak Perkara-perkara Penting/Material Matters Impacted

Kawal Selia dan Pematuhan Syariah  
Regulatory and Shariah Compliance

#### Penyematan Kesan Pengukuran

Perjalanan kami menuju pelaporan kemampaan yang lebih baik kini mempunyai arah yang jelas hasil penubuhan Rangka Kerja SDG oleh Bank. Kami terus maju dengan usaha ini tanpa goyah. Sebelumnya, kami telah menentukan petunjuk pengukuran prestasi untuk setiap isu penting yang telah dikenal pasti. Hasilnya, satu kad skor kemampaan yang lebih signifikan dan berkesan telah dicipta untuk tahun 2023.

#### Embedding Impact Measurement

Our path to improved sustainability reporting now has clear direction thanks to the Bank's creation of the SDG Framework. The Bank is moving forward with its endeavor unwaveringly. Previously, we have determined the performance measuring indicators for each of the material matters that have been identified. As a result, a more significant and impactful sustainability scorecard has been created for 2023.



#### 1. Laporan Kelestarian/Impak/Sustainability/Impact reporting



#### Pendedahan Tadbir Urus yang Telus

Reputasi SME Bank bergantung kepada amalan perniagaannya yang beretika. Dalam semua yang kami lakukan, kami berjanji untuk mengekalkan piawaian tertinggi dalam tadbir urus korporat, etika, dan integriti, serta mematuhi semua undang-undang dan peraturan yang berkaitan. Sehubungan itu, kami secara proaktif mencipta, menilai, dan menghebahkan dasar-dasar kami kerana adalah penting untuk mengekalkan keyakinan para pihak berkepentingan.

Kami berusaha untuk menanamkan budaya akauntabiliti dan tanggungjawab dalam kalangan kakitangan dan cara kami bekerja. Sistem dasar, struktur, piawaian, dan prosedur kami yang mematuhi keperluan undang-undang dan peraturan serta amalan industri terbaik memperkukuh tadbir urus korporat kami dari atas-bawah.

Pendedahan yang berkaitan boleh didapati di:

- Pernyataan Tadbir Urus Korporat (halaman 262 hingga 273)
- Pernyataan Tadbir Urus Syariah (halaman 286 hingga 294)
- Pernyataan Pengurusan Risiko dan Kawalan Dalaman (halaman 276 hingga 285)

#### Transparent Governance Disclosures

The reputation of SME Bank is contingent upon its ethical business practices. In all we do, we pledge to uphold the greatest standards of corporate governance, ethics, and integrity, as well as all relevant laws and regulations. To that end, we proactively create, evaluate, and make public our policies since it is crucial that we maintain the confidence of our stakeholders.

We want to instill in our employees and the way we operate a culture of accountability and responsibility. Our system of policies, structures, standards, and procedures that are in compliance with legal and regulatory requirements as well as best industry practices strengthens our corporate governance from the top down.

Related disclosures can be found in:

- Statement on Corporate Governance (pages 262 to 273)
- Statement on Shariah Governance (pages 286 to 294)
- Statement on Risk Management and Internal Control (pages 276 to 285)



# KESINAMBUNGAN YANG BERDAYA TAHAN MELALUI AMALAN PERNIAGAAN BERTANGGUNGJAWAB

## ENSURING RESILIENT BUSINESS CONTINUITY THROUGH RESPONSIBLE BUSINESS PRACTICES



### 1. Laporan Kelestarian/Impak/Sustainability/Impact reporting

#### Mengukuhkan Perkhidmatan Pelanggan

Matlamat kami adalah untuk menjadi Institusi Kewangan Pembangunan (DFI) berfokuskan pelanggan yang memahami dan sentiasa mengikut perkembangan keperluan pelanggan. Meningkatkan keberkesanan penyampaian perkhidmatan membolehkan kami terus memperbaiki pengalaman pelanggan. Komponen utama lain dalam strategi tumpuan pelanggan kami adalah pengumpulan maklum balas pelanggan secara sistematik dan berkala.

Salah satu saluran utama untuk pelanggan kami yang mempunyai soalan mengenai produk dan perkhidmatan adalah perkhidmatan pelanggan. Kami berjanji untuk membalas pertanyaan, aduan, dan ulasan daripada pelanggan dalam masa yang munasabah. Kami memberi mereka beberapa cara untuk menghubungi kami, termasuk interaksi secara peribadi, e-mel, panggilan telefon, dan platform digital seperti Sistem Pengurusan Maklum Balas. Kami mempunyai strategi "first call resolution", yang bermaksud kami berusaha untuk menjawab pertanyaan pelanggan kami dengan kadar segera.

Pada tahun 2023, sebahagian besar panggilan dan e-mel yang kami terima bertanya mengenai tawaran produk Bank, status pembiayaan, dan bantuan pembayaran balik SME Bank. Setiap isu telah diselesaikan dengan memuaskan dalam had masa yang ditetapkan oleh Perjanjian Tahap Perkhidmatan (SLA) kami.

Kami menjalankan kaji selidik kepuasan pelanggan tahunan sebagai cara untuk memahami keperluan dan motivasi pelanggan kami, serta melihat kawasan yang perlu diperbaiki untuk memenuhi jangkaan mereka. Kami mencatatkan 95.2% dalam Indeks Kepuasan Pelanggan untuk tahun 2023. Perlu dinyatakan, kami telah kekal konsisten melebihi penanda aras sasaran 80% untuk tiga tahun terakhir.

#### Strengthening Customer Service

Our goal is to become a customer-focused DFI that comprehends and stays up to date with client needs. Enhancing the effectiveness of service delivery allows us to continuously improve the client experience. Another key component of our customer-centricity strategy is the systematic collection of customer feedback on a regular basis.

One of the main lines of contact for our clients with questions about our goods and services is still customer service. We pledge to reply to inquiries, grievances, and reviews from our clients in a timely manner. We give them several ways to get in touch with us, including in-person interactions, emails, phone calls, and digital platforms like the Feedback Management System. We have a "first call resolution" strategy, which means we try to answer our clients' inquiries right away.

In 2023, the majority of the calls and emails we got asked about Bank product offerings, financing status, and SME Bank repayment assistance. Every issue was satisfactorily resolved within the time constraints that our service level specified.

We carry out the annual customer satisfaction survey as a means of understanding our customers' needs and motivations, and look at areas to improve upon to meet their expectations. We recorded a high 95.2% in the Customer Satisfaction Index for 2023. Notably, we have remained consistently above the target benchmark of 80% for the last three years.



### 1. Laporan Kelestarian/Impak/Sustainability/Impact reporting

Bidang peningkatan yang dinyatakan oleh maklum Areas of improvements indicated by feedback balas yang diterima daripada Kaji Selidik Kepuasan received from 2023 Customer Satisfaction Survey: Pelanggan 2023:



# KESINAMBUNGAN YANG BERDAYA TAHAN MELALUI AMALAN PERNIAGAAN BERTANGGUNGJAWAB

## ENSURING RESILIENT BUSINESS CONTINUITY THROUGH RESPONSIBLE BUSINESS PRACTICES

### 2. Platform Kepimpinan Pemikiran/Thought Leadership Platform

Impak Perkara-perkara Penting/Material Matters Impacted

Kehadiran Pasaran  
Market Presence

#### Sesi Libat Urus Bersama Media

Berinteraksi dengan media untuk memastikan bahawa PKS dan masyarakat umum benar-benar maklum tentang inisiatif sokongan yang dilaksanakan oleh SME Bank. Kami melakukannya melalui siaran akhbar, yang juga tersedia di laman web, serta dengan menjalankan wawancara, sidang media, dan penulisan editorial. Kami berhubung dengan media melalui cara berikut: e-mel, televisyen, atau wawancara secara peribadi.

#### Engaging with the Media

In order to guarantee that the SMEs and the community at large are fully informed about the supportive initiatives undertaken by SME Bank, we maintain constant communication with the media. We accomplish this via issuing press releases, which are also available on our website, as well as by conducting interviews, holding press conferences, and writing editorials. We interact with the media in the following ways, via email, television, or in-person interviews.



### 2. Platform Kepimpinan Pemikiran/Thought Leadership Platform



#### Penyertaan Aktif dalam Persatuan Industri

Kami membincangkan inisiatif perniagaan dan kelestarian, serta sebagai institusi kewangan, bagaimana boleh meningkatkan penciptaan nilai pemegang saham dan berusaha ke arah reformasi industri secara menyeluruh, bersama rakan sejawat kami dalam industri kewangan. Usaha untuk memasukkan ESG ke dalam produk kami adalah sebahagian daripada ini.

Untuk meningkatkan peluang kerjasama yang akan menyokong pembangunan PKS dan memperbaiki ekosistem, kami secara aktif menyertai dan menyumbang kepada perbincangan dengan persatuan industri melalui MOU, kumpulan kerja, mesyuarat, seminar, dan persidangan. Pada tahun 2023, kakitangan SME Bank telah dijemput untuk berucap atau mengambil bahagian dalam beberapa acara berfokus kelestarian:

#### Active Participation in Industry Associations

We discuss business and sustainability initiatives, as well as how we, as a financial institution, can increase shareholder value generation and work toward industry-wide reforms, with our counterparts in the financial industry. Efforts to include ESG into our products are part of this.

In order to enhance cooperative opportunities that will support SME development and further improve the ecosystem, we actively participate in and contribute to conversations with industry associations through MOUs, working groups, meetings, seminars, and conferences. The following sustainability-focused events were extended invitations for SME Bank personnel to speak or take part in 2023:

Tarikh Date	Aktiviti melalui Jemputan Activities by Invitation
15-Feb-23	Menandatangani MOU antara SME Bank dan Universiti Sultan Zainal Abidin (UniSZA) MOU Signing between SME Bank and Universiti Sultan Zainal Abidin (UniSZA)
29-Mar-23	Menandatangani MOU antara SME Bank dan UiTM MOU Signing between SME Bank and UiTM
30-Mar-23	Taklimat mengenai Perusahaan Sosial kepada Lembaga Pengarah dan Pasukan Kepimpinan Kanan 1) KUSKOP 2) Komuniti Tukang Jahit; perusahaan sosial Briefing on Social Enterprises to Board of Directors and Senior Leadership Team 1) MECD 2) Komuniti Tukang Jahit; a social enterprises
8-Jun-23	Sesi Penglibatan dengan Pihak Berkepentingan Peringkat-1 1) Kementerian Kewangan (MOF) 2) Bank Negara Malaysia (BNM) 3) Kementerian Ekonomi (EPU) 4) Kementerian Pembangunan Usahawan dan Koperasi (KUSKOP)  Engagement Session with Tier-1 Stakeholders 1) Kementerian Kewangan (MOF) 2) Bank Negara Malaysia (BNM) 3) Kementerian Ekonomi (EPU) 4) Kementerian Pembangunan Usahawan dan Koperasi (MECD)
5-Jul-23	Lawatan oleh Delegasi Antarabangsa dari School of Business and Economics, Universiti Maastricht, Belanda Visit by International Delegates from School of Business and Economics, Maastricht University, Netherlands

## KESINAMBUNGAN YANG BERDAYA TAHAN MELALUI AMALAN PERNIAGAAN BERTANGGUNGJAWAB

### ENSURING RESILIENT BUSINESS CONTINUITY THROUGH RESPONSIBLE BUSINESS PRACTICES



#### 2. Platform Kepimpinan Pemikiran/Thought Leadership Platform

Tarikh Date	Aktiviti melalui Jemputan Activities by Invitation
20-Jul-23	Jom XCESS Wilayah Sabah Jom XCESS Sabah Region
12-Sep-23	Menandatangani MOU antara SME Bank dengan Perbadanan Pembangunan Halal dan Perbadanan Pembangunan Pertanian Negeri Perak semasa MIHAS 2023 MOU Signing between SME Bank with Halal Development Corporation and Perak State Agriculture Development Corporation during MIHAS 2023
30-Sep-23	Pameran Satu Daerah Satu Industri (SDSI) Serantau: Webinar BIAYA Usahawan 2023 Showcase Satu Daerah Satu Industri (SDSI) Peringkat Wilayah: Webinar BIAYA Usahawan 2023
8-Nov-23	Lawatan Delegasi Antarabangsa dari Negara-negara Di Bawah Bank Pembangunan Islam 1. Perniagaan yang berpotensi untuk CEDAR 2. Inisiatif pembinaan kapasiti masa depan untuk kakitangan  Visit by International Delegates from Countries Under Islamic Development Bank 1. Potential business for CEDAR 2. Future capacity building initiatives for staffs
8-Nov-23	Sesi Libat Urus dengan Pihak Berkepentingan Peringkat-2 (TEKUN, SME Corp, CGC, TERAJU, MATRADE, SJPP) 1) Pihak Berkepentingan Peringkat-1 akan mendapat maklumat terkini mengenai prestasi Bank bersama-sama dengan pelaksanaan program pembangunan Bank terutamanya di bawah Belanjawan Negara dan Rancangan Malaysia 2) Meningkatkan hubungan dengan pihak berkepentingan Peringkat-1 untuk kerjasama dan kerjasama masa depan  Engagement Session with Tier-2 Stakeholders (TEKUN, SME Corp, CGC, TERAJU, MATRADE, SJPP) 1) Tier-1 Stakeholders will get update on the Bank's performance together with the implementation of the Bank's developmental programs especially those under National Budget and Malaysia Plan 2) Enhance relationship with Tier-1 stakeholders for future cooperation and collaboration

#### PENGURUSAN RISIKO & PAMATUHAN/RISK MANAGEMENT & COMPLIANCE



#### 3. Integriti & Pencegahan Jenayah Kewangan/Integrity & Prevention of Financial Crimes

Impak Perkara-perkara Penting/Material Matters Impacted

Etika & Integriti Perniagaan  
Business Ethics & Integrity

Privasi & Keselamatan Data Pelanggan  
Customer Data Privacy & Security

##### Tadbir Urus yang Kukuh dalam Operasi

Kami mencipta nilai, memupuk kelestarian, dan memenuhi misi dalam memajukan sektor PKS melalui tadbir urus korporat yang baik. Kami mematuhi tadbir urus korporat yang teguh dan beretika hasil rangka kerja dan piawaian risiko, tadbir urus, dan Kumpulan modal insan kami.

Kod Tingkah Laku, yang selaras dengan nilai teras kami, prinsip perniagaan, dan pelbagai dasar dalaman yang menyokong tingkah laku etika dan integriti sebagai komponen penting dalam operasi perniagaan kami, mesti diterima dan dipatuhi oleh semua kakitangan dan mereka yang bekerja untuk/ atau bagi pihak SME Bank. Kod Tingkah Laku kami yang telah dimuktamadkan, Ikrar Integriti Korporat, Ikrar Bebas Rasuah, Dasar Hadiah dan Hiburan, Dasar Pemberi Maklumat, Prosedur Perlindungan Data Peribadi, Pelan Antirasuah Organisasi (OACP) dan pensijilan Sistem Pengurusan Antirasuah (ABMS) adalah antara dasar dalaman yang kami tetapkan untuk mencapai ini.

##### Strong Governance in Our Operations

In order to create value, foster sustainability, and fulfill our mission of advancing the SME sector, we must practice good corporate governance. We adhere to strict corporate governance and moral behavior thanks to our risk, governance, and HR framework and standards.

The Code of Conduct, which is in line with our core values, business principles, and numerous internal policies that support ethical behavior and integrity as an essential component of our business operations, must be embraced and followed by all employees and those working for or on behalf of SME Bank. Our formalised Code of Conduct, Corporate Integrity Pledge, Corruption-Free Pledge, Gift and Entertainment Policy, Whistleblowing Policy, Personal Data Protection Procedure, Organisational Anti-Corruption Plan (OACP) and certification of Anti-Bribery Management System (ABMS) are some of the internal policies we have in place to accomplish this.

##### Kod Tingkah Laku

Lembaga Pengarah telah meluluskan Kod Tingkah Laku, yang mencerminkan nilai integriti teras kami. Kod Tingkah Laku Kakitangan dan peraturan serta prosedur dalaman SME Bank mesti dipatuhi oleh semua kakitangan dan sesiapa yang bekerja untuk/ atau bagi pihak Bank.

##### Code of Conduct

The Board of Directors has approved our Code of Conduct, which embodies our core integrity values. The Employee Code of Conduct and the internal rules and procedures of SME Bank must be upheld by all employees and anyone working for or on behalf of the Bank.



## KESINAMBUNGAN YANG BERDAYA TAHAN MELALUI AMALAN PERNIAGAAN BERTANGGUNGJAWAB

### ENSURING RESILIENT BUSINESS CONTINUITY THROUGH RESPONSIBLE BUSINESS PRACTICES



#### 3. Integriti & Pencegahan Jenayah Kewangan/Integrity & Prevention of Financial Crimes

##### Ikrar Integriti Korporat & Ikrar Bebas Rasuah

Kami telah mematuhi ikrar untuk menyediakan persekitaran korporat yang bebas daripada tindakan tidak jujur dan tidak beretika sejak Bank menandatangani Ikrar Integriti Korporat pada tahun 2016.

Kumpulan Pengurusan Modal Insan dan Jabatan Integriti dan Tadbir Urus bekerjasama untuk mencipta prosedur yang memerlukan semua pekerja baharu menandatangani Ikrar Bebas Rasuah semasa proses suai tugas (*onboarding*).

Di bawah Ikrar Bebas Rasuah SME Bank, kami akan:

- i. Mematuhi sepenuhnya undang-undang, peraturan, prosedur dan dasar negara mengenai pencegahan rasuah dan penyalahgunaan kuasa;
- ii. Membenci dan menolak segala bentuk rasuah dan penyalahgunaan kuasa, serta akan memberikan kerjasama penuh kepada Suruhanjaya Pencegahan Rasuah Malaysia dalam mencegah rasuah dan penyalahgunaan kuasa;
- iii. Tidak terlibat dalam sebarang bentuk rasuah dan penyalahgunaan kuasa sama ada secara langsung atau tidak langsung, dengan mana-mana pihak yang berurusan dengan SME Bank;
- iv. Memastikan kakitangan di bawah selian saya tidak terlibat dalam sebarang tindakan rasuah dan penyalahgunaan kuasa dalam apa jua urusan berkaitan SME Bank; dan
- v. Segera melaporkan sebarang bentuk rasuah dan penyalahgunaan kuasa sama ada yang melibatkan saya atau kakitangan selian saya, kepada Suruhanjaya Pencegahan Rasuah Malaysia.

##### Corporate Integrity Pledge & Corruption-Free Pledge

We have adhered to the pledge to provide a corporate environment free from dishonest and unethical acts ever since the Bank signed the Corporate Integrity Pledge in 2016.

The Group Human Capital Management and the Integrity and Governance Department worked together to create a procedure that requires all new hires to sign the Corruption-Free Pledge during the onboarding process.

Under the SME Bank's Corruption-Free Pledge, we shall:

- i. Fully abide by the Nation's law, rules, procedures and policies on corruption prevention and abuse of power;
- ii. Abhor and reject all forms of corruption and abuse of power, and shall give my full cooperation to the Malaysian Anti-Corruption Commission in preventing corruption and abuse of power;
- iii. Not indulge in any form of corruption and abuse of power either directly or indirectly, with any party dealing with the SME Bank;
- iv. Ensure that my subordinates shall not indulge in any act of corruption and abuse of power in any dealings concerning the SME Bank; and
- v. Instantly report any form of corruption and abuse of power either involving me or my subordinates, to the Malaysian Anti-Corruption Commission



#### 3. Integriti & Pencegahan Jenayah Kewangan/Integrity & Prevention of Financial Crimes



##### Dasar Hadiah dan Hiburan

Bank telah mengemas kini dasar hadiah dan hiburan untuk memberikan panduan kepada kakitangan mengenai apa yang dianggap hadiah, tawaran, iklan, anugerah, atau tanda penghargaan yang boleh diterima dan tidak sesuai daripada pelanggan sedia ada dan bakal, pembekal, atau pembekal perkhidmatan. Dasar ini bukan sahaja menyenaraikan apa hadiah dan hiburan yang dibenarkan dan tidak dibenarkan, tetapi juga menetapkan tindakan yang boleh diambil jika dasar ini dilanggar.



##### Gift and Entertainment Policy

The Bank has updated its gift and entertainment policy to give staff members guidelines on what constitutes acceptable and inappropriate gifts, offerings, advertisements, awards, or tokens of gratitude from current and prospective clients, suppliers, or vendors. It not only outlines what gifts and entertainment are allowed and not allowed, but it also outlines what can be done if the policy is broken.

##### Pemberi Maklumat

Saluran melaporkan salah laku telah dibangunkan oleh SME Bank dan dipantau oleh Jawatankuasa Lembaga Audit (JLA). Pengurusan Bank memastikan bahawa setiap aduan diperiksa secara objektif dan maklumat hanya dikongsi dengan pihak yang diperlukan untuk penyiasatan dan penyelesaian. Proses komunikasi dijamin tanpa nama dan kerahsiaan penuh.

##### Whistleblowing

A whistleblower channel has been developed by SME Bank and is overseen by the Board Audit Committee (BAC). The management of the Bank makes sure that every complaint is examined objectively and that information is shared with only those parties who are necessary for the investigation and resolution. There is a guarantee of communication anonymity and total confidentiality for the communication process.



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#### 3. Integriti & Pencegahan Jenayah Kewangan/Integrity & Prevention of Financial Crimes

##### Perlindungan Data Peribadi

##### Personal Data Protection

Dalam era komunikasi digital ini, kami memikul tanggungjawab besar untuk melindungi data peribadi dan sulit pihak berkepentingan kami.

In this era of digital communications, we take great responsibility for safeguarding the private and confidential data of our stakeholders.

Kami telah mencipta polisi dan panduan di seluruh syarikat, seperti Perlindungan Kehilangan Data (DLP), dan kami mengikuti piawaian industri serta amalan terbaik untuk melindungi dan memelihara maklumat peribadi. Pada masa yang sama, kami memantau dengan teliti dan mematuhi undang-undang perlindungan privasi, termasuk Akta Perlindungan Data Peribadi 2010.

We have created company-wide policies and guidelines, such as Data Loss Protection (DLP), and we follow industry standards and best practices to safeguard and preserve personal information. Simultaneously, we closely monitor and assiduously adhere to privacy protection laws, including the Personal Data Protection Act of 2010.

Seperti yang diamanahkan oleh BNM, mereka membolehkan kami memantau aliran data ke pihak luar untuk melindungi data pelanggan dan memupuk keyakinan pelanggan, untuk memastikan kepercayaan berterusan terhadap kami.

As mandated by BNM, they enable us to actively monitor data traffic to outside parties in order to protect customer data and foster customer confidence, ensuring the ongoing confidence of individuals who entrust us with their personal information.

Sehingga kini, tiada serangan siber yang berlaku, dan tiada aduan daripada kakitangan atau pelanggan mengenai sebarang pelanggaran privasi atau kehilangan maklumat peribadi.

As of right now, there have been no cyberattacks, and neither staff nor customers have complained about any privacy violations or loss of personal information.



#### 3. Integriti & Pencegahan Jenayah Kewangan/Integrity & Prevention of Financial Crimes

##### Pelan Antirasuah Organisasi

Kami berikrar untuk mematuhi prinsip moral yang paling ketat dan semua undang-undang antirasuah yang berkaitan, dan menetapkan langkah-langkah yang tepat untuk tindakan antirasuah. Komitmen kami adalah untuk mematuhi semua undang-undang dan peraturan yang berkaitan. Kami tidak bertoleransi untuk sebarang bentuk rasuah, penipuan, pelanggaran sanksi perdagangan, pengubahan wang haram, pembiayaan keganasan, atau tingkah laku yang menyalahi undang-undang atau tidak beretikaoleh kakitangan atau wakil Bank. SME Bank mematuhi Akta Pencegahan Pengubahan Wang Haram, Pencegahan Pembiayaan Keganasan dan Aktiviti Haram 2001, Akta Suruhanjaya Pencegahan Rasuah Malaysia 2009 (Pindaan 2018), dan kriteria Syariah.

##### Organisational Anti-Corruption Plan

We pledge to abide by the strictest moral principles and all relevant anti-corruption legislation, and we specify precise steps for anti-corruption action. Our commitment is to abide by all relevant laws and regulations. Any type of bribery, corruption, fraud, violation of trade sanctions, money laundering, financing of terrorism, or other unlawful or unethical behavior by employees or representatives of the Bank is not acceptable to us. The Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act of 2001, the Malaysia Anti-Corruption Commission Act of 2009 (Amendment 2018), and Shariah criteria are all met by SME Bank.

Selain itu, pada Disember 2021, kami memperkenalkan Rancangan Pencegahan rasuah Organisasi SME Bank 2020-2024 (OACP), yang selaras dengan Pelan Antirasuah Kebangsaan (NACP) Kerajaan. OACP adalah bukti komitmen kami untuk membasmi rasuah dan mengekalkan moraliti.

Furthermore, in December 2021, we introduced the SME Bank Organizational Anti-Corruption Plan 2020-2024 (OACP), which is in line with the National Anti-Corruption Plan (NACP) of the Government. The OACP is proof of our dedication to eradicating corruption and maintaining morality.

Rancangan ini merangkumi 22 inisiatif sasaran untuk dimulakan dan diselesaikan dalam tempoh lima tahun. Inisiatif-inisiatif ini memberi tumpuan kepada isu-isu integriti, tadbir urus, dan rasuah dalam SME Bank. Sehingga Disember 2023, tiada kejadian rasuah di bawah Seksyen 17A Akta MACC 2009 (Pindaan 2018) di Bank.

It comprises of 22 projects that are intended to be started and finished in five years. The integrity, governance, and corruption concerns and issues within SME Bank are the focus of these projects. As of December 2023, there had been no incidents of bribery or corruption under Section 17A of the MACC Act 2009 (Amendment 2018) at the Bank.

##### Sistem Pengurusan Antirasuah (ABMS) MS ISO 37001:2016

##### Anti-Bribery Management System (ABMS) MS ISO 37001:2016

Pada 26 Ogos 2022, Kumpulan SME Bank menerima pensijilan Sistem Pengurusan Antirasuah (ABMS) MS ISO 37001:2016 setelah membuktikan pematuhan mereka dengan piawaian ISO 37001.

On August 26, 2022, SME Bank Group received accreditation as an Anti-Bribery Management System (ABMS) MS ISO 37001:2016 after proving their compliance with ISO 37001 standards.

Ini menunjukkan komitmen Bank untuk menghentikan dan mengesan rasuah melalui proses penambahbaikan dan sistem dalaman, dengan matlamat mencapai keberkesanan operasi yang lebih tinggi dan menunjukkan keyakinan dari atas-bawah di seluruh organisasi. Bank telah berjaya menyelesaikan Audit Pengawasan ABMS (Tahun 1) pada 4 Ogos 2023. Jadual Audit Pengawasan ABMS (Tahun 2) oleh SIRIM masih menunggu dan dijangka pada Julai atau Ogos 2024.

This demonstrates the Bank's dedication to stopping and identifying bribery through the enhancement of internal processes and systems, with the goal of achieving increased operational effectiveness and demonstrating top-down confidence across the whole organization. The Bank has successfully completed the ABMS Surveillance Audit (Year 1) as of August 4, 2023. Currently pending ABMS Surveillance Audit (Year 2) schedule by SIRIM sometime in 2024 July or August.



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### 3. Integriti & Pencegahan Jenayah Kewangan/Integrity & Prevention of Financial Crimes

Salah satu aspek penting dalam mengekalkan kestabilan dan kejujuran Bank adalah pencegahan jenayah kewangan. Pelbagai inisiatif telah dilaksanakan pada tahap individu dan organisasi untuk mengelakkan jenayah kewangan dengan berkesan. Antara strategi utama yang telah dilaksanakan adalah:

1. Penginstitusian Prosedur Kenali Pelanggan Anda (KYC), satu proses kukuh untuk mengesahkan identiti pelanggan, menilai profil risiko mereka, dan memantau transaksi mereka. Ini membantu Bank untuk mengesan aktiviti mencurigakan dan mencegah pengubahan wang haram serta pembiayaan keganasan.
2. Penubuhan Polisi dan Prosedur Pencegahan Pengubahan Wang Haram (AML/CFT) yang komprehensif untuk memastikan pengenalan pelanggan yang berkesan, profil risiko, penilaian risiko, pemantauan transaksi/pelanggan, latihan kakitangan, penyingkapan nama kakitangan/pelanggan, dan audit berkala adalah selaras dengan keperluan peraturan
3. Pendidikan dan latihan berterusan untuk mendidik kakitangan tentang jenayah kewangan, pengesanannya, dan pencegahannya. Ini membantu meningkatkan kesedaran dan memastikan individu dalam Bank dilengkapi dengan pengetahuan dan kemahiran untuk mengenal pasti dan melaporkan aktiviti mencurigakan.

#### Memupuk Budaya Pematuhan Berterusan

Sambil menggalakkan persekitaran kejujuran dan pematuhan untuk setiap kakitangan, kami menegakkan motto "Pematuhan Bermula Dengan Anda." Kami membantu individu yang berdedikasi untuk membuat perkara yang betul dan mengambil tindakan terhadap mereka yang enggan memenuhi tanggungjawab. Berikut adalah cerminan komitmen kami terhadap pematuhan:



One of the most important aspects of keeping the Bank stable and honest is preventing financial crimes. Numerous initiatives have been put in place at the individual and organizational levels to successfully avoid financial crimes. Among the principal tactics that have been put into practice are:

1. Institutionalise of Know Your Customer (KYC) Procedures, a robust process to verify the identity of customers, assess their risk profiles, and monitor their transactions. This helps the Bank to detect suspicious activities and prevents money laundering and terrorist financing.
2. Establishment of a comprehensive Anti-Money Laundering (AML/CFT) Policies and Procedures in ensuring effective customer identification, risk profiling, risk assessment, transaction/customer monitoring, employee training, employee/customer name screening and regular audits is in compliance with regulatory requirements.
3. Continuous education and training to educate employees about financial crimes, their detection, and prevention. This helps raise awareness and ensures that individuals within the Bank are equipped with the knowledge and skills to identify and report suspicious activities.

#### Continuously Nurturing a Culture of Compliance

As we encourage an environment of honesty and compliance for every employee, we uphold the motto "Compliance Starts with You." We assist individuals who are dedicated to making corrections and pursue those who refuse to fulfill their responsibilities. The following reflects our dedication to compliance:

### 3. Integriti & Pencegahan Jenayah Kewangan/Integrity & Prevention of Financial Crimes



Dedikasi pengurusan dan pengawasan Lembaga Pengarah dalam menyokong perkembangan budaya pematuhan Kumpulan dengan memastikan bahawa program pematuhan dilaksanakan dengan berkesan. Juga memastikan kakitangan mematuhi piawaian etika dan pematuhan yang berkaitan. Divisyen Risiko Kumpulan (GRD) dan Divisyen Pematuhan Kumpulan (GCD) akan memimpin inisiatif berterusan untuk mengukuhkan budaya pematuhan Bank.

Aktiviti yang dijalankan pada tahun 2023 termasuk:

**Konvensyen Pegawai Hubungan Pematuhan & Risiko (CRLO) 2.0 (2023)**

**Compliance & Risk Liaison Officer (CRLO) Convention 2.0 & Appreciation Night (2023)**

Konvensyen CRLO 2.0 (2023) adalah inisiatif berterusan yang dikendalikan oleh Ibu Pejabat dan pejabat cawangan SME Bank untuk Pegawai Hubungan Pematuhan & Risiko (CRLO). Konvensyen ini dihadiri oleh para pegawai CRLO dan berlangsung dari 24 hingga 26 Februari 2023.

- Untuk meningkatkan keberkesanan fungsi CRLO dalam memastikan pematuhan terhadap keperluan peraturan;
- Untuk memupuk budaya 'Kesedaran Risiko dan Pematuhan' yang kukuh dalam SME Bank;
- Untuk meningkatkan kemahiran sistem CRLO dalam menggunakan Sistem Pengurusan Risiko Operasi (ORMS) dalam pelaporan dan pemantauan risiko mereka;
- Untuk memupuk semangat pencapaian bagi mencapai kecemerlangan prestasi – pengurusan dan jangkauan Petunjuk Prestasi Utama (KPI);
- Untuk mempunyai pemahaman yang jelas dan menekankan jangkauan pihak berkepentingan; dan
- Untuk meningkatkan keberkesanan komunikasi dan hubungan dalam kalangan CRLO dan fungsi kawalan (Risiko dan Pematuhan).

Latihan perkongsian pengetahuan, kajian kes, permainan kumpulan, pembentangan, dan mesyuarat dengan Divisyen Risiko Kumpulan (GRD) dan Divisyen Pematuhan Kumpulan (GCD) telah diadakan sepanjang konvensyen.

Dengan pemahaman yang lebih baik mengenai cabaran CRLO dalam melaksanakan tugas mereka, GRD dan GCD berjaya meningkatkan hubungan antara CRLO dan fungsi kawalan. Selepas konvensyen, GRD dan GCD mencatat peningkatan kualiti laporan yang CRLO hasilkan dan mengadakan mesyuarat yang lebih kerap untuk membincangkan isu berkaitan pematuhan dan risiko.

The management's dedication and the Board's supervision support the development of the Group's compliance culture by ensuring that compliance programs are implemented effectively and that staff members conform to relevant ethical and compliance standards. The Group Risk Department (GRD) and Group Compliance Division (GCD) of the Bank will lead ongoing initiatives to strengthen the Bank's compliance culture.

Activities conducted in 2023 include:

The CRLO Convention 2.0 (2023) is an ongoing initiative run by SME Bank's Headquarters and Branch offices for CRLOs. Compliance & Risk Liaison Officers (CRLO) attended, and which took place from February 24-26, 2023.

- To improve the effectiveness of CRLO's functions in ensuring adherence to regulatory requirements;
- To inculcate a strong 'Risk and Compliance Awareness Culture' to be embedded within SME Bank;
- To improve CRLO's system skill in using Operational Risk Management System (ORMS) in their risk reporting and monitoring;
- To ignite the spirit of achievement to achieve performance excellence - Key Performance Indicators (KPI) management and expectation;
- To have a clear understanding and emphasise stakeholders expectations; and
- To improve the effectiveness of team communication and bonding within CRLOs and the control functions (Risk and Compliance)

Knowledge-sharing and training exercises, case studies, group games and presentations, and meetings with the Group Risk Division (GRD) and Group Compliance Division (GCD) were all held throughout the convention.

Through improved comprehension of CRLO challenges and challenges in performing their duties, the GRD and GCD were able to improve the link between CRLOs and the control functions as a result of the program. Following the convention, the GRD and GCD saw that CRLOs had improved the caliber of the reports they produced and had held more regular meetings to talk about compliance and risk-related issues.

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#### 3. Integriti & Pencegahan Jenayah Kewangan/Integrity & Prevention of Financial Crimes

##### Karnival Pematuhan



##### Compliance Carnival

Selaras dengan strategi GCD 2022, Karnival Pematuhan yang berlangsung selama seminggu adalah sebahagian daripada usaha organisasi untuk mendidik dan meningkatkan budaya pematuhan di kalangan kakitangan SME Bank.

Acara ini diadakan dengan kerjasama pihak luar seperti Polis Diraja Malaysia, Kumpulan Simpanan Wang Pekerja, Lembaga Hasil Dalam Negeri, dan Pusat Pungutan Zakat yang menyertai forum atau membuka reruai maklumat.

Pelbagai penglibatan dan aktiviti telah dijalankan untuk memupuk budaya pematuhan yang kukuh, integriti, dan piawai etika yang tinggi dalam kalangan kakitangan Bank.

In keeping with the GCD's 2022 strategy, the week-long Compliance Carnival was a part of the organization's effort to teach and improve the compliance culture among SME Bank personnel.

The event was held in collaborations with external parties such as Polis Diraja Malaysia, Kumpulan Simpanan Wang Pekerja, Lembaga Hasil Dalam Negeri, and Pusat Pungutan Zakat who either participated in the forum or opened up information booths.

Various engagement and activities has been undertaken to instil strong compliance culture, integrity and high ethical standards amongst the Bank staff.

#### 4. Risiko Peralihan dan Fizikal Akibat Perubahan Iklim/Transition & Physical Climate Risk



##### Impak Perkara-perkara Penting/Material Matters Impacted

Pengurusan Risiko  
Risk Management

Pembiayaan Lestari  
Sustainable Financing

##### Pengurusan Risiko Iklim dan Analisis Senario dan Ujian Tekanan Risiko Iklim

Pengurusan risiko iklim adalah komponen kritikal dalam strategi organisasi yang bertujuan untuk mengenal pasti, menilai, mengurangkan, dan menyesuaikan diri dengan risiko yang berkaitan dengan perubahan iklim. SME Bank kini sedang mengumpul petunjuk prestasi ESG untuk 2024 dan dalam perjalanan untuk mematuhi sepenuhnya dengan Dokumen Dasar Pengurusan Risiko Iklim dan Analisis Senario (CRMSA) serta Ujian Tekanan Risiko Iklim Bank Negara Malaysia (BNM). Ini memastikan pendekatan yang komprehensif untuk memenuhi keperluan peraturan dan meningkatkan prestasi kelestarian.

##### Climate Risk Management Scenario Analysis and Climate Risk Stress Testing Project\*

Climate risk management is a critical component of organizational strategy aimed at identifying, assessing, mitigating, and adapting to the risks associated with climate change. SME Bank is currently collecting ESG performance indicators for 2024 and is on track to comply 100% with Bank Negara Malaysia's (BNM) Policy Document on Climate Risk Management and Scenario Analysis (CRMSA) and Climate Risk Stress Testing Project. This ensures a comprehensive approach to meeting regulatory requirements and improving sustainability performance.

#### 4. Risiko Peralihan dan Fizikal Akibat Perubahan Iklim/Transition & Physical Climate Risk



##### Pelepasan Gas Rumah Hijau (GHG)

Sebagai sebahagian daripada usaha proaktif kami untuk mengurangkan pelepasan Bank dan menetapkan objektif pengurangan karbon serta komitmen sifar bersih, SME Bank telah mula mengira asas bagi pengeluaran karbonnya.

Untuk mencapai matlamat menjadi neutral karbon menjelang 2030, SME Bank memanfaatkan pendigitalan proses dalaman. Kini terdapat tiga inisiatif utama yang sedang dijalankan pada tahun 2023. Sehingga Disember 2023, Bank telah mencapai pengurangan 22% dalam penggunaan kertas sebagai salah satu inisiatif.

Bank akan melaksanakan strategi komprehensif yang memfokuskan kepada aspek operasi, seperti pengubahsuaian pejabat dan cawangan, penggunaan tenaga boleh diperbaharui, memperkenalkan kenderaan syarikat pelepasan rendah, dan menggalakkan pengaturan kerja fleksibel, untuk memenuhi sasaran pengukuran dan pengurangan berterusan pelepasan karbon menjelang 2030 untuk pelepasan Skop 1 dan Skop 2.

##### Greenhouse Gas (GHG) Emission

As part of our proactive efforts to reduce the Bank's emissions and establish carbon reduction objectives and net-zero commitments, SME Bank has begun to calculate the baseline for its carbon emissions.

To meet the goal of becoming carbon neutral by 2030, the SME Bank is leveraging digitalisation of internal processes. Currently there are three on-going key initiatives as of 2023. As of December 2023, the Bank has achieved a 22% reduction in the amount of paper used as one of the initiatives.

The Bank will be putting into practice comprehensive strategies that centre on operational aspects, like retrofitting offices and branches, using renewable energy, introducing low-emission company vehicles, and encouraging flexible working arrangements, in order to meet its target of continuous measurement and reduction of carbon emissions by 2030 for Scope 1 and Scope 2.

#### BUDAYA & BAKAT/TALENT & CULTURE

#### 5. Menarik & Mengekalkan Bakat/Attracting & Retaining Talents



##### Impak Perkara-perkara Penting/Material Matters Impacted

Latihan & Pendidikan Kakitangan  
Employee Training & Education

Amalan Penggajian  
Employment Practices

##### Komitmen terhadap Kepelbagaian, Keadilan, dan Keterlibatan

SME Bank memupuk budaya kerja yang kuat di mana semua kakitangan menghargai mandat yang diberikan dan membuat sumbangan berdasarkan merit untuk memenuhi keperluan pelanggan dan pihak berkepentingan. Kami melakukan ini dengan mempromosikan peluang yang sama dan komunikasi terbuka. Untuk mewujudkan tenaga kerja yang inklusif serta dapat menyumbangkan bakat, kemahiran, dan pengalaman mereka dalam mencapai misi Bank, kami percaya bahawa adalah penting untuk mempunyai pekerja dari pelbagai latar belakang.

##### Commitment to Diversity, Equity and Inclusion

SME Bank fosters a strong work culture where all employees value the mandate they have been given and make merit-based contributions to serve our clients and stakeholders. We do this by promoting equal chances and open communication. To create an inclusive workforce that can contribute their talents, skill sets, and experiences to fulfill the Bank's mission, we think it is imperative to have workers from a variety of backgrounds.

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## ENSURING RESILIENT BUSINESS CONTINUITY THROUGH RESPONSIBLE BUSINESS PRACTICES



### 5. Menarik & Mengekalkan Bakat/Attracting & Retaining Talents

Menarik dan berbakat adalah falsafah pengambilan kami. Menemukan sumber bakat yang terbaik adalah langkah pertama dalam proses pemilihan bakat. Pada masa ini, terdapat dua cara untuk mengumpul bakat: secara fizikal dan digital. Untuk menarik pengambilan yang berpengalaman ke dalam kumpulan bakat kami, Kumpulan Modal Insan di SME Bank terlibat secara aktif dalam lapisan penjana bakat melalui program jangkauan universiti untuk graduan baharu. Kami juga sering menghadiri pameran kerjaya, seminar pekerjaan, dan bekerjasama dengan agensi luar seperti Graduan. Untuk mencari bakat, kami juga memanfaatkan sumber dalam talian seperti Jobstreet dan LinkedIn. Kami dapat menarik bakat tanpa diskriminasi dan berat sebelah hasil kepelbagaian dan kedalaman saluran dan platform kami.

Pengambilan dan pengekalan bakat adalah dua langkah penting dalam proses ini. Kami menggunakan kaedah temuduga terbuka dan telah menjemput kakitangan dari bahagian pengambilan untuk turut serta bagi memastikan jangkaan difahami oleh kedua-dua belah pihak. Budaya kerja yang positif dan suasana yang harmoni boleh dipastikan dengan mengawal jangkaan pengurus pengambilan terhadap calon dan sebaliknya.

#### Sambutan Hari Wanita Antarabangsa 2023

Menjelang akhir tahun 2023, wanita akan membentuk separuh daripada tenaga kerja kami. Lebih sepuluh peratus daripada pengurusan kanan dari pengurusan pertengahan dan atas adalah wanita. Hari Wanita Antarabangsa kini disambut setiap tahun untuk menghormati sumbangan para wanita dan mengiktiraf pencapaian mereka.

Hari Wanita Antarabangsa disambut pada tahun 2023 sebagai sebahagian daripada program penghargaan untuk semua kakitangan wanita SME Bank. 560 kakitangan wanita menerima bunga mawar sebagai hadiah, dan kuiz Kahoot Hari Wanita telah diadakan untuk menyebarkan maklumat tentang pemerksaan wanita.

Attracting and acquiring talent is our hiring philosophy. Finding the best source of talent is the first step in the talent selection process. Currently, there are two ways to pool talents: physically and digitally. In order to attract experienced hires into our talent pool, Group Human Capital at SME Bank has been actively involved in multi-layer talent generation through university outreach programs for recent graduates. We also regularly attend career fairs, job seminars, and work in partnership with outside agencies like Graduan. To find talent, we also leverage online resources like Jobstreet and LinkedIn. We are able to draw talent without discrimination and bias because to the breadth and depth of our channels and platforms.

Talent hiring and retention are two more crucial steps in the process. We use an open interviewing method and have invited employees from the hiring division to participate in order to make sure that expectations are understood by both sides. A positive work culture and atmosphere can be ensured by controlling the hiring manager's expectations of the potential hire and vice versa.

#### Celebrating International Women's Day 2023

By the end of 2023, women will make up half of our workforce. Over ten percent of our senior managers in middle and upper management are female. International Women's Day is now observed annually to honor the contributions of these women and to recognize their accomplishments.

International Women's Day was observed in 2023 as part of a programme of gratitude for all SME Bank employees who are women. 560 female employees received roses as gifts, and a Women's Day Kahoot quiz was created to spread the word about women's empowerment.



### 5. Menarik & Mengekalkan Bakat/Attracting & Retaining Talents

#### Saluran Bakat

Kami memahami betapa pentingnya untuk memberikan golongan muda yang cemerlang dengan kemahiran yang diperlukan supaya mereka dapat berkembang dan mengambil alih jawatan kanan dan kepimpinan dalam Bank. Ini memastikan saluran bakat jangka panjang yang terdiri daripada pekerja yang telah dikenali oleh Bank sebagai pemimpin masa depan dan akan menerima pembelajaran dan pembangunan yang dipercepatkan.

Matlamat organisasi dalam melaksanakan Program Pembangunan Pengganti (SDP) adalah untuk mencari, membangunkan, dan melengkapkan pemimpin masa depan dari dalam syarikat untuk mengambil alih jawatan kepimpinan. Ia bertujuan untuk membangunkan kumpulan individu berbakat yang menunjukkan potensi untuk kepimpinan dan pergerakan progresif dalam syarikat.

SME Bank telah memulakan Rancangan Pembangunan dan Perjalanan yang teliti untuk 21 Pengganti yang dikenal pasti bertujuan untuk Jawatan Kepimpinan Senior (L1).

Daripada kakitangan yang dikenal pasti dalam saluran bakat, lapan pengganti telah meningkatkan kemampuan mereka dengan ketara, seperti yang dibuktikan oleh peningkatan ketara dalam kesediaan mereka untuk memegang jawatan.

#### Program Jangkauan Graduan

Program jangkauan graduan adalah inisiatif strategik yang direka oleh Bank untuk menarik, melibatkan, dan membangunkan bakat muda dari universiti dan institusi pendidikan lain.

Kami menyertai pameran kerjaya semasa Graduan Aspire 2023, Minggu Kerjaya UKM, Karnival Kerjaya dan Keusahawanan UITM 2023, Pameran Kerjaya Curtin 2023, UNIKL Career Future Scape 2023, dan Karnival Kerjaya MADANI 2023. Pameran kerjaya ini memberikan peluang kepada pelajar dan graduan baharu untuk berhubung dengan majikan, mengetahui lebih lanjut mengenai majikan potensi yang boleh merekrut mereka, dan meneroka peluang latihan dan pekerjaan. Selain itu, pameran ini juga memberikan peluang kepada majikan untuk meningkatkan kesedaran jenama mereka, menarik pelanggan baharu, dan merekrut kakitangan.

Strategi utama kami adalah untuk meletakkan SME Bank sebagai majikan pilihan sambil membina pemimpin yang hebat dan pasukan yang cemerlang. Kami menjalin kerjasama dengan universiti, program latihan dan biasiswa. Bank juga menjadi naib juara kedua sebagai Majikan Pilihan Terbaik 2024 dalam Kategori Perbankan Pembangunan oleh Talentbank.

#### Talent Pipeline

We understand it's important to provide bright young people with the necessary skill sets so they may advance and take on senior and leadership positions within the Bank. This guarantees a long-term talent pipeline of workers who have been recognized by the Bank as future leaders and who will receive accelerated learning and development.

The goal of an organization's Successors Development Program (SDP) is to find, develop, and equip future leaders from inside the business to assume leadership positions. It seeks to develop a pool of gifted people who show promise for leadership and progressive motion within the company.

SME Bank has initiated a meticulously curated Development Plan and Journey for 21 identified Successors aiming for Senior Leadership Positions (L1).

Of the employees identified in the talent pipeline, 8 successors have notably enhanced their capabilities, as evidenced by a noticeable increase in their readiness to assume the identified positions.

#### Graduate Outreach Programmes

Graduate outreach programs are strategic initiatives designed by the Bank to attract, engage, and develop young talent from universities and other educational institutions.

We participated in career fairs during Graduan Aspire 2023, UKM Career Week, UITM Carnival Career and Entrepreneur 2023, Curtin Career Fair 2023, UNIKL Career Future Scape 2023 and Karnival Kerjaya MADANI 2023. The career fairs gave students and recent graduates a chance to network with employers, discover more about the businesses that could hire them, and look into internship and employment prospects. Additionally, they provided employers with the opportunity to expand their brand awareness, attract new customers, and hire staff.

Our key strategy is to position SME Bank as an employer of choice while building great leaders and great team. We have collaborations with universities, apprenticeship and scholarship programmes. The Bank also achieved 2nd runner up as Best Employer of Choice to Work For 2024 under Development Banking Category by Talentbank.

## KESINAMBUNGAN YANG BERDAYA TAHAN MELALUI AMALAN PERNIAGAAN BERTANGGUNGJAWAB

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### 5. Menarik & Mengekalkan Bakat/Attracting & Retaining Talents

Penunjuk prestasi kami di bawah menunjukkan program pengurusan bakat kami:- Our performance indicator below shows our talent management program:-

Penunjuk Prestasi Sehingga Disember 2023/Performance Indicators (As of Dec 2023)



90.70%

Kadar pengekalan Retention rate



94.00%

Hasil tinjauan kepuasan daripada acara siswazah Satisfaction survey results from graduate event



9 (100%)

Bilangan bakat graduan dan kadar serapan setiap kohort (sekali dalam dua tahun)/ Number of graduate talent and absorption rate per cohort (once in two years)



58

Bilangan graduan yang diambil bekerja setiap tahun/ Number of graduates hired per year

40



Bilangan penempatan latihan industri setiap tahun Number of internship placements per year

4



Bilangan anugerah yang diterima (Jika ada)/ Number of awards received (If any)



158

Bilangan bakat dalam kumpulan bakat/ Number of talent in the talent pool



100%

Kadar pengekalan bakat/ Talent retention rate



31:10

Nisbah pengganti bagi jawatan pengurusan kanan (L1) dan kesiediaan pengganti/ Ratio of successor for senior management position (L1) and readiness of successor

### 6. Pembelajaran & Pembangunan/Learning & Development



Impak Perkara-perkara Penting/Material Matters Impacted



Latihan & Pendidikan Kakitangan Employee Training & Education



Keselamatan & Kesihatan Pekerja Occupational Safety & Health



Amalan Penggajian Employment Practices

#### Membangun Kemampuan dan Memupuk Bakat

Memandangkan landskap kewangan berubah, kami percaya untuk melabur dalam pembangunan profesional kakitangan. Memberikan mereka alat yang diperlukan untuk meningkatkan kemahiran serta bersedia bersesuaian pekerjaan masa depan melalui program latihan. Kami memastikan bahawa kakitangan mempunyai akses kepada pelbagai program peningkatan kemahiran dan latihan sepanjang tahun untuk memudahkan peluang pembelajaran sepanjang hayat. Selain daripada merancang program khusus untuk peranan, strategi pembelajaran kami juga melibatkan penyesuaian program pembangunan untuk memenuhi keperluan tertentu.

#### Program MBA

Program MBA bukan sekadar usaha pendidikan biasa; ia adalah pelaburan yang terancang dalam pembangunan modal insan yang penting untuk prestasi keseluruhan Bank. Dengan menyokong kakitangan melanjutkan pendidikan perniagaan lanjutan, inisiatif ini memperkasakan pekerja dan membangunkan kumpulan profesional yang serba boleh, lengkap dengan pengetahuan dan kemahiran terkini.

#### Building Capabilities and Nurturing Talent

As the financial landscape changes, we believe in investing in our employees' professional development and giving them the tools they need to upskill and prepare for future jobs through training programs. We make sure that our staff members have access to a wide range of upskilling and training programs all year long to facilitate possibilities for lifelong learning. In addition to designing role-specific programs, our learning strategy also involves customizing developmental programs to meet certain needs.

#### MBA program

The MBA program is much more than just a straightforward educational endeavor; it is a calculated investment in the development of human capital that is essential to the Bank's overall performance. Through its support of employees' pursuit of advanced business education, this initiative empowers workers and develops a pool of well-rounded professionals equipped with state-of-the-art knowledge and abilities.



Graduasi Kumpulan MBA 1 (2021/2023)/MBA Cohort 1 (2021/2023) Graduation

## KESINAMBUNGAN YANG BERDAYA TAHAN MELALUI AMALAN PERNIAGAAN BERTANGGUNGJAWAB

### ENSURING RESILIENT BUSINESS CONTINUITY THROUGH RESPONSIBLE BUSINESS PRACTICES



#### 6. Pembelajaran & Pembangunan/Learning & Development

Pada 30 Jun 2023, SME Bank mengadakan majlis meraikan kumpulan pertama graduan MBA di Hotel Le Meridien. Sebagai tanda penghargaan dan sokongan terhadap komitmen mereka dalam pembangunan diri, SME Bank turut menghadihkan setiap graduan sebuah iPad Air.

- 15 bakat telah berjaya memperoleh ijazah MBA mereka, dengan sembilan (9) daripada mereka telah mencapai Status Pengurus Bertauliah.
- Tambahan pula, 15 bakat ini juga telah diiktiraf atas kemahiran mereka dengan dianugerahkan Diploma CMI Tahap 7 dalam Pengurusan Strategik dan Amalan Kepimpinan.
- Seorang (1) bakat luar biasa telah dianugerahkan dengan Anugerah "Anugerah UniUtama Management Holdings Sdn. Bhd." oleh Universiti Utara Malaysia semasa Majlis Konvokesyen ke-33.
- Empat (4) bakat telah dinaikkan pangkat dari penyumbang individu kepada jawatan sebagai ketua bahagian dan ketua pasukan.
- Lapan (8) bakat menunjukkan kemajuan kerjaya yang ketara dengan naik dari satu gred jawatan ke tahap yang lebih tinggi.

Sokongan pihak pengurusan terhadap program ini menunjukkan komitmen teguh Bank terhadap pembangunan profesional yang berterusan. Inisiatif ini dijangka akan diteruskan untuk kumpulan seterusnya dengan sokongan yang memberangsangkan. Bank mengukuhkan lagi komitmennya untuk membangunkan dan meningkatkan keupayaan kakitangannya pada November 2023 dengan menyambut 17 lagi kakitangan dalam Kumpulan ke-2.

On June 30, 2023, SME Bank held a celebration at the Le Meridien Hotel for the first group of MBA graduates. In addition, SME Bank gave each graduate an iPad Air as a token of the Bank's gratitude and support for their commitment to personal development.

- 15 talents have successfully earned their MBA degrees, with nine (9) of them had attained the Chartered Manager Status.
- Additionally, these 15 talents have also been recognized for their proficiency by being awarded the CMI Level 7 Diploma in Strategic Management and Leadership Practice.
- One (1) exceptional talent has been honored with the "Anugerah UniUtama Management Holdings Sdn. Bhd." Award by Universiti Utara Malaysia during its 33rd Convocation Ceremony.
- Four (4) talents have been promoted from being individual contributor to assuming roles as section heads and team leaders.
- Eight (8) talents have demonstrated significant career progress by advancing from one job grade to a higher level.

The management's support for this program demonstrates the Bank's steadfast dedication to continual professional growth. The initiative is expected to continue for upcoming batches with this overwhelming support. The Bank reaffirmed its commitment to developing and improving the capabilities of its employees in November 2023 when it welcomed 17 more employees into the 2nd Batch.



Penajaan Kumpulan MBA 2 (2023/2025)/MBA Cohort 2 (2023/2025) Sponsorship

#### 6. Pembelajaran & Pembangunan/Learning & Development



#### Pensijilan Train-the Trainer

Pada Mac 2023, PD melancarkan Program Pensijilan Train-the-Trainer (TTT) selaras dengan dedikasi SME Bank untuk meningkatkan kemahiran kakitangan dan sejajar dengan objektif Bank untuk sentiasa mempertingkatkan keupayaan dan kapasiti modal insan. Seramai lapan belas individu berjaya menamatkan program ini dan menerima Pensijilan TTT mereka.

Keperluan bagi kakitangan untuk menyampaikan pengetahuan dan kemahiran kepada orang lain menjadi pendorong kepada projek ini. Untuk menyokong perkara tersebut, PD mencadangkan dan melaksanakan pelancaran program pensijilan ini.

#### Train-the-Trainer Certification

In March 2023, PD launched the Train-the-Trainer Certification Program in keeping with SME Bank's dedication to increasing staff skill sets and in line with the Bank's objective of continuously enhancing human capabilities and capacity. Eighteen individuals finished the program satisfactorily and received their TTT Certification.

The necessity for employees to impart knowledge and skills to others served as the impetus for this project. To bolster the aforementioned, PD suggested and carried out launching the aforementioned certification program.



#### Program Latihan Pengurus Hubungan (RMT)

Pengurus hubungan (RM) bertanggungjawab menawarkan pakej pembiayaan kepada pelanggan. Selain itu, mereka juga bertanggungjawab memberikan nasihat kewangan dan bukan kewangan kepada pelanggan serta pihak berkepentingan Bank.

Program Latihan Pengurus Hubungan (RMT) merupakan inisiatif untuk menyediakan bakat peringkat kemasukan yang sedia digerakkan merentasi rangkaian Bahagian Perniagaan.

Bengkel ini telah dihadiri oleh 11 pelatih Graduan baharu dalam Pengurusan Hubungan. Modul COB dan NCPU telah diperkenalkan kepada pelatih Pengurus Hubungan yang baru sepanjang program selama satu bulan.

#### Relationship Management Trainee Programme (RMT)

The relationship managers, or RMs, are in charge of offering financing packages to clients. In addition, they are accountable for offering the clients and the Bank's stakeholders non-financial and financial advice.

Relationship Management Trainee Programme (RMT) is an initiative to prepare entry-level talents ready for mobilization across Business Division's networks.

The workshop was attended by 11 fresh Graduate Trainees in Relationship Management. The COB and NCPU modules have been introduced to the new Relationship Management (RM) learners over the course of the one-month program.

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#### 6. Pembelajaran & Pembangunan/Learning & Development



#### Rangka Kerja Program Pembangunan Kredit (CDP)

Untuk menyelaraskan inisiatif pembangunan kredit dalam kalangan kakitangan berkaitan kredit Bank, Rangka Kerja Program Pembangunan Kredit (CDP) telah diperkenalkan. Bersama dengan pensijilan dalaman dan profesional untuk kakitangan yang disasarkan, Rangka Kerja CDP menawarkan strategi dan pelan tindakan untuk meningkatkan tahap kompetensi kredit.

Komitmen kami untuk mencapai Komitmen Industri (IWC) selaras dengan usaha kerjasama kami dengan AICB (Institut Pengurus Bank Berkanun Asia). Secara dalaman, pasukan Pembangunan Kredit, PD bekerjasama rapat dengan bahagian RAM, Kredit, dan Perniagaan untuk mengenal pasti individu yang tepat untuk ditujukan untuk program ini.

Berikut adalah impak kejayaan program:-

- I. Sembilan (9) calon telah berjaya mendapat pensijilan dalam Pensijilan Tahap 1 AICB - Eksekutif Kredit Bertauliah (CCE) pada tahun 2022, dan enam (6) calon telah mendapat pensijilan dalam kelayakan yang sama pada tahun 2023.
- II. Selain itu, pada tahun 2022, dua (2) calon telah mendapat pensijilan dalam Pensijilan Tahap 1 AICB - Sijil dalam Kredit (CCR) yang baru, dan pada tahun 2023, seorang (1) calon telah mendapat pensijilan dalam kelayakan yang sama.
- III. Untuk Pensijilan Tahap 2 AICB - Pelan Kesinambungan Perniagaan (BCP), tujuh (7) calon telah mendapat pensijilan dan mencapai status keahlian 'Associate' pada tahun 2022, dan tiga (3) calon telah mendapat pensijilan dalam kelayakan yang sama dan mencapai status keahlian yang sama pada tahun 2023.
- IV. Seorang (1) calon telah mendapat pensijilan dalam Pensijilan Tahap 2 AICB - Sijil Pakar dalam Kredit Perniagaan Bank yang baru, manakala tiga (3) calon lagi masih dalam proses untuk mendapat pensijilan dalam kelayakan yang sama.
- V. Selain pensijilan AICB, tiga (3) calon telah lulus dan mendapat pensijilan dalam program akreditasi Moody yang dikenali sebagai Sijil dalam Kredit Perdagangan (CICC).

#### Credit Development Programme (CDP) Framework

To coordinate credit development initiatives among the Bank's credit-related staff, the Credit Development Programme (CDP) Framework was introduced. Together with internal and professional certifications for the targeted staff, the CDP Framework offers strategies and action plans to increase the level of credit competency.

Our commitment to achieving the Industry-Wide Commitment (IWC) is in line with our cooperative endeavor with AICB. Internally, the Credit Development, PD team worked closely with the RAM, Credit, and Business Divisions to pinpoint the precise individuals this program was intended for.

Below is the successful impact of the program:-

- i. Nine (9) candidates have been successfully certified in AICB's Level 1 Certification - Certified Credit Executive (CCE) in 2022, and six (6) candidates have been certified in the same qualification in 2023.
- ii. Additionally, in 2022, two (2) candidates have been certified in the new AICB Chartered Bankers Level 1 Certification - Certificate in Credit (CCR) and in 2023, one (1) candidate has been certified in the same qualification.
- iii. For AICB's Level 2 Certification - Business Credit Professional (BCP), seven (7) candidates have been certified and attained 'Associate' membership status in 2022 and three (3) candidates have been certified in the same qualification and attained the same membership status in 2023.
- iv. One (1) candidate has been certified in the new AICB's Level 2 Certification - Specialist Certificate in Bank Business Credit while another three (3) candidates are still in progress of being certified in the same qualification.
- v. Apart from AICB certifications, three (3) candidates have been passed and certified in the Moody accreditation programme known as Certificate in Commercial Credit (CICC).



#### 6. Pembelajaran & Pembangunan/Learning & Development

#### Program Latihan Inkuiri Domestik

Latihan tahunan ini adalah penting untuk melengkapkan calon baru dengan pengetahuan dan kemahiran yang diperlukan untuk berkhidmat dalam panel Bank dan membuat keputusan mengenai isu disiplin dalaman. Ini adalah penting bagi calon kerana individu tersebut perlu mempunyai kepakaran yang diperlukan untuk memastikan keputusan dibuat secara adil dan rasional. Oleh itu, menjelang akhir program ini, ia akan memastikan bahawa ahli panel Bank yang baru dipilih akan mempunyai semua alat dan pengetahuan yang diperlukan.

Kajian kes, sesi soal jawab, dan Simulasi Inkuiri Domestik telah menyumbang kepada peningkatan keberkesanan dan tahap minat program ini dengan membolehkan peserta mempraktikkan pengetahuan teori yang telah dipelajari.

#### Domestic Inquiry Training Programme

This yearly training is crucial to equipping new applicants with the necessary information and skills to serve on the Bank's panel and decide internal disciplinary issues. This is important for potential candidates as the individual will need to have the necessary expertise to guarantee that decisions are made fairly and rationally. Therefore, by the end of the program, this will ensure that the newly selected panel members of the Bank will have all the required tools and knowledge.

Case studies, a Q&A session, and a Mock Domestic Inquiry have all contributed to the program's increased effectiveness and interest level by allowing participants to apply the theoretical knowledge that they have learned.

#### 7. Faedah kepada Kakitangan/Employee Benefits

##### Impak Perkara-perkara Penting/Material Matters Impacted



Amalan Penggajian  
Employment Practices



Keselamatan & Kesihatan  
Pekerjaan  
Occupational Safety & Health



Kepelbagaian dan  
Peluang yang Sama  
Diversity & Equal Opportunity



#### Majlis Makan Malam Penghargaan Kakitangan dan Anugerah Khidmat Setia Pekerja

Satu acara penting yang menghargai sumbangan ahli kakitangan dan menghargai komitmen mereka untuk mengangkat Bank ke kedudukan semasa adalah Anugerah Khidmat Setia Pekerja SME Bank (ELA). Inisiatif ini memberi penghormatan kepada komitmen dan kesetiaan kakitangan SME Bank yang telah bekerja selama lima, sepuluh, lima belas, dua puluh lima dan tiga puluh tahun. Seramai 161 pekerja telah diiktiraf untuk ELA 2023.

Selain mengiktiraf pemenang pertandingan Pakaian Terbaik dan Anugerah Pengiktirafan Rangkaian Terbaik untuk 2022, acara ini juga mencapai matlamatnya untuk mengiktiraf kesetiaan, dedikasi, dan kerja keras kakitangan Bank.

#### Employee Appreciation Dinner and Employee Loyalty Award

An important occasion that honors staff members' contributions and expresses gratitude for their commitment to elevating the Bank to its current position is the SME Bank Employee Loyalty Award (ELA). The initiative honored the commitment and allegiance of SME Bank staff members who had worked there for five, ten, fifteen, twenty, twenty-five, and thirty years. A total of 161 employees were recognized for the 2023 ELA.

In addition to recognizing the winners of the Best-Dressed competition and incorporating the Best Networks Recognition Award for 2022, this event also fulfilled its goal of recognizing the devotion, loyalty, and hard work of the Bank's employees.

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### 7. Faedah kepada Kakitangan/Employee Benefits

#### Kaji Selidik Penglibatan Kakitangan

Setiap dua tahun, kami menjalankan Kaji Selidik Penglibatan Kakitangan (EES) untuk mengumpul maklum balas daripada anggota staf di semua peringkat organisasi. Dengan melunaskan EES, Bank dapat mengenal pasti masalah dan bidang yang memerlukan perhatian. Ini mempromosikan suasana kerja yang positif, meningkatkan produktiviti, menaikkan semangat kakitangan, dan menambah baik tempat kerja.

#### 'Roadshow' Hubungan Industri 2023

Tujuan 'Roadshow' Hubungan Industri adalah untuk menyokong semua pekerja mengenai masalah kesatuan, tindakan tatatertib, dan isu-isu berkaitan. Dilaksanakan secara peribadi di setiap lokasi Bank, roadshow ini bertujuan untuk meningkatkan pemahaman kakitangan mengenai isu gangguan seksual dan prosedur hubungan industri yang terkini.

#### Membina Semangat Pasukan melalui Penglibatan Kakitangan

Kami berkomunikasi dan berinteraksi dengan kakitangan secara berkala untuk meningkatkan ketelusan dan pemberdayaan pekerja di seluruh syarikat. Pasukan Perhubungan & Penglibatan Pekerja (ERE) Bank telah melaksanakan pelbagai program penglibatan pekerja sepanjang tahun untuk membentuk tenaga kerja yang bermotivasi dan meningkatkan hasil kerja.

Aktiviti yang dilaksanakan pada tahun 2023 termasuk:

#### Employee Engagement Survey

Every two years, we conduct an annual Employee Engagement Survey (EES) to collect input from staff members at all organizational levels. The Bank is able to pinpoint problems and areas of concern by completing the EES. This promotes a favorable atmosphere, increases productivity, raises employee morale, and improves the workplace.

#### Industrial Relations Roadshow 2023

The purpose of Industrial Relations Roadshow was to support all employees on union problems, disciplinary actions, and other related issues. Carried out in person at each Bank location, it is to raise staff understanding of sexual harassment issues and the most recent IR procedure.

#### Building Team Spirit through Employee Engagements

We communicate and engage with our staff on a regular basis to increase transparency and employee empowerment throughout the company. The Bank's Employee Relations & Engagement (ERE) team implemented various employee engagement programs throughout the year in an effort to cultivate a motivated workforce and boost output.

Activities carried out in 2023 included:

#### Piala Presiden SME Bank 2023 SME Bank President's Cup 2023

Piala Presiden SME Bank 2023 adalah acara sukan dua tahun sekali yang direka untuk memupuk semangat persaingan dan mempamerkan bakat sukan. Acara ini menggalakkan pekerja untuk kekal aktif dan sihat sambil mempromosikan ikatan yang lebih kuat dan kerja berpasukan melalui sukan berpasukan. Pada tahun ini, acara tersebut melibatkan sejumlah 860 peserta.

The SME Bank President's Cup 2023 is a biennial sports event designed to foster a spirit of competition and showcase sporting talents. This event encourages employees to stay active and healthy while promoting stronger bonds and teamwork through team sports. This year, the event saw a total of 860 participants.

### 7. Faedah kepada Kakitangan/Employee Benefits



#### Cabaran Rasa Jalur Gemilang SME Bank SME Bank Jalur Gemilang Taste Track Challenge

Cabaran Rasa Jalur Gemilang SME Bank adalah acara sambutan Hari Malaysia yang dijadualkan pada 16 September 2023. Acara kerjasama antara ERE dan KRSRME ini merangkumi dua komponen utama: cabaran Go-Kart dan *food hunt*. Tujuan acara ini adalah untuk memupuk rasa perpaduan dalam kalangan peserta dengan memerlukan mereka bekerjasama dalam pasukan dan menggunakan *food hunt* sebagai cara untuk mempromosikan semangat patriotisme. Kesemua 150 peserta berjaya menyelesaikan cabaran tersebut dengan bekerjasama dalam pasukan, mencapai matlamat untuk memperkukuhkan kesinambungan perpaduan dalam kalangan ahli pasukan.

The SME Bank Jalur Gemilang Taste Track Challenge is a celebration of Hari Malaysia scheduled for September 16, 2023. A collaborative event between ERE and KRSRME, the Go-Kart challenge and the food hunt are the two components of this event. The purpose of this event was to foster a sense of unity among participants by requiring them to cooperate in teams and using the food search as a means of promoting patriotism. All 150 participants successfully finished the challenge while working as a team. This achieved the goal which was to strengthen the continuation of unity among team members.

#### Majlis Hari Raya Aidilfitri Majlis Hari Raya Aidilfitri

SME Bank telah menganjurkan Majlis Hari Raya Aidilfitri untuk menyatukan kakitangan di bawah satu bumbung pada majlis yang penting ini. ERE dan Komunikasi Strategik Kumpulan (GSC) bekerjasama dalam acara ini, di mana pelanggan perniagaan turut dijemput. Dengan meraikan Hari Raya bersama kakitangan Bank, acara ini mencapai matlamatnya untuk menyatukan pelanggan dan menyampaikan penghargaan kepada mereka.

SME Bank organized a Majlis Hari Raya Aidilfitri to bring employees together under one roof on this momentous occasion. ERE and Group Strategic Communication collaborated on this event (GSC) in which business clients were also invited. By celebrating Hari Raya with the Bank personnel, this event fulfilled its goal of uniting the clients/customers and expressing gratitude to them.

## KESINAMBUNGAN YANG BERDAYA TAHAN MELALUI AMALAN PERNIAGAAN BERTANGGUNGJAWAB

### ENSURING RESILIENT BUSINESS CONTINUITY THROUGH RESPONSIBLE BUSINESS PRACTICES



#### 7. Faedah kepada Kakitangan/Employee Benefits

##### Mengutamakan Keselamatan dan Kesihatan di Tempat Kerja

Kami komited untuk memberikan tempat kerja yang selamat dan sihat kepada kakitangan kami supaya mereka dapat bekerja tanpa gangguan. Kami telah menetapkan peraturan dan prosedur yang ketat untuk memastikan tempat kerja yang selamat. Dedikasi ini ditunjukkan melalui dasar kesihatan dan keselamatan kami, yang menerangkan usaha kami untuk melaksanakan piawaian keselamatan terbaik di seluruh syarikat.

Untuk membolehkan Bank memantau dengan dekat kejadian berkaitan kesihatan dan keselamatan kerja, kami membangunkan sistem OHS kami sendiri, yang dilaksanakan di semua pejabat kami. Sistem ini dipandu oleh standard antarabangsa, seperti Pensijilan Siri Penilaian Keselamatan dan Kesihatan Pekerjaan (OHSAS) 18001. Kami juga mematuhi peraturan yang ditetapkan oleh Jabatan Keselamatan dan Kesihatan Pekerjaan (DOSH) dan Akta Keselamatan dan Kesihatan Pekerjaan (OSHA). Akta Keselamatan dan Kesihatan Pekerjaan 1994 berfungsi sebagai kerangka untuk tanggungjawab Jawatankuasa Keselamatan dan Kesihatan Bank.

Komitmen kami untuk memupuk budaya keselamatan yang kukuh ditunjukkan melalui komunikasi yang kerap dengan vendor dan kakitangan melalui pelbagai saluran, dengan tujuan untuk meningkatkan pemahaman dan kepatuhan mereka terhadap peraturan keselamatan kami. Organisasi ini menggunakan risalah, induksi keselamatan untuk pekerja baharu, tayangan video evakuasi keselamatan semasa acara dan program, serta penyediaan peralatan ergonomik untuk pekerja yang memerlukan untuk menyebarkan kesedaran mengenai dasar kesihatan dan keselamatan kami. Pekerja digalakkan untuk melaporkan sebarang isu kesihatan dan keselamatan supaya langkah-langkah yang perlu dapat diambil untuk menjadikan tempat kerja lebih selamat dan sihat untuk semua.

##### Prioritising Workplace Safety and Health

We are dedicated to giving our employees a secure and healthy workplace where they may work without interruption. We've put strong rules and procedures in place to guarantee a secure workplace. This dedication is demonstrated by our health and safety policy, which outlines our efforts to implement best-in-class safety standards throughout our company.

In order for the Bank to closely monitor work-related health and safety occurrences, we built our own OHS system, which is implemented throughout all of our offices. This system is guided by international standards, such as the Occupational Health and Safety Assessment Series (OHSAS) 18001. We also abide by the regulations set forth by the Department of Occupational Safety and Health (DOSH) and the Occupational Safety and Health Act (OSHA). The Occupational Safety and Health Act of 1994 serves as the framework for the duties of the Bank's Safety and Health Committee.

Our commitment to fostering a strong safety culture is demonstrated by the frequent communications we have with our vendors and employees through a variety of channels, aiming to increase their understanding of and adherence to our safety regulations. The organization uses pamphlets, safety inductions for new hires, safety evacuation video screenings during events and programs, and the provision of ergonomic equipment for workers who require it to spread awareness of its health and safety policies. Workers are urged to report any health and safety issues so that the necessary steps can be taken to make the workplace safer and healthier for everyone.

#### 7. Faedah kepada Kakitangan/Employee Benefits



Program dan aktiviti berkaitan topik kesihatan dan keselamatan pekerjaan sering dianjurkan untuk meningkatkan budaya keselamatan Bank. Pada tahun 2023, ini termasuk:

Programmes and activities related to occupational health and safety topics are frequently organised to step up the Bank's safety culture. In 2023, these included:

##### Latihan Keselamatan BOMBA/BOMBA Safety Training



Latihan Keselamatan BOMBA untuk Pasukan Tindak Balas Kecemasan (ERT) SME Bank adalah program tahunan yang bertujuan untuk meningkatkan kesedaran dan persediaan terhadap kecemasan kebakaran dalam persekitaran pejabat. Latihan ini merangkumi pelbagai aspek kritikal, memastikan bahawa ERT dilengkapi dengan baik untuk menangani kecemasan dengan cekap dan berkesan. Komponen dan objektif latihan bilik darjah adalah:

- Memahami Peranan & Tanggungjawab Pasukan ERT di premis
- Menerangkan prinsip pengurusan risiko kebakaran, pelan keselamatan kebakaran
- Menghuraikan proses kecemasan, pelan evakuasi & pelan kecemasan
- Mendemonstrasikan kemampuan untuk mengurus kebakaran kecil, dengan selamat dan berkesan menggunakan pemadam api.
- Terlibat dalam simulasi sebenar Penyelamatan Kecemasan.
- Memahami Akta Perkhidmatan BOMBA 1988

Terima kasih kepada BOMBA Titiwangsa, **24** peserta ERT telah dilatih pada tahun 2023.

The BOMBA Safety Training for the SME Bank Emergency Response Team (ERT) is an annual program aimed at enhancing awareness and preparedness for fire-related emergencies within the office environment. The training covers various critical aspects, ensuring that the ERT is well-equipped to handle emergencies efficiently and effectively. The components and objectives of the classroom training was:

- Understand the Roles & Responsibility of ERT Team in a premise
- Explain the principle of managing fire risk, fire safety plan
- Elaborate the emergency process, evacuation plan & contingency plan
- Demonstrate the ability to manage small fire, safely and effectively using fire extinguisher
- Expose to real-life simulation of Emergency Rescue
- Understand BOMBA Service Act 1988

Thanks to BOMBA Titiwangsa, **24** ERT participants was trained in 2023.



## KESINAMBUNGAN YANG BERDAYA TAHAN MELALUI AMALAN PERNIAGAAN BERTANGGUNGJAWAB

ENSURING RESILIENT BUSINESS CONTINUITY THROUGH RESPONSIBLE BUSINESS PRACTICES



### 7. Faedah kepada Kakitangan/Employee Benefits

#### Latihan Kecemasan SME Bank/SME Bank Emergency Drill Exercise



Latihan kecemasan bertujuan untuk meningkatkan kesediaan kami dalam menghadapi kebakaran dan krisis lain dengan mengajar Pasukan Keselamatan, Pasukan Tindakan Kecemasan, dan kakitangan apa yang perlu dilakukan dalam keadaan kecemasan. Latihan ini dijalankan dengan kerjasama BOMBA Titiwangsa, Polis Diraja Malaysia, St. John Ambulance, dan EXIM Bank. Latihan ini mematuhi Akta Keselamatan dan Kesihatan Pekerjaan dan Akta BOMBA. Latihan ini melibatkan semua **lebih daripada 800** individu yang bekerja di Menara SME Bank.

An emergency drill aimed at improving our readiness for dealing with fires and other crises by teaching the Safety Team, Emergency Response Team, and staff what to do in an emergency. In cooperation with BOMBA Titiwangsa, Polis Diraja Malaysia, St. John Ambulance, and EXIM Bank, the exercise was carried out. The exercises adhere to the Occupational Safety and Health Act and the BOMBA Act. The exercise involved **more than 800** individuals who work at Menara SME Bank.

#### Pemanduan Defensif untuk Pemandu/Defensive Driving for Drivers



Program Latihan Pemanduan Defensif SME Bank direka untuk mendidik dan melatih pemandu mengenai amalan terbaik untuk pemanduan selamat. Latihan ini adalah penting untuk mengurangkan risiko di jalan raya, memastikan keselamatan pemandu, penumpang, dan pengguna jalan raya lain. Sesi teori dan praktikal dijalankan di premis vendor termasuk teknik pemanduan secara langsung di litar. Seramai 24 pemandu telah dilatih untuk sesi ini.

SME Bank Defensive Driving Training program was designed to educate and train drivers on the best practices for safe driving. This training is essential for minimizing risks on the road, ensuring the safety of drivers, passengers, and other road users. Theory and practical session was conducted at vendor premise including hands on driving technique at the circuit. 24 drivers has been trained for the session.

### EFISIENSI OPERASIONAL/OPERATIONAL EFFICIENCY

#### 8. Pengurusan Jejak Alam Sekitar/Managing Environmental Footprint



Impak Perkara-perkara Penting/Material Matters Impacted

**Pembiayaan Hijau**  
Green Financing

**Perubahan Iklim**  
Climate Change

**Pelepasan**  
Emissions

**Pengurusan Sisa**  
Waste Management

#### Inisiatif Penjimatan Tenaga

Untuk mengurangkan penggunaan tenaga, kami berusaha untuk melibatkan projek penjimatan tenaga yang dapat mengurangkan penggunaan sumber dan meningkatkan produktiviti. Proses kami selaras dengan Sistem Pengurusan Tenaga dan Sistem Pengurusan Alam Sekitar (ISO 1401).

Penggunaan pencahayaan LED bukan sahaja memanjangkan jangka hayat lampu tetapi juga membantu mengurangkan penggunaan tenaga di bangunan yang dimiliki oleh Bank. Pengagihan elektrik pra-puncak boleh mengurangkan Permintaan Maksima (MD), yang seterusnya mengurangkan jumlah gas rumah hijau yang dilepaskan ke atmosfera. Selain itu, SME Bank berdedikasi untuk memastikan bahawa kadar penggunaan elektrik bulanan lebih tinggi daripada 85%.

#### Energy Saving Initiatives

In order to reduce energy usage, we try to include energy-saving projects that can lower resource usage and boost productivity. Our processes are in line with the Energy Management System and the Environmental Management System (ISO 1401).

Using LED lighting not only extends the life of the lights but also helps lower energy consumption in buildings owned by Banks. Pre-peak electricity distribution can reduce Maximum Demand (MD), which in turn reduces the quantity of greenhouse gas emissions released into the atmosphere. In addition, SME Bank is dedicated to making sure that the monthly rate of electricity consumption efficiency is higher than 85%.



# KESINAMBUNGAN YANG BERDAYA TAHAN MELALUI AMALAN PERNIAGAAN BERTANGGUNGJAWAB

## ENSURING RESILIENT BUSINESS CONTINUITY THROUGH RESPONSIBLE BUSINESS PRACTICES



### 8. Pengurusan Jejak Alam Sekitar/Managing Environmental Footprint

#### Penggunaan Air yang Mampan

Sebagai sebahagian daripada usaha untuk membentuk budaya yang mampan, Bank berusaha untuk menangani isu penggunaan air yang semakin penting. Kami sering menjalankan program kesedaran untuk mendidik kakitangan tentang nilai melindungi alam sekitar.

Kami telah melihat penambahbaikan yang memberangsangkan dalam penggunaan air hasil daripada pemasangan peralatan penjimatan air dalam beberapa tahun kebelakangan ini, seperti sistem tandas bilas (flush) rendah atau berganda, serta paip dan kepala pancuran penjimatan air.

#### Sistem Pengurusan Tenaga Bangunan (BEMS)

Kami menggunakan Sistem Pengurusan Tenaga Bangunan (BEMS) berasaskan komputer yang dipasang di Menara SME Bank, menjalankan pemantauan berkala terhadap pelbagai parameter seperti penghawa dingin, aliran udara, suhu bilik, kelembapan, pencahayaan, dan karbon dioksida untuk memastikan kualiti udara dalaman yang lebih baik.

Sistem ini juga mengawal secara pusat pencahayaan bangunan, serta pemanasan, pengudaraan, dan penghawa dingin (HVAC) untuk mengurus penggunaan tenaga.

BEMS menyediakan data tenaga yang membolehkan pengurus bangunan kami mendapatkan pemahaman yang lebih mendalam mengenai penggunaan tenaga bangunan. Di luar waktu kerja dan waktu puncak, keperluan pencahayaan dan HVAC kami diuruskan melalui mekanisme pemasa yang dipasang untuk memastikan penggunaan tenaga dilakukan dengan jimat. Kehendak Maksimum (MD) kW kami, yang merupakan tahap tertinggi penggunaan elektrik yang diramalkan, dianggarkan pada 1,400 kW, tetapi penggunaan purata kami adalah lebih rendah iaitu 970 kW setahun kerana langkah-langkah yang kami ambil untuk mengawal dan mematuhi jadual penukaran yang cekap tenaga.

#### Sustainable Water Consumption

As part of ingraining a sustainable culture, the Bank strives to address the increasingly significant issue of water consumption. We often run awareness programs to educate our staff members about the value of protecting the environment.

We have observed encouraging improvements in water use as a result of installing water-saving fixtures during the past few years, such as low- or dual-flush toilet systems, as well as water-saving taps and showerheads.

#### Building Energy Management System (BEMS)

We utilise the computer-based Building Energy Management System (BEMS) installed in Menara SME Bank, which conducts periodic monitoring of various parameters such as air conditioning, airflow, room temperature, humidity, lighting and carbon dioxide to ensure better quality indoor air.

The system also centrally controls the building's lighting, as well as the heating, ventilation and air conditioning (HVAC) to manage energy consumption.

The BEMS provides energy data that allow our building managers to gain greater insight into energy usage for the building. Outside of work and peak hours, our lighting and HVAC requirements are managed through an installed timer mechanism to ensure energy is used reservedly. Our Maximum Demand (MD) kW, which is the anticipated highest level of electrical demand monitored for use, was budgeted at 1,400 kW but our average use is lower at 970kW per year due to the measures we take to control and adhere to energy-efficient planned switching schedules.



### 8. Pengurusan Jejak Alam Sekitar/Managing Environmental Footprint



Kami juga telah melaksanakan penyelenggaraan fasiliti yang mampan untuk mewujudkan persekitaran kerja yang lebih bersih dan selamat, termasuk penyelenggaraan HVAC, mekanikal dan elektrik (M&E) yang dijadualkan, serta penyelenggaraan pencegahan berkala untuk mengesan kebocoran tenaga. Kami menjalankan penyelenggaraan mampan untuk memastikan peralatan berfungsi dengan baik bagi mengelakkan pembaziran tenaga dan kemudahan kepada alam sekitar.

#### Kurangkan, Guna Semula, Kitar Semula

Sistem Parkir Tanpa Tunai (CPS), iaitu sistem pembayaran parkir tanpa kertas di mana resit tidak dikeluarkan, telah dilaksanakan pada tahun 2022 dalam usaha kami untuk mengurangkan penggunaan kertas dan dakwat yang mungkin mengandungi bahan kimia berbahaya dan pencemar.

Dalam hal ini, pelaksanaan CPS akan membantu Bank mengurangkan bukan sahaja jejak karbonnya tetapi juga sisa kertas.

Dalam proses kerja kami, kami menggunakan banyak kertas dan menghabiskan kartrij cetak dan toner. Untuk mengimbangi penggunaan kertas dan kartrij cetak dengan perlindungan alam sekitar, kami memastikan kitar semula yang betul, terutamanya dalam pelupusan kartrij dakwat dan toner yang mengandungi bahan kimia. Bahan kimia ini boleh menyebabkan pencemaran jika tidak dilupuskan dengan betul.

We have also implemented sustainable maintenance of facilities to create a cleaner and safer working environment, including scheduled HVAC, mechanical and electrical (M&E) maintenance, and regular preventive maintenance to identify energy leaks. We conduct sustainable maintenance to ensure equipment can function properly to avoid wastage of energy and environmental harm.

#### Reduce, Reuse, Recycle

The Cashless Parking System (CPS), a paperless-based parking payment system where no receipts are issued, was implemented in 2022 in our bid to reduce paper and use of ink that may contain harmful and polluting toxic chemicals.

In this regard, implementing the CPS will help the Bank reduce not only its carbon footprint but also paper waste.

In the course of our work, we use a lot of paper and go through print cartridges and toners. To balance the usage of paper and print cartridges with environmental protection, we ensure proper recycling, especially in the disposal of ink cartridges and toners containing chemicals. These chemicals could cause contamination if not disposed of properly.



# KESINAMBUNGAN YANG BERDAYA TAHAN MELALUI AMALAN PERNIAGAAN BERTANGGUNGJAWAB

## ENSURING RESILIENT BUSINESS CONTINUITY THROUGH RESPONSIBLE BUSINESS PRACTICES

### 9. Rantaian Bekalan Mampan/Sustainable Supply Chain

Impak Perkara-perkara Penting/Material Matters Impacted

- Pembiayaan Hijau**  
Green Financing
- Perubahan Iklim**  
Climate Change
- Amalan Perolehan**  
Procurement Practices



#### Pengurusan Pembekal yang Bertanggungjawab dan Telus

Kami bekerja rapat dengan pembekal kami untuk mempromosikan dan mengekalkan standard kelestarian yang kukuh dalam pengurusan rantaian bekalan kami, dan kami berusaha untuk mengekalkan hubungan perniagaan yang baik dengan mereka.

Di SME Bank, kami komited kepada prosedur perolehan yang telus dan adil. Untuk meningkatkan pengawasan terhadap proses perolehan, satu Jawatankuasa Semakan Bebas yang dikenali sebagai Jawatankuasa Perolehan telah ditubuhkan. Sepanjang pelbagai interaksi kami dengan pembekal kami, kami memastikan mereka menyedari penambahbaikan ini dan dapat memenuhi keperluan SME Bank.

Polisi & Prosedur Perolehan kami berfungsi sebagai panduan dan memastikan bahawa standard dipatuhi. Prosedur perolehan yang adil dan beretika, yang dipantau oleh Jawatankuasa Perolehan, sangat dihargai dalam hal ini.

Seperti yang dinyatakan dalam Kod Tingkah Laku, semua pembekal dikehendaki mematuhi peraturan Bank, yang kami tekankan secara berkala semasa penglibatan dan pemprosesan.

#### Responsible and Transparent Supplier Management

We work closely with our suppliers to promote and uphold strong sustainability standards in our supply chain management, and we aim to keep solid business ties with them.

At SME Bank, we're dedicated to transparent and equitable procurement procedures. To improve oversight over the procurement process, an Independent Review Committee known as the Procurement Committee was formed. Throughout our numerous interactions with our suppliers, we make sure they are aware of these improvements and can fulfill SME Bank's needs.

Our Procurement Policy & Procedures serve as a roadmap and guarantee that the standards are followed. Fair and ethical procurement procedures, which are supervised by the Procurement Committee, are highly valued in this.

As stated in the Code of Conduct, all suppliers are required to abide by the Bank's regulations, which we regularly emphasize during engagements and onboarding.

### 9. Rantaian Bekalan Mampan/Sustainable Supply Chain

#### Perolehan Mampan

Komitmen kami terhadap tanggungjawab korporat merangkumi perolehan lestari, dan kami mengharapkan bahawa rantaian nilai kami akan mencerminkan tahap dedikasi yang sama.

Matlamat kami adalah untuk meningkatkan kaedah perolehan lestari yang mengambil kira bukan sahaja pertimbangan kewangan tetapi juga aspek sosial dan alam sekitar semasa membuat keputusan pembelian. Kami mempertimbangkan faktor-faktor lain selain daripada hanya pertimbangan ekonomi konvensional, seperti kos keseluruhan hayat, risiko berkaitan, metrik kejayaan, dan kesan terhadap alam sekitar dan masyarakat. Kami sedang membangunkan metodologi berperingkat dan pelan tindakan untuk mengintegrasikan faktor ESG dengan lebih baik ke dalam proses perolehan kami. Matlamat program "Change the Way We Work" (C3W) adalah untuk meningkatkan budaya kelestarian Bank dalam operasi harian melalui beberapa inisiatif, termasuk kempen ESG, penukaran digital, dan tandatangan elektronik.

Beberapa indikator prestasi akan termasuk peratusan vendor/pembekal yang memenuhi kriteria kelestarian dan juga sesi kesedaran yang dijalankan kepada vendor/pembekal. Kami menilai langkah-langkah kelestarian yang diambil oleh vendor kami, memberikan keutamaan kepada mereka yang diperakui oleh standard tempatan dan antarabangsa, seperti ISO dan SIRIM. Kami juga menggalakkan para vendor ini untuk menerima standard kami dan berusaha untuk pembangunan berterusan.

#### Sustainable Procurement

Our commitment to corporate responsibility includes sustainable procurement, and we anticipate that our value chain will reflect the same level of dedication.

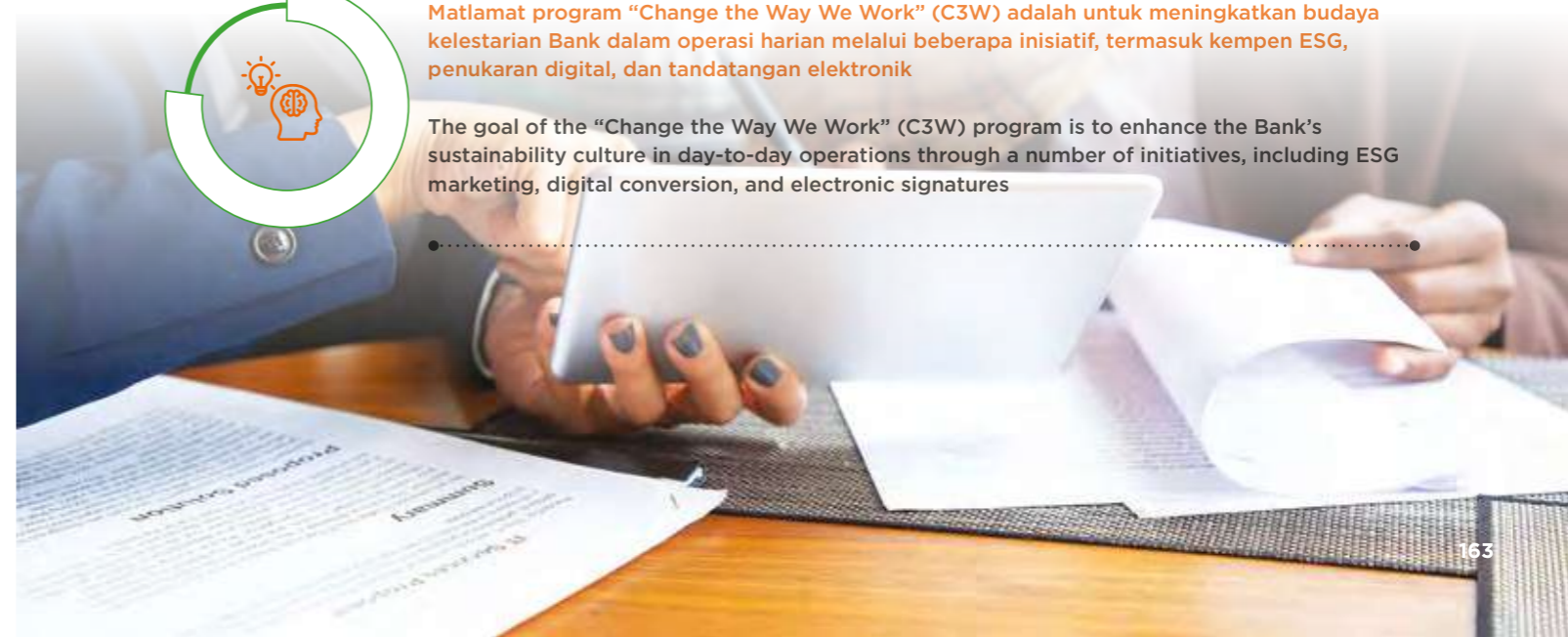
Our goal is to enhance sustainable procurement methods that take into account not only financial considerations but also social and environmental aspects when making purchasing decisions. We consider factors other than only the conventional economic ones when making decisions, such as the entire life cost, related risks, success metrics, and effects on the environment and society. We are developing a phased methodology and action plan to better integrate ESG factors into our procurement process. The goal of the "Change the Way We Work" (C3W) program is to enhance the Bank's sustainability culture in day-to-day operations through a number of initiatives, including ESG marketing, digital conversion, and electronic signatures.

Some of the performance indicators will be percentage of vendors/suppliers who meet sustainability criteria and also awareness sessions conducted to vendors/suppliers. We assess the sustainability measures adopted by our vendors, giving preference to those accredited by national and international standards, such as ISO and SIRIM. We also urge these vendors to embrace our standards and strive for ongoing development.



Matlamat program "Change the Way We Work" (C3W) adalah untuk meningkatkan budaya kelestarian Bank dalam operasi harian melalui beberapa inisiatif, termasuk kempen ESG, penukaran digital, dan tandatangan elektronik

The goal of the "Change the Way We Work" (C3W) program is to enhance the Bank's sustainability culture in day-to-day operations through a number of initiatives, including ESG marketing, digital conversion, and electronic signatures



# MEMAJUKAN MASA DEPAN LESTARI MELALUI PENCIPTAAN IMPAK SOSIAL

## ADVANCING A SUSTAINABLE FUTURE THROUGH CREATION OF SOCIAL IMPACT

Di bawah tonggak Impak Sosial, Bank kami komited untuk memupuk impak ekonomi, sosial dan alam sekitar menerusi pelbagai inisiatif komuniti.

Under the pillar of Creation of Social Impact, the Bank commits to Economic, Social and Environmental impacts through Supporting Local Communities and Employee Volunteerism.



### 1. Sokongan Kepada Komuniti Tempatan / Supporting Local Communities

Impak Perkara-perkara Penting / Material Matters Impacted

- Rangkuman Kewangan / Financial Inclusion
- Komuniti Setempat / Local Communities

#### Penglibatan Komuniti

Bukan hanya berperanan sebagai DFI sektor PKS, kami juga memahami komitmen signifikan sebagai warga korporat yang bertanggungjawab untuk menangani cabaran Masyarakat. Peningkatan kesejahteraan dan pemupukan pembangunan sosial komuniti menjadi mandat yang penting kami. Kami komited mengamalkan sikap warga korporat yang baik bagi memacu kemajuan Masyarakat. Dengan itu, kami telah memperhalusi pendekatan terhadap pelaburan dan sokongan komuniti dengan memberi penekanan khusus dalam memperkasakan golongan Asnaf dan berpendapatan terbawah (B40) melalui strategi yang disasarkan dan diselaraskan secara komprehensif dengan memanfaatkan sumber dan keupayaan SME Bank. Kami juga memberikan sokongan kepada peserta baharu sektor PKS sebagai tambahan kepada program-program seperti *Program Upward Migration*, *Business Exports Programme*, dan *N-Genie 2.0*, melalui inisiatif berikut:

#### Engaging the Community

We understand our significant role not only as the nation's SME DFI but also as a responsible corporate citizen with a duty to tackle societal challenges. Enhancing well-being and fostering community social development is central to our social responsibility mandate. We are committed to practising good corporate citizenship to drive the progress of our society. As such, we have refined our approach to community investment and support, with a particular emphasis on empowering the Asnaf and bottom 40 (B40) income groups through a targeted, comprehensive and coordinated strategy that leverages SME Bank's resources and capabilities. In addition to programmes like the Upward Migration Programme, Business Exports Programme, and N-Genie 2.0 under CEDAR for established companies, we are also extending support to new entrants in the SME sector via the following initiatives:

### 1. Sokongan Kepada Komuniti Tempatan / Supporting Local Communities



#### i-TEKAD ISHRAF i-TEKAD ISHRAF

Program i-TEKAD ISHRAF direka untuk mempersiapkan Asnaf dengan kemahiran asas perniagaan dan keperluan untuk menjadi usahawan yang berjaya.

i-TEKAD ISHRAF programme is designed to equip Asnaf with basic business skills and tools to become a successful entrepreneur.



Dalam tahun 2023, Kumpulan pertama seramai 200 peserta telah melengkapkan sesi kejurulatihan kedua dan menerima sumbangan modal permulaan berjumlah RM5,000 dalam bulan Ogos, sementara Kumpulan pertama seramai 200 peserta melengkapkan sesi kejurulatihan yang pertama.

In 2023, the first batch of 200 participants completed the second coaching session and received the disbursement of seed capital amounting to RM5,000 in August, while the 1st batch of 200 participants completed the 1st coaching session.



Sehingga kini, program ini telah menerima pelaburan sejumlah RM5.6 juta dalam bentuk modal permulaan dan kos latihan. Berdasarkan kejayaan program, SME Bank akan meneruskan usaha untuk menyebarkan manfaat ini kepada komuniti yang lebih luas.

To date, RM5.6 million has been invested in the programme as SEED Capital and training costs. Given the success of this programme, SME Bank will continue to extend its benefits to a larger segment of the community.

#### i-TEKAD Penjana Komuniti i-TEKAD Penjana Komuniti

Program i-TEKAD Penjana Komuniti, sebahagian daripada Modaliti Masa Depan, merupakan bukti komitmen kami untuk menangani ketidaksamaan ekonomi dan memperkasakan komuniti terpinggir. Inisiatif yang memberi tumpuan kepada menyokong dan meningkatkan sektor B40 dan perniagaan mikro, merupakan salah satu program tanggungjawab korporat utama kami yang memberi impak. Ia menekankan keazaman kami untuk membuat perubahan ketara dalam kehidupan mereka yang sangat memerlukan.

The i-TEKAD Penjana Komuniti, a part of the Future Modality, stands as a testament to our commitment to addressing economic inequalities and empowering marginalized communities. This impactful initiative, focused on supporting and uplifting the B40 and micro businesses sector, is one of our key corporate responsibility programmes. It underscores our determination to make a significant difference in the lives of those who need it most.



Pada tahun 2023, seramai 292 peserta telah dilatih, menunjukkan jangkauan yang ketara. Latihan ini menyediakan perniagaan dengan kemahiran dan sumber yang penting untuk berjaya dalam industri masing-masing. Fokus pada latihan ini menekankan pendekatan holistik untuk meningkatkan sokongan kewangan, pengetahuan, dan keupayaan.

292 participants were trained in 2023, indicating a significant outreach. The training equips these businesses with essential skills and resources to thrive in their respective industries. The emphasis on training suggests a holistic approach aimed at enhancing financial support, knowledge, and capabilities.

# MEMAJUKAN MASA DEPAN LESTARI MELALUI PENCIPTAAN IMPAK SOSIAL

## ADVANCING A SUSTAINABLE FUTURE THROUGH CREATION OF SOCIAL IMPACT



### 1. Sokongan Kepada Komuniti Tempatan/Supporting Local Communities

Dengan lengkapnya pelaksanaan program pada suku keempat tahun 2023 menunjukkan program berkenaan berjaya disudahkan dalam jangka masa yang ditetapkan. Ini membuktikan perancangan, pelaksanaan dan pengurusan inisiatif yang berkesan. Selain itu, ia menandakan hasil ketara yang dicapai melalui usaha bersepadu dan sumber yang didedikasikan kepada pelaksanaan program.

The completion of the programme in Q4 2023 indicates a successful execution within a specified timeframe. This timely accomplishment suggests effective initiative planning, implementation, and management. Moreover, it signifies a tangible outcome achieved through concerted efforts and resources dedicated to the program.

#### Pekan Pensiangan Sabah Pekan Pensiangan Sabah

Sumbangan sebanyak RM25,000 yang disalurkan kepada tabung **Pekan Pensiangan Sabah** bagi pembinaan dewan bagi program pelancongan sekolah berkenaan menandakan komitmen kami terhadap pembangunan komuniti dan kemajuan pendidikan. Ia bukan sahaja satu usaha mendokong keperluan infrastruktur, malahan ia menggalakkan pertumbuhan sektor pelancongan setempat, mempromosikan peluang-peluang ekonomi dan pertukaran kebudayaan serantau.

The Bank's donation of RM25,000 to the **Pekan Pensiangan Sabah** fund for the construction of a hall for the school's tourism program signifies a commitment to community development and educational advancement. This investment not only supports the school's infrastructure needs but also fosters the growth of the local tourism sector, promoting economic opportunities and cultural exchange in the region.

#### Ramadan Ramadan

Dalam bulan Ramadan tahun 2023, Bank kami mengadakan program khidmat masyarakat dengan kerjasama Masjid Imarah yang disertai oleh 104 warga kerja. Ini meningkatkan lagi komitmen kami untuk memupuk pembangunan komuniti, menyokong institusi keagamaan dan menyemai rasa tanggungjawab sosial dalam kalangan kakitangan.

During the 2023 Ramadan, the Bank conducted a CSR program in collaboration with Imarah Masjid, in which 104 staff members participated. This further enhanced our commitment to foster community development, support religious institutions and instill a sense of social responsibility amongst employees.



### 1. Sokongan Kepada Komuniti Tempatan/Supporting Local Communities

#### Journey of Hope Motor Ride Journey of Hope "Motor Ride"

Sebagai sebahagian dari program *Journey of Hope Motor Ride*, SME Bank menyalurkan sumbangan bermakna sebanyak RM6,000 kepada dua buah organisasi kebajikan: Rumah Anak Yatim & Miskin Nur Iman dan Rumah Hembusan Kasih Sayang yang terletak di Kuantan, Pahang.

As part of the Journey of Hope "Motor Ride" program, SME Bank made a meaningful contribution of RM6,000 to two charitable organisations: Rumah Anak Yatim & Miskin Nur Iman and Rumah Hembusan Kasih Sayang, located in Kuantan, Pahang.

#### Projek Eco-Education Eco-Education Project

Bahagian Risiko Kumpulan, SME Bank bersama SK Temonyong Langkawi, Kedah berkolaborasi menganjurkan *Projek Eco-Education* yang menggabungkan Pendidikan alam sekitar dan Pembangunan sosial dalam mempromosikan tingkah laku kelestarian dalam kalangan para pelajarnya dan masyarakat sekitar.

The Group Risk Division of SME Bank and SK Temonyong Langkawi Kedah collaborated to organize the Eco-Education Project with SK Temonyong, which combines environmental education with social development to promote a sustainable attitude among students and the society at large.

#### Penilaian Skor Kitaran Hidup Perniagaan Enterprise Lifecycle Scoring Assessment

Penilaian Skor Kitaran Hidup Perniagaan (ELSA) adalah program Kompas digital yang memandu perniagaan menerusi laluan pembangunan dan direka bagi memperkasakan PMKS. Dengan menggunakan teknologi kecerdasan buatan (AI) terkini, ELSA melaksanakan penilaian komprehensif yang mengenal pasti kawasan pertumbuhan dan memaklumkan inisiatif yang difokuskan.

The Bank's Enterprise Lifecycle Scoring Assessment (ELSA) is a digital compass programme that guides businesses through their developmental path and was created to empower MSMEs. By employing state-of-the-art artificial intelligence (AI) technology, ELSA performs comprehensive evaluations that identify growth areas and inform focused initiatives.

# MEMAJUKAN MASA DEPAN LESTARI MELALUI PENCIPTAAN IMPAK SOSIAL

## ADVANCING A SUSTAINABLE FUTURE THROUGH CREATION OF SOCIAL IMPACT

### 1. Sokongan Kepada Komuniti Tempatan/Supporting Local Communities



#### Business Exports Programme Business Exports Programme

Melalui *Business Exports Programme* (BEP), kerjasama dengan *Perbadanan Pembangunan Perdagangan Luar Malaysia (MATRADE)* dan *Unit Peneraju Agenda Bumiputera (TERAJU)*, SME Bank telah menyokong bakal PKS Bumiputera untuk menjadi pengeksport yang berjaya. Sejak penubuhannya pada 2016, BEP telah meningkatkan pertumbuhan eksport dengan ketara. Daripada 30 syarikat yang mengambil bahagian, 20 secara kolektif melaporkan tambahan RM100 juta hasil eksport.

Through the *Business Exports Programme* (BEP), a collaboration with the *Malaysia External Trade Development Corporation (MATRADE)* and the *Bumiputera Agenda Steering Unit (TERAJU)*, the Bank has supported prospective Bumiputera SMEs in becoming successful exporters. Since its inception in 2016, the BEP has significantly enhanced export growth. Out of the 30 companies that participated, 20 have collectively reported an additional RM100 million in export revenue.

#### Program Premis Usahawan Entrepreneur Premises Programme

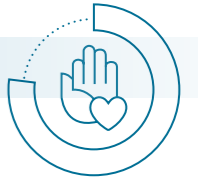
*Program Premis Usahawan (EPP)* yang diperkenalkan SME Bank merupakan inisiatif strategik yang direka bentuk untuk menyokong dan melahirkan perusahaan kecil dan sederhana (PKS) dengan menyediakan ruang mampu milik dan serba lengkap untuk mereka beroperasi dan mengembangkan perniagaan. Program ini merangkumi 26 *Kompleks Premis Usahawan (EPC)* yang terletak secara strategik di seluruh negara, menawarkan sejumlah 454 ruang kilang kepada usahawan baharu dan mapan.

The Bank's *Entrepreneur Premises Programme* (EPP) is a strategic initiative designed to support and nurture small and medium-sized enterprises (SMEs) by providing them with affordable and well-equipped spaces to operate and grow their businesses. This program includes 26 *Entrepreneur Premises Complexes (EPCs)* strategically located across the nation, offering a total of 454 factory spaces to budding and established entrepreneurs.

Sumbangan berkenaan bukan sahaja memberi sokongan kewangan kepada organisasi tetapi juga melambangkan perpaduan dan ihsan dalam masyarakat. Ia merupakan contoh dedikasi SME Bank yang baik dalam membuat perubahan positif kepada kehidupan golongan kurang bernasib baik, selaras dengan prinsip keadilan sosial dan empati.

The contribution not only provides financial support to the organisations but also symbolises solidarity and compassion within the community. It is a good example of SME Bank's dedication to making a positive difference in the lives of the less fortunate, aligning with social justice and empathy principles.

### 2. Kesukarelawanan Warga Kerja/Employee volunteerism



Impak Perkara-perkara Penting/Material Matters Impacted

#### Komuniti Setempat Local Communities

Di SME Bank, kami berpegang kepada usaha memperkasakan komuniti melalui tujuan sosial yang bermakna dan ketara yang meningkatkan kesejahteraan dan pembangunan mereka. Warga kerja digalakkan untuk mengambil bahagian dalam inisiatif kemampanan di tempat kerja, dan setiap bahagian menitikberatkan waktu yang diluahkan bagi tujuan kesukarelawanan. Ini, menunjukkan komitmen kami untuk mencapai mana-mana daripada 17 SDG yang ditetapkan.

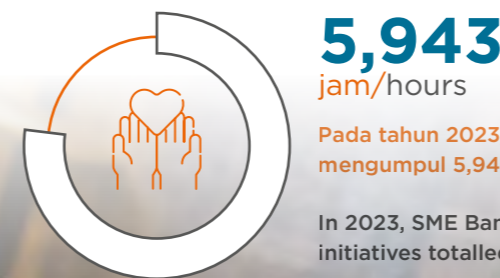
At SME Bank, we believe in empowering our communities through meaningful, notable social causes that enhance their well-being and development. All employees are encouraged to participate in sustainability initiatives at work, and each division tracks these volunteering hours, demonstrating our commitment to achieving any of the 17 SDGs.

Program sukarelawanan kakitangan merangkumi empat segmen utama: kesejahteraan, pembelajaran dan pembangunan, alam sekitar, serta komuniti. Inisiatif ini bertujuan memupuk semangat sukarelawanan yang bukan sahaja menyokong perniagaan tetapi juga membina rasa tanggungjawab sosial yang lebih mendalam. Aktiviti sukarelawanan ini menyemai semangat perpaduan dan memberi peluang kepada kakitangan untuk menyumbang kembali kepada masyarakat, seterusnya mencipta tujuan yang lebih besar di luar konteks perniagaan.

Our employee volunteerism programme encompasses four segments: well-being, learning and development, environmental and community. Promoting volunteerism aims to cultivate a deeper sense of purpose beyond business by fostering a spirit of unity and giving back to the community. Volunteering builds a greater purpose beyond businesses by igniting the spirit of togetherness and giving back to society.

Pada tahun 2023, inisiatif tanggungjawab sosial korporat (CSR) warga kerja SME Bank mengumpul 5,943 jam kesukarelawanan. Melalui penyertaan aktif dalam aktiviti sukarelawan, warga kerja kami menyumbang secara bermakna untuk meningkatkan komuniti dan mencapai matlamat masyarakat yang lebih luas.

In 2023, SME Bank's employee volunteerism in Corporate Social Responsibility (CSR) initiatives totalled 5,943 volunteer hours. Through dedicated participation in volunteer activities, our employees contributed significantly to strengthening communities and advancing broader societal goals.



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# MEMAJUKAN MASA DEPAN LESTARI MELALUI PENCIPTAAN IMPAK SOSIAL

## ADVANCING A SUSTAINABLE FUTURE THROUGH CREATION OF SOCIAL IMPACT

### 3. CEDAR/CEDAR



Ditubuhkan pada tahun 2013, Centre for Entrepreneur Development and Research Sdn Bhd (CEDAR), anak syarikat milik penuh SME Bank, menyokong dan melengkapkan peranan pembangunan SME Bank. Dalam menggalakkan PKS untuk berjaya, CEDAR sentiasa bersedia untuk membantu usahawan meningkatkan pengetahuan dan kemahiran perniagaan melebihi hanya bantuan pembiayaan.

Melalui CEDAR, PKS yang mengambil bahagian boleh mendapat manfaat daripada perkhidmatan pembangunan dan intervensi, termasuk bimbingan, dana mudahcara, mentor, nasihat, latihan dan perkhidmatan perundingan. Perkhidmatan ini direka untuk membantu PKS dalam meningkatkan kemahiran pengurusan dan keupayaan membina kapasiti mereka. Pendekatan CEDAR melibatkan pementoran dan membimbing PKS sepanjang program, dan memantau kemajuan mereka dalam masa nyata untuk membantu menguruskan cabaran perniagaan dengan cara yang lebih efisien. Peranan CEDAR adalah penting kerana menasaskan PKS di bawah skim ini untuk berjaya dalam perniagaan mereka dan bergerak ke arah *Upward Migration*.

#### Pembelajaran Kolaboratif

CEDAR bekerjasama dengan kementerian, agensi kerajaan, entiti awam dan swasta untuk menggalakkan pembelajaran kolaboratif dengan rakan kongsi berfikiran serupa yang bertujuan untuk mempromosikan pembangunan PKS. Peserta CEDAR mendapat pandangan yang lebih mendalam serta memanfaatkan sokongan yang disediakan oleh agensi kerajaan dan rakan kongsi dengan berinteraksi bersama pengamal industri.

Pembimbingan dan pementoran dilakukan oleh profesional CEDAR dan tokoh industri, termasuk pemimpin syarikat terkemuka dan pelanggan SME Bank yang berjaya. Jurulatih perniagaan dan mentor boleh memberikan perspektif baharu dan berkongsi cabaran serta penyelesaian praktikal yang boleh diterapkan oleh peserta CEDAR untuk perniagaan. Jurulatih dan mentor CEDAR juga memastikan intervensi berasaskan hasil, memberikan nasihat dan bimbingan yang jelas untuk mencapai keperluan perniagaan sebenar.

The Centre For Entrepreneur Development and Research Sdn. Bhd. (CEDAR) is a wholly-owned subsidiary of SME Bank established in 2013 to support and complement the developmental role of SME Bank. In spurring our SMEs to succeed, CEDAR is always ready to help entrepreneurs strengthen their knowledge and business prowess beyond financing.

Through CEDAR, participating SMEs can benefit from developmental and intervention including coaching, facilitating, mentoring, advising, training, and consulting services. These services are geared to help SMEs upskill their management acumen and capacity building capabilities. We closely mentor and handhold them throughout their programmes and monitor their progress in real-time to help them manage business challenges in a more empowered manner. This is an important aspect of our role as we want our SMEs to succeed in their business and move toward an upward migration.

#### Collaborative Learning

CEDAR works in close alliance with ministries, government agencies, public and private entities to foster collaborative learning with like-minded partners who share the same goal to spur SME development. CEDAR participants are exposed to industry practitioners and can gain deeper insights into leveraging support that is available and provided by government agencies and partners.

Coaching and mentoring are also conducted by CEDAR professionals as well as industry captains including eminent company leaders and successful SME Bank customers. Business coaches and mentors can bring a fresh perspective and share real-life challenges and solutions that can be applied by CEDAR participants in the course of their own businesses. CEDAR coaches and mentors also ensure that outcome-based interventions, giving clear counsel and guidance to achieve real business imperatives.

### 3. CEDAR/CEDAR



#### CEDAR PADA TAHUN 2023

CEDAR telah mencapai kemajuan yang ketara pada tahun 2023. Seramai 6,867 usahawan telah dilatih dalam 299 sesi latihan untuk pembangunan kapasiti pada tahun 2023 sahaja. Sejak ditubuhkan pada 2013, jumlah usahawan yang dilatih telah mencecah 79,815 orang.

Usahawan ini terdiri daripada golongan Asnaf, graduan dan pengeksport. CEDAR menetapkan pada 2023 untuk memberi impak kepada peningkatan sosial dan pertumbuhan ekonomi, di samping meningkatkan keterlihatan antarabangnya.

#### CEDAR in 2023

CEDAR has made great strides in 2023. In capacity development, we have trained over 6,867 entrepreneurs in 299 training sessions in 2023 alone. This brings the total number of entrepreneurs trained to 79,815 since its inception in 2013.

These entrepreneurs range from Asnafs, to graduates, all the way to exporters. 2023 was the year CEDAR strived to bring impact for social upliftment and economic growth, while further building its international visibility.



**6,867**  
usahawan/entrepreneurs

dalam 299 sesi latihan untuk 2023.

in 299 training sessions for 2023 alone.

#### Skim Insentif Kelestarian/Skim Insentif Kelestarian

##### Tentang About

Skim Insentif Kelestarian merupakan program pembangunan kapasiti yang bertujuan meningkatkan daya saing Perusahaan Kecil dan Sederhana (PKS) melalui penerapan amalan lestari. Program ini selaras dengan salah satu objektif Wawasan Malaysia, Bab 11 Rancangan Malaysia Ke-12 dan Matlamat Pembangunan Mampan (SDG) Pertubuhan Bangsa-Bangsa Bersatu (PBB). Ini bagi membolehkan Malaysia lebih mahir dalam menarik pelaburan asing dan meningkatkan peluang eksport.

Skim Insentif Kelestarian is a capacity development programme aimed at enhancing the competitiveness of Small and Medium Enterprises (SMEs) through the adoption of sustainable practices. This program aligns with one of the objectives of Wawasan Malaysia, Chapter 11 of the 12th Malaysia Plan, and the Sustainable Development Goals (SDGs) of the United Nations (UN). This is to enable Malaysia to be more adept at attracting foreign investments and increasing export opportunities.

##### Objektif Objective

- Mewujudkan kesedaran dan pendidikan mengenai ESG
- Memastikan PKS mempunyai daya saing untuk pasaran yang lebih besar dengan mengguna pakai ESG
- Create awareness and education on ESG
- To ensure that SMEs have the competitive edge for larger market by adopting ESG

# MEMAJUKAN MASA DEPAN LESTARI MELALUI PENCIPTAAN IMPAK SOSIAL

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### 3. CEDAR/CEDAR



Skim Insentif Kelestarian/Skim Insentif Kelestarian	
<b>Aktiviti/Inisiatif yang dijalankan</b> Activities/ Initiatives conducted	<p><b>Fasa 1: Program Kesedaran Kelestarian</b></p> <ul style="list-style-type: none"> <li>Kesedaran tentang bagaimana ESG memberi kesan kepada perniagaan PKS</li> <li>ePembelajaran mengenai Anti rasuah, Upah Sara Hidup Layak, Tindakan Iklim dan SDG</li> </ul> <p><b>Fasa 2: Program Pembangunan PKS Permulaan ESG</b></p> <ul style="list-style-type: none"> <li>Program Berstruktur Pembangunan Kapasiti, untuk membolehkan PKS memperoleh pengetahuan mengenai pelaporan ESG dan melakar perjalanan kelestarian mereka:                     <ul style="list-style-type: none"> <li>Melalui Pengetahuan &amp; Alat (fizikal x 3 hari)</li> <li>Tujuan perniagaan kemampanan</li> <li>Menetapkan objektif kemampanan</li> <li>Penilaian jurang kemampanan, pelan tindakan</li> <li>Skop 1 &amp; 2 perakaunan karbon</li> <li>Penilaian DEI &amp; BHR</li> <li>Melalui Pembimbingan (maya) pembangunan pelan tindakan kemampanan</li> <li>Bimbingan pelaksanaan pelan tindakan kemampanan</li> <li>Nilai Tambah: Pendaftaran sebagai ahli Global Compact Pertubuhan Bangsa-Bangsa Bersatu untuk tahun pertama</li> </ul> </li> </ul> <p><b>Fasa 3:</b></p> <ul style="list-style-type: none"> <li>Laporan Kemampanan ESG</li> <li>Dana ESG Adoption Seeding (Sehingga RM40,000 bagi setiap syarikat)</li> </ul> <p><b>Phase 1: Sustainability Awareness Programme:</b></p> <ul style="list-style-type: none"> <li>Awareness on how ESG effects SME's business</li> <li>eLearning on Anti-corruption, Living Wages, Climate Action and SDGs</li> </ul> <p><b>Phase 2: ESG Start SME Development Programme:</b></p> <ul style="list-style-type: none"> <li>Capacity Development Structured Program, to enable SMEs to gain knowledge on ESG reporting and chart their sustainability journey:                     <ul style="list-style-type: none"> <li>Knowledge &amp; Tool Based (physical x 3 days)</li> <li>Sustainability business purpose</li> <li>Setting sustainability objectives</li> <li>Sustainability gaps assessment, action plan</li> <li>Scopes 1 &amp; 2 carbon accounting</li> <li>DEI &amp; BHR assessment</li> <li>Coaching Based sessions on sustainability action plan development</li> <li>Sustainability action plan implementation</li> <li>Value Add: Enrollment as United Nations Global Compact members for the first year</li> </ul> </li> </ul> <p><b>Phase 3:</b></p> <ul style="list-style-type: none"> <li>ESG Maturity Report</li> <li>ESG Adoption Seeding Fund (Up to RM40,000 per company)</li> </ul>

### 3. CEDAR/CEDAR



Skim Insentif Kelestarian/Skim Insentif Kelestarian	
<b>Rakan Strategik/ Jabatan terlibat</b> Strategic Partners/Dept. involved	<p>UNGC United Nation Global Compact Network Malaysia &amp; Brunei (UNGCMYB)</p>
<b>Impak Impact</b>	<ul style="list-style-type: none"> <li>Fasa 1 - Program Kesedaran Kelestarian (bermula Julai 2023): Sasaran manfaatkan 1,500 PMKS</li> <li>Fasa 2 - Program Pembangunan PKS Permulaan ESG (bermula Disember 2023): Sasaran manfaatkan 330 PMKS</li> <li>Fasa 3 - Penggunaan ESG (dijadualkan bermula pada 2024): Sasaran manfaatkan 150 PMKS</li> <li>Phase 1 - Sustainability Awareness Programme (commenced July 2023): Target to benefit 1,500 MSMEs</li> <li>Phase 2 - ESG Start SME Development Programme (commenced December 2023): Target to benefit 330 MSMEs</li> <li>Phase 3 - ESG Adoption (scheduled to commence in 2024): Target to benefit 150 MSMEs</li> </ul>
<b>Maklumat tambahan Additional info</b>	<p>Berdasarkan kesediaan PKS untuk mengguna pakai ESG dan kriteria yang ditetapkan dalam program ini, PKS berpotensi menerima Dana Adaptasi ESG bernilai RM40,000.00 bagi setiap syarikat yang diperuntukkan oleh kementerian.</p> <p>Based on SMEs readiness to adopt ESG and criteria set in the programme, SMEs have potential to receive the ESG Adoption Fund worth RM40,000.00 per company that is allocated by the ministry.</p>
Program Usahawan Perantis (SPACE) 2.0/Program Usahawan Perantis (SPACE) 2.0	
<b>Tentang About</b>	<p>Peluang latihan eksklusif ini direka untuk pelajar tahun akhir institusi pengajian tinggi awam dan swasta (IPTA / IPTS &amp; ILKA), serta individu daripada kumpulan B40 dan orang kurang upaya (OKU) yang sama ada menceburi bidang keusahawanan atau berminat untuk menceburi bidang tersebut.</p> <p>This exclusive training opportunity is designed for final-year students of both public and private higher education institutions (IPTA/IPTS &amp; ILKA), as well as individuals from the B40 group and those with disabilities (OKU) who are either engaged in entrepreneurship or keen on venturing into it.</p>
<b>Objektif Objective</b>	<ul style="list-style-type: none"> <li>Meningkatkan potensi kebolehpasaran serta membudayakan kemahiran keusahawanan melalui program latihan, power pitch dan bimbingan kepada pelajar tahun akhir.</li> <li>Menjana ekonomi melalui pemerksaan usahawan mikro dan kecil.</li> <li>Mengurangkan kadar pengangguran dalam kalangan graduan serta mewujudkan peluang pekerjaan di pasaran.</li> <li>Menjana ekonomi melalui kewujudan usahawan baharu.</li> <li>Increase marketability potential as well as cultivate entrepreneurial skills through training programs, power pitches and guidance to final year students.</li> <li>Generating the economy through the empowerment of micro and small entrepreneurs.</li> <li>Reducing the unemployment rate among graduates as well as creating job opportunities in the market.</li> <li>Generating the economy through the existence of new entrepreneurs.</li> </ul>



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## ADVANCING A SUSTAINABLE FUTURE THROUGH CREATION OF SOCIAL IMPACT

### 3. CEDAR/CEDAR



Skim Insentif Kelestarian/Skim Insentif Kelestarian	
<b>Aktiviti/Inisiatif yang dijalankan</b> <b>Activities/ Initiatives conducted</b>	<p>CEDAR telah menyampaikan lima (5) modul untuk tempoh latihan selama 3 hari. Sesi latihan dijalankan secara offline manakala sesi bimbingan kumpulan dengan maksimum lima (5) peserta setiap sesi dijalankan sekali sebulan untuk tempoh enam bulan. Semasa sesi bimbingan, 300 peserta telah menghasilkan Pelan Perniagaan Individu. Mereka juga dikehendaki memuat naik Pelan Perniagaan Individu untuk tujuan pemprosesan Geran.</p> <p>Berikut adalah output dan hasil program ini:</p> <ul style="list-style-type: none"> <li>• Output: Untuk melatih seramai 300 peserta.</li> <li>• Hasil: Melahirkan 30 usahawan baru yang berdaftar di bawah Suruhanjaya Syarikat Malaysia.</li> </ul> <p>CEDAR has delivered five (5) modules for a period of 3-days training. The training sessions were conducted via offline basis while group coaching sessions with a maximum of five (5) participants per session were conducted once per month for a period of six months. During the coaching sessions, the 300 participants has came up with an Individual Business Plan. They were also required to upload an Individual Business Plan for Grant processing purposes.</p> <p>The following are the output and outcome of this programme:</p> <ul style="list-style-type: none"> <li>• Output: To train an amount of 300 participants.</li> <li>• Outcome: To produce 30 new entrepreneurs registered under the Malaysian Companies Commission.</li> </ul>
<b>Rakan Strategik/ Jabatan terlibat</b> <b>Strategic Partners/Dept. involved</b>	Kementerian Pembangunan Usahawan Dan Koperasi (KUSKOP) Ministry of Entrepreneur and Cooperatives Development (MECD)
<b>Impak</b> <b>Impact</b>	Seramai 300 orang peserta telah menghadiri program ini. 300 participants have attended the programme.
<b>Maklumat tambahan</b> <b>Additional info</b>	Melalui program ini, peserta menerima geran sebanyak RM1,000 yang diperuntukkan oleh Kementerian Pembangunan Usahawan dan Koperasi. Through this programme, participants received a grant of RM1,000 allocated by the Ministry of Entrepreneur and Cooperatives Development (MECD).

### 3. CEDAR/CEDAR



Program Pembangunan Kapasiti Produk Halal/Program Pembangunan Kapasiti Produk Halal	
<b>Tentang</b> <b>About</b>	CEDAR dijangka melatih dan melatih seramai 50 peserta dan 25 peserta dipilih untuk menerima dana bagi meningkatkan pembungkusan dan pelabelan produk. CEDAR is expected to train and coach a maximum 50 participants and 25 participants are chosen to receive the seeding fund to improve the packaging and labeling of the product.
<b>Objektif</b> <b>Objective</b>	<ul style="list-style-type: none"> <li>• Untuk melengkapkan peserta dengan pengetahuan mengenai keperluan reka bentuk pembungkusan dan pelabelan dan garis panduan untuk meningkatkan kesedaran jenama, keterlihatan dan menyumbang kepada peningkatan jualan.</li> <li>• Menggalakkan peserta mendaftar harta intelek perniagaan dan produk dengan MyIPO.</li> <li>• To equip participants with knowledge on packaging and labeling design requirements and guidelines to increase brand awareness, visibility and contribute to increase in sales.</li> <li>• To encourage participants to register intellectual property of the business and product with MyIPO.</li> </ul>
<b>Aktiviti/Inisiatif yang dijalankan</b> <b>Activities/ Initiatives conducted</b>	Latihan Program Pembangunan Kapasiti Produk Halal akan disampaikan melalui dua fasa; Sesi latihan dalam talian selama 2 hari untuk 50 peserta dan sesi bimbingan dengan untuk 25 peserta. Setiap peserta dikehendaki mengemukakan prototaip produk untuk penilaian dan pemilihan bagi menerima geran yang diperuntukkan. Halal Product Capacity Development Program's training will be delivered into two phases; 2-day online training sessions for 50 participants and a coaching sessions for 25 participants. Each participant were required to submit a product prototype for evaluation and selection to receive the allocated grant.
<b>Rakan Strategik/ Jabatan terlibat</b> <b>Strategic Partners/Dept. involved</b>	Kementerian Pembangunan Usahawan Dan Koperasi (KUSKOP) Ministry of Entrepreneur and Cooperatives Development (MECD)
<b>Impak</b> <b>Impact</b>	Peningkatan pembungkusan produk untuk meningkatkan potensi jualan. Product packaging enhancement to increase sales potential.
<b>Maklumat tambahan</b> <b>Additional info</b>	Geran bernilai RM20,000 akan diberikan kepada 25 peserta terpilih yang diperuntukkan oleh Kementerian Pembangunan Usahawan dan Koperasi. A grant worth RM20,000 will be given to 25 chosen participants allocated by the Ministry of Entrepreneur and Cooperatives Development (MECD).

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Program Pembangunan Kapasiti Usahawan Industri Halal – Bantuan Pematuhan Pensijilan Halal Fasa 1 & Fasa 2/ Program Pembangunan Kapasiti Usahawan Industri Halal – Bantuan Pematuhan Pensijilan Halal Fasa 1 & Fasa 2	
<b>Tentang About</b>	CEDAR telah melatih seramai 320 PKS dalam Program Kesedaran Halal di mana mereka sudah melalui Halal Coaching. Program ini dipecahkan kepada tiga bahagian iaitu Program Kesedaran Halal, Bantuan Bengkel Pensijilan Halal serta bimbingan. CEDAR has trained a total of 320 SMEs in the Halal Awareness Program where they had gone through Halal Coaching. This programme was divided into three parts which were the Halal Awareness Program, Assistance of Halal Certification Workshop as well as coaching.
<b>Objektif Objective</b>	<ul style="list-style-type: none"> <li>Meningkatkan pengetahuan dan kefahaman peserta mengenai Pensijilan Halal, termasuk kepentingan, keperluan dan faedahnya.</li> <li>Untuk menggalakkan perniagaan dan organisasi meningkatkan pematuhan mereka terhadap piawaian Pensijilan Halal.</li> <li>Menggalakkan PMKS melengkapkan permohonan Pensijilan Halal</li> <li>To increase participants' knowledge and understanding of Halal Certification, including its significance, requirements, and benefits.</li> <li>To encourage businesses and organizations to improve their compliance with Halal Certification standards.</li> <li>To improve communication and collaboration between Halal Certification authorities and MSME's</li> </ul>
<b>Aktiviti/Inisiatif yang dijalankan Activities/ Initiatives conducted</b>	<p>Program Kesedaran Halal (Latihan Bersemuka) – Modul:</p> <ul style="list-style-type: none"> <li>Pengenalan Konsep Halal</li> <li>Kepentingan Pensijilan Halal</li> <li>Pihak Berkuasa Persijilan Halal</li> <li>Gambaran keseluruhan mengenai Pensijilan Halal; Keperluan dan Prosedur</li> </ul> <p>Bantuan Bengkel Persijilan Halal – Modul:</p> <ul style="list-style-type: none"> <li>Bengkel Permohonan Pensijilan Halal</li> <li>Panduan Permohonan Pensijilan Halal</li> </ul> <p>Halal Awareness Program (Face to Face training) – Modules:</p> <ul style="list-style-type: none"> <li>Introduction to Halal Concept</li> <li>Importance of Halal Certification</li> <li>Halal Certification Authority</li> <li>An overview of the Halal Certification; Requirement and Procedures</li> </ul> <p>Assistance of Halal Certification Workshop – Modules:</p> <ul style="list-style-type: none"> <li>Halal Certification Application Workshop</li> <li>Halal Certification Application Coaching</li> </ul>

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Program Pembangunan Kapasiti Usahawan Industri Halal – Bantuan Pematuhan Pensijilan Halal Fasa 1 & Fasa 2/ Program Pembangunan Kapasiti Usahawan Industri Halal – Bantuan Pematuhan Pensijilan Halal Fasa 1 & Fasa 2	
<b>Rakan Strategik/ Jabatan terlibat Strategic Partners/Dept. involved</b>	Kementerian Pembangunan Usahawan Dan Koperasi (KUSKOP) Ministry of Entrepreneur and Cooperatives Development (MECD)
<b>Impak Impact</b>	Seramai 320 orang peserta telah menghadiri program ini. 320 participants have attended the programme.
<b>Maklumat tambahan Additional info</b>	Geran bernilai RM5,000 akan diberikan kepada 50 peserta yang diperuntukkan oleh Kementerian Pembangunan Usahawan dan Koperasi. A grant worth RM5,000 will be given to 50 participants allocated by the Ministry of Entrepreneur and Cooperatives Development (MECD).
Lembaga Zakat Selangor/Lembaga Zakat Selangor	
<b>Tentang About</b>	Program ini memainkan peranan penting kepada usahawan kerana ia memberi bimbingan menyeluruh dalam aspek perniagaan seperti adopsi perakaunan melalui sistem perakaunan digital. Ia juga meningkatkan kecekapan operasi harian sambil menyediakan strategi dan medium yang berguna, seperti perisian perakaunan dalam talian untuk kemudahan perniagaan. This program plays an important role for entrepreneurs because it provides comprehensive guidance in business aspects such as accounting adoption of digital accounting system. It also increases the efficiency of daily operations while providing useful strategies and mediums, such as online accounting software to achieve business success.
<b>Objektif Objective</b>	<ul style="list-style-type: none"> <li>Memahami kepentingan Pengurusan Kewangan.</li> <li>Mengkaji aspek-aspek dalam Penyata Kewangan.</li> <li>Menguasai Pengurusan Aliran Tunai dalam perniagaan.</li> <li>Memperdalam kaedah Pengurusan Modal Kerja.</li> <li>Gunakan pengiraan Analisis Margin Keuntungan dan Titik Pulangan Modal.</li> <li>Mempraktikkan sistem perakaunan digital dalam perniagaan.</li> <li>Melaksanakan sistem pembayaran digital dalam perniagaan.</li> <li>Understand the importance of Financial Management.</li> <li>Study the aspects in Financial Statements.</li> <li>Mastering Cash Flow Management in business.</li> <li>Deepening the Working Capital Management method.</li> <li>Apply the calculation of Profit Margin and Capital Return Point Analysis.</li> <li>Practicing a digital accounting system in business.</li> <li>Implement a digital payment system in business.</li> </ul>

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Lembaga Zakat Selangor/Lembaga Zakat Selangor	
<b>Aktiviti/Inisiatif yang dijalankan</b> <b>Activities/ Initiatives conducted</b>	<p>Tempoh: Latihan fizikal selama 2 hari</p> <p>Modul:</p> <ul style="list-style-type: none"> <li>• Kepentingan Pengurusan Kewangan</li> <li>• Pengurusan Aliran Tunai</li> <li>• Pengurusan Penyata Kewangan</li> <li>• Kos Margin Keuntungan &amp; Analisis Titik Breakeven</li> <li>• Penggunaan Perakaunan Digital</li> <li>• Simulasi Sistem Perakaunan melalui Zoho Books</li> <li>• Penggunaan Kaedah Pembayaran Digital</li> </ul> <p>Duration: 2 days physical training</p> <p>Modules:</p> <ul style="list-style-type: none"> <li>• Importance of Financial Management</li> <li>• Cash Flow Management</li> <li>• Management of Financial Statements</li> <li>• Profit Margin Cost &amp; Breakeven Point Analysis</li> <li>• Use of Digital Accounting</li> <li>• Simulation of Accounting System through Zoho Books</li> <li>• Use of Digital Payment Methods</li> </ul>
<b>Rakan Strategik/ Jabatan terlibat</b> <b>Strategic Partners/Dept. involved</b>	Lembaga Zakat Selangor
<b>Impak</b> <b>Impact</b>	<p>Bagi tahun 2023, seramai 135 orang peserta (usahawan asnaf di Selangor) telah menghadiri sesi tersebut.</p> <p>For 2023, a total of 135 participants (asnaf entrepreneurs in Selangor) have attended the session.</p>
<b>Maklumat tambahan</b> <b>Additional info</b>	Tidak berkenaan N/A

### 3. CEDAR/CEDAR



Juara Lestari/Juara Lestari	
<b>Tentang</b> <b>About</b>	<p>Skim Juara Lestari adalah Program Pembangunan Kapasiti yang bertujuan untuk menyokong Perusahaan Sosial Asas dalam penyerahan permohonan Perusahaan Sosial Diakreditasi. Inisiatif ini mengukuhkan peranan Perusahaan Sosial sebagai juara kelestarian komuniti. Inisiatif ini terbuka kepada Perusahaan Sosial Asas yang telah mendaftar dan mendapat akreditasi daripada Kementerian Pembangunan Usahawan dan Koperasi (KUSKOP) dan mematuhi syarat-syarat yang dinyatakan dalam Rangka Tindakan Keusahawanan Sosial 2023.</p> <p>Skim Juara Lestari is a Capacity Development Program aimed at supporting Basic Social Enterprises in Accredited Social Enterprises application submission. This initiative reinforces the role of Social Enterprises as champions of community sustainability. This initiative is open to Basic Social Enterprises that have registered and received accreditation from the Ministry of Entrepreneur and Cooperatives Development (MECD) and complies with the requirements specified in the SEMy2023 Social Entrepreneurship Blueprint.</p>
<b>Objektif</b> <b>Objective</b>	<p>Keusahawanan Sosial adalah selaras dengan Matlamat Wawasan Kemakmuran Bersama 2030 dan aspirasi ini disokong oleh Rangka Tindakan Keusahawanan Sosial 2030 (SEMy2030).</p> <p>Social Entrepreneurship is in line with the objectives of the Shared Prosperity Vision 2030 and this aspiration is supported by the Malaysian Social Entrepreneurship Action Plan 2030 (SEMy2030).</p>
<b>Aktiviti/Inisiatif yang dijalankan</b> <b>Activities/ Initiatives conducted</b>	<p><b>Fasa 1 - Sesi Latihan</b></p> <p>Sesi latihan selama 3 hari ini bertujuan untuk memberi kefahaman tentang landskap perusahaan sosial di negara ini dan menerapkan elemen perusahaan sosial berpandukan SEMy2030. Tambahan pula, ia bertujuan untuk membimbing Perusahaan Sosial dalam membangunkan rancangan perniagaan dan pengurusan kewangan yang mampan.</p> <p><b>Fasa 2 - Sesi Kejurulatihan</b></p> <p>Sesi bimbingan ini membantu Perusahaan Sosial dalam proses permohonan akreditasi Perusahaan Sosial Diakreditasi, terutamanya dengan menyediakan dokumentasi yang sesuai dan mematuhi garis panduan permohonan. 2 sesi bimbingan ini terbuka kepada 80 Perusahaan Sosial yang menyertai program Juara Lestari. 40 Perusahaan Sosial yang lengkap penyerahan memohon untuk Perusahaan Sosial Diakreditasi oleh Kementerian Pembangunan Usahawan dan Koperasi (KUSKOP) akan menerima dana mudahcara.</p> <p><b>Phase 1 - Training Session</b></p> <p>This 3-days training session aims to provide an understanding of the social enterprise landscape in the country and to apply social enterprise elements guided by the Malaysia Social Entrepreneurship Blueprint 2030 (SEMy2030). Furthermore, it aims to guide Social Enterprises in developing sustainable business plans and financial management.</p> <p><b>Phase 2 - Coaching Session</b></p> <p>This coaching session assists Social Enterprises in the application process for Accredited Social Enterprise accreditation, primarily by providing appropriate documentation and adhering to application guidelines. These 2 guidance sessions are open to the 80 Social Enterprises participating in the Juara Lestari programme. 40 successful Social Enterprises complete submission to apply for Accredited Social Enterprise accreditation by the Ministry of Entrepreneur and Cooperatives Development (MECD) will receive facilitation funds.</p>

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Juara Lestari/Juara Lestari	
<b>Rakan Strategik/ Jabatan terlibat</b> Strategic Partners/Dept. involved	Kementerian Pembangunan Usahawan Dan Koperasi (KUSKOP) Ministry of Entrepreneur and Cooperatives Development (MECD)
<b>Impak Impact</b>	<ul style="list-style-type: none"> <li>Fasa 1: Sesi Latihan yang disasarkan untuk memberi manfaat kepada 80 Asas Perusahaan Sosial</li> <li>Fasa 2: Sesi Kejurulatihan Sesi yang menyasarkan untuk memberi manfaat kepada 40 Asas Perusahaan Sosial yang telah melengkapkan permohonan di portal SEMY</li> <li>Phase 1: Training Session that target to benefit 80 Social Enterprise Basic</li> <li>Phase 2: Coaching Session that target to benefit 40 Social Enterprise Basic that have completed application at SEMY portal</li> </ul>
<b>Maklumat tambahan</b> Additional info	Dana permulaan sebanyak RM10,000 akan diberikan kepada 40 permohonan pertama yang telah mendapat kelulusan KUSKOP. Seeding fund of RM10,000 will be given to the first 40 applications that have obtain approval by MECD.

Program Khusus HRDCorp – Strategi Menjaga Kredit/ HRDCorp Signature Programme – Credit Securing Strategy	
<b>Tentang About</b>	Strategi Jaminan Kredit CEDAR adalah proses yang sangat menarik antara CEDAR dan usahawan atau peserta untuk mencapai matlamat yang sama untuk membawa perniagaan ke peringkat seterusnya. Ketahui cara menyediakan cadangan pembiayaan komersial yang berkesan dan didokumentasikan dengan baik untuk mendapatkan dana untuk keperluan perniagaan anda daripada Bank. CEDAR's Credit Securing Strategy is a highly engaging process between CEDAR and entrepreneurs or participants to achieve a common goal of taking the business to the next level. Learn how to prepare an effective, well-documented commercial financing proposal to get the funds for your business needs from the Banks.
<b>Objektif Objective</b>	<ul style="list-style-type: none"> <li>Sediakan cadangan kredit yang komprehensif dan meyakinkan untuk keperluan perniagaan anda.</li> <li>Memanfaatkan kekuatan dan peluang perniagaan dan membentangkannya dengan berkesan untuk membenarkan kredit.</li> <li>Menyedia dan membentangkan aliran tunai dan unjuran dengan betul untuk membenarkan kredit.</li> <li>Prepare a comprehensive and convincing credit proposal for your business requirement.</li> <li>Capitalise on business strengths and opportunities and present them effectively to justify credit.</li> <li>Prepare and present cash flows and projections correctly to justify credit.</li> </ul>

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Program Khusus HRDCorp – Strategi Menjaga Kredit/ HRDCorp Signature Programme – Credit Securing Strategy	
<b>Aktiviti/Inisiatif yang dijalankan</b> Activities/ Initiatives conducted	<p>Hari 1 – Modul:</p> <ul style="list-style-type: none"> <li>Modul 1: Pengenalan Pemberian Kredit</li> <li>Modul 2: Penilaian dan Analisis Pasaran</li> <li>Modul 3: Pengenalan Analisis Kewangan</li> <li>Modul 4: Penilaian dan Analisis Pengurusan</li> <li>Modul 5: Penilaian dan Analisis Risiko</li> </ul> <p>Hari 2 – Modul:</p> <ul style="list-style-type: none"> <li>Modul 6: Pilihan Pembiayaan - Melalui cara yang membolehkan untuk mendapatkan pembiayaan</li> <li>Modul 7: Katalog Pelaburan - Memetakan pilihan pembiayaan alternatif</li> <li>Modul 8: Analisis Risiko - Mengkaji kebarangkalian dan akibat risiko</li> <li>Modul 9: Dokumentasi Pembiayaan</li> </ul> <p>Day 1 – Modules:</p> <ul style="list-style-type: none"> <li>Module 1: Introduction to Credit Granting</li> <li>Module 2: Market Evaluation and Analysis</li> <li>Module 3: Introduction to Financial Analysis</li> <li>Module 4: Management Evaluation and Analysis</li> <li>Module 5: Risk Rating and Analysis</li> </ul> <p>Day 2 – Modules:</p> <ul style="list-style-type: none"> <li>Module 6: Financing Options -Go through possible ways to get financing</li> <li>Module 7: Investment Catalogue -Map out alternative funding options</li> <li>Module 8: Risk Analysis -Review probability and consequence of risks</li> <li>Module 9: Financing Documentation</li> </ul>
<b>Rakan Strategik/ Jabatan terlibat</b> Strategic Partners/Dept. involved	Pembangunan Sumber Manusia Berhad Human Resource Development Corporation
<b>Impak Impact</b>	Bagi tahun 2023, seramai 27 orang peserta telah menghadiri sesi ini. For 2023, a total of 27 participants have attended the session.
<b>Maklumat tambahan</b> Additional info	Tidak berkenaan N/A

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Rantaian Bekalan Teraju Bumiputera (BSC) untuk Sektor Borong dan Peruncitan/ TERAJU Bumiputera Supply Chain (BSC) for Wholesale and Retails Sector	
<b>Tentang About</b>	<p>TERAJU dan Program Pembiayaan Dana Rantaian Bekalan Bumiputera sedang bekerjasama untuk membangunkan rangkaian pembekal dalam kalangan PKS Bumiputera sebagai sebahagian daripada pelaksanaan Agenda Bumiputera. Matlamat program ini adalah untuk membantu mereka mengembangkan perniagaan dan meningkatkan daya saing pembekal PKS Bumiputera.</p> <p>Rantaian Bekalan Bumiputera (BSC) untuk Borong &amp; Runcit bertujuan menyediakan geran pembiayaan dan pembayaran balik kepada keseluruhan rantaian bekalan, termasuk pengeluar, pemborong, dan peruncit, untuk memenuhi keperluan aset dan modal kerja mereka.</p> <p>Disesuaikan untuk 50 syarikat yang dikenal pasti oleh SME Bank untuk menyokong dan menjamin kemampuhan serta pertumbuhan perniagaan mereka. Skop program ini adalah untuk menyediakan latihan dan bimbingan untuk peningkatan dan pembangunan kapasiti dalam perniagaan, dan bertujuan untuk mengukuhkan kecekapan industri borong dan runcit.</p> <p>Bumiputera Supply Chain Fund Financing Program is a collaborative financing program with TERAJU that aims to develop a network of suppliers among Bumiputera SMEs as part of the implementation of the Bumiputera Agenda led by TERAJU. This program is expected to help them grow their business and make Bumiputera SME suppliers more competitive.</p> <p>TERAJU's Bumiputera Supply Chain for Wholesale &amp; Retail provides financing and reimbursement grants to the whole supply chain which includes manufacturer, wholesaler and retailer for the purpose of asset &amp; working capital requirement.</p> <p>Tailored to 50 companies identified by SME Bank to facilitate and to ensure their business sustainability and growth. The scope of this programme is to provide training and coaching for the improvement and development of business internal capacity and aims to strengthen the competencies of the Wholesale and Retail industry.</p>
<b>Objektif Objective</b>	<p>Untuk mewujudkan PKS yang lebih berdaya saing dan berdaya tahan melalui program intervensi berstruktur.</p> <p>To create more competitive and resilient SMEs through structured intervention programs.</p>
<b>Aktiviti/Inisiatif yang dijalankan Activities/ Initiatives conducted</b>	<p>Hari 1</p> <ul style="list-style-type: none"> <li>Pemasaran Strategik – Strategi Pemasaran Runcit, Pengurusan Produk &amp; Jenama</li> <li>Pengurusan Kewangan – Strategi Harga</li> </ul> <p>Hari 2</p> <ul style="list-style-type: none"> <li>ESG dalam Rantaian Bekalan- Menguruskan ESG dalam Rantaian Bekalan</li> </ul> <p>Day 1</p> <ul style="list-style-type: none"> <li>Strategic Marketing – Retail Marketing Strategy, Product &amp; Brand Management</li> <li>Financial Management – Pricing Strategies</li> </ul> <p>Day 2</p> <ul style="list-style-type: none"> <li>ESG in Supply Chain – Managing ESG in Supply Chain</li> </ul>

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Rantaian Bekalan Teraju Bumiputera (BSC) untuk Sektor Borong dan Peruncitan/ TERAJU Bumiputera Supply Chain (BSC) for Wholesale and Retails Sector	
<b>Rakan Strategik/ Jabatan terlibat Strategic Partners/Dept. involved</b>	Pengurusan dan Perniagaan Pihak Berkepentingan, SME Bank Stakeholder Management and Business, SME Bank
<b>Impak Impact</b>	Bagi tahun 2023, seramai 17 peserta telah menghadiri sesi ini. For 2023, a total of 17 participants have attended the session.
<b>Maklumat tambahan Additional info</b>	Tidak berkenaan N/A
NGENE 3.0/NGENE 3.0	
<b>Tentang About</b>	<p>Di bawah Program Strategik Memperkasa Rakyat dan Ekonomi (PEMERKASA), Generasi Baharu Bootcamp Keusahawanan Dalam Talian (N-GENE) telah dikenal pasti sebagai salah satu inisiatif untuk meningkatkan bilangan usahawan baharu dalam kalangan belia dan graduan.</p> <p>N-GENE adalah latihan keusahawanan dalam talian dan program bimbingan perniagaan hujung ke hujung untuk membantu graduan dan belia memulakan perniagaan berisiko rendah, termasuk menyediakan bimbingan dan peluang padanan mengenai perniagaan francais dan pra-francais. Program ini diketuai oleh unit PROTÉGÉ KUSKOP, dengan kerjasama CEDAR SME Bank dan juga TEKUN Nasional.</p> <p>Under the Government's Strategic Programme to Empower the People and Economy (PEMERKASA), the New Generation Entrepreneurs Online Bootcamp (N-GENE) has been identified as one of the initiatives to increase the number of new entrepreneurs among youths and graduates.</p> <p>N-GENE is an online entrepreneurship training and end-to-end business coaching programme to help graduates and youths to start low-risk businesses, including providing guidance and matching opportunities on franchise and pre-franchise businesses. This programme is led by KUSKOP's PROTÉGÉ unit, in collaboration with SME Bank's CEDAR and also TEKUN Nasional.</p>

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NGENE 3.0/NGENE 3.0	
<b>Objektif Objective</b>	<ul style="list-style-type: none"> <li>Meningkatkan potensi kebolehpasaran serta membudayakan kemahiran keusahawanan melalui program latihan, <i>power pitches</i> dan bimbingan.</li> <li>Membantu graduan menjana pendapatan serta pendedahan awal sebelum mengembangkan perniagaan.</li> <li>Menjana ekonomi melalui pemerksaan usahawan mikro dan kecil.</li> <li>Mengurangkan kadar pengangguran dalam kalangan graduan serta mewujudkan peluang pekerjaan di pasaran.</li> <li>Menjana ekonomi melalui kewujudan usahawan baharu.</li> <li>To increase marketability potential as well as cultivate entrepreneurial skills through training programs, power pitches and guidance.</li> <li>To help graduates to generate income as well as initial exposure before expanding the business.</li> <li>To generate the economy through the empowerment of micro and small entrepreneurs.</li> <li>To reduce the unemployment rate among graduates as well as create job opportunities in the market.</li> <li>To generate the economy through the existence of new entrepreneurs.</li> </ul>
<b>Aktiviti/Inisiatif yang dijalankan Activities/ Initiatives conducted</b>	<p>5 hari Latihan dan 4 sesi bimbingan.</p> <p>Hari 1 – Modul:</p> <ul style="list-style-type: none"> <li>Penyertaan kepada MyNept/ELSA</li> <li>Sesi pengenalan</li> <li>Pemasaran Dalam Era Kemelesetan</li> <li>Pengurusan Kewangan (Rizab Tunai)</li> </ul> <p>Hari 2 – Modul:</p> <ul style="list-style-type: none"> <li>Pengurusan kewangan (Pengurusan Aliran Tunai)</li> <li>Pengurusan kewangan (Pengiraan Margin &amp; Keuntungan)</li> <li>Pengurusan Kewangan (Adaptasi Sistem Kewangan)</li> <li>Pemikiran Reka Bentuk (Produk &amp; Pembangunan)</li> </ul> <p>Hari 3 – Modul:</p> <ul style="list-style-type: none"> <li>Kanvas Model Perniagaan (Pelanggan Sasaran)</li> <li>Kanvas Model Perniagaan (Rakan Strategik)</li> <li>Kanvas Model Perniagaan (Perhubungan Pelanggan)</li> <li>Kanvas Model Perniagaan (Aliran Hasil)</li> <li>Pemasaran Digital</li> </ul>

## 3. CEDAR/CEDAR



NGENE 3.0/NGENE 3.0	
<b>Aktiviti/Inisiatif yang dijalankan Activities/ Initiatives conducted</b>	<p>Hari 4 – Modul:</p> <ul style="list-style-type: none"> <li>Pendaftaran di Platform E-Dagang (MyMall)</li> <li>Pemasaran Digital (Mencipta Kandungan dan Idea)</li> <li>Pemasaran Digital (Pengurusan Kandungan Digital)</li> <li>Pemasaran Digital (Mempromosikan Tindakan Pelanggan)</li> </ul> <p>Hari 5 – Modul:</p> <ul style="list-style-type: none"> <li>Pengenalan kepada Pitching</li> <li>Power Pitch</li> <li>Demonstrasi</li> <li>Sesi Pitching</li> <li>Demonstrasi Sesi Pitching</li> </ul> <p>Sesi bimbingan akan memberi tumpuan kepada jualan bulanan peserta dan pelan tindakan mereka.</p> <p>5 training days and 4 coaching sessions.</p> <p>Day 1 – Modules:</p> <ul style="list-style-type: none"> <li>Onboarding to MyNept/ELSA</li> <li>Introductory session</li> <li>Marketing In the Recession Era</li> <li>Financial Management (Cash Reserve)</li> </ul> <p>Day 2 – Modules:</p> <ul style="list-style-type: none"> <li>Financial management (Cash Flow Management)</li> <li>Financial management (Calculation of Margin &amp; Profit)</li> <li>Financial Management (Financial System Adaptation)</li> <li>Design Thinking (Product &amp; Development)</li> </ul> <p>Day 3 – Modules:</p> <ul style="list-style-type: none"> <li>Business Model Canvas (Target Customers)</li> <li>Business Model Canvas (Strategic Partner)</li> <li>Business Model Canvas (Customer Relations)</li> <li>Business Model Canvas (Revenue Stream)</li> <li>Digital Marketing</li> </ul> <p>Day 4 – Modules:</p> <ul style="list-style-type: none"> <li>Registration in E-Commerce Platform (MyMall)</li> <li>Digital Marketing (Creating Content and Ideas)</li> <li>Digital Marketing (Digital Content Management)</li> <li>Digital Marketing (Promoting Customer action)</li> </ul> <p>Day 5 – Modules:</p> <ul style="list-style-type: none"> <li>Introduction to Pitching</li> <li>Power Pitch</li> <li>Demonstration</li> <li>Pitching Session</li> <li>Pitching Session Demonstration</li> </ul> <p>The coaching session will be focusing on participants' monthly sales and their action plan</p>

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### 3. CEDAR/CEDAR



NGENE 3.0/NGENE 3.0	
<b>Rakan Strategik/ Jabatan terlibat</b> Strategic Partners/Dept. involved	Kementerian Pembangunan Usahawan Dan Koperasi (KUSKOP) Ministry of Entrepreneur and Cooperatives Development (MECD)
<b>Impak Impact</b>	Pada tahun 2023, seramai 300 peserta telah mengikuti latihan dan sesi bimbingan. In 2023, 300 participants have attended the training and coaching session.
<b>Additional Info Maklumat tambahan</b>	Geran bernilai RM3,000 diberikan kepada semua 200 peserta. A grant worth RM3,000 are given to all 200 participants.
SME Bank iTEKAD ISHRAF 3.0/SME Bank iTEKAD ISHRAF 3.0	
<b>Tentang About</b>	SME Bank iTEKAD ISHRAF 3.0 merupakan program pembangunan usahawan untuk usahawan mikro dan kecil Asnaf. Program ini adalah untuk melatih seramai 400 peserta daripada kategori Asnaf di mana CEDAR akan melatih 200 peserta dalam Fasa 1 dan 200 peserta dalam Fasa 2. The SME Bank iTEKAD ISHRAF 3.0 is an entrepreneur development programme for micro and small Asnaf entrepreneurs. The program will train a total of 400 participants from the Asnaf category, of which CEDAR will train 200 participants in Phase 1 and 200 participants in Phase 2.
<b>Objektif Objective</b>	Program ini bertujuan untuk membolehkan mereka meningkatkan kemahiran dan kebolehan mereka untuk mengembangkan, mengembangkan dan mengekalkan perniagaan mereka dengan mengguna pakai teknologi digital, sekali gus berada dalam kedudukan yang lebih baik untuk keluar daripada kategori penerima zakat untuk menjadi pembayar zakat sendiri. This programme aims to enable them to improve their skills and abilities to grow, expand and sustain their businesses by adopting digital technology, thereby being in a better position to move out of from the zakat recipients' category to become zakat payers themselves.
<b>Aktiviti/Inisiatif yang dijalankan Activities/ Initiatives conducted</b>	Latihan fizikal 3 hari. Modul-modul untuk program ini adalah seperti berikut: <ul style="list-style-type: none"> <li>Perancangan Perniagaan (Kanvas Model Perniagaan)</li> <li>Pengurusan Kewangan untuk PKS (Pengurusan Aliran Tunai)</li> <li>Pemasaran Digital</li> </ul> <p>Bagi sesi bimbingan pula, terdapat satu sesi bimbingan individu dan dua sesi bimbingan kumpulan untuk maksimum 5 peserta bagi setiap sesi.</p> <p>3 days physical training.</p> <p>The modules for this programme are as follows:</p> <ul style="list-style-type: none"> <li>Business Planning (Business Model Canvas)</li> <li>Financial Management for SMEs (Cash Flow Management)</li> <li>Digital Marketing</li> </ul> <p>As for coaching sessions, there will be one individual coaching session and two group coaching sessions for a maximum of 5 participants for each session.</p>

### 3. CEDAR/CEDAR



SME Bank iTEKAD ISHRAF 3.0/SME Bank iTEKAD ISHRAF 3.0	
<b>Rakan Strategik/ Jabatan terlibat</b> Strategic Partners/Dept. involved	iTEKAD Bank Negara Malaysia, Bahagian YAPEIM dan Syariah SME Bank iTEKAD Bank Negara Malaysia, YAPEIM and Shariah Division of SME Bank
<b>Impak Impact</b>	Pada tahun 2023, seramai 400 orang peserta telah menghadiri sesi latihan dan bimbingan. In 2023, 400 participants have attended the training and coaching sessions.
<b>Maklumat tambahan Additional info</b>	Geran bernilai RM10,000 diberikan kepada semua peserta A grant worth RM10,000 are given to all participants
Program Pembangunan Lestari Bumi/Lestari Bumi Development Programme	
<b>Tentang About</b>	SME Bank melancarkan Skim Pembiayaan Lestari Bumi khusus untuk membangunkan usahawan mikro dan kecil melalui peruntukan RM300 juta yang membolehkan mereka meningkatkan kapasiti pengeluaran, meluaskan akses pasaran dan memastikan kemampuan perniagaan. Skim Pembiayaan Lestari Bumi dilancarkan tepat pada masanya memandangkan usahawan mikro dan kecil negara sangat terkesan akibat pandemik COVID-19. SME Bank menyenaraikan CEDAR untuk menjalankan program pembangunan kapasiti untuk pelanggannya yang dibiayai di bawah Skim Pembiayaan Lestari Bumi bagi melengkapkan bantuan pembiayaan dan sokongan pembangunan. Program Pembangunan Lestari Bumi terdiri daripada modul yang dijalankan melalui latihan dalam talian dan sesi bimbingan perniagaan. SME Bank launched the Lestari Bumi Financing Scheme specifically for the purpose of developing the micro and small entrepreneurs through an allocation of RM300 million enabling them to increase production capacity, expand market access and ensuring business sustainability. The launching of Lestari Bumi Financing Scheme is very timely as the country's micro and small entrepreneurs are deeply impacted by the COVID-19 pandemic. As part of complementing financing assistance with development support, SME Bank engaged CEDAR to conduct a capacity developmental programme for its financing clients of the Lestari Bumi Financing scheme. The Lestari Bumi Development Programme comprises modules that are conducted through training and business coaching sessions online.
<b>Objektif Objective</b>	Melalui Skim Pembiayaan Lestari Bumi, usahawan akan menerima bantuan yang lebih berstruktur mengikut keperluan perniagaan mereka serta mendapat akses kepada program latihan dan bimbingan yang lebih berkesan dan teratur. Through the Lestari Bumi Financing Scheme, entrepreneurs will receive - more structured assistance according to their business needs as well as gain access to more effective and organised training and coaching programs.

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Program Pembangunan Lestari Bumi/Lestari Bumi Development Programme	
<b>Aktiviti/Inisiatif yang dijalankan</b> Activities/ Initiatives conducted	3 hari latihan dalam talian dan 2 kali Sesi Kejurulatihan <ul style="list-style-type: none"> <li>• Pemulihan Perniagaan Pasca Covid</li> <li>• Penggunaan Teknologi</li> <li>• Penggunaan Dana</li> </ul> 3 days online training and 2 Coaching Sessions <ul style="list-style-type: none"> <li>• Pemulihan Perniagaan Pasca Covid</li> <li>• Technology Adoption</li> <li>• Fund Utilisation</li> </ul>
<b>Rakan Strategik/Jabatan terlibat</b> Strategic Partners/Dept. involved	Bahagian Perniagaan, SME Bank Business Division of SME Bank
<b>Impak</b> Impact	Pada tahun 2023, seramai 106 orang peserta telah menghadiri sesi latihan tersebut. In 2023, 106 participants have attended the training session.
<b>Maklumat tambahan</b> Additional info	Tidak berkenaan N/A

SME Bank Itekad Penjana Komuniti 4.0/SME Bank Itekad Penjana Komuniti 4.0	
<b>Tentang</b> About	Sejajar dengan tanggungjawab korporatnya, SME Bank memperkenalkan iTEKAD Penjana Komuniti. Inisiatif strategik ini bertujuan merapatkan jurang peluang, mewujudkan impak ekonomi yang mampan kepada kehidupan usahawan B40, Asnaf dan ibu tunggal dengan menyediakan kemahiran, alat dan sokongan penting untuk mewujudkan dan mengekalkan perniagaan yang berjaya. Dengan menyediakan program yang tersusun, SME Bank berhasrat untuk melahirkan usahawan yang berdaya saing dan berdaya tahan, meningkatkan taraf hidup mereka dan menyumbang kepada masyarakat dan negara. Aligning with its corporate responsibility, SME Bank introduced the iTEKAD Penjana Komuniti. These strategic initiatives aim to bridge the opportunity gap, creating a sustainable economic impact on the livelihoods of B40, Asnaf and single mothers entrepreneurs by providing essential skills, tools, and support for establishing and maintaining successful businesses. By providing a structured program, SME Bank aims to create competitive and resilient entrepreneurs, uplifting their standard of living and contributing to the community and the nation.
<b>Objektif</b> Objective	Program SME Bank iTEKAD Penjana Komuniti direka khusus untuk memperkasakan usahawan mikro berpendapatan rendah, membimbing mereka ke arah mencapai daya tahan kewangan. Oleh itu, program ini juga memberi tumpuan kepada aspek pembangunan kapasiti dan memberi panduan bagaimana untuk mencapai kemampuan ekonomi melalui bimbingan perniagaan, pemantauan berterusan dan juga dana fasilitasi. SME Bank iTEKAD Penjana Komuniti programme is specifically designed to empower low-income micro-entrepreneurs, guiding them towards achieving financial resilience. Therefore, the programme also focuses on capacity development and provides guidance on how to achieve economic sustainability through business coaching, continuous monitoring as well as facilitation funds.

### 3. CEDAR/CEDAR



SME Bank Itekad Penjana Komuniti 4.0/SME Bank Itekad Penjana Komuniti 4.0	
<b>Aktiviti/Inisiatif yang dijalankan</b> Strategic Partners/Dept. involved	Latihan fizikal 2 hari dan 1 kali Sesi Kejurulatihan Modul: - Pengurusan Kewangan - Pemasaran Digital 2 days physical training and 1 Coaching Session Modules: - Financial Management - Digital Marketing
<b>Rakan Strategik/Jabatan terlibat</b> Strategic Partners/Dept. involved	iTEKAD Bank Negara dan Komunikasi Strategik, Bahagian Strategi SME Bank iTEKAD Bank Negara and Strategic Communication, Strategy Division of SME Bank
<b>Impak</b> Impact	SME Bank iTEKAD Penjana Komuniti telah memberi impak yang besar untuk mengukuhkan dan membangunkan perniagaan kumpulan sasaran, bukan sahaja semasa pandemik, tetapi juga bergerak ke hadapan. Inisiatif seperti ini juga selaras dengan misi KUSKOP untuk mewujudkan ekosistem keusahawanan yang holistik dan kondusif bagi menyokong pembangunan sosioekonomi negara yang inklusif, seimbang dan mampan. Sehingga hari ini, SME Bank iTEKAD Penjana Komuniti telah pun memberi manfaat kepada lebih daripada 700 usahawan mikro B40 dan lebih daripada RM4.6 juta telah diperuntukkan bagi tujuan dana mudahcara dan program bimbingan keusahawanan. The SME Bank iTEKAD Penjana Komuniti has had a great impact on strengthening and developing the target group's businesses, not only during the pandemic but also moving forward. Initiatives like this are also in line with MECD's mission to create a holistic and conducive entrepreneurial ecosystem to support the country's inclusive, balanced and sustainable socio-economic development. Fast forward today, the SME Bank iTEKAD Penjana Komuniti has already benefited more than 700 B40 micro-entrepreneurs and more than RM4.6 million have been allocated for the purpose of facilitation funds and entrepreneurial coaching programmes.
<b>Maklumat tambahan</b> Additional info	Geran bernilai RM5,000 diberikan kepada semua 249 peserta. A grant worth RM5,000 are given to all 249 participants.



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Pembangunan Usahawan Muda/Young Entrepreneur Development	
<b>Tentang About</b>	<p>Dana Pemberdayaan Usahawan Muda (YEF) diwujudkan untuk membantu dan menyokong usahawan muda untuk meningkatkan perniagaan mereka ke tahap yang lebih tinggi dan kekal berdaya maju pasca COVID-19 atau memulakan perniagaan baharu di bawah inisiatif SME Bank.</p> <p>Sebagai sebahagian daripada bantuan pembiayaan yang lengkap dengan sokongan pembangunan, SME Bank telah melantik CEDAR untuk menjalankan program pembangunan kapasiti untuk pelanggan pembiayaan skim Dana Pemberdayaan Usahawan Muda. Program Pembangunan Usahawan Muda terdiri daripada modul yang dijalankan melalui sesi latihan dan bimbingan perniagaan secara dalam talian.</p> <p>YEF is designed to assist and support young entrepreneurs to elevate their businesses to a higher level and remain viable post-COVID-19 or to start a new business under SME Bank Umbrella initiative.</p> <p>As part of complementing financing assistance with development support, SME Bank engaged CEDAR to conduct a capacity developmental programme for its financing clients of the Young Entrepreneur Fund scheme. The Young Entrepreneur Development Programme comprises modules that are conducted through training and business coaching sessions online.</p>
<b>Objektif Objective</b>	<p>Melalui Pembangunan Usahawan Muda, usahawan akan menerima bantuan yang lebih berstruktur mengikut keperluan perniagaan mereka serta mendapat akses kepada program latihan dan bimbingan yang lebih berkesan dan teratur.</p> <p>Through the Young Entrepreneur Development, entrepreneurs will receive a more structured assistance according to their business needs as well as gain access to more effective and organised training and coaching programs.</p>
<b>Aktiviti/Inisiatif yang dijalankan Activities/ Initiatives conducted</b>	<p>Untuk program ini, CEDAR telah menjalankan tiga (3) modul untuk latihan 3 hari dan satu (1) sesi bimbingan perniagaan untuk peserta dan sesi latihan dan bimbingan ini disampaikan melalui dalam talian.</p> <p>Terdapat tiga (3) Kursus Asas iaitu:</p> <ul style="list-style-type: none"> <li>• Pengurusan Penggunaan Dana (Pengurusan kewangan yang berkesan untuk kesinambungan perniagaan)</li> <li>• Pemasaran &amp; Jualan (Pengurusan Pemasaran &amp; Jualan untuk pengembangan perniagaan)</li> <li>• Komunikasi Berkesan (Memberikan penyampaian yang berkesan dalam pitching dan pembentangan perniagaan)</li> </ul> <p>For this programme, CEDAR conducted three (3) modules for 3-day training and one (1) business coaching session for the participants and these training and coaching sessions were delivered online.</p> <p>There are three (3) Foundational Courses which had been thought which are:</p> <ul style="list-style-type: none"> <li>• Fund Utilisation Management (Effective financial management for business continuity)</li> <li>• Marketing &amp; Sales (Marketing &amp; Sales management for business expansion)</li> <li>• Effective Communication (Deliver an impactful presentation in business pitch and business presentation)</li> </ul>

### 3. CEDAR/CEDAR



Pembangunan Usahawan Muda/Young Entrepreneur Development	
<b>Rakan Strategik/ Jabatan terlibat Strategic Partners/Dept. involved</b>	Bahagian Perniagaan, SME Bank Business Division of SME Bank
<b>Impak Impact</b>	Bagi tahun 2022, seramai 114 peserta telah menghadiri sesi latihan ini. For year 2022, a total of 114 participants have attended the training session.
<b>Maklumat tambahan Additional info</b>	Tidak berkenaan N/A
Dana Pemantapan Automasi(PMG)/Pemerksa Matching Grant (PMG)	
<b>Tentang About</b>	<p>Dana Pemantapan Automasi (PMG) merupakan struktur pembiayaan bagi membantu PKS dalam sektor 3D (kotor, bahaya dan sukar) terutamanya dalam sektor pembuatan, perkhidmatan, pertanian dan pembinaan, yang terjejas akibat pandemik COVID-19.</p> <p>Pemerksa Matching Grant is a financing structure to assist SMEs in 3D (dirty, dangerous and difficult) sectors particularly in manufacturing, services, agriculture and construction, which have been affected by COVID-19 pandemic.</p>
<b>Objektif Objective</b>	<p>Melalui program Dana Pemantapan Automasi, usahawan akan menerima bantuan yang lebih berstruktur mengikut keperluan perniagaan mereka serta mendapat akses kepada program latihan dan bimbingan yang lebih berkesan dan teratur.</p> <p>Through the Pemerksa Matching Grant programme, entrepreneurs will receive a more structured assistance according to their business needs as well as gain access to more effective and organised training and coaching programs.</p>
<b>Aktiviti/Inisiatif yang dijalankan Activities/ Initiatives conducted</b>	<p>Bagi program ini, CEDAR telah menjalankan tiga (3) modul untuk latihan selama 3 hari dan dua (2) sesi bimbingan perniagaan kepada peserta dan sesi latihan dan bimbingan ini disampaikan secara dalam talian.</p> <p>Terdapat tiga (3) Kursus Asas iaitu:</p> <ul style="list-style-type: none"> <li>• Pengurusan Kewangan</li> <li>• Pemasaran Jualan</li> <li>• Pengurusan Strategik</li> </ul> <p>For this programme, CEDAR conducted three (3) modules for 3-days training and two (2) business coaching sessions for the participants and these training and coaching session were delivered online.</p> <p>There are three (3) Foundational Courses which had been taught which are:</p> <ul style="list-style-type: none"> <li>• Financial Management</li> <li>• Sales Marketing</li> <li>• Strategic Management</li> </ul>
<b>Rakan Strategik/ Jabatan terlibat Strategic Partners/Dept. involved</b>	Bahagian Perniagaan, SME Bank Business Division of SME Bank

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Dana Pemantapan Automasi(PMG)/Pemerksa Matching Grant (PMG)	
<b>Impak Impact</b>	<p>Pembiayaan Dana Pemantapan Automasi ini akan membolehkan usahawan mendapatkan pembiayaan sehingga RM1 juta untuk tempoh maksimum 10 tahun dengan kadar keuntungan 4%-5% setahun.</p> <p>Bagi setiap pembiayaan yang diluluskan, Kementerian Kewangan akan menyediakan geran padanan dengan maksimum sehingga 20% daripada jumlah yang diluluskan. Ini akan membolehkan usahawan PKS membeli mesin, meningkatkan penggunaan teknologi dalam perniagaan, dan mengurangkan pergantungan kepada buruh asing.</p> <p>Bagi tahun 2023, seramai 32 peserta telah menghadiri sesi latihan ini.</p> <p>The Pemerksa Matching Grant Financing will enable entrepreneurs to obtain financing up to RM1 million for a maximum period of 10 years, with a profit rate of 4%-5% per annum.</p> <p>For each financing approved, the Finance Ministry will provide a matching grant for a maximum of up to 20% of the approved amount. This will enable SME entrepreneurs to purchase machinery, increase technology adoption in the business, and reduce dependency on foreign labour.</p> <p>For year 2023, a total of 32 participants attended the training session.</p>
<b>Maklumat tambahan Additional info</b>	Tidak berkenaan N/A

Program Daftar – HI: Cap Dagangan/Program Daftar – HI: Cap Dagangan	
<b>Tentang About</b>	<p>Satu sesi yang menekankan kepentingan pendaftaran cap dagang kepada sekurang-kurangnya 200 Usahawan di seluruh Malaysia.</p> <p>A session that highlights the importance of trademark registration to a minimum of 200 Entrepreneurs throughout Malaysia.</p>
<b>Objektif Objective</b>	<p>Program ini bertujuan untuk menyatukan dan mendaftarkan Harta Intelek Usahawan terutamanya Bumiputera (terutamanya Cap Dagangan). Usahawan juga akan mempelajari kepentingan Jenama (Tanda Dagangan) dan cara untuk meningkatkan keyakinan pengguna dan pemilikan hak harta intelek eksklusif melalui pendaftaran Tanda Dagangan.</p> <p>This program aims to consolidate and register the Intellectual Property of Entrepreneurs, especially Bumiputeras (especially Trademarks). Entrepreneurs will also learn the importance of Brands (Trademarks) and ways to increase consumer confidence and ownership of exclusive intellectual property rights through Trademark registration.</p>
<b>Aktiviti/Inisiatif yang dijalankan Activities/ Initiatives conducted</b>	<p>Bagi program ini, CEDAR telah menjalankan tiga (3) fasa.</p> <ul style="list-style-type: none"> <li>Fasa 1: Sesi Latihan</li> <li>Fasa 2: Bengkel untuk penyerahan Tanda Dagangan (Bimbingan mengenai Pemfailan Tanda Dagangan)</li> <li>Fasa 3: Pelaporan</li> </ul> <p>For this programme, CEDAR conducted three (3) phases.</p> <ul style="list-style-type: none"> <li>Phase 1: Training Session</li> <li>Phase 2: Workshop for Trademark submission (Coaching on Trade Mark Filing)</li> <li>Phase 3: Reporting</li> </ul>

## 3. CEDAR/CEDAR



Program Daftar – HI: Cap Dagangan/Program Daftar – HI: Cap Dagangan	
<b>Rakan Strategik/ Jabatan terlibat Strategic Partners/Dept. involved</b>	<p>Kementerian Pembangunan Usahawan Dan Koperasi (KUSKOP) dan Perbadanan Harta Intelek Malaysia (MyIPO)</p> <p>Ministry of Entrepreneur and Cooperatives Development (MECD) and Malaysia Intellectual Property Corporation (MyIPO)</p>
<b>Impak Impact</b>	<p>Bagi tahun 2023, seramai 244 peserta telah menghadiri sesi latihan tersebut.</p> <p>For year 2023, a total of 244 participants have attended the training session.</p>
<b>Maklumat tambahan Additional info</b>	Tidak berkenaan N/A
Pertandingan Sandbox/Sandbox	
<b>Tentang About</b>	<p>Pertandingan Sandbox SME Bank 2023 bertujuan untuk menggalakkan dan menyokong pembangunan idea-idea perniagaan yang bertanggungjawab sosial dan inovatif yang mengutamakan Impak sosial atau alam sekitar yang positif di bawah Matlamat Pembangunan Mampan 12 (SDG 12): Penggunaan dan Pengeluaran Mampan. Ini bertujuan untuk melahirkan penyelesaian yang boleh dilaksanakan untuk menangani corak penggunaan dan pengeluaran yang mampan, yang merupakan kunci untuk mengekalkan kehidupan generasi semasa dan akan datang.</p> <p>The SME Bank Sandbox Competition 2023 aims to promote and support the development of socially responsible and innovative business ideas that prioritise positive social or environmental impact under the United Nation's Sustainable Development Goal 12 (SDG 12): Sustainable Consumption and Production. This aims to give birth to feasible solutions to address sustainable consumption and production patterns, which is key to sustaining the livelihoods of the current and future generations.</p>
<b>Objektif Objective</b>	<p>Sandbox direka untuk menemui idea-idea perniagaan inovatif yang boleh memberi impak yang signifikan dan positif kepada masyarakat, khususnya di bawah SDG 12: Penggunaan dan Pengeluaran Mampan Matlamat Pembangunan Mampan Pertubuhan Bangsa-Bangsa Bersatu.</p> <p>Sandbox is designed to discover innovative business ideas that can have a significant and positive impact on the community, specifically under SDG 12: Sustainable Consumption and Production of the United Nations' Sustainable Development Goals.</p>
<b>Aktiviti/Inisiatif yang dijalankan Activities/ Initiatives conducted</b>	<p>Pertandingan Sandbox SME Bank 2023 dibuka kepada orang ramai. Pertandingan ini terbahagi kepada dua kategori iaitu Terbuka dan Kolej/Universiti. Satu pasukan dengan sekurang-kurangnya 3 ahli dan maksimum 5 dan mempunyai penyelesaian Penggunaan dan Pengeluaran Lestari (SCP) yang inovatif atau strategi SCP yang boleh dilaksanakan untuk perniagaan / permulaan mereka boleh mengambil bahagian dalam pertandingan ini.</p> <p>SME Bank Sandbox Competition 2023 is open to the public. The competition is divided into two categories, Open and College/University. A team with at least 3 members and maximum of 5 and has an innovative Sustainable Consumption and production (SCP) solution or a feasible SCP strategy for their business/startup can participate in this competition.</p>
<b>Rakan Strategik/ Jabatan terlibat Strategic Partners/Dept. involved</b>	<p>Komunikasi Strategik, Bahagian Strategi SME Bank</p> <p>Strategic Communication, Strategy Division of SME Bank</p>

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### 3. CEDAR/CEDAR



Pertandingan Sandbox/Sandbox	
<b>Impak Impact</b>	<p>Setelah melalui 6 bulan mengkaji semula sejumlah 461 cadangan perniagaan, memilih 20 teratas daripada setiap kategori, sesi business pitching yang menakjubkan, pemenang Pertandingan Sandbox SME Bank 2023 adalah seperti berikut:</p> <p><b>Pemenang (RM50K)</b> Umorene Technologies Sdn Bhd  <b>Kedua (RM30K)</b> Biome (Sumber Zircochem)  <b>Ketiga (RM20K)</b> Moms Village Asia Sdn Bhd</p> <p>After going through 6 gruelling months of reviewing a total of 461 business proposals, selecting the top 20 from each category, an amazing business pitching session, the winners of the SME Bank Sandbox Competition 2023 are as follows:</p> <p><b>Winner (RM50K)</b> Umorene Technologies Sdn Bhd  <b>Second (RM30K)</b> Biome (Zircochem Resources)  <b>Third (RM20K)</b> Moms Village Asia Sdn Bhd</p>
<b>Maklumat tambahan Additional info</b>	Tidak berkenaan N/A

Business Exports Programme (BEP)/Business Exports Programme (BEP)	
<b>Tentang About</b>	<p>Latihan komprehensif melalui CEDAR untuk memperkasakan usahawan melalui aktiviti intervensi berstruktur menggunakan enam parameter: pengeluaran / teknikal, kewangan, buruh, keperluan eksport, pemasaran serta piawaian dan peraturan. Comprehensive training via CEDAR on empowering entrepreneurs through structured intervention activities using six parameters: production / technical, financial, labour, export requirements, marketing as well as standards and regulations.</p>
<b>Objektif Objective</b>	<p>Memupuk dan membangunkan usahawan PKS Bumiputera melalui peruntukan dana sebanyak RM30 juta oleh KUSKOP selama lima tahun bermula 2020 -2025. Nurture and develop Bumiputera SME entrepreneurs through a fund allocation of RM30 million by MECD for five years from 2020 -2025.</p>
<b>Aktiviti/Inisiatif yang dijalankan Activities/ Initiatives conducted</b>	<p>Business Exports Programme 2.0 Fasa 2</p> <p><b>Penggunaan Jurulatih Eksport</b></p> <ul style="list-style-type: none"> <li>Persediaan untuk eksport: Pembungkusan dan pelabelan, Kualiti dan standard, Kos &amp; harga</li> <li>Keutamaan pasaran: Pemilihan dan penyelidikan pasaran eksport, Jualan eksport dan alat pemasaran, Pembiayaan Eksport, Logistik &amp; pengurusan rantai bekalan, Pengurusan eksport, Dasar perdagangan &amp; peluang</li> </ul> <p><b>Bootcamp/Bengkel</b></p> <ul style="list-style-type: none"> <li>Persediaan untuk pameran perdagangan</li> <li>Persediaan untuk misi perdagangan</li> </ul> <p>Business Exports Programme 2.0 Phase 2</p> <p><b>Deployment of Export Coach</b></p> <ul style="list-style-type: none"> <li>Preparation for export: Packaging and labelling, Quality and standards, Costing &amp; pricing</li> <li>Market prioritisation: Export market selection and research, Export sales and marketing tools, Export Financing, Logistics &amp; supply chain management, Export management, Trade policies &amp; opportunities</li> </ul> <p><b>Bootcamp/Workshops</b></p> <ul style="list-style-type: none"> <li>Preparation for trade exhibition</li> <li>Preparation for trade mission</li> </ul>

### 3. CEDAR/CEDAR



Business Exports Programme (BEP)/Business Exports Programme (BEP)	
<b>Rakan Strategik/ Jabatan terlibat Strategic Partners/Dept. involved</b>	Pengurusan Pihak Berkepentingan, Bahagian Strategi SME Bank Stakeholder Management, Strategy Division of SME Bank
<b>Impak Impact</b>	Bagi tahun 2023, sebanyak 22 syarikat menjalani program latihan BEP. For year 2023, a total of 22 companies undergo BEP training programme.
<b>Maklumat tambahan Additional info</b>	Tidak berkenaan N/A

Bengkel "SME Enrichment" (SEW)/SME Enrichment Workshop (SEW)	
<b>Tentang About</b>	<p>Pada tahun 2021, SEW dilancarkan untuk meningkatkan kesedaran dalam kalangan orang ramai dan pihak berkepentingan mengenai kursus dan aktiviti latihan kewangan CEDAR. CEDAR dapat mengembangkan pangkalan data usahawan dan pelanggan baharu, yang membolehkan untuk memasukkan mereka ke dalam program latihan kami. Tujuan program ini diadakan adalah untuk mendidik orang ramai. SEW adalah program latihan percuma yang berhasrat untuk memperkenalkan pengetahuan dan menyediakan platform pembelajaran untuk melengkapkan peserta dengan asas-asas pengurusan kewangan.</p> <p>SEW was initiated in 2021 as an effort to increase awareness among the public and our stakeholders on CEDAR's financial training courses and activities. In addition, CEDAR has been able to increase our database of new entrepreneurs and customers enabling CEDAR to onboard them onto our training programmes. The programme is targeted to the public to create awareness. Even though SEW is a non-fee-based training programme, the programme is expected to serve as an introductory knowledge and learning platform to equip participants with the foundation of financial management.</p>
<b>Objektif Objective</b>	<p>Program ini bertujuan untuk meningkatkan kemahiran dan pengetahuan PKS yang seterusnya akan meningkatkan prestasi perniagaan mereka. The programme is aimed at enhancing SMEs in their skillset and knowledges which, in turn, will improve their business performance.</p>
<b>Aktiviti/Inisiatif yang dijalankan Activities / Initiatives conducted</b>	<p>Modul</p> <ol style="list-style-type: none"> <li>Perakaunan Pemilik Perniagaan</li> <li>Pengurusan Aliran Tunai Bagi Perniagaan Kecil</li> <li>Belanjawan Perniagaan</li> <li>Strategi Mendapatkan Pembiayaan</li> </ol> <p>Modules</p> <ol style="list-style-type: none"> <li>Business Accounting</li> <li>Cash Flow Management for Small Businesses</li> <li>Business Budget</li> <li>Funding Strategies</li> </ol>

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Bengkel "SME Enrichment" (SEW)/SME Enrichment Workshop (SEW)	
<b>Rakan Strategik/ Jabatan terlibat Strategic Partners / Dept. involved</b>	SME Academy, CEDAR
<b>Impak Impact</b>	Bagi tahun 2023, sebanyak 275 syarikat telah mengikuti program latihan tersebut. For year 2023, a total of 275 companies attended the training programme.
<b>Maklumat tambahan Additional info</b>	Tidak berkenaan N/A
Program Latihan Mandatori/Mandatory Training Programme	
<b>Tentang About</b>	Program sehari, pembangunan kapasiti (latihan berkumpulan dalam talian) untuk pelanggan terpilih SME Bank. A One day capacity development program (online group training) for SME Bank's selected customers.
<b>Objektif Objective</b>	Program ini memberi tumpuan kepada aspek pembangunan kapasiti dan memberi panduan bagaimana untuk mencapai kemampanan ekonomi. The programme focuses on the aspect of capacity development and provides guidance on how to achieve economic sustainability.
<b>Aktiviti/Inisiatif yang dijalankan Activities/ Initiatives conducted</b>	<p>Bagi program ini, CEDAR telah menjalankan empat (4) modul iaitu secara penggiliran untuk latihan selama 1 hari kepada peserta dan sesi latihan ini disampaikan secara dalam talian.</p> <p>Terdapat tiga (4) Kursus Asas yang telah difikirkan iaitu:</p> <ul style="list-style-type: none"> <li>• Pengurusan Perniagaan</li> <li>• Sumber Manusia</li> <li>• Pengurusan Kewangan</li> <li>• Pemasaran dan Jualan</li> </ul> <p>For this programme, CEDAR conducted four (4) modules, each delivering one-day training for the participants, by rotation. These training sessions were delivered online.</p> <p>There are three (4) Foundational Courses which had been thought which are:</p> <ul style="list-style-type: none"> <li>• Business Management</li> <li>• Human Resource</li> <li>• Financial Management</li> <li>• Marketing and Sales</li> </ul>
<b>Rakan Strategik/ Jabatan terlibat Strategic Partners / Dept. involved</b>	Bahagian Perniagaan SME Bank Business Division of SME Bank
<b>Impak Impact</b>	Bagi tahun 2023, seramai 65 peserta telah menghadiri sesi latihan ini. For year 2023, a total of 65 participants attended the training session.
<b>Maklumat tambahan Additional info</b>	Tidak berkenaan N/A

## 3. CEDAR/CEDAR



VDP PETRONAS - PROGRAM PEMBANGUNAN VENDOR (VEGA)/ VDP PETRONAS - VENDOR DEVELOPMENT PROGRAM (VEGA)	
<b>Tentang About</b>	CEDAR telah dilantik oleh PETRONAS sebagai menyediakan perkhidmatan untuk Penilaian Vendor VDP dan Analisis Jurang (VEGA) 2023 untuk PETRONAS. CEDAR has been appointed by PETRONAS as the service provide for VDP Vendor Evaluation and Gap Analysis (VEGA) 2023 for PETRONAS.
<b>Objektif Objective</b>	Program ini adalah sebahagian daripada Latihan Analisis Jurang oleh Program Pembangunan Vendor PETRONAS di mana Alat Diagnostik seperti Penilaian Skor Kitaran Hidup Perniagaan (ELSA) dan MyFinB telah digunakan. The programme is part of the Gap Analysis Exercise by PETRONAS Vendor Development Programme, whereby Diagnostic Tools such as Entrepreneur Lifecycle Scoring Assessment (ELSA) and MyFinB were applied.
<b>Aktiviti/Inisiatif yang dijalankan Activities/ Initiatives conducted</b>	Untuk program ini, CEDAR telah membimbing 9 wakil daripada 5 Syarikat yang telah dikenal pasti oleh PETRONAS dalam penyampaian VEGA 2023. For this programme, CEDAR guided 9 representatives from 5 Companies that have been identified by PETRONAS in the delivery of VEGA 2023.
<b>Rakan Strategik/ Jabatan terlibat Strategic Partners / Dept. involved</b>	Bahagian Transformasi Digital & Teknologi Digital & Technology Transformation Division
<b>Impak Impact</b>	Bagi tahun 2023, seramai 9 peserta telah menghadiri sesi ini. For year 2023, a total of 9 participants have attended the session.
<b>Maklumat tambahan Additional info</b>	Tidak berkenaan N/A

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#### Senarai Acara Yang Disertai

##### List of Events Participated

Bil No	Nama Acara Event Name	Tarikh Date
1	Majlis Menandatangani Memorandum Persefahaman (MOU) antara Universiti Sultan Zainal Abidin Majlis Menandatangani Memorandum Persefahaman (MOU) antara Universiti Sultan Zainal Abidin	15.2.2023
2	Program Peningkatan Vendor Kumpulan UMW UMW Group Vendor Improvement Programme	16.2.2023
3	SME Bank Jom Xcess - Wilayah Utara SME Bank Jom Xcess - Northern Region	2.3.2023
4	Program Pemangkin Kesedaran Halal - Kuching, Sarawak Program Pemangkin Kesedaran Halal - Kuching, Sarawak	15.3.2023
5	SME Bank Jom Xcess - Wilayah Kuala Lumpur SME Bank Jom Xcess - Kuala Lumpur Region	21.3.2023
6	Persidangan Asean Accsme Bangkok 15 Asean Accsme Conference Bangkok	22-26.5.2023
7	Usahawan Muda Berjaya @ Protégé Usahawan Muda Berjaya @ Protégé	31.5.2023
8	Majlis Sambutan Ulang Tahun CEDAR Ke-10 Majlis Sambutan Ulang Tahun CEDAR Ke-10	20.6.2023
9	Majlis GFM CSR SME Bank Dengan Kerjasama GENIUS Remaja Dan CEDAR Majlis GFM CSR SME Bank Dengan Kerjasama GENIUS Remaja Dan CEDAR	24.6.2023
10	Mesyuarat Pusat Kepimpinan Cedar & Petronas Cedar & Petronas Leadership Centre Meeting	13.7.2023
11	Jemputan Mesyuarat Jawatankuasa Teknikal Penarafan Dan Akreditasi Perusahaan Sosial Bil 5 Tahun 2023 Jemputan Mesyuarat Jawatankuasa Teknikal Penarafan Dan Akreditasi Perusahaan Sosial Bil 5 Tahun 2023	17.7.2023
12	Jemputan Taklimat Lanjutan Berkaitan Program/Kursus/Latihan Pembangunan Asnaf Fakir, Miskin Dan Muallaf 2023-2026 Jemputan Taklimat Lanjutan Berkaitan Program/Kursus/Latihan Pembangunan Asnaf Fakir, Miskin Dan Muallaf 2023-2026	20.7.2023
13	Bengkel Eksport 3 Hari di United Kingdom 3 Days Export Workshop in United Kingdom	21.3.2023

### 3. CEDAR/CEDAR



Bil No	Acara Event Name	Tarikh Date
14	Diskusi Kolaboratif Program Berkaitan ESG Bagi Perkhidmatan Profesional Dan PKS Yang Melibatkan Bahagian Pembangunan Sektor Perkhidmatan (Ssdd) Dan Cedar Collaborative Discussion on Esg-Related Programmes For Professional Service And SMEs Involving Service Sector Development Division (Ssdd) And Cedar	25.7.2023
15	CIDB Bina 2023 CIDB Bina 2023	8-9.8.2023
16	Bengkel Pave Vdp Vdp Pave Workshop	15.3.2023
17	Sidang Kemuncak Tadbir Urus Iklim Kebangsaan 2023 National Climate Governance Summit 2023	5-7.9.2023
18	SME Bank XCESS 2023 SME Bank XCESS 2023	21-22.9.2023
19	Program Pembangunan Kapasiti Usahawan Industri Halal - Bantuan Pematuhan Pensijilan Halal Program Pembangunan Kapasiti Usahawan Industri Halal - Bantuan Pematuhan Pensijilan Halal	22.9.2023
20	Seminar Antarabangsa 2023 Meningkatkan Kebolehcapaian Kewangan untuk PMKS 2023 International Seminar on Enhancing Financial Accessibility for MSMEs	18.10.2023
21	Forum Kelestarian KSK - Daya Tahan Kelestarian KSK Sustainability Forum - Resilience in Sustainability	31.10.2023

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## 4. Modal Insan Kumpulan/Group Human Capital



### Latihan Keselamatan BOMBA/BOMBA Safety Training



#### Latihan Keselamatan BOMBA/BOMBA Safety Training

<b>Tentang About</b>	Latihan Keselamatan BOMBA SME Bank untuk Pasukan Tindakan Kecemasan (ERT) adalah latihan tahunan yang dijalankan oleh BOMBA untuk kesedaran mengenai isu berkaitan kebakaran di pejabat, iaitu Pasukan Tindakan Kecemasan (ERT), teknik pemadaman kebakaran, pencarian dan penyelamatan asas dan lain-lain. BOMBA Safety Training for SME Bank ERT is an annual training conducted by BOMBA on awareness on fire related issues on the office i.e. Emergency Response Team (ERT), Fire Fighting technique, basic Search & Rescue and others.
<b>Objektif Objective</b>	<ol style="list-style-type: none"> <li>Memahami peranan dan tanggungjawab Pasukan ERT di premis.</li> <li>Menerangkan prinsip pengurusan risiko kebakaran, pelan keselamatan kebakaran.</li> <li>Menghuraikan proses kecemasan, pelan pengungsian, dan pelan kecemasan.</li> <li>Mendemonstrasikan keupayaan untuk menguruskan kebakaran kecil dengan selamat dan berkesan menggunakan pemadam api.</li> <li>Terdedah kepada simulasi penyelamatan kecemasan dalam kehidupan sebenar.</li> <li>Memahami Akta Perkhidmatan BOMBA 1988.</li> </ol> <ol style="list-style-type: none"> <li>Understand the Roles &amp; Responsibility of ERT Team in a premise</li> <li>Explain the principle of managing fire risk, fire safety plan</li> <li>Elaborate the emergency process, evacuation plan &amp; contingency plan</li> <li>Demonstrate the ability to manage small fire, safely and effectively using fire extinguisher</li> <li>Expose to real-life simulation of Emergency Rescue</li> <li>Understand BOMBA Service Act 1988</li> </ol>

## 4. Modal Insan Kumpulan/Group Human Capital



#### Latihan Keselamatan BOMBA/BOMBA Safety Training

<b>Aktiviti/Inisiatif yang dijalankan Activities/Initiatives conducted</b>	<ul style="list-style-type: none"> <li>Latihan bersemuka mengenai keselamatan kebakaran, peralatan memadam kebakaran</li> <li>Sesi praktikal penggunaan gelung hos, alat pemadam api dan pili bomba</li> <li>Class room training on fire safety, fire fighting equipment</li> <li>Practical session on usage of hose reel, fire extinguisher and fire hydrant</li> </ul>
<b>Rakan Strategik/Jabatan terlibat Strategic Partners/Dept. involved</b>	BOMBA Titiwangsa BOMBA Titiwangsa
<b>Impak Impact</b>	Seramai 24 peserta ERT berjaya menjalani latihan ini. 24 ERT participants managed to be trained.

### Latihan Bomba, Menara SME Bank/Fire Drill, Menara SME Bank



#### Latihan Kebakaran, Menara SME Bank/Fire Drill, Menara SME Bank

<b>Tentang About</b>	Latihan Pengungsian Keselamatan adalah satu latihan yang menggabungkan pengungsian penghuni, latihan pemadaman kebakaran, dan penyelamatan orang yang cedera/pekerja yang kurang upaya di dalam bangunan. Safety Evacuation Drill is an exercise that combines evacuation of occupants, firefighting exercise and rescue of injured/disabled personnel within a building.
<b>Objektif Objective</b>	<ul style="list-style-type: none"> <li>Tujuan latihan ini adalah untuk meningkatkan kebolehan kita dalam menghadapi kebakaran atau kecemasan lain.</li> <li>Ini juga merupakan keperluan undang-undang mengikut Akta Keselamatan dan Kesihatan Pekerjaan, Seksyen 15(2)(c), dan juga keperluan untuk pembaharuan Sijil Kebakaran bangunan oleh BOMBA.</li> <li>The drill intended for us to enhance our state of preparedness in facing fire or any other emergencies.</li> <li>Legal requirement by the Occupational Safety and Health Act, Section 15(2)(c) and also a requirement for renewal of the building Fire Certificate by BOMBA.</li> </ul>

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Latihan Kebakaran, Menara SME Bank/Fire Drill, Menara SME Bank	
<b>Aktiviti/Inisiatif yang dijalankan</b> Activities/ Initiatives conducted	<ul style="list-style-type: none"> <li>Pengungsian seluruh bangunan.</li> <li>Senario praktikal pemadaman kebakaran.</li> <li>Senario kecederaan.</li> <li>Full building evacuation drill</li> <li>Fire Fighting practical scenario</li> <li>Injury scenario</li> </ul>
<b>Rakan Strategik/Jabatan terlibat</b> Strategic Partners/Dept. involved	BOMBA Titiwangsa, Polis Diraja Malaysia, St John Ambulance, Bank EXIM BOMBA Titiwangsa, Polis Diraja Malaysia, St John Ambulance, EXIM Bank
<b>Impak</b> Impact	Seluruh penghuni Menara Bank SME terlibat dalam Latihan kebakaran ini (seramai kira-kira 800 peserta) Whole occupant of Menara SME Bank involved in this drill (around 800 participants)

### Pemanduan Defensif untuk Pemandu/Defensive Driving for Drivers



Pemanduan Defensif untuk Pemandu/Defensive Driving for Drivers	
<b>Tentang</b> About	Latihan satu hari yang melibatkan pemandu kami untuk terdedah kepada cara memandu yang betul dan selamat. A one day training that involve our drivers to be exposed on a correct and safe way of driving.
<b>Objektif</b> Objective	<ul style="list-style-type: none"> <li>Mengembangkan pendekatan yang betul dan sistematik untuk meminimumkan risiko dalam persekitaran memandu.</li> <li>Memahami sistem kereta dan melakukan penyelenggaraan kereta.</li> <li>Menerangkan prosedur betul untuk memecut dan brek dengan selamat.</li> <li>Mendemonstrasikan pemahaman asas tentang memandu yang selamat.</li> <li>Develop a correct and systematic approach to minimizing risk in the driving environment</li> <li>Understand the car system and perform car maintenance</li> <li>Describe the correct procedure to accelerate and safe braking</li> <li>Demonstrate a basic understanding of safe driving</li> </ul>

## 4. Modal Insan Kumpulan/Group Human Capital



Pemanduan Defensif untuk Pemandu/Defensive Driving for Drivers	
<b>Aktiviti/Inisiatif yang dijalankan</b> Activities/ Initiatives conducted	<ul style="list-style-type: none"> <li>Sesi teori dan praktikal di Premis Vendor.</li> <li>Teknik memandu secara praktikal di litar.</li> <li>Theory and Practical Session at Vendor Premise</li> <li>Hands on driving technique at circuit</li> </ul>
<b>Rakan Strategik/Jabatan terlibat</b> Strategic Partners/Dept. involved	SIPCO Sdn Bhd SIPCO Sdn Bhd
<b>Impak</b> Impact	Seramai 24 pemandu telah menjalani latihan ini 24 drivers has been trained for the session

Majlis Makan Malam Penghargaan Pekerja (EAD) dan Anugerah Khidmat Setia Pekerja (ELA)/ Employee Appreciation Dinner (EAD) and Employee Loyalty Award (ELA)	
<b>Tentang</b> About	<p>Majlis Makan Malam Penghargaan Pekerja ME Bank (EAD) dan Anugerah Kekal Setia Pekerja (ELA) telah diadakan pada 23 September 2023 sebagai sebahagian daripada usaha penglibatan dan penghargaan SME Bank terhadap kakitangan.</p> <p>Semasa majlis makan malam tersebut, kami adakan penyampaian Anugerah Kekal Setia Pekerja (ELA) kepada pekerja yang berkhidmat dengan Bank secara berterusan selama tempoh 5, 10, 15, 20, dan 30 tahun.</p> <p>SME Bank's Employee Appreciation Dinner (EAD) and Employee Loyalty Award (ELA) was held on 23rd September 2023 as part of SME Bank's engagement and appreciation towards staff.</p> <p>During the dinner, we incorporated the presentation of Employee Loyalty Award (ELA) for employees who served the Bank continuously for a period of 5, 10, 15, 20 and 30 years.</p>
<b>Objektif</b> Objective	EAD & ELA SME Bank diadakan untuk menghargai dedikasi, komitmen, dan kesetiaan kakitangan terhadap Bank. SME Bank EAD & ELA was organised to appreciate staff's dedication, commitment and loyalty towards the Bank.
<b>Aktiviti/Inisiatif yang dijalankan</b> Activities/ Initiatives conducted	Acara ini berlangsung di Pusat Konvensyen Kuala Lumpur dari jam 6.30 petang hingga 11.00 malam. Selain daripada makan malam, beberapa aktiviti turut dijalankan, termasuk persembahan video penghormatan, persembahan langsung, pengiktirafan individu berpakaian paling cantik, cabutan bertuah, dan Anugerah Kekal Setia Pekerja. Bukan semua yang berjaya memenangi hadiah cabutan bertuah; bagaimanapun, semua peserta telah diberi set tiffin dengan kutleri sebagai cenderahati untuk dibawa pulang. The event took place at Kuala Lumpur Convention Centre from 6.30pm until 11.00pm. Apart from dinner, several activities were conducted, including tribute video presentations, live performances, acknowledgment of the best-dressed individuals, lucky draws and Employee Loyalty Award. Not everyone was lucky enough to win lucky draw prizes; however, all attendees were given a tiffin set with cutlery as door gifts to bring back home.

# MEMAJUKAN MASA DEPAN LESTARI MELALUI PENCIPTAAN IMPAK SOSIAL

## ADVANCING A SUSTAINABLE FUTURE THROUGH CREATION OF SOCIAL IMPACT

### 4. Modal Insan Kumpulan/Group Human Capital



<b>Majlis Makan Malam Penghargaan Pekerja dan Anugerah Khidmat Setia Pekerja/ Employee Appreciation Dinner and Employee Loyalty Award</b>	
<b>Rakan Strategik/ Jabatan terlibat Strategic Partners/Dept. involved</b>	<ul style="list-style-type: none"> <li>• Pengurusan Modal Insan Kumpulan - Penganjur utama.</li> <li>• Setiausaha Kumpulan - jawatankuasa kecil</li> <li>• KRSRME - jawatankuasa kecil</li> <li>• Perolehan - jawatankuasa kecil</li> <li>• Komunikasi Strategik - jawatankuasa kecil</li> <li>• Tiada dana diterima daripada Kementerian atau Agensi untuk projek ini atau MoU.</li> <li>• Group Human Capital Management - Main organizer.</li> <li>• Group Secretarial - sub-committee.</li> <li>• KRSRME - sub-committee.</li> <li>• Procurement - sub-committee.</li> <li>• Strategic Communication - sub-committee.</li> <li>• No funds received from Ministries or Agencies for this project nor MoUs</li> </ul>
<b>Impak Impact</b>	<p>Jumlah peserta: 770 (termasuk penerima ELA) Total number of participants: 770 (including ELA recipient)</p> <p>Penerima ELA: 161 ELA recipient: 161</p> <p>Acara ini juga mencapai sasaran memasukkan Anugerah Pengiktirafan Rangkaian Terbaik untuk tahun 2022 dan mengiktiraf pemenang pertandingan Pakaian Terbaik, sambil melayani objektif acara untuk menghargai dedikasi, komitmen, dan kesetiaan kakitangan Bank.</p> <p>This event also achieved the inclusion of the Best Networks Recognition Award for the year 2022 and acknowledged the winners of the Best-Dressed competition, while serving the event's objective to appreciate the dedication, commitment, and loyalty of the Bank's staff.</p>

### 4. Modal Insan Kumpulan/Group Human Capital



<b>Piala Presiden SME Bank/SME Bank President's Cup</b>	
<b>Tentang About</b>	<p>Piala Presiden SME Bank 2023 adalah acara sukan yang diadakan sekali setiap 2 tahun untuk menanam semangat pertandingan dan menggali bakat-bakat sukan dalam kalangan kakitangan.</p> <p>SME Bank President's Cup 2023 is a sports event held once every 2 years to instill the spirit of competition and unleash sporting talents among.</p>
<b>Objektif Objective</b>	<p>Acara ini dianjurkan untuk menggalakkan pekerja agar aktif dan sihat. Selain itu, sukan berpasukan juga akan mendorong kakitangan untuk membina hubungan yang lebih kukuh dan kerjasama berpasukan.</p> <p>The event was organized to encourage employees to be active and healthy. In addition, team sports will encourage staff to build stronger bonds/relationships and teamwork.</p>
<b>Aktiviti/Inisiatif yang dijalankan Activities/ Initiatives conducted</b>	<p>Terdapat 8 Rumah yang berbeza, yang dipimpin oleh C-Suite dan kakitangan ditempatkan secara rawak dan saksama ke dalam setiap rumah.</p> <p>Terdapat 8 jenis sukan, dan 1 pasukan sorak untuk bertanding: .</p> <ul style="list-style-type: none"> <li>(a) Badminton</li> <li>(b) Futsal</li> <li>(c) Bola jaring</li> <li>(d) Ping pong</li> <li>(e) Congkak</li> <li>(f) Karom</li> <li>(g) Checkers</li> <li>(h) Dart (baling damak)</li> <li>(i) Pasukan 'War Cry'</li> </ul> <p>There were 8 different Houses, headed by C-Suites and the staffs were equally and randomly placed into each house.</p> <p>Total 8 sports, and 1 team cheer to be contested:</p> <ul style="list-style-type: none"> <li>(a) Badminton</li> <li>(b) Futsal</li> <li>(c) Netball</li> <li>(d) Ping pong</li> <li>(e) Congkak</li> <li>(f) Carrom</li> <li>(g) Checkers</li> <li>(h) Darts</li> <li>(i) Team 'War Cry'.</li> </ul>
<b>Rakan Strategik/ Jabatan terlibat Strategic Partners/Dept. involved</b>	<p>SIPCO Sdn Bhd</p> <p>Acara ini merupakan kerjasama antara ERE dan Kelab Sukan &amp; Rekreasi SME Bank (KRSRME), Tiada dana yang diterima daripada Kementerian atau Agensi untuk projek ini mahupun MoU</p> <p>SIPCO Sdn Bhd</p> <p>This event is a collaborative event between ERE and Kelab Sukan &amp; Rekreasi SME Bank (KRSRME), No funds received from Ministries or Agencies for this project nor MoUs</p>
<b>Impak Impact</b>	<p>Jumlah peserta: 860</p> <p>Pencapaian: Acara ini mencapai objektifnya untuk menggalakkan kakitangan membina ikatan, hubungan dan kerja berpasukan yang lebih kukuh dalam kalangan ahlinya.</p> <p>Total number of participants: 860</p> <p>Achievements: This event achieved its objective of encouraging staff to build stronger bonds, relationships, and teamwork among its members.</p>



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Cabaran Trek Rasa SME Bank Jalur Gemilang/SME Bank Jalur Gemilang Taste Track Challenge	
<b>Tentang About</b>	SME Bank Jalur Gemilang Taste Track Challenge merupakan acara yang dianjurkan untuk meraikan Hari Malaysia pada 16 September 2023. Acara ini terdiri daripada dua bahagian: food hunt dan cabaran Go-Kart. SME Bank Jalur Gemilang Taste Track Challenge is the event organized to celebrate Hari Malaysia on 16th September 2023. This event consists of two parts: a food hunt and a Go-Kart challenge.
<b>Objektif Objective</b>	Acara ini dianjurkan untuk mengukuhkan kesinambungan kebersamaan, kerana para peserta dikehendaki bekerja secara berpasukan sambil menyemai penghargaan kepada negara kita melalui <i>food hunt</i> . This event was organized to strengthen the continuity of togetherness, as the participants were required to work in teams while instilling appreciation towards our country through food hunt.
<b>Aktiviti/Inisiatif yang dijalankan Activities/ Initiatives conducted</b>	Cabaran Trek (go-kart) telah diadakan di City-Karting Shah Alam dan melibatkan 100 kakitangan. Cabaran ini melibatkan setiap pemandu melengkapkan pusingan secepat mungkin. Manakala Cabaran Rasa ( <i>food hunt</i> ) menguji setiap pasukan untuk menyelesaikan teka-teki dan membimbing mereka ke destinasi seterusnya, membawa mereka mengelilingi kawasan Shah Alam. Cabaran ini telah menarik 50 kakitangan. The Track Challenge (go-kart) was held at City-Karting Shah Alam and involved 100 staff. This challenge involved each driver completing the lap as fast as possible. While the Taste Challenge (food hunt) tests each team to solve riddles and guides them to the next destination, taking them around the Shah Alam area. This challenge has attracted 50 staff.
<b>Rakan Strategik/ Jabatan terlibat Strategic Partners/Dept. involved</b>	Cabaran Trek Rasa ialah acara kerjasama antara ERE dan KSRSME. Tiada dana yang diterima daripada Kementerian atau Agensi untuk projek ini mahupun MoU. The Taste Track Challenge is a collaborative event between ERE and KSRSME. No funds received from Ministries or Agencies for this project nor MoUs.
<b>Impak Impact</b>	Jumlah peserta: 150. Pencapaian: Semua peserta berjaya menyelesaikan cabaran semasa berada dalam satu pasukan; Oleh itu, acara ini mencapai objektifnya untuk mengukuhkan kesinambungan kebersamaan dalam kalangan ahli pasukan. Total number of participants: 150. Achievements: All participants successfully completed the challenge while being in a team; thus, this event served its objective to strengthen the continuity of togetherness among team members.

### 4. Modal Insan Kumpulan/Group Human Capital



Rumah Terbuka Hari Raya SME Bank/SME Bank Hari Raya Open House	
<b>Tentang About</b>	SME Bank menganjurkan Majlis Hari Raya Aidilfitri yang bertujuan untuk mengumpulkan kakitangan di bawah satu bumbung pada majlis yang penuh bermakna. SME Bank hosts a Majlis Hari Raya Aidilfitri in which seeks to gather staff under one roof on an eventful occasion.
<b>Objektif Objective</b>	Objektifnya adalah untuk menghimpunkan kakitangan di bawah satu bumbung dalam semangat Hari Raya juga kepada pelanggan. The objective is to bring together the staff under one roof in the spirit of Hari Raya as well as to client/customers
<b>Aktiviti/Inisiatif yang dijalankan Activities/ Initiatives conducted</b>	Pada majlis ini, selain daripada perayaan jamuan raya, kami telah menganjurkan beberapa aktiviti libat urus sebagai sebahagian daripada sambutan Rumah Terbuka Hari Raya seperti: (a) Pemenang Pakaian Raya Paling Cantik (b) Raya QR Hunt (c) Kahoot! Raya (d) Ikatan Sampin (e) Anyaman Ketupat During this event, in addition to the feast/'jamuan raya', we organised several engagement activities as part of the Hari Raya Open House celebration such as: (a) Best- Raya dressed winners (b) Raya QR Hunt (c) Kahoot! Raya (d) Ikatan Sampin (e) Anyaman Ketupat
<b>Rakan Strategik/ Jabatan terlibat Strategic Partners/Dept. involved</b>	Acara ini merupakan usaha bersama antara ERE dan Jabatan Komunikasi Strategik (GSC). Rumah Terbuka Hari Raya bertujuan untuk meraikan kedua-dua kakitangan dan pelanggan korporat. This event was a joint effort between ERE and Group Strategic Communication (GSC). The Hari Raya Open House was intended to celebrate both staff and corporate clients.
<b>Impak Impact</b>	Jumlah peserta: 800 (kakitangan) dan 1,500 (pelanggan korporat & VVIP) Pencapaian: Acara ini mencapai objektifnya untuk menghimpunkan pelanggan/pelanggan dan merakamkan rasa terima kasih kepada kakitangan Bank dengan meraikan Hari Raya bersama mereka. Total number of participants: 800 (staffs) and 1,500 (corporate clients & VVIPs) Achievements: This event achieved its objective of bringing together the clients/customers and expressing gratitude to the Bank's staff by celebrating Hari Raya with them.

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Indeks Penglibatan Pekerja/Employee Engagement Index	
<b>Tentang About</b>	Indeks Penglibatan Pekerja membantu Bank mengukur dan memahami tahap penglibatan, kepuasan dan komitmen dalam kalangan kakitangannya. The Employee Engagement Index helps the Bank to gauge and comprehend the level of engagement, satisfaction, and commitment among its staff.
<b>Objektif Objective</b>	Dengan menjalankan EES, Bank dapat mengenal pasti apa-apa kebimbangan dan isu. Ini membantu menambah baik tempat kerja, meningkatkan semangat pekerja, meningkatkan produktiviti dan mewujudkan persekitaran yang positif. By conducting the EES the Bank is able to identify areas of concern and issues. This helps to improve the workplace, boost employee morale, enhance productivity, and create a positive environment.
<b>Aktiviti/Inisiatif yang dijalankan Activities/Initiatives conducted</b>	Matlamat untuk meningkatkan pemarkahan EEI telah dirancang dan dilaksanakan oleh setiap bahagian dari Q1 hingga Q3. Contohnya termasuk: (a) Divisyen Permukiman (b) Sesi Penglibatan (c) Sesi taklimat umum (d) Dan lain-lain.  Untuk menilai dan menilai keberkesanan, Bank telah menjalankan Tinjauan Penglibatan Pekerja pada Oktober 2023, menghasilkan skor yang mengagumkan sebanyak 87%, berbanding skor 2022 sebanyak 52%.  The goal of improving EEI scoring has been planned and executed by each division from Q1 to Q3. Examples include: (a) Divisional Retreat (b) Engagement Sessions (c) Townhalls (d) Etc.  To evaluate and assess effectiveness, the Bank conducted the Employee Engagement Survey in October 2023, resulting in an impressive score of 87%, compared to the 2022 score of 52%.
<b>Rakan Strategik/Jabatan terlibat Strategic Partners/Dept. involved</b>	Pemarkahan EEI memerlukan usaha kumpulan yang melibatkan setiap bahagian EEI scoring it takes a group effort that involves every division
<b>Impak Impact</b>	Pemarkahan EEI Bank daripada 52% pada 2022 kepada 87% pada 2023 Bank EEI scoring from 52% in 2022 to 87% in 2023

**2022**  
(52%)

**2023**  
(87%)

## 4. Modal Insan Kumpulan/Group Human Capital



### Pameran Kerjaya/Career Fair

1

**Pameran Kerjaya Graduan Aspire 2023**  
Graduan Aspire Career Fair 2023

2

**Minggu Kerjaya UKM – Pameran Kerjaya**  
UKM Career Week – Career Fair

3

**Karnival Kerjaya & Usahawan UITM 2023**  
UITM Carnival Career & Entrepreneur 2023

4

**Pameran Kerjaya Curtin 2023**  
Curtin Career Fair 2023

5

**Skap Masa Depan Kerjaya UNIKL 2023**  
UNIKL Career Future Scape 2023

6

**Karnival Kerjaya MADANI**  
Karnival Kerjaya MADANI

208 LAPORAN TAHUNAN BERSEPADU 2023 INTEGRATED ANNUAL REPORT

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### Pameran Kerjaya/Career Fair

#### Tentang About

#### **Pameran Kerjaya Graduan Aspire 2023**

Pameran kerjaya terbesar GRADUAN® Aspire dan disertai oleh majikan terkemuka Malaysia. Acara ini menawarkan prospek kerjaya dan pandangan tentang pasaran kerja Malaysia yang dinamik kepada semua pencari kerja Malaysia.

#### **Minggu Kerjaya UKM: Pameran Kerjaya**

Program Minggu Kerjaya ini merupakan program tahunan 5 hari Fakulti Ekonomi dan Pengurusan yang dianjurkan oleh Exco Jaringan Luar dan Korporat Persatuan Mahasiswa Fakulti Ekonomi dan Hal Ehwal Jaringan Industri & Masyarakat dan banyak persatuan lain. Penganjuran program Minggu Kerjaya 2023-2024 bertujuan untuk menyediakan pelajar untuk dunia pekerjaan.

#### **Karnival UiTM Kerjaya dan Usahawan 2023**

Ini merupakan program tahunan selama 4 hari anjuran Unit Kerjaya dan Kaunseling di UiTM Cawangan Selangor yang menggabungkan dua acara iaitu kerjaya dan keusahawanan. Acara ini bertujuan untuk memberi peluang kepada pelajar untuk berhubung dengan pelbagai majikan dan memupuk semangat keusahawanan.

#### **Pameran Kerjaya Curtin 2023**

Ini adalah program 2 hari yang dianjurkan oleh Perkhidmatan Kerjaya & Alumni di Curtin University Cawangan Sarawak yang menggabungkan dua acara, iaitu bengkel kerjaya dan kerjaya. Acara ini bertujuan untuk memberi peluang kepada pelajar untuk berhubung dengan pelbagai majikan dan melengkapkan mereka dengan pengetahuan sebelum menyertai tenaga kerja.

#### **Skap Masa Depan Kerjaya UNIKL 2023**

Program ini dianjurkan oleh Pusat Alumni dan Perkhidmatan Kerjaya di Universiti Kuala Lumpur di Quill City Mall dan menyasarkan semua pelajar UNIKL di seluruh rantau ini. Acara ini bertujuan untuk memberi peluang kepada pelajar untuk berhubung dan mencari pekerjaan dengan pelbagai majikan.

#### **Karnival Kerjaya MADANI 2023**

Karnival ini dianjurkan sempena Program Setahun Bersama Kerajaan MADANI di Stadium Nasional Bukit Jalil dan Karnival ini melibatkan 63 agensi kerajaan dan swasta sepanjang tiga hari majlisnya.

## 4. Modal Insan Kumpulan/Group Human Capital



### Pameran Kerjaya/Career Fair

#### Tentang About

#### **Graduan Aspire Career Fair 2023**

The largest career fair GRADUAN® Aspire and participated by Malaysia's top employers. This event offers career prospects and insight into Malaysia's dynamic job market to all Malaysia job seekers.

#### **UKM Career Week: Career Fair**

This Career Week program is a 5-day annual program of the Faculty of Economics and Management, which is organized by the Exco Jaringan Luar dan Korporat Persatuan Mahasiswa Fakulti Ekonomi dan Hal Ehwal Jaringan Industri & Masyarakat and many other associations. The organization of the Career Week 2023-2024 program is aimed at preparing students for the world of work.

#### **UiTM Carnival Career and Entrepreneur 2023**

This is a 4-day annual program organized by the Career and Counseling Unit at UiTM Cawangan Selangor that combines two events: career and entrepreneurship. The event is aimed at providing students with the opportunity to connect with various employers and inculcate the spirit of entrepreneurship.

#### **Curtin Career Fair 2023**

This is a 2-day program organized by the Career & Alumni Services at Curtin University Sarawak Branch that combines two events, which are a career and a career workshop. The event is aimed at providing students with the opportunity to connect with various employers and equip them with knowledge prior to joining the workforce.

#### **UNIKL Career Future Scope 2023**

This program was organized by the Centre for Alumni and Career Services at Universiti Kuala Lumpur at Quill City Mall and targeted all UNIKL students across the region. The event is aimed at providing students with the opportunity to connect and search for a job with various employers.

#### **Karnival Kerjaya MADANI 2023**

This Carnival was organized in conjunction with the Program Setahun Bersama Kerajaan MADANI at the the Bukit Jalil National Stadium and this Carnival involves 63 government and private agencies throughout the three days of its event.

#### Objektif Objective

- Pameran kerjaya menawarkan peluang kepada pencari kerja, graduan baharu dan pelajar untuk berhubung dengan majikan, mendapatkan pandangan tentang bakal majikan, dan meneroka peluang pekerjaan dan latihan amali.
- Pameran kerjaya juga memberi peluang kepada majikan untuk merekrut bakat yang berpotensi dan meningkatkan keterlihatan jenama organisasi.
- The Career fair offers job seekers, fresh graduates and students the chance to connect with employers, gain insights into potential employer, and explore job and internship opportunities.
- Career fairs also provide employers with opportunities to recruit potential talents and enhance organizational brand visibility.

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Pameran Kerjaya/Career Fair	
<b>Aktiviti/Inisiatif yang dijalankan</b> <b>Activities/ Initiatives conducted</b>	<ul style="list-style-type: none"> <li>Memaparkan peluang pekerjaan, latihan amali, program siswazah dan peluang kerjaya lain yang tersedia dalam organisasi.</li> <li>Terlibat dalam rangkaian dengan peserta untuk mewujudkan hubungan dan membina hubungan.</li> <li>Mempromosikan jenama SME Bank dengan mempamerkan nilai, budaya, misi dan pencapaian kami.</li> <li>Menyemak resume, menjalankan temu duga setempat dan menilai kelayakan dan kemahiran calon</li> </ul> <p>Kami memulakan usaha kerjasama dengan penganjur acara untuk mendapatkan ruang gerai khusus untuk SME Bank, yang bertujuan untuk memupuk penglibatan yang bermakna dengan calon berpotensi mengenai peluang kerjaya dalam organisasi kami</p> <ul style="list-style-type: none"> <li>Displayed job openings, internships, graduate programs, and other career opportunities available within the organization.</li> <li>Engaged in networking with attendees to establish connections and build relationships.</li> <li>Promoted SME Bank's brand by showcasing our values, culture, mission, and achievements.</li> <li>Reviewed resumes, conducted on-the-spot interviews, and assessed candidates' qualifications and skills.</li> </ul> <p>We initiated a collaborative effort with the event organizer to secure a dedicated booth space for SME Bank, aimed at fostering meaningful engagement with potential candidates regarding career opportunities within our organization</p>
<b>Rakan Strategik/ Jabatan terlibat</b> <b>Strategic Partners/Dept. involved</b>	<p><u>Luaran</u></p> <ol style="list-style-type: none"> <li>GRADUAN</li> <li>Unit Kerjaya dan Kaunseling - UiTM Cawangan Selangor</li> <li>Perkhidmatan Kerjaya &amp; Alumni, Universiti Curtin</li> <li>Pusat Perkhidmatan Alumni &amp; Kerjaya, Universiti Kuala Lumpur</li> <li>PERKESO</li> </ol> <p><u>Dalam</u></p> <ol style="list-style-type: none"> <li>Jabatan Strategi Korporat Kumpulan</li> </ol> <p>Peranan kami adalah untuk terlibat, mengambil bahagian dan bekerjasama dengan rakan strategik kami untuk memastikan kejayaan acara dengan tujuan meningkatkan keterlihatan jenama SME Bank dan merekrut bakat yang betul. Peranan rakan strategik kami adalah untuk mewujudkan platform untuk majikan mengambil bahagian dalam acara tersebut, memberi peluang kepada pencari kerja, graduan dan pelajar Malaysia untuk berhubung dengan bakal majikan dan mendapat pendedahan berharga kepada prospek pekerjaan</p>

### 4. Modal Insan Kumpulan/Group Human Capital



Pameran Kerjaya/Career Fair	
<b>Rakan Strategik/ Jabatan terlibat</b> <b>Strategic Partners/Dept. involved</b>	<p><u>External</u></p> <ol style="list-style-type: none"> <li>GRADUAN</li> <li>Career and Counseling Unit - UiTM Cawangan Selangor</li> <li>Career &amp; Alumni Services, Curtin University</li> <li>Centre for Alumni &amp; Career Services, Universiti Kuala Lumpur</li> <li>PERKESO</li> </ol> <p><u>Internal</u></p> <ol style="list-style-type: none"> <li>Group Corporate Strategy division</li> </ol> <p>Our role was to engage, participate, and collaborate with our strategic partners to ensure the success of the event with the aim of enhancing SME Bank's brand visibility and recruiting the right talent. Our strategic partners role was to establish a platform for employers to participate in the event, providing opportunities for Malaysian job seekers, graduates, and students to connect with potential employers and gain valuable exposure to employment prospects</p>
<b>Impak</b> <b>Impact</b>	<p>Mencapai naib juara ke-2 bagi Majikan Pilihan Terbaik untuk Bekerja Untuk 2024 di bawah Kategori Perbankan Pembangunan oleh Talentbank.</p> <p>Achieved 2nd runner up for Best Employer of Choice to Work For 2024 under Development Banking Category by Talentbank.</p>

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#### Program Pembinaan Kerjaya/Career Building Programme

1

Minggu Kerjaya, Fakulti Ekonomi & Perniagaan UKM  
Career Week, Faculty Economics & Business UKM



2

SMEBank X UNISZA – Ceramah Kerjaya & pra temu duga  
SMEBank X UNISZA – Career Talk & Mock Interview



3

Ceramah Kerjaya SME Bank: Tip Menulis Resume & Temu duga, UUM  
SME Bank Career Talk: Resume Writing & Interview Tips, UUM



### 4. Modal Insan Kumpulan/Group Human Capital



#### Program Pembinaan Kerjaya/Career Building Programme

4

Bengkel Persediaan Kerjaya INTI & Siri Ceramah Kepimpinan oleh GCHCO SME Bank  
INTI Career Preparation Workshop & Leadership Talk Series by GCHCO SME Bank



5

Bengkel Kerjaya Curtin  
Curtin Career Workshop



6

Berkongsi Ilmu dengan pelajar UNIKL oleh GCHCO SME Bank  
Sharing Knowledge with UNIKL students by GCHCO SME Bank



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### 4. Modal Insan Kumpulan/Group Human Capital



Program Pembinaan Kerjaya/Career Building Programme	
<b>Tentang About</b>	<p><b>Minggu Kerjaya, Fakulti Ekonomi &amp; Perniagaan UKM</b> Program Minggu Kerjaya ini merupakan program tahunan 4 hari Fakulti Ekonomi dan Pengurusan yang dianjurkan oleh Exco Jaringan Luar dan Korporat Persatuan Mahasiswa Fakulti Ekonomi dan Hal Ehwal Jaringan Industri &amp; Masyarakat dan banyak persatuan lain. Program ini bertujuan untuk menyediakan pelajar untuk dunia pekerjaan.</p> <p><b>SMEBank X UNISZA: Ceramah Kerjaya dan Pra Temu duga</b> Program ceramah kerjaya ini dianjurkan oleh Pusat Kerjaya, Teknousahwan dan Jaringan Pintar (PaKaT), dan UNISZA dan bertujuan untuk melengkapkan pelajar dengan pengetahuan tentang cara menulis resume dan apa yang perlu dilakukan untuk temu duga kerja. Penceramah untuk ceramah kerjaya ini ialah Ketua Pembangunan Rakyat dan Pengarah Serantau Pusat Wilayah Pantai Timur.</p> <p><b>Ceramah Kerjaya SME Bank: Tip Menulis Resume Menulis dan Temu duga, UUM</b> Program ceramah kerjaya ini dianjurkan oleh Inapan Siswa SME Bank, UUM, dan bertujuan Untuk melengkapkan pelajar dengan pengetahuan tentang cara menulis resume dan perkara yang perlu dilakukan untuk temu duga kerja. Penceramah untuk ceramah kerjaya ini adalah daripada Ketua, Pembangunan Organisasi.</p> <p><b>Bengkel Persediaan Kerjaya INTI dan Siri Ceramah Kepimpinan oleh GCHCO SME Bank</b> Program ceramah kerjaya ini dianjurkan oleh Perkhidmatan Kerjaya di Kolej Antarabangsa INTI Subang dan bertujuan untuk melengkapkan pelajar dengan pengetahuan tentang cara membina diri mereka semasa mereka menjadi pelajar, cara menulis resume, dan apa yang perlu dilakukan untuk temu duga kerja. Penceramah untuk ceramah kerjaya ini ialah Ketua Pegawai Modal Insan Kumpulan dan Ketua, Kepimpinan dan Pembangunan Keupayaan.</p> <p><b>Bengkel Kerjaya Curtin</b> Program ceramah kerjaya ini dianjurkan oleh Perkhidmatan Kerjaya &amp; Alumni di Universiti Curtin dan bertujuan untuk melengkapkan pelajar tentang cara menjenamakan diri mereka kepada bakal majikan mereka. Penceramah untuk ceramah kerjaya ini ialah Ketua, Kepimpinan, dan Pembangunan Keupayaan.</p> <p><b>Berkongsi ilmu dengan pelajar UNIKL oleh GCHCO SME Bank</b> Program ceramah kerjaya ini dianjurkan oleh Pusat Perkhidmatan Alumni dan Kerjaya di UNIKL dan bertujuan untuk melengkapkan pelajar tentang cara membina diri mereka semasa mereka menjadi pelajar.</p>

### 4. Modal Insan Kumpulan/Group Human Capital



Program Pembinaan Kerjaya/Career Building Programme	
<b>Tentang About</b>	<p><b>Career Week, Faculty Economics &amp; Business UKM</b> This Career Week program is a 4-day annual program of the Faculty of Economics and Management, which is organized by the Exco Jaringan Luar dan Korporat Persatuan Mahasiswa Fakulti Ekonomi dan Hal Ehwal Jaringan Industri &amp; Masyarakat and many other associations. The program is aimed at preparing students for the world of employment.</p> <p><b>SMEBank X UNISZA: Career Talk and Mock Interview</b> This career talk program was organized by the Pusat Kerjaya, Teknousahwan dan Jaringan Pintar (PaKaT), and UNISZA and aimed to equip students with knowledge on how to write a resume and what to do for a job interview. The speakers for this career talk were the Head of People Development and Regional Director of the East Coast Regional Centre.</p> <p><b>SME Bank Career Talk: Resume Writing and Interview Tips, UUM</b> This career talk program was organized by Inapan Siswa SME Bank, UUM, and aimed to equip students with knowledge on how to write a resume and what to do for a job interview. The speakers for this career talk were from Head, Organization Development.</p> <p><b>INTI Career Preparation Workshop and Leadership Talk Series by GCHCO SME Bank</b> This career talk program was organized by Career Services at INTI International College Subang and aimed to equip students with knowledge on how to build themselves during their time as students, how to write a resume, and what to do for a job interview. The speakers for this career talk were Group Chief Human Capital Officer and Head, Leadership and Capability Development.</p> <p><b>Curtin Career Workshop</b> This career talk program was organized by Career &amp; Alumni Services at Curtin University and aimed to equip students on how to brand themselves to their potential employers. The speakers for this career talk were Head, Leadership, and Capability Development.</p> <p><b>Sharing knowledge with UNIKL students by GCHCO SME Bank</b> This career talk program was organized by the Center for Alumni and Career Services at UNIKL and aimed to equip students on how to build themselves during their time as students.</p>
<b>Objektif Objective</b>	<p>Objektif program ini adalah untuk meningkatkan reputasi SME Bank sebagai majikan yang menarik dalam pasaran kerja dan berkongsi pengetahuan dan Tip dengan pelajar mengenai prospek pekerjaan terkini untuk melengkapkan mereka sebelum mereka menyertai tenaga kerja</p> <p>The objective of the program is to enhance SME Bank's reputation as an attractive employer in the job market and to share knowledge and tips with students regarding the latest employment prospects to equip them before they join the workforce</p>

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Program Pembinaan Kerjaya/Career Building Programme	
<b>Aktiviti/Inisiatif yang dijalankan</b> <b>Activities/ Initiatives conducted</b>	<ul style="list-style-type: none"> <li>Bengkel Penyediaan Curriculum Vitae (CV)</li> <li>Bengkel Penilaian Curriculum Vitae (CV)</li> <li>Tip Temu duga &amp; Bengkel Persediaan</li> <li>Sesi Pra Temu duga</li> <li>Sesi soal jawab</li> <li>Sesi Kahoot</li> <li>Sesi perkongsian dengan Jurubank Kanan (UKM dan UNISZA sahaja)</li> <li>Sesi Perkongsian dengan Bakat Graduan (UKM sahaja)</li> <li>Ceramah Kerjaya - Bina C Anda &amp; Kekal Relevan oleh GCHCO (INTI &amp; UNIKL sahaja)</li> <li>Sesi meja bulat dengan 10 pelajar INTI terbaik (INTI sahaja)</li> </ul> <p>Kami terlibat dan bekerjasama dengan Jabatan Perkhidmatan Kerjaya Universiti masing-masing untuk menjalankan sesi libat urus dengan pelajar universiti.</p> <ul style="list-style-type: none"> <li>Curriculum Vitae Preparation Workshop</li> <li>Curriculum Vitae Evaluation Workshop</li> <li>Interview Tips &amp; Preparation Workshop</li> <li>Mock Interview Session</li> <li>Q&amp;A session</li> <li>Kahoot session</li> <li>Sharing session with Senior Bankers (UKM and UNISZA only)</li> <li>Sharing Session with Graduate Talents (UKM only)</li> <li>Career Talk - Build Your C's &amp; Stay Relevant by GCHCO (INTI &amp; UNIKL only)</li> <li>Roundtable session with Top 10 INTI students (INTI only)</li> </ul> <p>We engaged and collaborated with the respective University Career Services Department to conduct an engagement session with the university students.</p>

## 4. Modal Insan Kumpulan/Group Human Capital



Program Pembinaan Kerjaya/Career Building Programme	
<b>Rakan Strategik/ Jabatan terlibat Strategic Partners/Dept. involved</b>	<p><u>Luaran</u></p> <ol style="list-style-type: none"> <li>Fakulti Ekonomi &amp; Perniagaan, UKM</li> <li>Pusat Kerjaya, Teknousahwan dan Jaringan Pintar (PaKaT), UNISZA</li> <li>Bank SME Inapan Siswa, UUM</li> <li>Perkhidmatan Kerjaya, Kolej Antarabangsa INTI Subang</li> <li>Perkhidmatan Kerjaya &amp; Alumni, Universiti Curtin</li> <li>Pusat Perkhidmatan Alumni &amp; Kerjaya, UNIKL</li> </ol> <p><u>Dalaman</u></p> <ol style="list-style-type: none"> <li>Bahagian Perniagaan</li> <li>Bahagian Strategi Korporat Kumpulan</li> </ol> <p>Peranan kami adalah untuk melibatkan diri dan bekerjasama dengan rakan strategik kami untuk memastikan kejayaan acara ini, dengan tujuan untuk meningkatkan keterlihatan jenama SME Bank dan berkongsi kepakaran kami dengan pelajar Malaysia mengenai prospek pekerjaan terkini untuk melengkapkan mereka dengan pengetahuan sebelum menyertai tenaga kerja. Peranan rakan strategik kami adalah untuk mewujudkan platform untuk majikan menjalankan ceramah kerjaya atau sesi perkongsian pengetahuan dengan pelajar.</p> <p><u>External</u></p> <ol style="list-style-type: none"> <li>Fakulti Ekonomi &amp; Perniagaan, UKM</li> <li>Pusat Kerjaya, Teknousahwan dan Jaringan Pintar (PaKaT), UNISZA</li> <li>Inapan Siswa SME Bank, UUM</li> <li>Career Services, INTI International College Subang</li> <li>Career &amp; Alumni Services, Curtin University</li> <li>Centre for Alumni &amp; Career Services, UNIKL</li> </ol> <p><u>Internal</u></p> <ol style="list-style-type: none"> <li>Business Division</li> <li>Group Corporate Strategy division</li> </ol> <p>Our role was to engage and collaborate with our strategic partners to ensure the success of the event, with the aim of enhancing SME Bank's brand visibility and sharing our expertise with Malaysian students on the latest employment prospects to equip them with knowledge before joining the workforce. Our strategic partners' role was to establish a platform for employers to conduct career talks or knowledge sharing sessions with the students.</p>
<b>Impak Impact</b>	<p>Mencapai naib juara ke-2 bagi Majikan Pilihan Terbaik untuk Bekerja Untuk 2024 di bawah Kategori Perbankan Pembangunan oleh Talentbank.</p> <p>Achieved 2nd runner up for Best Employer of Choice to Work For 2024 under Development Banking Category by Talentbank.</p>

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### Penyertaan Anugerah GHCM/GHCM Award Participation

1

Minggu Kerjaya, Fakulti Ekonomi & Perniagaan UKM  
Career Week, Faculty Economics & Business UKM



2

SMEBank X UNISZA – Ceramah Kerjaya & Pra Temu duga  
SMEBank X UNISZA – Career Talk & Mock Interview



## 4. Modal Insan Kumpulan/Group Human Capital



### Penyertaan Anugerah GHCM/GHCM Award Participation

**Tentang**  
**About**

**Anugerah LIFE AT WORK oleh TalentCorp**

Anugerah LIFE AT WORK (LAWA) ialah acara tahunan oleh TalentCorp, untuk meraikan majikan dengan strategi tempat kerja progresif yang menunjukkan komitmen mereka terhadap agenda Kepelbagaian, Ekuiti & Kemasukan (DEI) selaras dengan tuntutan Masa Depan Kerja, Tempat Kerja dan Tenaga Kerja.

**Anugerah Pilihan Graduan oleh Talentbank**

Anugerah Pilihan Graduan (GCA) adalah Anugerah Penjenamaan Majikan Siswazah Paling Berwibawa di Malaysia, dengan keputusan 100% ditentukan oleh undian pelajar universiti di seluruh negara. Pada tahun 2023, SME Bank menyertai buat kali pertama dan memenangi naib juara 2 bagi Pilihan Graduan Majikan di bawah kategori Perbankan Pembangunan.

**LIFE AT WORK Award by TalentCorp**

The LIFE AT WORK Awards (LAWA) is an annual event by TalentCorp, to celebrate employers with progressive workplace strategies that demonstrate their commitment to the Diversity, Equity & Inclusion (DEI) agenda in line with the demands of the Future of Work, Workplace, and Workforce.

**Graduate's Choice Award by Talentbank**

The Graduates' Choice Award (GCA) is Malaysia's Most Authoritative Graduate Employer Branding Award, with the result 100% determined by the votes of university students nationwide. In 2023, SME Bank joined for the first time ever and won 2nd runner up for Graduate's Choice of Employer under Development Banking category.

**Objektif**  
**Objective**

Objektif program ini adalah untuk meningkatkan reputasi SME Bank sebagai majikan yang menarik dalam pasaran kerja.

The objective of the program is to enhance SME Bank's reputation as an attractive employer in the job market.



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Penyertaan Anugerah GHCM/GHCM Award Participation	
<b>Aktiviti/Inisiatif yang dijalankan</b> Activities/ Initiatives conducted	<p><b>Anugerah LifeatWork oleh TalentCorp</b> SME Bank telah melalui penyerahan penulisan dan disenarai pendek untuk 4 kategori untuk sesi pitching iaitu seperti berikut:</p> <ul style="list-style-type: none"> <li>• Pertubuhan Awam Terbaik</li> <li>• Juara Ketua Pegawai Eksekutif</li> <li>• Juara CHRO</li> <li>• HR Muda yang Menjanjikan</li> </ul> <p><b>LifeatWork Award by TalentCorp</b> SME Bank's went through write up submission and shortlisted for 4 categories for pitching session which is the followings:</p> <ul style="list-style-type: none"> <li>• Best Public Organization</li> <li>• CEO Champion</li> <li>• CHRO Champion</li> <li>• Promising Young HR</li> </ul>
<b>Rakan Strategik/ Jabatan terlibat</b> Strategic Partners/Dept. involved	<p><u>Luaran</u> 1) Perbadanan Bakat 2) Bank Bakat</p> <p><u>Dalaman</u> 1) Bahagian Strategi Korporat Kumpulan</p> <p><u>External</u> 1) Talent Corporation 2) Talentbank</p> <p><u>Internal</u> 1) Group Corporate Strategy division</p>
<b>Impak</b> Impact	<p>SME Bank memenangi naib juara 2 bagi Pilihan Graduan Majikan di bawah kategori Perbankan Pembangunan. SME Bank won 2nd runner up for Graduate's Choice of Employer under Development Banking category.</p>

### 4. Modal Insan Kumpulan/Group Human Capital



Pensijilan *Train-the-Trainer*/Train-the-Trainer Certification

Pensijilan <i>Train-the-Trainer</i> /Train-the-Trainer Certification	
<b>Tentang</b> About	<p>Selaras dengan komitmen SME Bank untuk meningkatkan kemahiran pekerjaannya dan sejajar dengan matlamat Bank untuk terus meningkatkan keupayaan dan kapasiti manusia, PD telah memulakan Program Pensijilan Train-the-Trainer pada Mac 2023. Seramai 18 peserta berjaya menamatkan program dan mendapat pensijilan mereka. Inisiatif ini didorong oleh keperluan pekerja untuk memindahkan pengetahuan dan kemahiran kepada orang lain. Bagi menyokong perkara di atas, PD mencadangkan dan melaksanakan untuk melancarkan program pensijilan tersebut.</p> <p>In line with SME Bank's commitment to enhancing the skills of its employees and aligning with the Bank's goal of continually improving human capabilities and capacity, PD initiated Train-the-Trainer Certification Programme in March 2023. A total of 18 participants successfully completed the programme and obtained their certification. This initiative was driven by the need for employees to transfer knowledge and skills to others. To support the above, PD proposed and implemented to roll out the said certification programme.</p>
<b>Objektif</b> Objective	<p>Menyampaikan sesi pembelajaran yang berkesan dan menawan bukan sekadar melantik seseorang untuk memudahkan sesi tersebut. Malah, seseorang perlu menjadi pakar subjek serta dilengkapi dengan set kemahiran dan teknik yang betul untuk menyampaikan sesi yang berkesan. Selain itu, program ini juga bertujuan untuk melahirkan jurulatih yang cekap dan yakin yang boleh memindahkan pengetahuan dan kemahiran dengan berkesan kepada orang lain, menyumbang kepada kejayaan keseluruhan program latihan di Bank.</p> <p>Delivering an effective and captivating learning session is not simply about appointing someone to facilitate the session. In fact, one needs to be a subject matter expert as well as equipped with the right set of skills and techniques in order to deliver an effective session. Additionally, this programme is also aimed to create competent and confident trainers who can effectively transfer knowledge and skills to others, contributing to the overall success of training programmes in the Bank.</p>

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Pensijilan <i>Train-the-Trainer</i> /Train-the-Trainer Certification	
<b>Aktiviti/Inisiatif yang dijalankan</b> Activities/ Initiatives conducted	Program pensijilan ini diadakan secara fizikal. Dari segi metodologi program, peserta dikehendaki banyak terlibat dalam aktiviti kumpulan, simulasi, dan permainan pembelajaran. This certification programme was held physically. In terms of programme methodologies, participants were required to be heavily involved in group activities, simulations, and learning games.
<b>Rakan Strategik/Jabatan terlibat</b> Strategic Partners/Dept. involved	Tiada Nil
<b>Impak</b> Impact	Seramai 18 orang peserta dari bahagian-bahagian berikut telah berjaya memperoleh pensijilan TTT mereka: <ul style="list-style-type: none"> <li>- Operasi</li> <li>- Risiko Kumpulan</li> <li>- Pejabat GPCEO</li> <li>- Pematuhan Kumpulan</li> </ul> <p>A total of 18 participants from the following divisions have successfully obtained their TTT certification:</p> <ul style="list-style-type: none"> <li>- Operations</li> <li>- Group Risk</li> <li>- GPCEO's Office</li> <li>- Group Compliance</li> </ul>

### 4. Modal Insan Kumpulan/Group Human Capital



#### Program Perhubungan Pelatih Pengurusan/Relationship Management Trainee Programme (RMT)



#### Program Perhubungan Pelatih Pengurusan (RMT)/Relationship Management Trainee Programme (RMT)

<b>Tentang</b> About	<ul style="list-style-type: none"> <li>• Pengurusan Perhubungan (RM) bertanggungjawab untuk menyediakan pakej pembiayaan kepada pelanggan dan pada masa yang sama RM juga bertanggungjawab untuk menyediakan nasihat kewangan dan bukan kewangan kepada pelanggan, serta pihak berkepentingan Bank.</li> <li>• Memandangkan persaingan sengit dalam industri perbankan untuk mendapatkan perkhidmatan kakitangan yang menjalankan peranan RM, Program Pelatih Pengurusan Perhubungan Eksekutif (RMTP) direka untuk menyediakan RM baharu (graduan baharu) dengan kemahiran dan pengetahuan teknikal yang penting.</li> <li>• The Relationship Managements (RMs) are responsible for providing financing packages to the customers and at the same time the RMs are also responsible for providing both financial and non-financial advisory to the customers, as well as the Bank's stakeholders.</li> <li>• In view of stiff competition in the banking industry to secure the service of personnel performing the role of RM, therefore, the Executive Relationship Management Trainee Programme (RMTP) is designed to provide the new RMs (fresh graduates) with the essential technical skills and knowledge.</li> </ul>
<b>Objektif</b> Objective	<ul style="list-style-type: none"> <li>• Mengisi kekosongan jawatan Pengurusan Perhubungan (RM)</li> <li>• Menghantar pekerja baharu yang;                     <ul style="list-style-type: none"> <li>- Seajar dengan tumpuan, peranan dan mandat pembiayaan SME Bank</li> <li>- Memiliki kemahiran asas teknikal dan fungsi untuk melaksanakan fungsi RM</li> </ul> </li> <li>• Menyediakan kumpulan bakat peringkat permulaan yang bersedia untuk mobilisasi merentasi rangkaian Bahagian Perniagaan.</li> <li>• Filling-up the vacancies of Relationship Management position (RM)</li> <li>• Delivering fresh hires who are;                     <ul style="list-style-type: none"> <li>- Aligned to SME Bank's financing focus, roles, and mandates.</li> <li>- In possession of basic technical and functional skills to perform the RM function</li> </ul> </li> <li>• Preparing a pool of entry-level talents ready for mobilization across Business Division's networks.</li> </ul>

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#### Program Perhubungan Pelatih Pengurusan (RMT)/Relationship Management Trainee Programme (RMT)

##### Aktiviti/Inisiatif yang dijalankan Activities/Initiatives conducted

- Latihan dilakukan secara bersemuka dengan jurulatih dalaman dan luaran, dan dalam talian melalui sistem Pengurusan Pembelajaran (LMS).
- SEBELAS (11) orang Pelatih Graduan Pengurusan Perhubungan baharu telah menghadiri program ini. Sepanjang program satu (1) bulan ini, Pengurusan Perhubungan baharu Pelatih (RM) telah didedahkan kepada modul COB dan modul NCPU berikut:
- Training was done via face-to-face with internal and external trainers, and online via Learning Management system (LMS).
- ELEVEN (11) new Relationship Management Graduate Trainees attended the programme. During the 1-month programme, the new Relationship Management (RM) trainees have been exposed to the COB modules and the following NCPU modules:

##### Modul Kredit Semasa Suai Tugas (COB):

##### Credit On Boarding (COB) Modules:

Modules / Topics	Trainer	Division
1 Peranan SME Bank & Mandat SME Bank Roles & Mandates	Abd Karim Ahmad	Pengurusan Modal Insan Kumpulan Group Human Capital Management
2 Polisi Kredit Policies of Credit Polisi Kredit Penajaan Jamin Credit Underwriting Policy	Asmayuzi Ismail	Risiko Kumpulan Group Risk
3 Cadangan & Templat Kredit Credit Proposals & Templates	Syahrul Fitri Zakaria	Peniagaan Business
4 Proses Penilaian Kredit Credit Evaluation Process	Fahizi Ibrahim Norsiah Hasran	Kredit Credit
5 Semakan & Pengurusan Akaun Account Review & Management	Hidayati Afida Abdullah Mazura Mohammed	Peniagaan Business

### 4. Modal Insan Kumpulan/Group Human Capital



#### Program Perhubungan Pelatih Pengurusan (RMT)/Relationship Management Trainee Programme (RMT)

##### Aktiviti/Inisiatif yang dijalankan Activities/Initiatives conducted

##### Modul Kuasa Kredit Baharu (NCPU): New Credit Power Up (NCPU) Modules:

Modules / Topics	Mode	Trainer
1 Sistem Kewangan Malaysia The Malaysian Financial System	Fizikal/Bilik Darjah Physical / Classroom	Dalaman Internal Abd. Karim Ahmad
2 Prinsip Pembiayaan Principles of Financing	Fizikal/Bilik Darjah Physical / Classroom	Dalaman Internal Mohd Zaini Mohd Yusoff
3 Penilaian Risiko Kredit 5C The 5C's of Credit Risk Assessment	Fizikal/Bilik Darjah Physical / Classroom	Dalaman Internal Zulkarnain Othman
4 Rangka Kerja CAMPARI CAMPARI Framework	Fizikal/Bilik Darjah Physical / Classroom	Dalaman Internal Azmir Ahmad
5 Peminjam dan Status Undang-undang Borrowers and Their Legal Status	Fizikal/Bilik Darjah Physical / Classroom	Dalaman Internal Noor Azimah Ya'cob
6 Maklumat Kredit dan Pengesahan Credit Information & Verification	Fizikal/Bilik Darjah Physical / Classroom	Dalaman Internal
7 Prinsip Syariah Shariah Principles	Fizikal/Bilik Darjah Physical / Classroom	Dalaman Internal
8 Produk & Program Product & Programme	Fizikal/Bilik Darjah Physical / Classroom	Dalaman Internal

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**Program Perhubungan Pelatih Pengurusan (RMT)/Relationship Management Trainee Programme (RMT)**

**Aktiviti/Inisiatif yang dijalankan**  
**Activities/ Initiatives conducted**

**Modul Kuasa Kredit Baharu (NCPU):**  
**New Credit Power Up (NCPU) Modules:**

Modules / Topics	Mode		Trainer
9 Pakej Perkhidmatan Facility Packaging	Fizikal/Bilik Darjah Physical / Classroom	Dalaman Internal	Mohd Faisal Abu Bakar
10 Kemahiran Penulisan Kredit Credit Writing Skills	Webinar Webinar	Luaran External	Symphony Digest
Tip Analisis Kewangan Tips on Financial Analysis	Webinar Webinar	Luaran External	
11 Prinsip Perakaunan Am & Polisi General Accounting Principles & Policies	Fizikal/Bilik Darjah Physical / Classroom	Luaran External	
12 Pemahaman Penyata Kewangan Understanding Financial Statements	Fizikal/Bilik Darjah Physical / Classroom	Luaran External	
13 Analisis Kuantitatif Penyata Kewangan Quantitative Analysis of Financial Statements	Fizikal/Bilik Darjah Physical / Classroom	Luaran External	Mercatus Consultancy
14 Analisis Kuantitatif Penyata Kewangan Qualitative Analysis of Financial Statements	Fizikal/Bilik Darjah Physical / Classroom	Luaran External	
15 Kemahiran Penulisan Kredit Credit Writing Skills	Fizikal/Bilik Darjah Physical / Classroom	Dalaman Internal	
16 Sistem Perbankan Teras Core Banking System (CBS)	Fizikal/Bilik Darjah Physical / Classroom	Dalaman Internal	Che Zaki Che Ahmad

## 4. Modal Insan Kumpulan/Group Human Capital



**Program Perhubungan Pelatih Pengurusan (RMT)/Relationship Management Trainee Programme (RMT)**

**Aktiviti/Inisiatif yang dijalankan**  
**Activities/ Initiatives conducted**

**Modul Kuasa Kredit Baharu (NCPU):**  
**New Credit Power Up (NCPU) Modules:**

Selain daripada perkara di atas, pelatih juga dilatih mengenai topik berikut:  
Apart from the above, the trainees were also trained on the following topics:

No.	Topic	Trainer
1	Pengenalan ESG Introduction to ESG	Nanthakumaran Thankamony
2	Kemahiran Penulisan E-mel Efektif Effective Email Writing Skills	Rafidah Hassan
3	Perkongsian Ilmu Knowledge Sharing:	
	a. Pengurusan Pihak Bekepentingan a. Stakeholder Management	Mohd Midzhar Osman
	b. Kontrak Kewangan b. Contract Financing	Azizul Akhbar Abdul Aziz
	c. Pembiayaan Khusus c. Specialized Financing	Mohd Azizan Roslam
	d. Tip tugas harian sebagai RM (Risk Manager) - Pengurus Risiko d. Tips on Daily Job as RM	Muhd Ikhwan Zainal Abidin & Nazmi Kamal Leang

Selain daripada perkara di atas, pelatih juga dilatih mengenai topik berikut:  
Apart from the above, the trainees were also trained on the following topics:

No.	Topic
4	a. Konsep Asas Perakaunan untuk Profesional Bukan Kewangan b. Membina Hubungan dalam Pengurusan c. Etika Perniagaan d. Strategi Perniagaan - Memahami Analisis SWOT e. Komunikasi, Pengaruh, dan Pasukan f. Membangunkan Strategi Komunikasi yang Berkesan g. Perbualan Sukar h. Kepimpinan Empati i. Nisbah Kewangan j. Penetapan Matlamat: Lebih BIJAK dengan Matlamat k. Meningkatkan Budaya Syarikat l. Mentafsir Laporan Kewangan dan Akaun m. Memimpin Perubahan Organisasi n. Menguruskan Perkhidmatan Pelanggan Dalaman o. Pembentuk - Mewujudkan Hubungan Kerja Positif - Membangunkan Kerja Berpasukan p. Membuka Kreativiti Peribadi dan Pasukan

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## ADVANCING A SUSTAINABLE FUTURE THROUGH CREATION OF SOCIAL IMPACT

### 4. Modal Insan Kumpulan/Group Human Capital



Program Perhubungan Pelatih Pengurusan (RMT)/Relationship Management Trainee Programme (RMT)					
<b>Aktiviti/Inisiatif yang dijalankan</b> Activities/ Initiatives conducted	<table border="1"> <thead> <tr> <th>No.</th> <th>Topic</th> </tr> </thead> <tbody> <tr> <td>4</td> <td>                     a. Basic Accounting Concepts for Non-Financial Professionals                      b. Building Relationships in Management                      c. Business Etiquette                      d. Business Strategy - Understanding SWOT Analysis                      e. Communication, Influence, and Teams                      f. Developing an Effective Communications Strategy                      g. Difficult Conversation                      h. Empathetic Leadership                      i. Financial Ratios                      j. Goal Setting: Get SMARTER with Goals                      k. Improve Company Culture                      l. Interpreting Financial Reports and Accounts                      m. Leading Organizational Change                      n. Managing Internal Customer Service                      o. Shapers - Creating Positive Working Relationships - Developing Teamwork                      p. Unleashing Personal and Team Creativity                 </td> </tr> </tbody> </table>	No.	Topic	4	a. Basic Accounting Concepts for Non-Financial Professionals b. Building Relationships in Management c. Business Etiquette d. Business Strategy - Understanding SWOT Analysis e. Communication, Influence, and Teams f. Developing an Effective Communications Strategy g. Difficult Conversation h. Empathetic Leadership i. Financial Ratios j. Goal Setting: Get SMARTER with Goals k. Improve Company Culture l. Interpreting Financial Reports and Accounts m. Leading Organizational Change n. Managing Internal Customer Service o. Shapers - Creating Positive Working Relationships - Developing Teamwork p. Unleashing Personal and Team Creativity
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<b>Rakan Strategik/Jabatan terlibat</b> Strategic Partners/Dept. involved	<ul style="list-style-type: none"> <li>Dalam kapasiti kami sebagai pemilik dan penganjur projek, Pembangunan Kredit, PD telah memupuk kerjasama merentasi pelbagai bahagian, termasuk Perniagaan, Risiko, Syariah, Strategi Korporat, Kredit, Kewangan dan Operasi.</li> <li>Selain itu, untuk kepakaran latihan luaran, Pembangunan Kredit, PD telah bekerjasama dengan Symphony Digest untuk menyampaikan webinar mengenai Kemahiran Penulisan Kredit dan melibatkan Mercatus Consultancy untuk sesi latihan yang tertumpu pada Analisis Penyata Kewangan, serta Analisis Kuantitatif dan Kualitatif.</li> <li>In our capacity as both project owner and organizer, Credit Development, PD has fostered collaborations across multiple divisions, including Business, Risk, Shariah, Corporate Strategy, Credit, Finance, and Operations.</li> <li>Additionally, for external training expertise, Credit Development, PD has partnered with Symphony Digest to deliver a webinar on Credit Writing Skills and engaged Mercatus Consultancy for training sessions focused on Financial Statement Analysis, as well as Quantitative and Qualitative Analysis.</li> </ul>				
<b>Impak</b> Impact	<p>RMT bersedia dari segi kesediaan untuk meneroka dan menyumbang kepada pekerjaan sebenar.</p> <p>The RMT are well-prepared in terms of readiness to explore and contribute to the real job.</p>				

### 4. Modal Insan Kumpulan/Group Human Capital



#### Rangka Kerja Program Pembangunan Kredit/Credit Development Programme Framework



Rangka Kerja Program Pembangunan Kredit/Credit Development Programme Framework	
<b>Tentang</b> About	<ul style="list-style-type: none"> <li>Rangka Kerja Program Pembangunan Kredit (CDP) diperkenalkan untuk menyegerakkan inisiatif pembangunan kredit dalam kalangkakitangan berkaitan kredit di Bank. Rangka Kerja CDP juga menyediakan strategi dan pelan tindakan untuk meningkatkan tahap kecekapan kredit, serta pensijilan dalaman dan profesional untuk kakitangan yang disasarkan.</li> <li>Rangka kerja CDP baharu memberi tumpuan kepada melengkapkan pegawai berkaitan kredit kami dengan pensijilan kredit yang berkaitan, di mana kami melibatkan Institut Perbankan Bertauliah Asia (AICB) untuk program Pensijilan Kredit Profesional mereka, serta dengan <i>Moody's Analytics</i>.</li> <li>The Credit Development Programme (CDP) Framework is introduced to synchronize credit development initiatives among the credit related personnel in the Bank. The CDP Framework also provides strategies and action plans to raise the level of credit competency, plus internal and professional certifications for the targeted personnel.</li> <li>The new CDP framework focuses on equipping our credit related officers with the relevant credit certifications, where we are engaging Asian Institute of Chartered Bankers (AICB) for their Professional Credit Certification programme, as well as with <i>Moody's Analytics</i>.</li> </ul>
<b>Objektif</b> Objective	<p>Pensijilan Kredit Profesional bertujuan untuk melahirkan profesional kredit yang mampu:</p> <ul style="list-style-type: none"> <li>Pamerkan pemahaman yang kukuh tentang prinsip pengurusan kredit dan menjalankan peranan dan tanggungjawab kredit lanjutan dalam proses pengurusan kredit hujung ke hujung.</li> <li>Memohon dan mengurus tugas-tugas kredit yang luas, termasuk pengurusan akaun dan analisis penyata kewangan, dalam aktiviti perkhidmatan perniagaan sehari-hari; Dan</li> <li>Menilai dan menyelesaikan tugas kredit yang kompleks dalam pelbagai situasi yang kompleks untuk meningkatkan prestasi perkhidmatan perbankan dan mengekalkan kedudukan kredit yang baik untuk pelanggan.</li> </ul> <p>Professional Credit Certification aims to produce credit professionals who are able to:</p> <ul style="list-style-type: none"> <li>Display a sound understanding of credit management principles and undertake the advanced credit roles and responsibilities of an end-to-end credit management process.</li> <li>Apply and manage broad credit tasks, including accounts management and financial statement analysis, in day-to-day business service activities; and</li> <li>Evaluate and resolve complex credit tasks within a range of complex situations to improve the performance of banking services and maintain good credit standings for clients.</li> </ul>

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Rangka Kerja Program Pembangunan Kredit/Credit Development Programme Framework	
<b>Aktiviti/Inisiatif yang dijalankan</b> Activities/ Initiatives conducted	<p>Penerima inisiatif ini adalah kakitangan yang terlibat dalam hal ehwal kredit di dalam Bahagian Kredit dan Perniagaan. Pasukan Pembangunan Kredit, PD telah menganjurkan sesi maklumat mengenai pendaftaran, dalam talian dan secara bersemuka. Peserta amat digalakkan untuk mengambil inisiatif dalam memilih latihan atau bengkel yang mereka inginkan melalui Portal Ahli AICB untuk tujuan pensijilan. Sesi latihan ini, sama ada dijalankan secara maya atau secara peribadi, ditadbir oleh AICB. Memandangkan Bank menaja pendaftaran pensijilan, kemajuan peserta dipantau secara berterusan sepanjang tempoh kelayakan.</p> <p>The intended recipients of this initiative are personnel involved in credit affairs within the Credit and Business Division. The Credit Development, PD team has organized informational sessions on enrollment, both online and in-person. Participants are strongly urged to take the initiative in selecting their desired training or workshop through the AICB Member Portal for certification purposes. These training sessions, whether conducted virtually or in person, are administered by AICB. As the Bank is sponsoring the certification enrollment, participants' progress is monitored continuously throughout the qualification period.</p>
<b>Rakan Strategik/Jabatan terlibat</b> Strategic Partners/Dept. involved	<p>Inisiatif kerjasama dengan AICB ini sejajar dengan komitmen kami untuk memenuhi Komitmen Seluruh Industri (IWC). Secara dalaman, pasukan Pembangunan Kredit, PD bekerjasama rapat dengan Bahagian Perniagaan, RAM dan Kredit untuk mengenal pasti peserta khusus yang disasarkan untuk program ini.</p> <p>This collaborative initiative with AICB aligns with our commitment to fulfill the industry-wide commitment (IWC). Internally, the Credit Development, PD team collaborated closely with the Business, RAM, and Credit Divisions to identify the specific participants targeted for this program.</p>
<b>Impak</b> Impact	<ul style="list-style-type: none"> <li>Sembilan (9) calon telah berjaya diperakui dalam Pensijilan Tahap 1 AICB -Certified Credit Executive (CCE) pada tahun 2022, dan enam (6) calon telah diperakui dalam kelayakan yang sama pada tahun 2023.</li> <li>Selain itu, pada tahun 2022, dua (2) calon telah diperakui dalam Pensijilan Tahap 1 AICB Chartered Bankers - Sijil Kredit (CCR) baharu dan pada tahun 2023, satu (1) calon telah diperakui dalam kelayakan yang sama.</li> <li>Untuk Pensijilan Tahap 2 AICB - Profesional Kredit Perniagaan (BCP), tujuh (7) calon telah diperakui dan mencapai status keahlian 'Bersekutu' pada tahun 2022 dan tiga (3) calon telah diperakui dalam kelayakan yang sama dan mencapai status keahlian yang sama pada tahun 2023.</li> <li>Satu (1) calon telah diperakui dalam Pensijilan Tahap 2 AICB baharu - Sijil Pakar dalam Kredit Perniagaan Bank manakala tiga (3) calon lagi masih dalam proses untuk diperakui dalam kelayakan yang sama.</li> <li>Selain daripada pensijilan AICB, tiga (3) calon telah lulus dan diperakui dalam program akreditasi Moody yang dikenali sebagai Sijil Kredit Komersial (CICC).</li> <li>Kesimpulannya, Bank telah berjaya melahirkan tiga puluh dua (32) orang pegawai kredit profesional dan berjaya mencapai objektif pembangunan. Pada masa yang sama, sejajar dengan pelan hala tuju Bank untuk meningkatkan tahap kecekapan kredit dan akreditasi profesional dalam kalangan kakitangan berkaitan kredit.</li> </ul>

### 4. Modal Insan Kumpulan/Group Human Capital



Rangka Kerja Program Pembangunan Kredit/Credit Development Programme Framework	
<b>Impak</b> Impact	<ul style="list-style-type: none"> <li>Nine (9) candidates have been successfully certified in AICB's Level 1 Certification - Certified Credit Executive (CCE) in 2022, and six (6) candidates have been certified in the same qualification in 2023.</li> <li>Additionally, in 2022, two (2) candidates have been certified in the new AICB Chartered Bankers Level 1 Certification - Certificate in Credit (CCR) and in 2023, one (1) candidate has been certified in the same qualification.</li> <li>For AICB's Level 2 Certification - Business Credit Professional (BCP), seven (7) candidates have been certified and attained 'Associate' membership status in 2022 and three (3) candidates have been certified in the same qualification and attained the same membership status in 2023.</li> <li>One (1) candidate has been certified in the new AICB's Level 2 Certification - Specialist Certificate in Bank Business Credit while another three (3) candidates are still in progress of being certified in the same qualification.</li> <li>Apart from AICB certifications, three (3) candidates have been passed and certified in the Moody accreditation programme known as Certificate in Commercial Credit (CICC).</li> <li>In conclusion, the Bank has successfully produced thirty-two (32) professional credit officers and managed to achieve the developmental objectives. At the same time, aligned with the Bank's roadmap to raise the level of credit competency and professional accreditation among credit-related personnel.</li> </ul>
<b>Maklumat tambahan</b> Additional info	<p>Program Pembangunan Kredit (CDP) untuk Kakitangan Berkaitan Kredit Kumpulan yang Disasarkan menggabungkan beberapa elemen inovatif, seperti:</p> <ul style="list-style-type: none"> <li>Penyepaduan persekitaran pembelajaran yang dipacu teknologi, menggunakan alat dan platform termaju seperti LMS SME Bank, Moody's LMS dan Portal e-Pembelajaran AICB untuk meningkatkan penyampaian pendidikan.</li> <li>Pengenalan Rangka Kerja Pembangunan Kredit (CDP) yang merupakan sebahagian daripada Pembelajaran &amp; Pembangunan untuk kakitangan berkaitan kredit.</li> <li>Proses baharu: CDP memperkenalkan pembayaran insentif sekali sahaja untuk mereka yang berjaya melengkapkan pensijilan profesional.</li> </ul> <p>Credit Development Programme (CDP) for Targeted Group-Credit Related Personnel incorporates several innovative elements, such as:</p> <ul style="list-style-type: none"> <li>Integration of a technology-driven learning environment, utilizing cutting-edge tools and platforms such as SME Bank's LMS, Moody's LMS and AICB e-Learning Portal to enhance educational delivery.</li> <li>Introduction of Credit Development Framework (CDP) which is a part of Learning &amp; Development for credit-related personnel.</li> <li>New process: CDP introduced one-off incentive payment for those who successfully completed the professional certification.</li> </ul>

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ADVANCING A SUSTAINABLE FUTURE THROUGH  
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## 4. Modal Insan Kumpulan/Group Human Capital



### Pengijazahan MBA Kohort 1 (2021/2023)/MBA Cohort 1 (2021/2023) Graduation



### Pengijazahan MBA Kohort 1 (2021/2023)/MBA Cohort 1 (2021/2023) Graduation

#### Tentang About

Jauh melangkaui inisiatif pendidikan yang mudah, program MBA mewakili pelaburan strategik dalam pembangunan modal insan yang memainkan peranan penting dalam kejayaan menyeluruh Bank. Inisiatif ini memperkasa pekerja dengan menyokong usaha mereka untuk pendidikan perniagaan lanjutan, dengan itu memupuk sekumpulan profesional yang serba boleh bersenjata dengan pengetahuan dan kemahiran canggih. Sejalan dengan dedikasi Bank terhadap kecemerlangan, inovasi dan kepimpinan dalam sektor kewangan, program ini membentuk pemimpin yang menyumbang bukan sahaja kepada kecekapan operasi semasa Bank tetapi juga mengemudi pertumbuhan dan kemampuan masa depannya dalam landskap perniagaan yang dinamik dan berdaya saing sengit.

Far beyond a simple educational initiative, the MBA programme represents a strategic investment in human capital development that plays a pivotal role in the Bank's overarching success. This initiative empowers employees by supporting their pursuit of advanced business education, thereby cultivating a group of well-rounded professionals armed with cutting-edge knowledge and skills. Aligned with the Bank's dedication to excellence, innovation, and leadership in the financial sector, the programme molds leaders who contribute not only to the Bank's current operational efficiency but also navigate its future growth and sustainability in a dynamic and fiercely competitive business landscape.

## 4. Modal Insan Kumpulan/Group Human Capital



### Pengijazahan MBA Kohort 1 (2021/2023)/MBA Cohort 1 (2021/2023) Graduation

#### Objektif Objective

- **Pembangunan Kepimpinan:** Untuk meningkatkan keupayaan kepimpinan pekerja dengan menyediakan mereka dengan pendidikan lanjutan dalam pengurusan dan pemikiran strategik. Objektifnya adalah untuk memupuk kumpulan pemimpin berbakat yang boleh memacu kejayaan syarikat.
- **Peningkatan Kemahiran:** Untuk membangunkan dan mendalami kemahiran dan pengetahuan pekerja dalam pelbagai disiplin perniagaan, seperti kewangan, pemasaran, operasi dan sumber manusia. Objektif ini bertujuan untuk mewujudkan tenaga kerja yang sangat kompeten dan mampu menyumbang secara berkesan kepada objektif organisasi.
- **Pengekalan Bakat:** Untuk mengekalkan pekerja berprestasi tinggi dengan melabur dalam pembangunan profesional mereka. Objektif ini bertujuan untuk mewujudkan persekitaran yang menyokong di mana pekerja berasa dihargai, bermotivasi dan komited kepada syarikat.
- **Kecekapan Global:** Untuk membangunkan tenaga kerja dengan pemikiran global dengan mendedahkan pekerja kepada konsep dan amalan perniagaan antarabangsa. Objektifnya adalah untuk menyediakan individu untuk beroperasi dengan berkesan dalam persekitaran perniagaan global.
- **Kelebihan Daya Saing:** Untuk mendapatkan kelebihan daya saing dengan mempunyai tenaga kerja yang berkemahiran tinggi dan berpendidikan. Objektif ini adalah tentang meletakkan syarikat sebagai peneraju industri dan menarik bakat terbaik untuk mengekalkan kehadiran pasaran yang kukuh.
- **Penglibatan Pekerja:** Untuk meningkatkan penglibatan pekerja dan kepuasan kerja dengan menawarkan peluang untuk pembelajaran berterusan dan kemajuan kerjaya. Objektifnya adalah untuk mewujudkan persekitaran kerja yang positif yang memupuk pertumbuhan peribadi dan profesional.
- **Kebolehsuaian untuk Berubah:** Untuk melengkapkan pekerja dengan pengetahuan dan kemahiran untuk menyesuaikan diri dengan perubahan dalam persekitaran perniagaan. Objektifnya adalah untuk mewujudkan tenaga kerja yang fleksibel dan tangkas yang mampu menavigasi arah aliran dan gangguan industri.
- **Leadership Development:** To enhance the leadership capabilities of employees by providing them with advanced education in management and strategic thinking. The objective is to cultivate a pool of talented leaders who can drive the company's success.
- **Skill Enhancement:** To develop and deepen the skills and knowledge of employees in various business disciplines, such as finance, marketing, operations, and human resources. This objective aims to create a workforce that is highly competent and capable of contributing effectively to the organization's objectives.
- **Talent Retention:** To retain top-performing employees by investing in their professional development. This objective aims to create a supportive environment where employees feel valued, motivated, and committed to the company.
- **Global Competence:** To develop a workforce with a global mindset by exposing employees to international business concepts and practices. The objective is to prepare individuals to operate effectively in a globalized business environment.
- **Competitive Advantage:** To gain a competitive edge by having a highly skilled and educated workforce. This objective is about positioning the company as an industry leader and attracting top talent to maintain a strong market presence.
- **Employee Engagement:** To increase employee engagement and job satisfaction by offering opportunities for continuous learning and career advancement. The objective is to create a positive work environment that fosters personal and professional growth.
- **Adaptability to Change:** To equip employees with the knowledge and skills to adapt to changes in the business environment. The objective is to create a flexible and agile workforce capable of navigating industry trends and disruptions.

# MEMAJUKAN MASA DEPAN LESTARI MELALUI PENCIPTAAN IMPAK SOSIAL

## ADVANCING A SUSTAINABLE FUTURE THROUGH CREATION OF SOCIAL IMPACT

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#### Pengijazahan MBA Kohort 1 (2021/2023)/MBA Cohort 1 (2021/2023) Graduation

**Aktiviti/Inisiatif yang dijalankan**  
**Activities/Initiatives conducted**

SME Bank meraikan kumpulan pertama Graduan MBA yang telah tamat di Hotel Le Meridien pada 30 Jun 2023. SME Bank juga telah menaja setiap graduan dengan iPad Air yang mempamerkan sokongan dan penghargaan Bank terhadap dedikasi mereka terhadap pertumbuhan peribadi mereka.

SME Bank celebrated the first batch of completed MBA Graduates at Le Meridien Hotel on 30th June 2023. SME Bank had also sponsored each of the graduates with iPad Air showcasing the Bank's support and appreciation towards their dedication of their personal growth.

**Rakan Strategik/Jabatan terlibat**  
**Strategic Partners/Dept. involved**

SME Bank bekerjasama dengan Othman Yeop Graduate Business School (OYAGSB) dan menjemput ahli fakulti semasa tamat pengajian.

SME Bank collaborated with Othman Yeop Graduate Business School (OYAGSB) and invited the faculty members during the graduation.

**Impak**  
**Impact**

- 15 bakat telah berjaya memperoleh ijazah MBA mereka, dengan sembilan (9) daripadanya telah mencapai Status Pengurus Bertauliah.
- Selain itu, 15 bakat ini juga telah diiktiraf atas kecekapan mereka dengan dianugerahkan Diploma CMI Tahap 7 dalam Pengurusan Strategik dan Amalan Kepimpinan.
- Seorang (1) orang bakat luar biasa telah diberi penghormatan dengan "Anugerah UniUtama Management Holdings Sdn. Bhd." Anugerah oleh Universiti Utara Malaysia semasa Majlis Konvokesyen ke-33.
- Empat (4) bakat telah dinaikkan pangkat daripada penyumbang individu kepada mengambil peranan sebagai ketua bahagian dan ketua pasukan.
- Lapan (8) orang bakat telah menunjukkan kemajuan kerjaya yang ketara dengan maju daripada satu gred pekerjaan ke peringkat yang lebih tinggi.
- Program ini telah mendapat sokongan pihak pengurusan, mengesahkan komitmen Bank yang tidak berbelah bahagi terhadap pembangunan profesional yang berterusan. Dengan sokongan padu ini, program ini akan diteruskan untuk kumpulan berikutnya. Pada November 2023, Bank telah mengalu-alukan tambahan 17 kakitangan ke Kumpulan Ke-2, mengukuhkan lagi dedikasi Bank untuk memupuk dan meningkatkan kemahiran tenaga kerja kami.
- 15 talents have successfully earned their MBA degrees, with nine (9) of them had attained the Chartered Manager Status.
- Additionally, these 15 talents have also been recognized for their proficiency by being awarded the CMI Level 7 Diploma in Strategic Management and Leadership Practice.
- One (1) exceptional talent has been honored with the "Anugerah UniUtama Management Holdings Sdn. Bhd." Award by Universiti Utara Malaysia during its 33rd Convocation Ceremony.
- Four (4) talents have been promoted from being individual contributor to assuming roles as section heads and team leaders.
- Eight (8) talents have demonstrated significant career progress by advancing from one job grade to a higher level.
- This programme has garnered the endorsement of the management, affirming the Bank's unwavering commitment to ongoing professional development. With this resounding support, the programme is set to continue for subsequent batches. In November 2023, the Bank welcomed an additional 17 employees to the 2nd Batch, further solidifying the Bank's dedication to nurturing and enhancing the skills of our workforce.

### 4. Modal Insan Kumpulan/Group Human Capital



#### Penajaan MBA Kohort 2 (2023/2025)/MBA Cohort 2 (2023/2025) Sponsorship



#### Penajaan MBA Kohort 2 (2023/2025)/MBA Cohort 2 (2023/2025) Sponsorship

**Tentang**  
**About**

Program ini telah mendapat sokongan pihak pengurusan, mengesahkan komitmen Bank yang tidak berbelah bahagi terhadap pembangunan profesional yang berterusan. Dengan sokongan padu ini, program ini akan diteruskan untuk kumpulan berikutnya.

This programme has garnered the endorsement of the management, affirming the Bank's unwavering commitment to ongoing professional development. With this resounding support, the programme is set to continue for subsequent batches.

**Objektif**  
**Objective**

- Pembangunan Kepimpinan:** Untuk meningkatkan keupayaan kepimpinan pekerja dengan menyediakan pendidikan lanjutan dalam pengurusan dan pemikiran strategik. Objektif: Memupuk kumpulan pemimpin berbakat memacu kejayaan syarikat.
- Peningkatan Kemahiran:** Untuk membangunkan dan mendalami kemahiran dan pengetahuan pekerja dalam pelbagai disiplin perniagaan, seperti kewangan, pemasaran, operasi dan sumber manusia. Objektif: Bertujuan mewujudkan tenaga kerja yang kompeten dan mampu menyumbang secara berkesan kepada objektif organisasi.
- Pengekalan Bakat:** Untuk mengekalkan pekerja berprestasi tinggi dengan melabur dalam pembangunan profesional mereka. Objektif: Bertujuan mewujudkan persekitaran yang menyokong dan pekerja berasa dihargai, bermotivasi dan komited kepada syarikat.
- Kecekapan Global:** Membangunkan tenaga kerja dengan pemikiran global, mendedahkan pekerja kepada konsep dan amalan perniagaan antarabangsa. Objektif: Menyediakan individu untuk beroperasi dengan berkesan dalam persekitaran perniagaan global.
- Kelebihan Daya Saing:** Mendapatkan kelebihan daya saing dengan mempunyai tenaga kerja yang berkemahiran tinggi dan berpendidikan. Objektif: Meletakkan syarikat sebagai peneraju industri dan menarik bakat terbaik untuk mengekalkan kehadiran pasaran yang kukuh.
- Penglibatan Pekerja:** Untuk meningkatkan penglibatan pekerja dan kepuasan kerja dengan menawarkan peluang untuk pembelajaran berterusan dan kemajuan kerjaya. Objektifnya adalah untuk mewujudkan persekitaran kerja yang positif yang memupuk pertumbuhan peribadi dan profesional.
- Kebolehsuaian untuk Berubah:** Untuk melengkapkan pekerja dengan pengetahuan dan kemahiran untuk menyesuaikan diri dengan perubahan dalam persekitaran perniagaan. Objektifnya adalah untuk mewujudkan tenaga kerja yang fleksibel dan tangkas yang mampu menavigasi arah aliran dan gangguan industri.



# MEMAJUKAN MASA DEPAN LESTARI MELALUI PENCIPTAAN IMPAK SOSIAL

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### 4. Modal Insan Kumpulan/Group Human Capital



#### Penajaan MBA Kohort 2 (2023/2025)/MBA Cohort 2 (2023/2025) Sponsorship

<p><b>Objektif Objective</b></p>	<ul style="list-style-type: none"> <li>• <b>Leadership Development:</b> To enhance the leadership capabilities of employees by providing them with advanced education in management and strategic thinking. The objective is to cultivate a pool of talented leaders who can drive the company's success.</li> <li>• <b>Skill Enhancement:</b> To develop and deepen the skills and knowledge of employees in various business disciplines, such as finance, marketing, operations, and human resources. This objective aims to create a workforce that is highly competent and capable of contributing effectively to the organization's objectives.</li> <li>• <b>Talent Retention:</b> To retain top-performing employees by investing in their professional development. This objective aims to create a supportive environment where employees feel valued, motivated, and committed to the company.</li> <li>• <b>Global Competence:</b> To develop a workforce with a global mindset by exposing employees to international business concepts and practices. The objective is to prepare individuals to operate effectively in a globalized business environment.</li> <li>• <b>Competitive Advantage:</b> To gain a competitive edge by having a highly skilled and educated workforce. This objective is about positioning the company as an industry leader and attracting top talent to maintain a strong market presence.</li> <li>• <b>Employee Engagement:</b> To increase employee engagement and job satisfaction by offering opportunities for continuous learning and career advancement. The objective is to create a positive work environment that fosters personal and professional growth</li> <li>• <b>Adaptability to Change:</b> To equip employees with the knowledge and skills to adapt to changes in the business environment. The objective is to create a flexible and agile workforce capable of navigating industry trends and disruptions.</li> </ul>
<p><b>Aktiviti/Inisiatif yang dijalankan Activities/ Initiatives conducted</b></p>	<p>Pada November 2023, Bank telah mengalu-alukan tambahan 17 kakitangan ke Kumpulan Ke-2, mengukuhkan lagi dedikasi Bank untuk memupuk dan meningkatkan kemahiran tenaga kerja kami.</p> <p>In November 2023, the Bank welcomed an additional 17 employees to the 2nd Batch, further solidifying the Bank's dedication to nurturing and enhancing the skills of our workforce.</p>
<p><b>Rakan Strategik/ Jabatan terlibat Strategic Partners/Dept. involved</b></p>	<p>SME Bank bekerjasama dengan Othman Yeop Graduate Business School (OYAGSB) dan menjemput ahli fakulti semasa tamat pengajian.</p> <p>SME Bank collaborated with Othman Yeop Graduate Business School (OYAGSB) and invited the faculty members during the graduation.</p>

### 4. Modal Insan Kumpulan/Group Human Capital



#### Penajaan MBA Kohort 2 (2023/2025)/MBA Cohort 2 (2023/2025) Sponsorship

<p><b>Impak Impact</b></p>	<ul style="list-style-type: none"> <li>• <b>Kemahiran Tenaga Kerja yang Dipertingkatkan:</b> Dengan meningkatkan bilangan pekerja yang mengambil bahagian dalam program ini, Bank berpotensi meningkatkan kemahiran dan kecekapan keseluruhan tenaga kerjanya. Ini menyumbang kepada tenaga kerja yang lebih berkebolehan dan boleh menyesuaikan diri, lebih bersedia untuk menangani cabaran yang berkembang dan memacu kejayaan organisasi.</li> <li>• <b>Penglibatan Pekerja yang Lebih Baik:</b> Melabur dalam pembangunan pekerja menunjukkan komitmen organisasi terhadap pertumbuhan dan kemajuan kerjaya pekerja. Ini boleh membawa kepada peningkatan tahap penglibatan, motivasi dan kesetiaan pekerja, kerana pekerja berasa dihargai dan disokong dalam perjalanan pembangunan profesional mereka.</li> <li>• <b>Budaya Organisasi Positif:</b> Menunjukkan komitmen untuk memupuk dan meningkatkan kemahiran pekerja boleh memupuk budaya organisasi yang positif yang berpusat pada pembelajaran, pertumbuhan dan pembangunan. Ini boleh membawa kepada tahap kepuasan pekerja, pengekalannya dan akhirnya, kejayaan organisasi yang lebih tinggi.</li> <li>• <b>Enhanced Workforce Skills:</b> By increasing the number of employees participating in the program, the Bank can potentially enhance the overall skills and competencies of its workforce. This contributes to a more capable and adaptable workforce, better equipped to tackle evolving challenges and drive organizational success.</li> <li>• <b>Improved Employee Engagement:</b> Investing in employee development demonstrates the organization's commitment to its employees' growth and career advancement. This can lead to increased levels of employee engagement, motivation, and loyalty, as employees feel valued and supported in their professional development journey.</li> <li>• <b>Positive Organisational Culture:</b> Demonstrating a commitment to nurturing and enhancing employee skills can foster a positive organizational culture centered around learning, growth, and development. This can lead to higher levels of employee satisfaction, retention, and ultimately, organizational success.</li> </ul>
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#### Program Pembangunan Pengganti/Successors Development Program

<p><b>Tentang About</b></p>	<ul style="list-style-type: none"> <li>• Program Pembangunan Pengganti (SDP) ialah inisiatif berstruktur yang direka untuk mengenal pasti, memupuk dan menyediakan bakal pengganti dalam organisasi untuk mengambil peranan kepimpinan pada masa hadapan. Ia bertujuan untuk memupuk saluran paip individu berbakat yang menunjukkan potensi untuk memimpin dan memacu organisasi ke hadapan</li> <li>• SME Bank telah memulakan Pelan Pembangunan dan Perjalanan yang disusun dengan teliti untuk 21 Pengganti yang dikenal pasti yang bertujuan untuk Jawatan Kepimpinan Kanan (L1)</li> <li>• Successors Development Program (SDP) is a structured initiative designed to identify, nurture, and prepare potential successors within an organization to take on leadership roles in the future. It aims to cultivate a pipeline of talented individuals who demonstrate the potential to lead and drive the organization forward</li> <li>• SME Bank has initiated a meticulously curated Development Plan and Journey for 21 identified Successors aiming for Senior Leadership Positions (L1)</li> </ul>
<p><b>Objektif Objective</b></p>	<ul style="list-style-type: none"> <li>• Memastikan kemampuan kepimpinan dalam organisasi dengan memupuk dan menyediakan individu yang menunjukkan potensi untuk cemerlang dalam peranan kepimpinan kanan (L1).</li> <li>• Untuk mempercepatkan kesediaan pengganti untuk mengambil alih jawatan tersebut</li> <li>• To ensure the sustainability of leadership within the organization by nurturing and preparing individuals who demonstrate the potential to excel in senior leadership roles (L1).</li> <li>• To accelerate the successor's readiness to assume the position</li> </ul>

# MEMAJUKAN MASA DEPAN LESTARI MELALUI PENCIPTAAN IMPAK SOSIAL

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Program Pembangunan Pengganti/Successors Development Program	
<b>Aktiviti/Inisiatif yang dijalankan</b> Activities/ Initiatives conducted	<ul style="list-style-type: none"> <li>Pembangunan Pelan Pembangunan Individu (IDP)</li> <li>Pelaksanaan Program Pembangunan melalui tiga kaedah komprehensif: Pengalaman, Pendedahan, dan Pendidikan, merangkumi Tugas Kerja, Kejurulatihan &amp; Bimbingan, Bayangan Pekerjaan, Latihan Kepimpinan dan Pensijilan.</li> <li>Development of Individual Development Plan (IDP)</li> <li>Implementation of Development Programs through three comprehensive methods: Experience, Exposure, and Education, encompassing Job Assignments, Coaching &amp; Mentoring, Job Shadowing, Leadership Training, and Certifications.</li> </ul>
<b>Rakan Strategik/Jabatan terlibat</b> Strategic Partners/Dept. involved	<ul style="list-style-type: none"> <li>Tidak berkenaan</li> <li>N/A</li> </ul>
<b>Impak</b> Impact	<p>Lapan pengganti telah meningkatkan keupayaan mereka, seperti yang dibuktikan oleh peningkatan ketara dalam kesediaan mereka untuk mengambil alih jawatan yang dikenal pasti.</p> <p>Eight successors have notably enhanced their capabilities, as evidenced by a noticeable increase in their readiness to assume the identified positions.</p>

### Latihan Siasatan Domestik untuk Kumpulan Baharu Panel Bank/ Domestic Inquiry Training for New Pool of The Bank's Panel



Latihan Inkuiri Domestik untuk Kumpulan Baharu Panel Bank/ Domestic Inquiry Training for New Pool of The Bank's Panel	
<b>Tentang</b> About	<p>Latihan ini diperlukan di bawah KPI Perniagaan bahagian ini [Perspektif -Pembangunan: Latihan Siasatan Domestik untuk Kumpulan Ahli Panel Baharu] untuk tahun 2023 dan memastikan kumpulan ahli panel baharu dilengkapi dengan kemahiran dan pengetahuan yang relevan dalam proses membuat keputusan menjelang akhir program.</p> <p>This training is required under this section's Business KPI [Perspective -Developmental: Domestic Inquiry Training for New Pool of Panel Members] for the year 2023 and make sure that the new pool of panel members is equipped with the relevant skills and knowledge in the decision-making process towards the end of the program.</p>

### 4. Modal Insan Kumpulan/Group Human Capital



Latihan Inkuiri Domestik untuk Kumpulan Baharu Panel Bank/ Domestic Inquiry Training for New Pool of The Bank's Panel	
<b>Objektif</b> Objective	<p>Objektif utama latihan ini adalah untuk menyediakan pengetahuan dan kemahiran teknikal kepada bakal calon ahli panel dalam menyediakan mereka untuk menjadi ahli panel dalam memutuskan kes-kes tatatertib dalaman di semua peringkat.</p> <p>The primary objective of this training is to provide knowledge and technical skills to the prospective candidate of panel members in preparing them to become panel members in deciding internal disciplinary cases at all stages.</p>
<b>Aktiviti/Inisiatif yang dijalankan</b> Activities/ Initiatives conducted	<ol style="list-style-type: none"> <li>Selepas menghadiri program latihan, peserta akan dapat: Fahami Peranan dan Tanggungjawab mereka: <ul style="list-style-type: none"> <li>Menggariskan dengan jelas mengenai peranan ahli panel dalam menangani salah laku. Ini termasuk memahami dasar, prosedur Bank dan tugas khusus yang akan mereka laksanakan.</li> </ul> </li> <li>Latihan Simulasi: <ul style="list-style-type: none"> <li>Menjalankan latihan dan simulasi main peranan untuk membantu ahli panel mempraktikkan kemahiran mereka dalam persekitaran terkawal. Ini boleh termasuk contoh kes salah laku dan perbincangan.</li> </ul> </li> <li>Latihan Undang-undang dan Pematuhan: <ul style="list-style-type: none"> <li>Pastikan ahli panel mengetahui keperluan undang-undang yang berkaitan, seperti undang-undang buruh, peraturan perlindungan data dan kewajipan kerahsiaan.</li> </ul> </li> </ol> <ol style="list-style-type: none"> <li>Upon attending the training programme, participants will be able to: <p>Understand their Role and Responsibilities:</p> <ul style="list-style-type: none"> <li>Clearly outline regarding the role of a panel member in dealing with misconduct. This includes understanding the Bank's policies, procedures, and the specific duties they will perform.</li> </ul> </li> <li>Simulated Exercises: <ul style="list-style-type: none"> <li>Conduct role-playing exercises and simulations to help panel members practice their skills in a controlled environment. This can include mock misconduct cases and discussions.</li> </ul> </li> <li>Legal and Compliance Training: <ul style="list-style-type: none"> <li>Ensure panel members are aware of the relevant legal requirements, such as labour laws, data protection regulations, and confidentiality obligations.</li> </ul> </li> </ol>

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<b>Latihan Siasatan Domestik untuk Kumpulan Baharu Panel Bank/ Domestic Inquiry Training for New Pool of The Bank's Panel</b>	
<b>Rakan Strategik/ Jabatan terlibat Strategic Partners/Dept. involved</b>	<ul style="list-style-type: none"> <li>Tidak berkenaan</li> <li>N/A</li> </ul>
<b>Impak Impact</b>	<b>Pra-Latihan/Pre-Training</b> Purata/Average 4.24/10 points Median/Median 4/10 points Julat/Range 2-7 points <b>Total Agihan Poin/Total Points distribution</b> 
	<b>Selepas Latihan/Post-Training</b> Purata/Average 9.62/10 points Median/Median 10/10 points Julat/Range 7-10 points <b>Total Agihan Poin/Total Points distribution</b> 

## 4. Modal Insan Kumpulan/Group Human Capital



### Roadshow Perhubungan Perusahaan 2023/Industrial Relations Roadshow 2023



<b>Roadshow Perhubungan Perusahaan 2023/Industrial Relations Roadshow 2023</b>	
<b>Tentang About</b>	<p>Perhubungan Perusahaan telah dibangunkan untuk membantu semua kakitangan dalam perhubungan kepada perkara tatatertib, perkara kesatuan, atau apa-apa perkara lain yang berkaitan. Idea untuk mengadakan jerayawara IR adalah untuk menggalakkan kesedaran dalam kalangkakitangan mengenai prosedur IR terkini serta mengenai hal-hal gangguan seksual.</p> <p>Industrial Relations has been developed in order to assist all staff in relations to disciplinary matters, union matters, or any other related matters. The idea of conducting the IR roadshow is to promote an awareness among the staff on the latest IR procedure as well as on the sexual harassment matters.</p>
<b>Objektif Objective</b>	<p>Objektif utama latihan ini adalah seperti berikut:-</p> <ul style="list-style-type: none"> <li>Memberi pengetahuan dan kemahiran kepada bakal kakitangan dalam menyediakan mereka untuk menangani kes-kes tatatertib dalaman.</li> <li>Memastikan proses membuat keputusan dilakukan secara adil dan wajar terutamanya melibatkan peranan penyeliaan.</li> <li>Untuk membolehkan kakitangan memahami proses tatatertib.</li> <li>Memahami proses pengendalian kes gangguan seksual.</li> <li>Untuk memahami pindaan terkini Akta Kerja 2022.</li> </ul> <p>The primary objective of this training are as follows: -</p> <ul style="list-style-type: none"> <li>To provide knowledge and skills to the prospective staff in preparing them to deal with the internal disciplinary cases.</li> <li>To ensure the decision-making process is being done in a fair and justifiable manner especially involving supervisory role.</li> <li>To enable staff to understand the disciplinary process.</li> <li>To understand the process of handling sexual harassment cases.</li> <li>To understand the latest amendment of the Employment Act 2022.</li> </ul>
<b>Aktiviti/Inisiatif yang dijalankan Activities/ Initiatives conducted</b>	<p>Roadshow Perhubungan Perusahaan telah dijalankan secara bersemuka di semua cawangan Bank. Ini bagi memastikan program ini dapat memberikan maklumat dan penjelasan yang mendalam.</p> <p>Industrial Relations Roadshow was conducted face to face at all Bank's branches. This to ensure this program able to provide in-depth information and explanation.</p>

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Roadshow Perhubungan Perusahaan 2023/Industrial Relations Roadshow 2023		
<b>Rakan Strategik/ Jabatan terlibat</b> Strategic Partners/Dept. involved	<ul style="list-style-type: none"> <li>Tidak berkenaan</li> <li>N/A</li> </ul>	
<b>Impak Impact</b>	<b>Purata skor pra-penilaian untuk semua Cawangan Bank/ Pre-assessment's average score for all Bank's Branches</b>	<b>Purata skor pasca-penilaian untuk semua Cawangan Bank/ Post-assessment's average score for all Bank's Branches</b>
	<p><b>Skor Score (78.6%)</b></p>	<p><b>Skor Score (97.1%)</b></p>



## MENINGKATKAN KOMITMEN KAMI TERHADAP TINDAKAN IKLIM

### ADVANCING OUR COMMITMENT TO CLIMATE ACTION

SME Bank sentiasa berdedikasi dalam menangani isu-isu berkaitan tindakan iklim dan kami akan terus mengintegrasikan kelestarian dalam sistem operasi dan perkhidmatan sokongan pelanggan.

SME Bank is dedicated to addressing the climate change issue and will continue integrating sustainability into our operations and customer support services. Our ongoing efforts aim to build a resilient and sustainable future for all stakeholders, ensuring that we meet the challenges of climate change with proactive and impactful measures.



Kami telah melengkapkan fasa terakhir pelan hala tuju kelestarian bagi tahun 2023 dan akan memperkenalkan Hala Tuju Kelestarian 2.0 dalam tahun 2024 sebagai pembaharuan kepada komitmen kami kepada perubahan iklim dan menerajui kelestarian merentasi sistem operasi. Untuk memupuk daya tahan terhadap iklim dan pertumbuhan yang mampan, Bank kami secara aktif mengklasifikasikan aktiviti ekonomi pelanggan selaras dengan dasar Perubahan Iklim dan Taksonomi Berasaskan Prinsip (CCPT) BNM.

We completed the final phase of our sustainability roadmap in 2023 and will introduce the Sustainability Roadmap 2.0 in 2024 as a renewal of our commitment to climate change and championing sustainability across our operations. To foster climate resilience and sustainable growth, the Bank actively classifies our customers' economic activities in alignment with BNM's Climate Change and Principle-based Taxonomy (CCPT) policy.

Tambahan pula, sebagai sebahagian daripada usaha berterusan untuk mengukuhkan daya tahan iklim dan menguruskan risiko kelestarian, kami telah mengadaptasi Pengurusan Risiko Iklim dan Analisis Senario (CRMSA). Proses ini membolehkan kami mengenal pasti, menilai, dan mengurus risiko berkaitan iklim dengan lebih berkesan. Melalui CRMSA, kami menganalisis pelbagai senario iklim untuk memahami kesan potensinya terhadap perniagaan kami serta operasi pelanggan. Dengan mengintegrasikan pandangan ini ke dalam rangka kerja pengurusan risiko, kami lebih bersedia untuk menangani risiko iklim secara proaktif dan menyokong pertumbuhan ekonomi yang mampan.

CCPT dan CRMSA adalah teras utama dalam usaha kami untuk membina sistem kewangan yang lebih berdaya tahan serta memastikan kami kekal selari dengan matlamat iklim Malaysia. Melalui inisiatif ini, kami meningkatkan keupayaan dalam mengurus risiko iklim dan membolehkan pelanggan kami menyesuaikan diri dengan peralihan ke arah ekonomi rendah karbon.

Additionally, as part of our ongoing efforts to strengthen climate resilience and manage sustainability risks, we have adopted Climate Risk Management and Scenario Analysis (CRMSA). This process enables us to identify, assess, and manage climate-related risks effectively. Through CRMSA, we analyse different climate scenarios to understand their potential impact on our business and our customers' operations. By incorporating these insights into our risk management framework, we are better equipped to address climate risks proactively and support sustainable economic growth.

The CCPT and CRMSA are central to our efforts to foster a more resilient financial system and ensure that we remain aligned with Malaysia's broader climate goals. Through these initiatives, we are enhancing our capabilities in managing climate risks and enabling our clients to navigate the transition to a low-carbon economy.



# KUMPULAN TEKNOLOGI DIGITAL & TRANSFORMASI

## GROUP DIGITAL TECHNOLOGY & TRANSFORMATION

Penilaian Skor Kitaran Hidup Perniagaan (ELSA) ialah alat penilaian digital yang direka untuk membantu PMKS mengenal pasti kedudukan mereka dalam kitaran hayat perniagaan. Dengan melakukan analisis komprehensif terhadap jurang yang dikenal pasti, ia membimbing perniagaan ke arah intervensi yang diperlukan, disokong oleh AI untuk pemantauan kemajuan berterusan.

ELSA telah dioptimumkan sebagai sebahagian daripada alat pengukuran Kementerian dan agensi seperti KUSKOP, MDEC, dan sebagainya. Ia juga telah mendapat pengiktirafan antarabangsa dengan memenangi anugerah Ekosistem Industri Perusahaan Masa Depan daripada International Data Corporation (IDC) atas impaknya kepada masyarakat. ELSA menyediakan pendekatan yang berstruktur dan boleh disesuaikan untuk membantu PKS melalui peringkat pembangunan mereka.

Sebagai sebahagian daripada program Peningkatan Vendor & Analisis Jurang (VEGA) Petronas, ELSA secara objektif menyokong pembangunan vendor Petronas dengan mengenal pasti jurang perniagaan dan peluang pembangunan mereka. Program strategik ini bukan sahaja memajukan ELSA tetapi juga membuka peluang kepada CEDAR dan Bank untuk terus mengukuhkan dan membangunkan lebih banyak perniagaan, selaras dengan mandat mereka iaitu melebihi pembiayaan.

ISHRAF 3.0 juga merupakan satu lagi kejayaan ELSA pada tahun 2023, dengan membantu komuniti ASNAF untuk membangunkan perniagaan mereka dan menjadi sebahagian daripada inisiatif meningkatkan kehidupan sosial mereka. Seramai 400 peserta asnaf terpilih menyertai program SME Bank iTEKAD ISHRAF edisi ketiga tahun ini bagi membantu usahawan mikro memperkukuh pengurusan kewangan dan kepesatan perniagaan, sekali gus menjana pendapatan berterusan.

The Enterprise Lifecycle Scoring Assessment (ELSA) is a digital assessment tool designed to help MSMEs identify where they are in business lifecycle. By facilitating comprehensive analyses on identified gaps, it guides businesses towards intervention and backed by AI adaptation for continual progress monitoring.

ELSA has been optimised as part of measurement tools by ministries and agencies i.e. KUSKOP, MDEC, etc and has been recognised internationally by receiving award for Future Enterprise of Industry Ecosystem from International Data Corporation (IDC) in recognition of ELSA impacts to the community. ELSA presents a structured and adaptable approach to aiding SMEs through their development stages.

As part of Petronas Vendor Enhancement & Gap Analysis (VEGA) programme, objectively ELSA will nurture the development of Petronas vendors by identifying their business gaps and development opportunities. The program is very strategic as it grows ELSA and open opportunities for CEDAR and Bank to further strengthen and develop more businesses to developed align with its mandate beyond financing.

ISHRAF 3.0 is also another milestone for ELSA in 2023, by assisting ASNAF communities to nurture their business and being part of uplifting their social life. A total of 400 selected asnaf participants participated in this year's third edition of the SME Bank iTEKAD ISHRAF program to help micro-entrepreneurs strengthen financial management and business intelligence, thus generating continuous income.



ODELA, platform rangkaian perniagaan-keperniagaan pertama, bertindak sebagai pemangkin perubahan positif dalam landskap B2B dengan menghubungkan PKS, pembiaya, peniaga dan pembeli. Ia mewujudkan persekitaran sinergi di mana perniagaan boleh berkembang. Dengan nilai Barangan Pertumbuhan Transaksi (GMV) melebihi RM200 juta, ODELA telah memanfaatkan lebih daripada 1,000 PKS memperluaskan jangkauan pasaran mereka melalui menjana perolehan yang cekap.

ODELA, the first business-to-business networking platform emerges as a catalyst for positive change in the B2B landscape by bridging the gap between SMEs, financiers, traders, and purchasers. The platform creates a synergistic environment where businesses can thrive. Transacted Growth Merchandise Values (GMV) amount of more than RM200 million in ODELA has benefited more than 1,000 SMEs for them to expand their market reach, by experiencing efficient procurement.



Peningkatan teras perbankan, sebagai sebahagian daripada inisiatif Pelan Tindakan Digital & Teknologi telah berjaya dilaksanakan untuk meningkatkan infrastruktur perbankan SME Bank dengan sistem perbankan teras yang canggih. Projek ini melibatkan pemindahan akaun dan data pelanggan, integrasi dengan sistem sedia ada, serta penerapan ciri-ciri baharu untuk meningkatkan kecekapan operasi dan pengalaman pelanggan. Kejayaan antara muka di antara sistem membolehkan transaksi lancar dan menambah baik Turn-Around-Time (TAT) dengan berkesan. Pengguna kini boleh melihat data masa nyata dalam talian dan menikmati pembayaran automatik untuk pelanggan SME Bank tanpa campur tangan manual.

The core banking upgrade, as part of Digital & Technology Blueprint initiatives has been successfully implemented and the project was aimed to enhance SME Bank's banking infrastructure by implementing a state-of-the-art core banking system. The project included the migration of customer accounts and data, integration with existing systems, and the deployment of new features to improve operational efficiency and customer experience. The success in interfaces between systems allowed all users to have seamless transactions and processes and improved Turn-Around-Time (TAT) tremendously. Users can view online real time data and seamless automated payment methods for SME Bank customers with no manual intervention.

# INDEKS GRI

## GRI INDEX

Indeks Inisiatif Pelaporan Global (GRI): berikut menunjukkan bagaimana pelaporan kami memenuhi piawaian GRI. Jadual di bawah menyenaraikan di mana laporan ini membentangkan topik-topik berkaitan kehendak-kehendak GRI:

The following Global Reporting Initiative (GRI) indicates how our reporting meets GRI standards. The table below lists where our reports address topics from the GRI requirements:

Indeks GRI/ GRI Index	Bahagian Section
<b>GRI 2: Pendedahan Am</b> General Disclosures	
2-1	Maklumat Organisasi Organisational details Sekilas Pandang (halaman 6-15) At a Glance (pages 6-15)
2-2	Entiti termasuk dalam pelaporan kemampuan organisasi Entities included in the organisation's sustainability reporting Mengenai Laporan Ini (halaman 6) About this Report (page 6)
2-3	Tempoh pelaporan, kekerapan dan titik hubungan Reporting period, frequency and contact point Mengenai Laporan Ini (halaman 6) About this Report (page 6)
2-4	Penyata Semula Maklumat Restatements of information Tiada None
2-5	Jaminan Luaran External assurance Laporan Juruaudit Bebas (halaman 323-325) Independent Auditors' Report (page 323-325) Meningkatkan Komitmen Kami Terhadap Tindakan Iklim (halaman 246-247) Advancing Our Commitment To Climate Action (pages 246-247)
2-6	Aktiviti, rantai nilai dan perhubungan perniagaan lain Activities, value chain and other business relationships Memacu Transformasi Lestari (halaman 76-91) Driving Sustainable Transformation (pages 76-91)
2-7	Maklumat mengenai pekerja tetap dan pekerja lain Information on employees and other workers Budaya & Bakat (halaman 145-153) Talent & Culture (pages 145-153)
2-8	Pekerja yang bukan pekerja tetap Workers who are not employees Budaya & Bakat (halaman 145-153) Talent & Culture (pages 145-153)
2-9	Struktur dan komposisi tadbir urus Governance structure and composition Penyata Tadbir Urus Korporat (halaman 262-273) Statement on Corporate Governance (pages 262-273)
2-10	Pencalonan dan pemilihan badan tadbir urus tertinggi Nomination and selection of the highest governance body Penyata Tadbir Urus Korporat (halaman 262-273) Statement on Corporate Governance (pages 262-273)
2-11	Pengerusi badan pentadbir tertinggi Chair of the highest governance body Lembaga Pengarah (halaman 52-53) Board of Directors (pages 52-53)

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# SOROTAN MEDIA MEDIA HIGHLIGHTS

Pada tahun 2023, SME Bank mengalami tahun penuh peristiwa yang dipenuhi dengan pelbagai penglibatan dan inisiatif, yang kesemuanya bertujuan untuk menggalakkan pertumbuhan yang mampan dan meningkatkan daya tahan PKS Malaysia. Dengan tumpuan untuk menjadi Pusat Kecemerlangan (CoE) bagi pembangunan usahawan, kami terus komited untuk memajukan pembangunan PKS dan mencapai kecemerlangan operasi dan tadbir urus.

In 2023, SME Bank had an eventful year filled with numerous engagements and initiatives, all of which is aimed at promoting sustainable growth and enhancing the resilience of Malaysian SMEs. With a focus on becoming a Centre of Excellence (CoE) for entrepreneur development, we remain committed to advancing SME development and achieving operational and governance excellence.



Sukuk kelestarian SME Bank terima anugerah...  
Sukuk kelestarian SME Bank terima anugerah...  
Sukuk kelestarian SME Bank terima anugerah...

## SME Bank giat paku PKS dalam industri penerbangan, maritim

KUALA LUMPUR: SME Bank terus memajukan pembangunan usahawan dalam industri penerbangan dan maritim. Bank ini telah mengadakan program penerbangan dan maritim yang bertujuan untuk meningkatkan daya tahan PKS dalam industri ini. Program ini termasuk latihan, seminar, dan pameran yang diadakan di seluruh negara. SME Bank juga telah bekerjasama dengan agensi kerajaan untuk memajukan pembangunan usahawan dalam industri ini. Bank ini juga telah mengadakan program penerbangan dan maritim yang bertujuan untuk meningkatkan daya tahan PKS dalam industri ini. Program ini termasuk latihan, seminar, dan pameran yang diadakan di seluruh negara. SME Bank juga telah bekerjasama dengan agensi kerajaan untuk memajukan pembangunan usahawan dalam industri ini.

## SME Bank peruntuk RM110,000 untuk CSR Ramadan



KUALA LUMPUR: SME Bank telah mengumumkan peruntukan RM110,000 untuk CSR Ramadan. Peruntukan ini akan digunakan untuk memajukan pembangunan usahawan dalam industri penerbangan dan maritim. Bank ini juga telah mengadakan program penerbangan dan maritim yang bertujuan untuk meningkatkan daya tahan PKS dalam industri ini. Program ini termasuk latihan, seminar, dan pameran yang diadakan di seluruh negara. SME Bank juga telah bekerjasama dengan agensi kerajaan untuk memajukan pembangunan usahawan dalam industri ini.

## SME Bank channels RM500 million financing to Sabah entrepreneurs

KOTA KINABALU: SME Bank has announced that it has channelled RM500 million in financing to Sabah entrepreneurs. The bank's chief economist, Lynette Lee, said that the financing was aimed at promoting sustainable growth and enhancing the resilience of Sabah SMEs. She said that the financing was used for various purposes, including working capital, expansion, and research and development. The bank also provided advisory services to the entrepreneurs. Lynette Lee said that the financing was a testament to the bank's commitment to supporting Sabah entrepreneurs.



## SME SENTIMENT INDEX

# 'MSMEs STAY RESILIENT, OPTIMISTIC'

Survey shows positive reading of 52.9, although it is lower than last year's 53.8. SME Bank chief economist Lynette Lee said 44 per cent of the respondents, predominantly MSMEs, expected a slowdown in the economy over the next six to 12 months. She said 44 per cent of medium and large size businesses anticipated further expansion in economic activities. "This diversity in expectations reflects the varying challenges and challenges faced by businesses of different sizes," she said. She said SME Bank remained cautious about the developments on domestic and international fronts. "The higher global uncertainty could have spill-over effects to the domestic economy and overall the recovery trajectory," she added. The index again MSMEs' view of the business environment, measured from last year's 57 per cent optimism.

## SME Bank's sustainability sukuk oversubscribed, orders exceed RM1 bln

KUALA LUMPUR: Small Medium Enterprise Development Bank Malaysia Bhd announced that its SME Bank five-year Sustainability Sukuk had been oversubscribed with orders exceeding RM1 billion, surpassing the initial desired size of RM500 million. Group president and chief executive officer Datuk Wira Dr Aris Putera Ismail said that due to overwhelming demand from local and foreign financial institutions, fund management companies, takaful and insurance firms, and government-linked investment companies, SME Bank has opted to increase the total issuance amount to RM1 billion. This achievement demonstrates the confidence of investors and the wider financial community in SME Bank's ability to drive the SMEs' growth, especially in ensuring they sustain. "The SME Bank Sustainability Sukuk was priced at a competitive profit rate of 4.05 per cent amidst a challenging market environment," he said in a statement. SME Bank said its Sukuk Wakalah programme had been assigned AAA ratings by the Malaysian Rating Corporation Bhd (MARC) and achieved the Gold standard, the highest rating under MARC's Sustainability Sukuk framework. "These accolades highlight SME Bank's strong creditworthiness and unwavering commitment to sustainable practices," it said. The bank said the proceeds from this Sukuk issuance would be exclusively utilised to finance projects aligned with environmental, social and governance (ESG) considerations. — Bernama

## SME Bank to assist MSMEs to prepare for challenges

KUALA LUMPUR: SME Bank will continue its efforts to assist MSMEs to prepare for challenges. The bank's chief economist, Lynette Lee, said that the bank was committed to supporting MSMEs in various ways, including providing financing, advisory services, and training. She said that the bank was also committed to promoting sustainable growth and enhancing the resilience of MSMEs. Lynette Lee said that the bank was committed to supporting MSMEs in various ways, including providing financing, advisory services, and training. She said that the bank was also committed to promoting sustainable growth and enhancing the resilience of MSMEs.

## Peluang PKS tembusi pasaran UK

KUALA LUMPUR: SME Bank has announced that it is providing financing to support MSMEs to enter the UK market. The bank's chief economist, Lynette Lee, said that the bank was committed to supporting MSMEs in various ways, including providing financing, advisory services, and training. She said that the bank was also committed to promoting sustainable growth and enhancing the resilience of MSMEs. Lynette Lee said that the bank was committed to supporting MSMEs in various ways, including providing financing, advisory services, and training. She said that the bank was also committed to promoting sustainable growth and enhancing the resilience of MSMEs.



## Sukuk Kelestarian SME Bank terima Anugerah Terbaik oleh The Asset Triple A 2023

KUALA LUMPUR: SME Bank Sustainability Sukuk has received the Best Sustainability Sukuk award from The Asset Triple A 2023. The award was presented to the bank by the Asset Triple A team. The bank's chief economist, Lynette Lee, said that the award was a testament to the bank's commitment to sustainable growth and enhancing the resilience of SMEs. She said that the award was also a recognition of the bank's strong creditworthiness and unwavering commitment to sustainable practices.



## SMEs should re-evaluate strategies after OPR hike

KUALA LUMPUR: Small Medium Enterprise Development Bank Malaysia Bhd (SME Bank) has urged small and medium enterprises (SMEs) to re-evaluate business strategies to remain competitive in the current economic climate, in light of the overnight policy rate (OPR) hike by Bank Negara Malaysia (BNM) to 3.0 per cent. In a statement, SME Bank group president/chief executive officer Datuk Wira Dr Aris Putera Ismail said that under the SME segment, strong expansion was observed in the application for financing for the first quarter of 2023 (1Q 2023), at 21.1 per cent year-on-year (y-o-y) versus 4Q 2022 at 18.1 per cent y-o-y, which signals that SMEs' demand for financing is still healthy. "Given that the present monetary policy stance is slightly accommodative and supportive of the economy, SMEs which face challenges arising from higher financing costs should review their business strategies to improve efficiency and productivity. "This may include managing operational costs, exploring new revenue streams, diversifying their customer base or employing new pricing strategies," he said. Meanwhile, SME Bank chief economist Lynette Lee said five out of 17 sub-sectors are still healthy, namely food and beverage, real estate, and wholesale trade. "The recovery momentum for the tourism-related industry is expected to continue given the ongoing shift in consumption from goods to services. "Although economic growth in 2023 will still be driven by resilient domestic demand, SMEs need to be vigilant and agile as we expect some moderation in the growth trajectory amid rising external headwinds, waning pent-up demand and high base effect from last year," she said. — Bernama



# MEMPERKASA KOMUNITI MELALUI AMALAN LESTARI

EMPOWERING COMMUNITIES  
THROUGH SUSTAINABLE  
PRACTICES

Di SME Bank Malaysia Berhad, kami mengiktiraf kepentingan usaha bersama. Dengan mempromosikan amalan lestari, kami bukan sahaja meningkatkan operasi perniagaan kami tetapi juga memajukan komuniti yang kami sokong. Komitmen kami terhadap kelestarian merangkumi pemeliharaan alam sekitar dan tanggungjawab sosial, memastikan setiap langkah yang kami ambil menyumbang kepada masa depan yang lebih cerah dan adil untuk semua.

At SME Bank Malaysia Berhad, we believe in the power of collective effort. By fostering sustainable practices, we are not only enhancing our business operations but also uplifting the communities we serve. Our commitment to sustainability extends beyond environmental stewardship to include social responsibility, ensuring that every step we take contributes to a brighter, more equitable future for all.

# PENYATA TADBIR URUS KORPORAT

## STATEMENT ON CORPORATE GOVERNANCE

Lembaga Pengarah (“Lembaga”) Small Medium Enterprise Development Bank Malaysia Berhad (“Bank”) komited kepada piawaian dalam Tadbir Urus Korporat dan menurut Dokumen Dasar Bank Negara Malaysia (“BNM”) mengenai Tadbir Urus Korporat dalam mencapai rangka kerja tadbir urus yang optimum dan memaksimumkan nilai pemegang saham.

### A. LEMBAGA PENGARAH

Lembaga Pengarah ditadbir oleh enam (6) ahli yang terdiri daripada satu (1) Pengerusi bukan Eksekutif, dua (2) Pengarah Bukan Bebas Bukan Eksekutif yang mewakili Kementerian Kewangan (Diperbadankan) (“MOF”) dan Kementerian Pembangunan Usahawan dan Koperasi (“KUSKOP”) masing-masing, dan tiga (3) Pengarah Bebas.

Latar belakang Pengarah adalah pelbagai, merangkumi bidang Pengurusan, Perbankan, Kewangan, Pembangunan Usahawan, Teknologi Maklumat, Pengurusan Risiko, Pentadbiran Perniagaan, Pengurusan Kredit, Perkhidmatan Kewangan Islam, Kewangan Pembangunan, Ekonomi, dan Pentadbiran Awam. Pengalaman yang terkumpul semasa berkhidmat di sektor swasta dan kerajaan oleh mereka membawa kepada Lembaga keperluan pelbagai kepakaran dan pengalaman yang diperlukan untuk menjalankan fungsi-fungsinya secara berkesan.

Pengerusi bukan Eksekutif dan semua Pengarah adalah pakar dalam bidang masing-masing dan telah menyumbang secara ketara dalam proses membuat keputusan Lembaga Pengarah. Presiden Kumpulan/Ketua Pegawai Eksekutif (“GP/CEO”) melaksanakan dasar-dasar Lembaga Pengarah dan menguruskan hal ehwal harian Bank.

Lembaga Pengarah bertanggungjawab untuk memastikan keberkesanan operasi Bank. Ini termasuk tanggungjawab menentukan arah haluan strategik keseluruhan Bank, persetujuan sasaran prestasi, pemantauan pencapaian pengurusan, memberikan panduan dasar keseluruhan, serta memastikan bahawa dasar dan prosedur sistem kawalan dalaman serta perancangan kelestarian telah diletakkan.

Lembaga Pengarah mengadakan 12 mesyuarat setiap tahun untuk membincangkan perkara-perkara berkaitan dasar, strategi, prestasi, sumber, perlakuan keseluruhan urusan perniagaan Bank dan perkara kewangan serta untuk memantau prestasi keseluruhan Bank.

Pelantikan Pengerusi bukan Eksekutif dan semua Pengarah adalah selaras dengan Dokumen Dasar Bank Negara Malaysia mengenai Tadbir Urus Korporat, garis panduan Kementerian Kewangan (Diperbadankan), dan Perlembagaan dan Artikel Bank.

Berdasarkan penilaian yang dijalankan terhadap ketulusan, integriti peribadi dan reputasi, kompetensi dan keupayaan, serta integriti kewangan, semua Pengarah adalah layak dan sesuai untuk memegang jawatan sebagai Pengarah Bank.

The Board of Directors (“Board”) of Small Medium Enterprise Development Bank Malaysia Berhad (“Bank”) is committed to high standards of Corporate Governance and subscribes to Bank Negara Malaysia (“BNM”)’s Policy Document on Corporate Governance in achieving an optimal governance framework and maximising the shareholders’ value.

### A. BOARD OF DIRECTORS

The Board is governed by six (6) members consisting of one (1) Non-Executive Chairman, two (2) Non-Independent Non-Executive Directors representing Minister of Finance (Incorporated) (“MOF”) and Ministry of Entrepreneur and Cooperatives Development (“KUSKOP”), respectively and three (3) Independent Directors.

The Directors’ background is diversified, ranging from the fields of Management, Banking, Finance, Entrepreneur Development, Information Technology, Risk Management, Business Administration, Credit Management, Islamic Financial Services, Development Finance, Economy and Public Administration. Their accumulated experiences while serving both in private and government sectors, brings to the Board the necessary range of expertise and experience required by the Board to effectively perform its functions.

The Non-Executive Chairman and all the Directors are experts in their respective field and have contributed significantly to the Board’s decision-making process. The Group President/Chief Executive Officer (“GP/CEO”) executes the policies of the Board and manages the day-to-day affairs of the Bank.

The Board is responsible to ensure the effectiveness of the Bank’s operations. This includes the responsibility of determining the Bank’s overall strategic direction, approval of performance targets, monitoring of management achievements, providing overall policy guidance and ensuring that policies and procedures for internal control system and succession planning are in place.

The Board meets 12 times during the year to discuss matters relating to policies, strategies, performance, resources, overall conduct of the Bank’s business and financial matters as well as to monitor the Bank’s overall performance, amongst others.

The appointment of the Non-Executive Chairman and all the Directors are in accordance to the BNM’s Policy Document on Corporate Governance, Minister of Finance (Incorporated)’s guidelines and the Bank’s Memorandum and Articles of Association.

Based on the assessment conducted on the probity, personal integrity and reputation, competence and capability and financial integrity, all Directors are fit and proper to hold the position as Directors of the Bank.

Komposisi Ahli Lembaga adalah seperti berikut:

The composition of the Board during the year 2023 is as follows:

BIL. NO.	NAMA PENGARAH/ NAME OF DIRECTOR	JAWATAN DESIGNATION
1.	Dato’ Muslim bin Hussain	Pengerusi Bukan Eksekutif (Dilantik sebagai Pengerusi Bukan Eksekutif pada 1 Oktober 2023. Sebelum ini, beliau adalah Pengarah Bebas) Non-Executive Chairman (Appointed as Non-Executive Chairman on 1 October 2023. He was previously an Independent Director)
2.	Datuk Ahmad Hizzad bin Baharuddin	Pengarah Bebas Independent Director
3.	Encik Zulkiflee bin Hashim	Pengarah Bebas Independent Director
4.	Puan Suharti binti Mohd Ali	Pengarah Bebas Independent Director
5.	Puan Afidah Azwa binti Abdul Aziz	Pengarah Bukan Bebas Bukan Eksekutif (Dilantik pada 1 Februari 2023) Non-Independent Non-Executive Director (Appointed on 1 February 2023)
6.	Datuk Haji Zamri @ Fazillah bin Salleh	Pengarah Bukan Bebas Bukan Eksekutif (Dilantik pada 1 Februari 2023) Non-Independent Non-Executive Director (Appointed on 1 February 2023)
7.	Dato’ Sharkawi bin Alis	Pengarah Bebas (Tempoh berakhir pada 30 Mac 2023) Independent Director (Tenure ended on 30 March 2023)
8.	Encik Wan Abdul Rahman bin Wan Abu Bakar	Pengarah Bebas (Tempoh berakhir pada 10 Januari 2023) Independent Director (Tenure ended on 10 January 2023)

## PENYATA TADBIR URUS KORPORAT STATEMENT ON CORPORATE GOVERNANCE

Rekod kehadiran mesyuarat Pengarah untuk tahun 2023 adalah seperti berikut:  
The Directors' record of meeting attendance for 2023 is as follows:

BIL. NO.	NAMA PENGARAH/ NAME OF DIRECTOR	BIL. MESYUARAT DIHADIRI*/ NO. OF MEETINGS ATTENDED*
1.	Dato' Muslim bin Hussain	12/12
2.	Datuk Ahmad Hizzad bin Baharuddin	11/12
3.	Encik Zulkiflee bin Hashim	12/12
4.	Puan Suharti binti Mohd Ali	12/12
5.	Puan Afidah Azwa binti Abdul Aziz	10/11 (Dilantik pada 1 Februari 2023) (Appointed on 1 February 2023)
6.	Datuk Haji Zamri @ Fazillah bin Salleh	10/11 (Dilantik pada 1 Februari 2023) (Appointed on 1 February 2023)
7.	Dato' Sharkawi bin Alis	3/3 (Tempoh berakhir pada 30 Mac 2023) (Tenure ended on 30 March 2023)

\* Reflects the number of meetings attended during the time the Director held office.

\* Mewakili bilangan mesyuarat yang dihadiri sepanjang tempoh Pengarah memegang jawatan.

### B. BEKALAN MAKLUMAT

Pengarah-pengarah diberi notis dan kertas kerja sebelum Mesyuarat Lembaga untuk memberi masa yang mencukupi untuk meneliti dan membincangkan isu-isu yang dibangkitkan dalam mesyuarat.

Semua Pengarah mempunyai akses langsung kepada perkhidmatan Setiausaha Syarikat dan Pengurusan Kanan. Khidmat nasihat profesional bebas juga disediakan kepada Pengarah-pengarah bagi melaksanakan tugas mereka sekiranya perkhidmatan sedemikian diperlukan.

### C. LATIHAN LEMBAGA PENGARAH

Program Induksi menyeluruh telah ditubuhkan untuk membantu Pengarah-pengarah baharu memahami peranan baru mereka dan untuk membantu mereka memahami sejarah, operasi, dan prestasi kewangan Bank. Pengarah-pengarah baharu dikehendaki menghadiri Program Induksi secepat mungkin setelah mereka dilantik dan mereka akan diberikan taklimat dan dikemaskini mengenai cabaran dan isu-isu yang dihadapi oleh Bank.

Bank menggalakkan Pengarah-pengarah untuk menghadiri program latihan dan seminar untuk mengemaskini pengetahuan mereka tentang perkembangan baru dalam persekitaran perniagaan.

Semua Pengarah Bank telah menghadiri Program Pendidikan Pengarah Institusi Kewangan ("FIDE") yang diwajibkan yang dianjurkan oleh Pusat Kepimpinan dan Tatakelola Iclif, kecuali Datuk Zamri @ Fazillah Salleh. Beliau akan menghadiri program FIDE pada bulan Julai 2024 dan Ogos 2024.

### B. SUPPLY OF INFORMATION

Directors are provided with notices and Board papers prior to the Board Meetings to give ample time to review and deliberate on issues raised at meetings.

All Directors have direct access to the services of the Company Secretary and the Senior Leadership Team. Independent professional advice is also made available to Directors in furtherance of their duties in the event such services are required.

### C. TRAINING OF DIRECTORS

A comprehensive Induction Programme had been established to ease new Directors into their new role and to assist them in their understanding of the Bank's history, operations and financial performance. New Directors are required to attend Induction Programme as soon as possible once they have been appointed and they will be briefed and updated on the challenges and issues faced by the Bank.

The Bank encourages Directors to attend training programmes and seminars to update themselves on new developments in the business environment.

All the Directors of the Bank have attended the mandatory Financial Institutions Directors' Education ("FIDE") Program organized by The Iclif Leadership and Governance Centre except for Datuk Zamri @ Fazillah Salleh. He will attend FIDE program in July 2024 and August 2024.

Seorang Pengarah harus berterusan membangunkan dan mengukuhkan pengetahuan dan pemahamannya tentang kewangan Islam, serta terus mengikuti perkembangan yang memberi impak kepada perniagaan kewangan Islam, untuk memenuhi tanggungjawabnya kepada SME Bank. Bagi tujuan ini, semua Pengarah juga telah menghadiri atau telah mendaftar untuk Program Kewangan Islam untuk Pengerusi yang diwajibkan yang dianjurkan oleh ISRA Consulting.

Selain itu, pada tahun 2023, Bank telah menganjurkan Sesi Latihan dan Perkongsian Pengetahuan untuk Lembaga Pengarah dalam bidang-bidang berikut:

- (i) Enterprise Sosial; dasar, tatakelola, dan langkah ke depan
- (ii) Isu Terkini mengenai Alam Sekitar, Sosial, dan Tatakelola ("ESG")/Ketahanan:
  - a. Kemas kini pasaran & peraturan;
  - b. Perubahan Iklim: "kenapa" & "bagaimana" mengurus risiko dan peluang perubahan iklim; dan
  - c. Peranan dalam mendorong kelestarian dan menangani perubahan iklim
- (iii) Perjalanan Kelestarian/Ketahanan ESG Bank SME;
- (iv) Taklimat mengenai Kelestarian, ESG, dan Perubahan Iklim;
- (v) Program Kesedaran Pengurusan Kesinambungan Perniagaan ("BCM");
- (vi) SME Bank Ke Arah Keselamatan Siber, Isu dalam Keselamatan Siber, Ancaman, Paradigma, Inisiatif Taktikal dan Panduan Lembaga.

### D. JAWATANKUASA LEMBAGA

Terdapat lima (5) Jawatankuasa Lembaga yang ditubuhkan untuk membantu Lembaga Pengarah dalam menjalankan tugas dan tanggungjawabnya, iaitu Jawatankuasa Lembaga Pencalonan dan Imbuan, Jawatankuasa Lembaga Pengurusan Risiko, Jawatankuasa Lembaga Audit, Jawatankuasa Lembaga Pembiayaan dan Pelaburan, dan Jawatankuasa Lembaga Teknologi Maklumat.

#### JAWATANKUASA LEMBAGA PENCALONAN DAN IMBUHAN

##### 1. Objektif

Objektif utama Jawatankuasa Lembaga Pencalonan dan Imbuan ("BNCC") adalah untuk menyokong Lembaga Pengarah seperti berikut:

- (i) Menetapkan prosedur yang telus untuk pelantikan Key Responsible Persons<sup>1</sup> dan menilai keberkesanan individu Pemegang Tanggungjawab Utama serta pelbagai Jawatankuasa Lembaga Pengarah.
- (ii) Menetapkan prosedur yang telus untuk membangunkan dasar imbuan bagi Pemegang Tanggungjawab Utama dan memastikan bahawa emolument itu bersifat kompetitif dan konsisten dengan budaya, objektif, dan strategi Bank.
- (iii) Melaksanakan penilaian tahunan dan mencadangkan kepada kelulusan Lembaga, pelantikan dan pemilihan semula Pengarah, ahli Jawatankuasa Syariah, pembaharuan dan penamatan perkhidmatan Pengurusan Atasan.

A Director must continuously develop and strengthen his knowledge and understanding on Islamic Finance, as well as keep abreast with developments that may impact Islamic finance business, to fulfil his responsibility to SME Bank. For this purpose, all the Directors have also attended or have registered for the mandatory Islamic Finance for Board Programme organized by ISRA Consulting.

In addition, during the year 2023, the Bank had organised Trainings and Knowledge Sharing Sessions for the Board in the following areas:

- (i) Social Enterprise; its policy, governance and way forward
- (ii) Current Trends on Environmental, social and governance ("ESG")/Sustainability:
  - a. Market & regulatory updates;
  - b. Climate Change: The "why" & "how" on managing climate change risks and opportunities; and
  - c. Roles in driving sustainability and addressing climate change
- (iii) SME Bank ESG/Sustainability Journey;
- (iv) Briefing on Sustainability, ESG and Climate Change;
- (v) Business Continuity Management ("BCM") Awareness Programme;
- (vi) SME Bank Cyber Security in Focus, Trends in Cybersecurity, Threats, Paradigms, Tactical Initiatives and Board Guidance

### D. BOARD COMMITTEES

There are five (5) Board Committees established to assist the Board in discharging its duties and responsibilities, namely the Board Nomination and Compensation Committee, Board Risk Management Committee, Board Audit Committee, Board Financing and Investment Committee and Board Information Technology Committee.

#### BOARD NOMINATION AND COMPENSATION COMMITTEE

##### 1. Objective

The primary objectives of the Board Nomination and Compensation Committee ("BNCC") are to support the Board as follows:

- (i) To establish transparent procedure for the appointment of the Key Responsible Persons<sup>1</sup> and to assess the effectiveness of individual Key Responsible Persons and the various Board Committees.
- (ii) To establish transparent procedure to develop compensation policy for Key Responsible Persons and to ensure that the compensation is competitive and consistent with the Bank's culture, objectives and strategy.
- (iii) To conduct annual assessment and recommend for the Board's approval, the appointment and reappointment of Directors, Shariah Committee members, the renewal and termination of Senior Management's employment.

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(iv) Melaksanakan penilaian tahunan dan mencadangkan kepada kelulusan Lembaga Pengarah, pelantikan dan pemilihan semula Pengarah, ahli Jawatankuasa Syariah, pembaharuan dan penamatan perkhidmatan Pengurusan Kanan.

<sup>1</sup> Definisi *Key Responsible Persons* adalah mengikut Kriteria Layak dan Sesuai BNM yang merangkumi Pengerusi, Lembaga Pengarah, Ahli Jawatankuasa Syariah, Presiden Kumpulan/ Ketua Pegawai Eksekutif, Setiausaha Syarikat, dan Pasukan Kepimpinan Atasan.

#### 2. Komposisi, Mesyuarat dan Kehadiran

Semasa tahun kewangan berakhir pada 31 Disember 2023, BNCC mengadakan 13 mesyuarat. Komposisi BNCC pada tahun 2023 dan rekod kehadiran adalah seperti berikut

BIL. NO.	NAMA PENGARAH/ NAME OF DIRECTOR	JAWATAN DESIGNATION	BIL. MESYUARAT DIHADIRI/ NO. OF MEETINGS ATTENDED*
1.	Datuk Ahmad Hizzad bin Baharuddin	Pengerusi Chairman	13/13
2.	Puan Suharti binti Mohd Ali	Ahli Member	13/13
3.	Puan Afidah Azwa binti Abdul Aziz	Ahli Member	11/12 (Dilantik sebagai ahli BNCC pada 1 Februari 2023) (Appointed as BNCC's member on 1 February 2023)
4.	Datuk Haji Zamri @ Fazillah bin Salleh	Ahli Member	11/12 (Dilantik sebagai ahli BNCC pada 1 Februari 2023) (Appointed as BNCC's member on 1 February 2023)
5.	Encik Zulkiflee bin Hashim	Ahli Member	2/2 (Dilantik sebagai ahli BNCC pada 1 Oktober 2023) (Appointed as BNCC's member on 1 October 2023)
6.	Dato' Muslim bin Hussain	Ahli Member	8/8 (Dilantik sebagai ahli BNCC pada 1 April 2023 dan meletakkan jawatan pada 1 Oktober 2023 kerana beliau dilantik sebagai Pengerusi Bukan Eksekutif SME Bank) (Appointed as BNCC's member on 1 April 2023 and Resigned on 1 October 2023 due to his appointment as Non-Executive Chairman of SME Bank)
7.	Dato' Sharkawi bin Alis	Ahli Member	3/3 (Tempoh berakhir pada 30 Mac 2023) (Tenure ended on 30 March 2023)

\* Mewakili bilangan mesyuarat dihadiri sepanjang tempoh Pengarah memegang jawatan.

\* Reflects the number of meetings attended during the time the Director held office.

(iv) To endorse any Human Capital matters including any changes deemed necessary to the schemes, terms of services and new terms for the employees prior to submission to the Board for final approval.

<sup>1</sup> The Definition of Key Responsible Persons is as per the BNM's Fit and Proper Criteria which includes the Chairman, Board of Directors, Members of Shariah Committee, Group President/CEO, Company Secretary and Senior Leadership Team.

#### 2. Composition, Meeting and Attendance

During the financial year ended 31 December 2023, BNCC held 13 meetings. The composition of BNCC during the year 2023 and record of attendance are as follows:

#### 3. Peranan dan tanggungjawab

Peranan dan tanggungjawab BNCC dibahagikan kepada tanggungjawab pencalonan dan imbuhan.

Tanggungjawab pencalonan termasuk, antara lain, seperti berikut:

- Menetapkan keperluan minimum untuk Pengarah dan GP/CEO.
- Menilai calon-calon untuk pengarah, keahlian Jawatankuasa Lembaga serta calon-calon untuk jawatan GP/CEO.
- Menetapkan mekanisme penilaian untuk menentukan keberkesanan Lembaga, Jawatankuasa Lembaga dan Pemegang Tanggungjawab Utama.
- Mengawasi pelantikan semula, perancangan kejayaan pengurusan dan penilaian prestasi Pemegang Tanggungjawab Utama serta mengesyorkan pemecatan mereka jika mereka tidak berkesan, melanggar atau cuai dalam menjalankan tanggungjawab mereka.
- Memastikan ahli Lembaga menerima program latihan yang sesuai dan berterusan untuk kekal berada di barisan hadapan dengan perkembangan terkini dalam industri; dan
- Menilai kelayakan Lembaga Pengarah dan GP/CEO untuk tidak disingkirkan menurut keperluan Seksyen 7 Akta Institusi Kewangan Pembangunan 2002.

Tanggungjawab berkaitan emolumen termasuk, antara lain, seperti berikut:

- Mencadangkan kerangka emolumen dan pakej untuk Pemegang Tanggungjawab Utama; dan
- Menyokong sebarang perubahan yang dianggap perlu

#### JAWATANKUASA LEMBAGA PENGURUSAN RISIKO

##### 1. Objektif

Objektif utama Jawatankuasa Lembaga Pengurusan Risiko (BRMC) adalah menyokong Lembaga dalam mengawasi pengurusan bahagian Kumpulan SME Bank yang berisiko utama dan memastikan proses pengurusan risiko dibangunkan, diselenggara dan dilaksanakan dengan berkesan

##### 2. Komposisi, Mesyuarat Dan Kehadiran

Semasa tahun berakhir 31 Disember 2023, BRMC telah mengadakan 11 mesyuarat. Komposisi BRMC dan rekod kehadiran adalah seperti berikut:

#### 3. Roles and Responsibilities

The roles and responsibilities of BNCC are categorised into nomination and remuneration responsibilities.

The nomination responsibilities include, amongst others, as follows:

- Establishing the minimum requirements for Director and the GP/CEO.
- Assessing the nominees for directorship, membership of Board Committees as well as nominees for GP/CEO's the position.
- Establishing the assessment mechanism to determine the effectiveness of the Board, Board Committees and Key Responsible Persons.
- Overseeing the appointment and reappointment, management succession planning and performance evaluation of Key Responsible Persons and recommending their removal if they are ineffective, errant and negligent in discharging their responsibilities.
- Ensuring the Board members receive an appropriate and continuous training programme in order to keep abreast with the latest developments in the industry; and
- Assessing the Board and GP/CEO's non-disqualification pursuant to the requirements of Section 7 of the Developmental Financial Institution Act 2002.

The remuneration responsibilities include, amongst others, as follows:

- Recommending the remuneration framework and packages for Key Responsible Persons; and
- Endorsing any changes deemed necessary

#### BOARD RISK MANAGEMENT COMMITTEE

##### 1. Objective

The primary objective of the Board Risk Management Committee ("BRMC") is to support the Board in overseeing the management of key risk areas of SME Bank and the Group and to ensure that the risk management process is in place and implemented effectively.

##### 2. Composition, Meeting and Attendance

During the financial year ended 31 December 2023, BRMC held 11 meetings. The composition of BRMC during the year 2023 and record of attendance are as follows:

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BIL. NO.	NAMA LEMBAGA PENGARAH/ NAME OF DIRECTOR	JAWATAN DESIGNATION	BIL. MESYUARAT DIHADIRI* NO. OF MEETINGS ATTENDED*
1.	Datuk Ahmad Hizzad bin Baharuddin	Pengerusi Chairman	11/11 (Dilantik sebagai Pengerusi pada 1 Oktober 2023. Sebelum ini, beliau adalah seorang ahli BRMC) (Appointed as the Chairman on 1 October 2023. Previously, he was a member of BRMC)
2.	Encik Zulkiflee bin Hashim	Ahli Member	11/11
3.	Puan Suharti bin Mohd Ali	Ahli Member	11/11
4.	Datuk Haji Zamri @ Fazillah bin Salleh	Ahli Member	10/10 (Dilantik sebagai ahli BRMC pada 1 Februari 2023) (Appointed as BRMC's member on 1 February 2023)
5.	Dato' Muslim bin Hussain	Pengerusi Chairman	9/9 (Meletakkan jawatan sebagai Pengerusi BRMC pada 1 Oktober 2023 kerana dilantik sebagai Pengerusi Bukan Eksekutif SME Bank) (Resigned as BRMC's Chairman on 1 October 2023 due to his appointment as Non-Executive Chairman of SME Bank)

\* Mewakili bilangan mesyuarat dihadiri sepanjang tempoh Pengarah memegang jawatan.  
\* Reflects the number of meetings attended during the time the Director held office.

### 3. PERANAN DAN TANGGUNGJAWAB

Jawatankuasa Lembaga Pengurusan Risiko ("BRMC") ditubuhkan untuk menyokong Lembaga Pengarah dalam memenuhi tanggungjawabnya dalam meninjau dan mencadangkan strategi risiko Bank, selera risiko, pembangunan dasar-dasar pengurusan risiko dan rangka kerja serta menangani jenis-jenis risiko utama mengikut peranan mandatori Bank sebagai Bank pembangunan.

BRMC juga memberikan pengawasan, antara lain, dalam bidang-bidang berikut:

- (i) Strategi risiko kredit dan faktor-faktor khusus Bank seperti selera risiko Bank, tahap modal yang sedia ada dan keperluan peruntukan dalam skenario operasi biasa dan tekanan, kecukupan sumber dalaman serta persekitaran operasi yang lebih luas.
- (ii) Fungsi kawalan pengurusan risiko, aktiviti pengurusan risiko, pelaksanaan amalan Pengurusan Kecacatan Perniagaan yang baik di seluruh Bank.
- (iii) Pembangunan dan pelaksanaan program ujian tekanan.
- (iv) Pengurusan risiko pematuhan Bank.

BRMC juga aktif terlibat dalam penilaian prestasi individu yang terutama bertanggungjawab terhadap fungsi kawalan termasuk pematuhan dan pengurusan risiko.

Selaras dengan Dokumen Dasar Bank Negara Malaysia mengenai Pengurusan Risiko dalam Teknologi, BRMC memberikan pengawasan ke atas perkara-perkara berkaitan teknologi, termasuk

### 3. Roles and Responsibilities

BRMC is established to support the Board to fulfil its responsibilities in reviewing and recommending the Bank's risk strategies, risk appetite, development of the risk management policies and frameworks and addressing major types of risks in line with the Bank's mandated role as a development Bank.

BRMC also provide oversight, amongst others, on the following areas:

- (i) Credit risk strategy and the Bank's specific factors such as the Bank's risk appetite, existing levels of capital and provisioning needs in business-as-usual and stressed scenarios, adequacy of internal resources as well as the wider operating environment.
- (ii) Risk management control functions, risk management activity, Bank-wide implementation of sound Business Continuity Management practices.
- (iii) The development and implementation of the stress testing programme.
- (iv) The management of the Bank's compliance risk.

BRMC is also actively involved in the performance review of individuals primarily responsible for control functions including compliance and risk management.

Pursuant to BNM Policy Document on Risk Management in Technology, BRMC provides oversight over technology-related matters, including

meninjau rangka kerja berkaitan teknologi dan memastikan bahawa penilaian risiko yang dijalankan berkaitan dengan aplikasi teknologi penting adalah kukuh dan komprehensif.

Lembaga juga memberi kuasa kepada BRMC untuk meluluskan:

- (i) Sebarang cadangan berkaitan Had Kuasa ("AL") untuk Pencairan, Penyelesaian, Aktiviti Selepas Kelulusan untuk Aktiviti Pembiayaan dan AL untuk Aktiviti Bukan Pembiayaan.
- (ii) Sebarang revisi/penambahbaikan tidak material selepas diluluskan secara sah Dasar-dasar dan Rangka Kerja Pengurusan Risiko.
- (iii) Sebarang had kepekatan dalaman baru atau yang direvisi kecuali Had Kepada Pelanggan Individu dan Pembiayaan Besar.

reviewing the technology-related frameworks and ensuring that risk assessments undertaken in relation to material technology applications are robust and comprehensive.

The Board has also empowered BRMC to approve:

- (i) Any proposal related to Authority Limit ("AL") for Disbursement, Settlement, Post Approval Activities for Financing Activities and AL for Non-Financing Activities.
- (ii) Any subsequent non-material revision/enhancement of duly approved Risk Management Policies and Framework.
- (iii) Any new or revision of internal concentration limits except for Single Customer Limit and Large Financing.

### JAWATANKUASA LEMBAGA AUDIT

#### 1. Objektif

Objektif utama Jawatankuasa Lembaga Pengarah Audit ("BAC") adalah untuk menyokong Lembaga Pengarah dalam memberikan pengawasan bebas terhadap pelaporan kewangan Bank dan anak syarikatnya serta sistem kawalan dalaman, juga memastikan keseimbangan dan pengawasan yang sewajarnya di dalam Bank.

#### 2. Komposisi, Mesyuarat dan Kehadiran

Semasa tahun kewangan yang berakhir pada 31 Disember 2023, BAC mengadakan 10 mesyuarat. Komposisi BAC pada tahun 2023 dan rekod kehadiran adalah seperti berikut:

BIL. NO.	NAMA LEMBAGA PENGARAH/ NAME OF DIRECTOR	JAWATAN DESIGNATION	BIL. MESYUARAT DIHADIRI* NO. OF MEETINGS ATTENDED*
1.	Encik Zulkiflee bin Hashim	Pengerusi Chairman	10/10
2.	Datuk Ahmad Hizzad bin Baharuddin	Ahli Member	10/10
3.	Datuk Haji Zamri @ Fazillah bin Salleh	Ahli Member	8/9 (Dilantik sebagai ahli BAC pada 1 Februari 2023) (Appointed as BAC's member on 1 February 2023)
4.	Puan Suharti binti Mohd Ali	Ahli Member	1/2 (Dilantik sebagai ahli BAC pada 1 Februari 2023) (Appointed as BAC's member on 1 October 2023)
5.	Dato' Muslim bin Hussain	Ahli Member	7/7 (Meletakkan jawatan sebagai ahli BAC pada 1 Oktober 2023 kerana dilantik sebagai Pengerusi) (Resigned as BAC's member on 1 October 2023 due to his appointment as Non-Executive Chairman of SME Bank)
6.	Dato' Sharkawi bin Alis	Ahli Member	3/3 (Tempoh berakhir pada 30 Mac 2023) (Tenure ended on 30 March 2023)

\* Mencerminkan bilangan mesyuarat yang dihadiri semasa Pengarah memegang jawatan.  
\* Reflects the number of meetings attended during the time the Director held office.

### BOARD AUDIT COMMITTEE

#### 1 Objective

The primary objective of the Board Audit Committee ("BAC") is to support the Board in providing independent oversight on the Bank and its subsidiaries' financial reporting and internal control system and ensuring check and balances within the Bank.

#### 2. Composition, Meeting and Attendance

During the financial year ended 31 December 2023, BAC held 10 meetings. The composition of BAC during the year 2023 and record of attendance are as follows:



## PENYATA TADBIR URUS KORPORAT

### STATEMENT ON CORPORATE GOVERNANCE

#### 3. Peranan dan Tanggungjawab

Peranan dan tanggungjawab BAC antara lain adalah seperti berikut:

- (i) Memastikan pelaporan yang adil dan telus serta penerbitan tepat masa akaun tahunan.
- (ii) Menyemak penyata kewangan suku tahunan dan tahunan, pengumuman hasil sementara, dan sebarang pengumuman formal lain yang berkaitan dengan prestasi kewangan.
- (iii) Mengawasi fungsi audit dalaman, meluluskan pelan audit, program, dan proses audit dalaman, temuan/laporan audit dalaman, dan mengesyorkan tindakan yang perlu diambil oleh Pengurusan.
- (iv) Menyiasat semua perkara termasuk penyiasatan mengikut Dasar Pemberian Maklumat.
- (v) Menyemak keberkesanan kawalan dalaman dan proses pengurusan risiko.
- (vi) Menyemak laporan berkaitan dengan pencegahan dan penganjuran penipuan serta mengesyorkan tindakan yang perlu diambil oleh Pengurusan.
- (vii) Menyemak dan meluluskan status dan kemajuan tindakan balas Pengurusan serta langkah pembetulan terhadap isu-isu yang dinaikkan dalam Surat Penarafan Risiko Komposit BNM sebelum pengemukaannya kepada Lembaga Pengarah.
- (viii) Mengesyorkan pelantikan atau penamatan semula juruaudit luaran, fi dan perkara yang berkaitan dengan peletakan jawatan atau penamatan atau perubahan atau penyingkiran juruaudit luaran.

#### JAWATANKUASA LEMBAGA PEMBIAYAAN DAN PELABURAN

##### 1. Objektif

Objektif utama Jawatankuasa Lembaga Pembiayaan dan Pelaburan ("BFIC") adalah untuk menyokong Lembaga Pengarah dalam mengawasi pengurusan dan menyediakan hala tuju strategik mengenai pembiayaan, pelaburan, dan kualiti aset Bank.

##### 2. Komposisi, Mesyuarat dan Kehadiran

Semasa tahun kewangan berakhir pada 31 Disember 2023, BFIC mengadakan 23 mesyuarat. Komposisi BFIC pada tahun 2023 dan rekod kehadiran adalah seperti berikut:

#### 3. Roles and Responsibilities

The roles and responsibilities of BAC are amongst others, as follows:

- (i) Ensuring fair and transparent reporting and prompt publication of annual accounts.
- (ii) Reviewing the quarterly and annual financial statements, preliminary results release and any other formal release relating to its financial performance.
- (iii) Overseeing the functions of internal audit, approving audit plan, programme and processes, internal audit findings/reports and recommending actions to be taken by Management.
- (iv) Investigating all matters which include investigations pursuant to the Whistle Blowing Policy.
- (v) Reviewing the effectiveness of internal controls and risk management processes.
- (vi) Reviewing reports relating to the perpetration and prevention of fraud and recommending actions to be taken by Management.
- (vii) Reviewing and endorsing the status and progress of Management's response and corrective measures on issues raised in BNM's Composite Risk Rating Letter prior to its submission to the Board.
- (viii) Recommending the appointment or re-appointment of the external auditor, the fee and matters pertaining to the resignation or termination or change or removal of the external auditor.

#### BOARD FINANCING AND INVESTMENT COMMITTEE

##### 1. Objective

The primary objective of Board Financing and Investment Committee ("BFIC") is to support the Board to oversee the management and provide strategic direction with regard to financing, investment and asset quality of the Bank.

##### 2. Composition, Meeting and Attendance

During the financial year ended 31 December 2023, BFIC held 23 meetings. The composition of BFIC during the year 2023 and record of attendance are as follows:

BIL. NO.	NAMA LEMBAGA PENGARAH/ NAME OF DIRECTOR	JAWATAN DESIGNATION	BIL. MESYUARAT DIHADIRI/ NO. OF MEETINGS ATTENDED*
1.	Encik Zulkiflee bin Hashim	Pengerusi Chairman	23/23
2.	Puan Suharti binti Mohd Ali	Ahli Member	23/23
3.	Puan Afidah Azwa binti Abdul Aziz	Ahli Member	19/21 (Dilantik sebagai ahli BFIC pada 1 Februari 2023) (Appointed as BFIC's member on 1 February 2023)
4.	Datuk Ahmad Hizzad bin Baharuddin	Ahli Member	5/5 (Dilantik sebagai ahli BFIC pada 1 Oktober 2023) (Appointed as BFIC's member on 1 October 2023)
5.	Dato' Muslim bin Hussain	Ahli Member	18/18 (Meletakkan jawatan sebagai ahli BFIC pada 1 Oktober 2023 kerana dilantik sebagai Pengerusi Bukan Eksekutif SME Bank) (Resigned as BFIC's member on 1 October 2023 due to his appointment as Non-Executive Chairman of SME Bank)
6.	Dato' Sharkawi bin Alis	Ahli Member	6/6 (Lantikan berakhir pada 30 Mac 2023) (Tenure ended on 30 March 2023)
7.	Encik Wan Abdul Rahman bin Wan Abu Bakar	Ahli Member	1/1 (Lantikan berakhir pada 10 Januari 2023) (Tenure ended on 10 January 2023)

\* Mencerminkan bilangan mesyuarat yang dihadiri semasa Pengarah memegang jawatan.

\* Reflects the number of meetings attended during the time the Director held office.

#### 3. Peranan dan Tanggungjawab

Peranan dan tanggungjawab BFIC antara lainnya, seperti berikut:

- (i) Melaksanakan kuasa penolakan untuk menolak kredit atau mengubah terma kredit yang telah diluluskan oleh Jawatankuasa Pembiayaan dan Pelaburan ("FIC") jika BFIC berpendapat bahawa pendanaan tersebut akan menimbulkan risiko yang tidak sewajarnya tinggi kepada Bank. Selain itu, BFIC juga mengesahkan semua cadangan berkaitan pendanaan dan pelaburan yang diluluskan oleh FIC dengan syarat tiada bantahan atau pengubahsuaian. Selain itu, BFIC juga mengesyorkan cadangan bagi Polisi Pembiayaan untuk kelulusan Lembaga Pengarah.
- (ii) Menilai, menyemak, dan memberikan arahan strategik berkaitan dengan Laporan Kualiti Aset dan Laporan Kewangan yang perlu dibentangkan secara bulanan untuk meningkatkan pengurusan pertumbuhan aset dan kualiti aset Bank SME.
- (iii) Menilai, menyemak, dan memberikan arahan strategik berkaitan dengan Laporan Ekonomi yang perlu dibentangkan seperti yang diperlukan atau secara suku tahunan.

#### 3. Roles and Responsibilities

The roles and responsibilities of BFIC amongst others, as follows:

- (i) Exercising veto power to reject credits or modify the terms of credit which had been approved by the Financing and Investment Committee ("FIC") if the BFIC is of the view that the financing would expose the Bank to undue excessive risk. Otherwise, BFIC shall endorse all financing and investment related proposals duly approved by FIC should there be no objection or modification. In addition, BFIC also recommends the proposals on Policy Financing for the Board's approval.
- (ii) Assessing, reviewing and providing strategic direction in regard to Asset Quality Report and Treasury Report which are to be presented on monthly basis in order to improve the management of asset growth and asset quality of SME Bank.
- (iii) Assessing, reviewing and providing strategic direction in regard to Economic Report which is to be presented as required or on quarterly basis.

# PENYATA TADBIR URUS KORPORAT

## STATEMENT ON CORPORATE GOVERNANCE

### JAWATANKUASA LEMBAGA TEKNOLOGI MAKLUMAT

### BOARD INFORMATION TECHNOLOGY COMMITTEE

#### 1. Objektif

Objektif utama Jawatankuasa Lembaga Pengarah Teknologi Maklumat (“BITC”) adalah menyokong Lembaga Pengarah dalam memberikan pengawasan terhadap perkara yang berkaitan dengan teknologi.

#### 1. Objective

The primary objective of the Board Information Technology Committee (“BITC”) is to support the Board in providing oversight over technology-related matters.

#### 2. Komposisi, Mesyuarat dan Kehadiran

Semasa tahun kewangan berakhir pada 31 Disember 2023, BITC mengadakan lapan (8) mesyuarat. Komposisi BITC pada tahun 2023 dan rekod kehadiran adalah seperti berikut:

#### 2. Composition, Meeting and Attendance

During the financial year ended 31 December 2023, BITC held eight (8) meetings. The composition of BITC during the year 2023 and record of attendance are as follows:

BIL. NO.	NAMA LEMBAGA PENGARAH/ NAME OF DIRECTOR	JAWATAN DESIGNATION	BIL. MESYUARAT DIHADIRI* NO. OF MEETINGS ATTENDED*
1.	Puan Suharti binti Mohd Ali	Pengerusi Chairman	8/8
2.	Datuk Ahmad Hizzad bin Baharuddin	Ahli Member	8/8
3.	Encik Zulkiflee bin Hashim	Ahli Member	8/8
4.	Dato’ Muslim bin Hussain	Ahli Member	7/7 (Meletakkan jawatan sebagai ahli BITC kerana dilantik sebagai Pengerusi Bukan Eksekutif SME Bank) (Resigned as BITC’s member on 1 October 2023 due to his appointment as Non-Executive Chairman of SME Bank)

\* Mencerminkan bilangan mesyuarat yang dihadiri semasa Pengarah memegang jawatan.

\* Reflects the number of meetings attended during the time the Director held office.

#### 3. Peranan dan Tanggungjawab

Peranan dan tanggungjawab BITC antara lain adalah seperti berikut:

- (i) Memastikan teknologi yang berkaitan termasuk risiko siber sejajar dengan kenyataan keinginan risiko Bank dan pelaksanaan yang berkesan bagi Kerangka Pengurusan Risiko Teknologi yang kukuh dan mantap (“TRMF”) serta Kerangka Ketahanan Siber (“CRF”).
- (ii) Memastikan toleransi risiko yang bersesuaian untuk peristiwa yang berkaitan dengan teknologi, menilai penunjuk prestasi utama dan penunjuk risiko pandangan ke hadapan serta memantau risiko teknologi Bank berbanding dengan toleransi risiko yang diluluskan.
- (iii) Mengawasi kecukupan infrastruktur IT Bank serta pelan strategik keselamatan siber yang meliputi dan pelaksanaan inisiatif/projek IT dan Digital yang dilaksanakan oleh Bank.

#### 3. Roles and Responsibilities

The roles and responsibilities of BITC amongst others, as follows:

- (i) Ensuring the relevant technology including cyber risk appetite which is aligned with the Bank’s risk appetite statement and effective implementation of a sound and robust Technology Risk Management Framework (“TRMF”) and Cyber Resilience Framework (“CRF”).
- (ii) Ensuring corresponding risk tolerances for technology-related events, assess the key performance indicators and forward-looking risk indicators and monitor the Bank’s technology risk against its approved risk tolerance.
- (iii) Overseeing the adequacy of the Bank’s IT infrastructure as well as cybersecurity strategic plans covering and the implementation of IT and Digital initiatives/projects undertaken by the Bank.

(iv) Mengawasi dan menangani risiko yang berkaitan apabila melibatkan penyedia perkhidmatan pihak ketiga untuk fungsi teknologi kritikal dan sistem serta sebarang pelantikan individu, perunding atau penasihat untuk menjalankan projek atau tugas khusus berkaitan inisiatif/projek IT dan Digital Bank.

(iv) Overseeing and address associated risk when engaging third party service providers for critical technology functions and systems as well as any appointment of such person, consultants or advisors to undertake any specific projects or assignments in relation to the Bank’s IT and Digital initiatives/projects.

(v) Menyemak dan mengesyorkan strategi IT dan Digital utama serta pelan strategik transformasi digital dan kemajuan projek.

(v) Review and recommend key IT and Digital strategy as well as digital transformation strategic plan and project progress.

# EMOLUMEN REMUNERATION

## Board's Remuneration

The Board's remuneration package for Non-Executive Chairman and Non-Executive Directors commensurate with the accountabilities, roles and responsibilities of both Board and Board Committees. The Board's remuneration package is in accordance with Garis Panduan Ahli Lembaga Pengarah Lantikan Menteri Kewangan (Diperbadankan) and the directive issued by Minister of Finance Incorporated.

The Board's remuneration during FYE 2023 is as follows:

## Imbuhan Ahli Lembaga

Pakej Imbuhan Ahli Lembaga Pengarah untuk Pengerusi Bukan Eksekutif dan Pengarah Bukan Eksekutif sejajar dengan tanggungjawab, peranan, dan tanggungjawab Lembaga dan Jawatankuasa Lembaga tersebut. Pakej emolumen Lembaga Pengarah adalah mengikut Garis Panduan Ahli Lembaga Pengarah Lantikan Menteri Kewangan (Diperbadankan) dan arahan yang dikeluarkan oleh Menteri Kewangan Diperbadankan.

Pakej emolumen Ahli Lembaga semasa Tahun Kewangan Berakhir pada 2023 adalah seperti berikut:

2023	Emolumen Yang Diterima Dari Bank Remuneration received from the Bank					Emolumen diterima dari subsidiari Remuneration received from subsidiaries					Kumpulan Group	
	Gaji/ Bayaran/ Salary RM'000	Bonus/ RM'000	Persaraan/ Pension cost RM'000	Emolumen Lain/ Other emoluments RM'000	Faedah berbentuk benda/ Benefits- in-kind RM'000	Jumlah/ Total RM'000	Bayaran/ Fees RM'000	Emolumen Lain/ Other Benefits- in-kind RM'000	Faedah berbentuk benda/ Benefits- in-kind RM'000	Jumlah/ Total RM'000		
<b>Pengarah Bukan Eksekutif Non-Executive Directors:</b>												
Dato' Muslim bin Hussain Baharuddin	72	-	-	175	-	247	-	-	-	-	247	
Zulkiflee bin Hashim Wan Abdul Rahman bin Abu Bakar	48	-	-	134	-	182	-	-	-	-	182	
Suharti binti Mohd Ali	48	-	-	199	-	247	-	-	-	-	247	
Dato' Sharkawi bin Alis	1	-	-	2	-	3	-	-	-	-	3	
Afidah Azwa Binti Abdul Aziz	48	-	-	156	-	204	-	-	-	-	204	
Datuk Haji Zamri @ Fazillah Bin Salleh	14	-	-	35	-	49	-	-	-	-	49	
	44	-	-	88	-	132	-	-	-	-	132	
	44	-	-	83	-	127	-	-	-	-	127	
	<b>319</b>	<b>-</b>	<b>-</b>	<b>872</b>	<b>-</b>	<b>1,191</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,191</b>	

## Imbuhan Presiden Kumpulan/Ketua Pegawai Eksekutif, Pasukan Kepimpinan Kanan dan Pengambil Risiko Material Lain

Strategi Imbuhan Bank direka untuk selaras dengan matlamat strategiknya, memupuk budaya prestasi tinggi, mendorong pertumbuhan, dan mencapai visinya. Dengan menekankan Imbuhan yang kompetitif, faedah, dan pembangunan kerjaya, strategi ini menggalakkan kesejahteraan pekerja dan pencapaian matlamat. Imbuhan total bersepadu memastikan pematuhan terhadap standard risiko dan peraturan, memotivasi pekerja serta meningkatkan prestasi perniagaan, pertumbuhan, dan pengurusan risiko yang berhemah.

Struktur Imbuhan merangkumi bayaran tetap (gaji pokok dan elaun) dan kompensasi fleksibel (bonus prestasi dan insentif pengekalan), dengan faedah yang menyokong kesejahteraan pekerja. Pendekatan ini sejajar dengan strategi, budaya, dan nilai-nilai utama Bank (S.M.I.L.E.), menggalakkan motivasi dan keterlibatan yang aktif.

Prestasi di Bank diukur menggunakan Penunjuk Prestasi Utama Korporat (CKPI), yang meliputi keuntungan, pengurusan kos, inisiatif strategik, pembangunan kakitangan, serta pematuhan terhadap standard risiko, audit, dan bersama dengan metrik-metrik lain yang diwajibkan oleh pihak berkepentingan. Penilaian prestasi ini melata melalui bahagian-bahagian dan jabatan-jabatan, membentuk Penunjuk Prestasi Utama (KPI) individu, dan Imbuhan bergantung kepada pencapaian KPI ini. CKPI ini disemak semula dan diluluskan oleh Lembaga setiap tahun.

Imbuhan disemak semula oleh jawatankuasa lembaga yang berkaitan dan diluluskan oleh Lembaga Pengarah, memastikan pematuhan terhadap Dasar Imbuhan dan Tatakelola Korporat. Bank juga mematuhi garis panduan "Menteri Kewangan Diperbadankan" (MKD) jika berkenaan.

Imbuhan bagi Presiden Kumpulan/Ketua Pegawai Eksekutif ("GP/CEO"), Pasukan Kepimpinan Kanan (SLT), dan Pengambil Risiko Material Lain (OMRT) untuk FYE 2023 adalah seperti berikut:

	GAJI TAHUNAN ASAS/ ANNUAL BASIC SALARY (RM'000)	EMOLUMEN LAIN/ OTHER EMOLUMENTS (RM'000)	BONUS/ INCENTIVE BONUS/ INSENTIF (RM'000)	KOS PERSARAAN/ PENSION COST (RM'000)	JUMLAH EMOLUMEN TAHUNAN/ TOTAL ANNUAL REMUNERATION (RM'000)
GP/CEO	990	165	491	207	1,853
SLT	6,074	1,156	2,159	1,259	10,648
OMRT	6,419	1,231	1,754	1,328	10,732

## Group President/Chief Executive Officer, Senior Leadership Team and Other Material Risk Taker's Remuneration

The Bank's remuneration strategy is designed to align with its strategic goals, fostering a high-performance culture, driving growth, and realizing its vision. By emphasizing competitive compensation, benefits, and career development, the strategy promotes employee well-being and goal achievement. Integrated total rewards ensure compliance with risk and regulatory standards, motivating employees and enhancing business performance, growth, and prudent risk management.

The remuneration structure comprises fixed pay (base salary and allowances) and variable pay (performance bonuses and retention incentives), with benefits supporting employee well-being. This approach aligns with the Bank's strategy, culture, and core values (S.M.I.L.E.), fostering motivation and engagement.

Performance at the Bank is measured using Corporate Key Performance Indicators (CKPIs), which encompass profitability, cost management, strategic initiatives, employee development, and adherence to risk, audit, and compliance standards, along with other stakeholder-mandated metrics. These performance measures cascade through divisions and departments, shaping individual Key Performance Indicators (KPIs), and remuneration is based on achieving these KPIs. The CKPIs are reviewed and approved by the Board annually.

Remuneration is reviewed by the respective board committee and approved by the Board, ensuring compliance with the Remuneration Policy and Corporate Governance. The Bank also complies with the "Menteri Kewangan Diperbadankan" (MKD) guidelines where applicable.

The remuneration for Group President/Chief Executive Officer ("GP/CEO"), Senior Leadership Team ("SLT") and Other Material Risk Taker ("OMRT") during FYE 2023 are as follows:

# PENYATA PENGURUSAN RISIKO DAN KAWALAN DALAMAN

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

### PENGENALAN

Lembaga Pengarah komited untuk memupuk dan memelihara pengurusan risiko dan kawalan dalaman yang kukuh serta amalan tadbir urus korporat yang baik dalam seluruh Kumpulan SME Bank ("Kumpulan") seperti yang dinyatakan dalam penyata Lembaga Pengarah mengenai pengurusan risiko dan kawalan dalaman, dibuat selaras dengan resolusi Lembaga Pengarah bertarikh 29 Februari 2024.

Lembaga Pengarah telah menubuhkan Jawatankuasa Lembaga Pengurusan Risiko ("BRMC"), Jawatankuasa Lembaga Audit ("BAC"), Jawatankuasa Lembaga Pencalonan dan Pampasan ("BNCC"), Jawatankuasa Lembaga Pembiayaan dan Pelaburan ("BFIC") dan Jawatankuasa Lembaga Teknologi Maklumat ("BITC").

### TANGGUNGJAWAB

Lembaga Pengarah memperakukan tanggungjawab keseluruhannya dalam menyediakan pengawasan bagi persekitaran kawalan dalaman dan keberkesannya dalam melindungi kepentingan pemegang saham dan aset Kumpulan. Langkah kawalan dalaman direka bentuk untuk mengurus dan bukannya menghapuskan risiko kegagalan dalam pencapaian matlamat dan objektif Kumpulan, dan oleh itu memberikan jaminan yang munasabah terhadap salah nyata maklumat kewangan yang ketara atau terhadap kerugian kewangan dan penipuan.

Sistem kawalan dalaman yang dilaksanakan ke seluruh Kumpulan dikemaskini dari semasa ke semasa sejajar dengan perubahan dalam persekitaran perniagaan serta inisiatif penambahbaikan proses yang dijalankan. Lembaga Pengarah mengesahkan bahawa Pengurusan Kumpulan bertanggungjawab melaksanakan dasar, prosedur dan garis panduan pengurusan risiko dan kawalan dalaman dengan mengenalpasti dan menilai risiko yang dihadapi, serta pencapaian objektif dan strategi perniagaan.

Lembaga Pengarah berpendapat bahawa pengurusan risiko dan sistem kawalan dalaman yang disediakan pada tahun semasa dan sehingga tarikh pembentangan penyata kewangan, adalah memadai dan efektif untuk melindungi pelaburan pemegang saham, kepentingan pelanggan, pihak pengawal selia, warga kerja dan aset Kumpulan.

### INTRODUCTION

The Board of Directors ("Board") is committed to nurture and preserve throughout SME Bank Group ("Group") a sound risk management and internal controls and good corporate governance practices as set out in the Board's statement on risk management and internal control, made in accordance with the resolution of the Board dated 29 February 2024.

The Board has established the Board Risk Management Committee ("BRMC"), Board Audit Committee ("BAC"), Board Nomination and Compensation Committee ("BNCC"), Board Financing and Investment Committee ("BFIC") and Board Information Technology Committee ("BITC").

### RESPONSIBILITIES

The Board acknowledges its overall responsibility in providing oversight for the internal control environment and its effectiveness in safeguarding shareholder's interests and the Group's assets. The internal control measures are designed to manage rather than eliminate the risk of failure in the achievement of goals and objectives of the Group, and therefore provide reasonable assurance against material misstatement of financial information or against financial losses and fraud.

The system of internal control that is instituted throughout the Group is updated from time to time to align with the changes in the business environment as well as process improvement initiatives undertaken. The Board confirms that the Management of the Group responsibly implements the policies, procedures and guidelines on risks and controls via identifying and evaluating the risks faced, and the achievement of business objectives and strategies.

The Board is of the view that the risk management and internal control system is in place for the year under review, and up to the date of issuance of the financial statements, is adequate and effective to safeguard the shareholder's investment, the interests of customers, regulators, employees, and the Group's assets.

### CIRI-CIRI UTAMA PENGURUSAN RISIKO DAN RANGKA KERJA KAWALAN DALAMAN

Kumpulan mempunyai struktur organisasi yang jelas dengan garis kebertanggungjawaban, kuasa dan tanggungjawab yang jelas kepada Lembaga Pengarah, jawatankuasa dan unit operasinya. Proses utama telah diwujudkan dalam mengkaji kecukupan dan keberkesanan pengurusan risiko dan sistem kawalan dalaman.

#### 1. Fungsi Pengurusan Risiko

Pengurusan risiko ialah disiplin utama yang menyokong matlamat Kumpulan untuk mencapai keseimbangan terukur antara risiko dan pulangan. Sebagai sebahagian daripada fungsi kawalan dalam menyediakan semak dan imbang kepada proses perniagaan dan perancangan strategik pengurusan, pengurusan risiko memastikan pengenalpastian, pengukuran, pengurangan dan pelaporan risiko signifikan dan baharu muncul yang tepat pada masanya dan berkesan yang dihadapi oleh Kumpulan.

Kumpulan Pengurusan Risiko melaksana pelaksanaan pengurusan risiko secara bersepadu dalam mewujudkan kesedaran risiko secara berterusan dan pemahaman terhadap prosedur dan kawalan, sekali gus mempertingkatkan persekitaran kawalan secara keseluruhan. Pada tahun ini, dasar dan proses pengurusan risiko telah dipertingkatkan untuk mencerminkan perubahan dalam pasaran, produk dan persekitaran kawal selia untuk memastikan bahawa polisi kekal relevan dan profil risiko Kumpulan kekal berhemat dan mengikut citarasa risiko Kumpulan.

Rangka Kerja Pengurusan Risiko Bersepadu ("IRMF") disediakan sebagai kerangka pengurusan risiko bersepadu di seluruh perusahaan, yang termasuk antara lain, tadbir urus, citarasa risiko, pematuhan risiko dan kawalan dalaman yang menyokong aktiviti perniagaan dan strategik di seluruh Kumpulan.

Tadbir urus pengurusan risiko adalah berdasarkan konsep tiga benteng pertahanan yang menggariskan pengasingan fungsi dan tanggungjawab utama fungsi pengawasan dan kawalan bebas, serta unit perniagaan dan sokongan.

Tahap pertahanan pertama memerlukan tanggungjawab pemilik risiko (fungsi perniagaan) dalam pengurusan harian risiko yang wujud dalam pelbagai aktiviti perniagaan dan operasi. Pada peringkat kedua pertahanan, fungsi kawalan (Kumpulan Pematuhan dan Kumpulan Risiko) melaksanakan peranan penetapan dasar yang

### KEY FEATURES OF RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

The Group has a well-defined organisational structure with clearly delineated lines of accountability, authority and responsibility to the Board, its committees and operating units. Key processes have been established in reviewing the adequacy and effectiveness of the risk management and internal control system.

#### 1. Risk Management Function

Risk management is a core discipline which supports the Group's aim to achieve a measured balance between risk and return. As an integral part of the control functions in providing the check and balance to the business processes and management strategic planning, risk management ensures timely and effective identification, measurement, mitigation and reporting of significant and emerging risks faced by the Group.

The Group Risk undertakes the implementation of an integrated risk management approach in creating continuous risk awareness and understanding of procedures and controls, thus enhancing the overall control environment. During the year, risk management policies and processes were enhanced to reflect changes in the markets, products and regulatory environment to ensure that the policies remain relevant and the Group's risk profile remains prudent and within the risk appetite of the Group.

The Integrated Risk Management Framework ("IRMF") is in place as an integrated enterprise-wide risk management framework, which includes amongst others, governance, risk appetite, risk compliance and internal controls which support business and strategic activities across the Group.

The governance of risk is premised on the three lines of defence concept which outlines the functional segregation and key responsibilities of the independent oversight and control functions, as well as the business and support units.

The first level of defence entails the responsibilities of risk owners (business functional lines) in the day-to-day management of risks inherent in the various business and operational activities. At the second level of defence, the control functions (Group Compliance and Group Risk) perform the role of

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### KERANGKA PENGURUSAN RISIKO KUMPULAN GROUP RISK MANAGEMENT FRAMEWORK

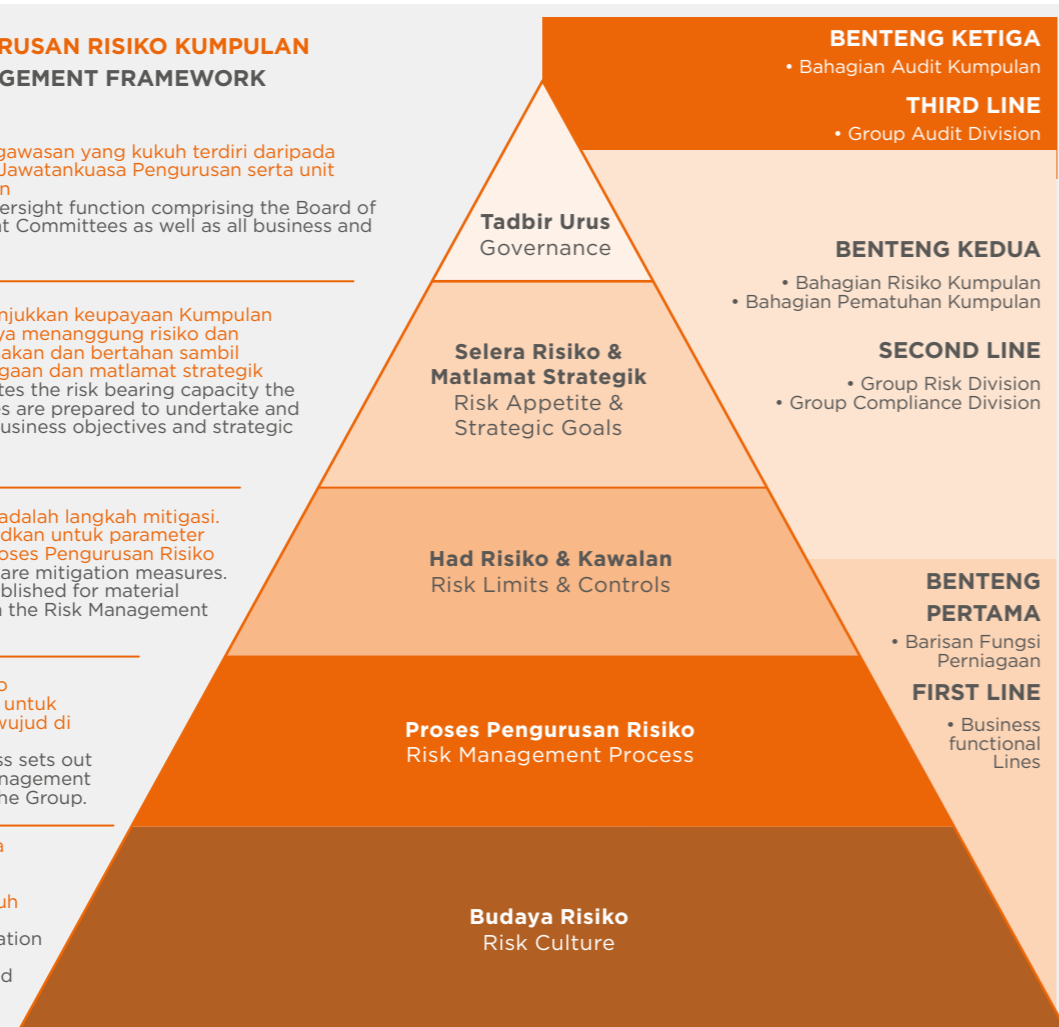
Ditadbir oleh fungsi pengawasan yang kukuh terdiri daripada Lembaga Pengarah dan Jawatankuasa Pengurusan serta unit perniagaan dan sokongan  
Governed by a strong oversight function comprising the Board of Directors and Management Committees as well as all business and support units.

Pemahaman risiko menunjukkan keupayaan Kumpulan dan anak-anak syarikatnya menanggung risiko dan bersedia untuk melaksanakan dan bertahan sambil mengejar objektif perniagaan dan matlamat strategik  
Risk appetite demonstrates the risk bearing capacity the Group and its subsidiaries are prepared to undertake and sustain whilst pursuing business objectives and strategic goals.

Had dan Kawalan Risiko adalah langkah mitigasi. Kawalan dalaman diwujudkan untuk parameter risiko material melalui Proses Pengurusan Risiko  
Risk Limits and Controls are mitigation measures. Internal controls are established for material risks parameters through the Risk Management Process.

Proses Pengurusan Risiko menetapkan metodologi untuk pengurusan risiko yang wujud di seluruh Kumpulan  
Risk Management Process sets out the methodology for management of inherent risks across the Group.

Pelaksanaan rangka kerja yang berkesan adalah berasaskan budaya dan kesedaran risiko yang utuh dan sihat  
The effective implementation of the framework is grounded on a robust and healthy risk culture and awareness.



merangkumi pembangunan alatan dan kaedah yang berkaitan untuk mengenal pasti, mengukur, mengurangkan dan melaporkan risiko yang ketara dan bakal muncul. Melengkapi ini, pada peringkat ketiga pertahanan, ialah audit dalaman (Kumpulan Audit), yang memberikan jaminan bebas tentang keberkesanan pendekatan pengurusan risiko.

Lembaga Pengarah, melalui BRMC, memacu agenda pengawasan risiko secara keseluruhan Kumpulan dalam aktiviti pengurusan risiko meliputi kredit, pasaran, kecairan, operasi, perundangan, reputasi, perubahan iklim dan risiko material lain serta memastikan proses pengurusan risiko dan rangka kerja pematuhan disediakan dengan tepat dan berfungsi dengan berkesan. BRMC bertanggungjawab untuk menetapkan nada keseluruhan strategi risiko Kumpulan dan memastikan komunikasi yang berkesan dan bersepadu dengan citarasa risiko dan pematuhan dalam perniagaan, operasi dan amalan organisasi. Ia juga membantu Lembaga

policy setting which includes the development of relevant tools and methodologies to identify, measure, mitigate and report significant and emerging risks. Complementing this, at the third level of defence, is internal audit (Group Audit), which provides independent assurance of the effectiveness of the risk management approach.

The Board, via BRMC, drives the overall risk oversight agenda of the Group in risk management activities involving credit, market, liquidity, operational, legal, reputational, climate and other material risks as well as ensuring that the risk management process and compliance framework are in place and functioning effectively. BRMC is responsible for setting the overall tone of the Group's risk strategy and ensuring effective communication and integration of risk appetite and compliance within the business, operations and culture. It also assists the Board

Pengarah dalam melaksanakan tanggungjawab terhadap pengawasan kawalan dalaman Kumpulan, pengurusan risiko dan strategi pematuhan, dasar, proses, rangka kerja dan perkara lain berkaitan risiko.

BRMC, dalam melaksanakan peranan dan tanggungjawabnya, disokong oleh beberapa jawatankuasa peringkat pengurusan; iaitu Jawatankuasa Aset dan Liabiliti ("ALCO") dan Jawatankuasa Pematuhan dan Pengurusan Risiko ("CRMC"). Jawatankuasa-jawatankuasa ini bertanggungjawab terhadap keberkesanan dalam menilai dan mengawal risiko harian sebagai langkah-langkah dalam usaha untuk mengimbangi risiko dan pulangan Kumpulan dan pada masa yang sama mengekalkan kelebihan daya saing.

Kumpulan berhasrat untuk menjadi sebuah entiti perbankan Islam sepenuhnya, dan untuk memastikannya, rangka kerja dan dasar risiko Syariah dalaman telah diwujudkan. Garis panduan ini bertujuan untuk membantu mengurus potensi risiko ketidakpatuhan Syariah yang mungkin timbul daripada aktiviti dan operasi perniagaan. Dokumen Dasar Tadbir Urus Syariah yang dikeluarkan oleh BNM dan keperluan kawal selia lain menggariskan fungsi utama Kajian/Semakan Syariah, Risiko Syariah dan Audit Syariah, dengan peranan dan tanggungjawab yang jelas. Objektif utama adalah untuk mengukuhkan proses membuat keputusan dan kemampuan fungsi kawalan dalaman, membolehkan keberkesanan dalam pengurusan risiko ketidakpatuhan Syariah.

Menyadari kemajuan teknologi yang pesat, Kumpulan Risiko telah mengambil langkah yang perlu untuk mewujudkan Dasar Keselamatan Maklumat dan Rangka Kerja Pengurusan Risiko Teknologi. Rangka kerja ini memastikan pengurusan risiko teknologi yang berkesan yang mungkin timbul akibat kegagalan atau pelanggaran dalam sistem, aplikasi, platform atau infrastruktur IT. Risiko sedemikian boleh mengakibatkan kerugian kewangan, perkhidmatan kewangan atau gangguan operasi, dan ancaman reputasi. Rangka kerja ini dibuat bagi mematuhi kepentingan Pengurusan Risiko dalam Teknologi ("RMiT") untuk mengurangkan risiko yang berkaitan dengan inisiatif pendigitalan.

Pengurusan Kesenambungan Perniagaan ("BCM") Kumpulan direka bentuk untuk menumpukan pada strategi pemulihan perniagaan dan secara proaktif menjangka dan merancang untuk kemungkinan krisis yang bakal dihadapi oleh Kumpulan. Bagi meningkatkan tahap kesiapsiagaan, aktiviti seperti Latihan Simulasi Krisis dan Latihan Pemulihan Bencana IT dijalankan secara

in undertaking the oversight responsibilities on the Group's internal controls, risk management and compliance strategies, policies, processes, frameworks and other risk related matters.

The BRMC, in discharging its roles and responsibilities, is supported by a number of senior management committees; namely the Asset and Liability Committee ("ALCO") and Compliance and Risk Management Committee ("CRMC"). These committees are accountable for the effectiveness of the day-to-day risk assessment and controls, in an effort to balance the Group's risk and return as well as maintain its competitive advantage.

The Group aims to become a full-fledged Islamic bank, and to ensure this, an internal Shariah risk framework and policies have been established. These guidelines are intended to help managing potential Shariah non-compliance risks that may arise from business activities and operations. The Shariah Governance Policy Document issued by BNM and other regulatory requirements outline the key functions of Shariah Review, Shariah Risk, and Shariah Audit, with clear roles and responsibilities. The primary objective is to strengthen the decision-making process and the robustness of internal control functions, enabling effective management of Shariah non-compliance risks.

Acknowledging the rapid technological advancements, Group Risk has taken necessary measures to establish an Information Security Policy and a Technology Risk Management Framework. This framework ensures effective management of technology risks that may arise due to failures or breaches in IT systems, applications, platforms, or infrastructure. Such risks could result in financial loss, financial services or operations disruptions, and reputational threats. The framework addresses the essential Risk Management in Technology ("RMiT") requirements to mitigate the risks associated with digitization initiatives.

The Business Continuity Management ("BCM") of the Group is designed to concentrate on business recovery strategies and proactively anticipate and plan for potential crises. To enhance the BCM's preparedness and readiness, activities such as Crisis Simulation Exercises and IT Disaster Recovery Exercises are conducted periodically to test the

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berkala untuk menguji kebolehpercayaan dan daya maju pelan tindak balas serta strategi pemulihan dan kesinambungan.

Kumpulan mengguna pakai dan menggalakkan amalan pengurusan Risiko yang baik di seluruh organisasi untuk meningkatkan dan menerapkan kesedaran risiko secara berterusan dan berkesan. Asas kepada Amalan Pengurusan Risiko Kumpulan yang berkesan ialah tadbir urus korporat yang kukuh, struktur organisasi dengan fungsi dan tanggungjawab yang jelas, komunikasi yang berkesan, Latihan dan kesedaran, komitmen kepada pematuhan undang-undang, kawalselia dan kawalan dalaman, tanggungjawab dan integriti yang jelas terhadap dasar, prosedur dan garis panduan di segenap peringkat Kumpulan.

### 2. Fungsi Pematuhan

Kumpulan Pematuhan ("GC") melalui motonya "Pematuhan bermula dengan saya", telah terus menerus memupuk, memperkukuh dan mengintegrasikan standard pematuhan yang tinggi ke dalam budaya teras kumpulan melalui pelbagai strategi untuk memenuhi semua peraturan, operasi, Syariah, Pencegahan Pengubahan Wang Haram, Akta Pembiayaan Anti-Keganasan dan Hasil Daripada Aktiviti Haram 2001 ("AMLA"), Akta Suruhanjaya Pencegahan Rasuah Malaysia 2009 (Pindaan 2018) dan Akta Pemberi Maklumat 2010.

Pengawasan oleh pihak Lembaga Pengarah, berserta komitmen pihak Pengurusan Kanan dalam memastikan pelaksanaan efektif program pematuhan dan integrasi kakitangan ke arah piawaian pematuhan dilakukan melalui Laporan Pematuhan yang dilaporkan secara bulanan oleh GC.

GC sebagai barisan pertahanan kedua bertanggungjawab dalam pengurusan risiko pematuhan yang dilakukan melalui "pengenalpastian", "penilaian" dan "pemantauan" risiko pematuhan di peringkat Kumpulan untuk semua pematuhan oleh Bank Negara Malaysia (BNM), termasuk Pencegahan Pengubahan Wang Haram, Pencegahan Pembiayaan Keganasan dan Akta Hasil Daripada Aktiviti Haram 2001 ("AMLA"), Akta Suruhanjaya Pencegahan Rasuah Malaysia 2009 (Pindaan 2018) dan Akta Pemberi Maklumat 2010.

Pengenalpastian risiko pematuhan dimulakan dengan "Senarai Semak Pematuhan" (RCC) di mana polisi dan prosedur Bank dibandingkan dan dianalisis

reliability and viability of the response plans and the recovery and continuity strategies.

The Group adopts and promotes risk management culture throughout the organisation to enhance and inculcate risk awareness culture which is a key aspect of an effective enterprise-wide risk management framework. Fundamental to the Group's Risk Management Culture are strong corporate governance, organisational structure with clearly defined roles and responsibilities, effective communication, training and awareness, commitment to compliance with laws, regulations and internal controls, integrity in fiduciary responsibilities and clear policies, procedures and guidelines cascaded across the Group.

### 2. Compliance function

Group Compliance's ("GC") through its motto "Compliance starts with me", has continuously cultivated, reinforced and integrated the high standard of Compliance into Group's core culture through numerous strategies to meet all regulatory, operational, Syariah, Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001 ("AMLA"), Malaysia Anti-Corruption Commission Act 2009 (Amendment 2018) and Whistleblowing Act 2010 requirements.

The Board's oversight, coupled with the senior management's commitment in ensuring effective implementation of compliance programmes and integration of staff towards compliance standards are done through monthly reporting, Compliance Reports by GC.

GC as the second line of defence, is responsible in managing compliance risk through identifying, assessing, and monitoring the compliance risk at the Group level for all Bank Negara Malaysia's ("BNM") requirements including Anti-Money Laundering, Anti-Terrorism Financing and Proceeds of Unlawful Activities Act 2001 ("AMLA"), Malaysia Anti-Corruption Commission Act 2009 (Amendment 2018) and Whistleblowing Act 2010 requirements.

The identification of compliance risk starts with Regulatory Compliance Checklist ("RCC"), where the Bank's internal policies and procedures ("P&P")

untuk mengenalpasti risiko pematuhan. Risiko pematuhan yang telah dikenalpasti akan diperiksa dan pelan tindakan dirangka untuk menangani sebarang jurang yang telah dikenalpasti berkaitan dengan risiko pematuhan. Seperti yang dikehendaki oleh BNM, GC akan menjalankan semakan berkala melalui Pelan Pematuhan Tahunan GC untuk memastikan pematuhan berterusan yang meliputi ibu pejabat hingga ke rangkaian Bank.

Semua isu pematuhan dilaporkan kepada Pengurusan Kanan, Jawatankuasa Syariah dan Lembaga Pengarah secara berkala.

### 3. Fungsi Audit Dalaman

Audit Kumpulan ("GA") dikawal oleh Piagam Audit yang mentakrifkan antara lain, tujuan, misi, tanggungjawab, kebebasan, dan piawaian etika fungsi Audit Dalaman ("IA") Kumpulan.

GA menjalankan semakan berkala terhadap perniagaan dan operasi Kumpulan untuk memberikan jaminan objektif kepada Lembaga Pengarah bahawa proses pengurusan risiko, kawalan dalaman dan tadbir urus adalah memadai dan berkesan. Selain itu, GA menyediakan perkhidmatan perundangan, nasihat dan pandangan kepada pihak berkepentingan untuk menambah nilai dan menambah baik operasi Kumpulan. Semakan adalah berpandukan Pelan Audit Tahunan ("AAP") yang diluluskan oleh BAC. Dalam merumuskan AAP, GA menggunakan pendekatan berasaskan risiko, yang mengambil kira strategi korporat Bank, keperluan kawal selia dan risiko utama yang mempengaruhi perniagaan dan operasi Kumpulan seperti kualiti aset, penilaian pengawal selia, keselamatan siber, penarafan audit terdahulu dan fungsi-fungsi krikital. Pemerhatian audit terhadap risiko yang ketara dan ketidakpatuhan yang memberi kesan kepada Kumpulan bersama-sama dengan cadangan dikenalpasti, dibincangkan dan disusuli oleh pihak berkepentingan sehingga penyelesaian untuk memastikan kawalan dilaksanakan dengan berkesan bagi mengurangkan risiko. GA juga menjalankan siasatan terhadap sebarang dakwaan kecuriaan, penipuan dan salah laku yang dilaporkan. Audit ke atas sistem maklumat Kumpulan dijalankan untuk menentukan sama ada persekitaran IT beroperasi dengan berkesan dalam mencapai objektif Kumpulan sambil melindungi aset dan mengekalkan integriti dan kerahsiaan data.

are being compared and analysed to identify any compliance risk. The identified compliance risk is then assessed, and action plans are formulated to address any gaps identified related to the compliance risk. As required by BNM, GC shall conduct periodical reviews through GC Annual Compliance Plan, ensuring continuous compliance that stretch from HQ to the Bank's networks.

All compliance issues are being reported to senior management, Shariah Committee and Board on regular basis.

### 3. Internal Audit Function

The Group Audit ("GA") is governed by its Audit Charter, which defines among others; the purpose, mission, responsibility, independence, and ethical standards of the Internal Audit ("IA") function of the Group.

GA undertakes periodic review of the Group's business and operations to provide objective assurance to the Board that the risk management, internal control and governance processes are adequate and effective. In addition, GA provides consulting services, advice and insight to the stakeholders to add value and improve the Group's operations. The reviews are mainly guided by the Annual Audit Plan ("AAP") approved by the BAC. In formulating the AAP, GA adopts a risk-based approach, which takes into account the Bank's corporate strategy, regulatory requirements and the top emerging risks affecting the Group's business and operations such as asset quality, regulators' assessments, cyber security, previous audit rating and criticality of functions. Audit observations on significant risks and non-compliances impacting the Group together with the recommendations are highlighted, deliberated and followed up with the stakeholders until resolution to ensure that the controls are effectively implemented to mitigate the risks. GA also carries out investigation on any alleged negligence, frauds and misconducts reported. Audit on the information systems of the Group is conducted to determine whether the IT environment is operating effectively to achieve the Group's objectives while safeguarding the assets and maintaining data integrity and confidentiality.

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Dalam memastikan keupayaannya untuk memberikan jaminan yang diperlukan kepada BAC dengan lebih berkesan dan cekap, GA membuat penambahbaikan berterusan kepada proses audit dalaman dan kecekapan juruaudit dalaman melalui pelbagai latihan dalaman dan luaran termasuk pensijilan juruaudit. Untuk menilai secara objektif kualiti perkhidmatannya dan untuk memastikan ia sentiasa meningkatkan penyampaian perkhidmatan, semakan Program Jaminan Kualiti dan Penambahbaikan ("QAIP") dijalankan melalui penilaian sendiri tahunan dan oleh penyemak dari luar yang bebas dan berkecualan, sekurang-kurangnya sekali dalam setiap lima tahun. Program ini juga berfungsi untuk menilai pematuhan GA dengan Rangka Kerja Amalan Profesional Antarabangsa ("IPPF") Institut Juruaudit Dalaman ("IIA"). Sebagai sebahagian daripada usaha untuk menyatakan kebebasan mengikut QAIP dan IPPF, GA telah mengisytiharkan kebebasannya terhadap operasi dan aktiviti audit dalaman kepada BAC pada setiap tahun. Selain itu, GA telah membangunkan Metodologi Penarafan Audit berdasarkan rangka kerja yang diterima oleh industri sebagai bukti penambahbaikan secara berterusan. Metodologi yang dikemas kini juga diselaraskan dengan Penarafan Risiko Komposit BNM dan ditanda aras terhadap amalan terbaik industri.

Selaras dengan pendigitalan dalam institusi kewangan dan sebagai sebahagian daripada pelan strategik jangka panjang, GA telah melaksanakan Sistem Pengurusan Audit secara automatik. Objektifnya adalah untuk menyelaraskan proses manual audit semasa untuk menerima pakai proses audit berasaskan risiko yang tangkas dan bersepadu menggunakan sistem pengurusan audit secara automatik. Selain itu, sistem ini bertujuan untuk mengautomatikan sepenuhnya proses audit selaras dengan perubahan persekitaran dan amalan semasa, dalam memastikan semua aktiviti audit yang dijalankan dilaksanakan dengan cara yang berkesan dan mantap.

GA telah melaksanakan Metodologi Audit Keselamatan Siber Bersepadu ("ICSAM") dengan tujuan menilai langkah dan kawalan keselamatan siber SME Bank ("Bank"). ICSAM mengandungi semakan sistematik sistem maklumat, infrastruktur rangkaian, dasar dan prosedur Bank untuk mendedahkan potensi kelemahan dan jurang keselamatan. Metodologi ini menggariskan langkah, prosedur dan teknik khusus yang digunakan oleh juruaudit bagi menilai secara menyeluruh keberkesanan langkah keselamatan siber Bank.

In ensuring its capabilities to provide the necessary assurance to BAC more effectively and efficiently, GA makes continuous improvements to internal audit processes and the competency of internal auditors through various internal and external trainings including certification of auditors. To objectively evaluate its service quality and to ensure it constantly improves service delivery, Quality Assurance and Improvement Programme ("QAIP") review is conducted via yearly self-assessment and by qualified external independent reviewer at least once in every five years. The programme also serves to assess GA's conformance with the International Professional Practices Framework ("IPPF") of the Institute of Internal Auditors. As part of the effort to uphold the independencies in accordance to QAIP and IPPF, GA has declared its independence of the internal audit's operations and activities to the BAC on annual basis. In addition, GA has established its Audit Rating Methodology which was developed based on industry-accepted frameworks as a testament for continuous improvement. The updated methodology was also streamlined with BNM's Composite Risk Rating and benchmarked against industry best practices.

In tandem with the digitalisation in financial institutions and as part of long-term strategy plan, GA has implemented an automated Audit Management System. The objective is to streamline the current manual audit processes to adopt an agile and integrated risk-driven audit process using audit automated system. Besides, the system is aimed to fully automate the audit process in order to keep up with the changes of the environment, in ensuring that all audit activities conducted are performed in an effective and robust manner.

GA has implemented the Integrated Cybersecurity Audit Methodology ("ICSAM") with the aim of appraising SME Bank's ("Bank") cybersecurity measures and controls. ICSAM entails a systematic review of the Bank's information systems, network infrastructure, policies, and procedures to uncover potential vulnerabilities, weaknesses, and security gaps. This methodology delineates the specific steps, procedures, and techniques employed by GA auditors to thoroughly assess the effectiveness of the Bank's cyber security measures.

Aktiviti GA mematuhi Piawaian Antarabangsa IIA bagi Amalan Profesional Pengauditan Dalaman ("IPPF"). Semua juruaudit dalaman bertanggungjawab untuk menunjukkan pematuhan dengan Piawaian dan keperluan yang berkaitan dengan objektiviti individu, kecekapan dan penjagaan profesional yang sewajarnya dalam melaksanakan tanggungjawab mereka.

#### Peranan Bebas, Jawatankuasa Audit Pengurusan dan Jawatankuasa Lembaga Audit

Mengikut keperluan BNM/RH/GL013-4 - Garis Panduan Fungsi Audit Dalaman Institusi Berlesen 2010, Ketua Juruaudit Dalaman Kumpulan melapor secara fungsional kepada BAC dan secara pentadbiran kepada Presiden Kumpulan/ Ketua Pegawai Eksekutif. Di samping itu, Ketua Juruaudit Dalaman Kumpulan membentangkan laporan audit Syariah kepada Jawatankuasa Syariah mengikut keperluan Dokumen Dasar Tadbir Urus Syariah yang dikeluarkan oleh Bank Negara Malaysia.

Bank telah menubuhkan Jawatankuasa Audit Pengurusan ("MAC"), yang terdiri daripada wakil Pengurusan Kanan untuk memastikan kecukupan perbincangan isu dan penemuan yang dibangkitkan oleh GA. Laporan audit dan tindakan pembetulan dibentangkan untuk pemakluman dan perbincangan dalam mesyuarat MAC yang dijalankan secara berjadual. Minit mesyuarat MAC bersama dengan laporan audit yang berkaitan kemudiannya dibentangkan kepada BAC.

BAC dipengerusikan oleh Pengarah Bebas Bukan Eksekutif daripada Lembaga Pengarah. Semua keputusan dan syor BAC disampaikan dengan sewajarnya kepada pihak berkepentingan yang berkaitan untuk tindakan pembetulan dan susulan dibuat sehingga isu ditutup. Laporan Pengerusi BAC akan dibentangkan kepada Lembaga Pengarah untuk maklumat.

\* Butiran Jawatankuasa Lembaga Audit dibincangkan dalam bahagian Tadbir Urus Korporat

#### 4. Elemen Kawalan Dalaman Utama Lain

Elemen penting lain dalam prosedur yang ditetapkan oleh Lembaga Pengarah yang menyediakan kawalan dalaman yang berkesan termasuk:

- Jawatankuasa Lembaga Pengarah lain juga ditubuhkan untuk membantu Lembaga Pengarah dalam melaksanakan fungsi pengawasannya iaitu BNCC, BFIC dan BITC. Tanggungjawab khusus telah diagihkan kepada Jawatankuasa Lembaga, yang telah menyeragamkan terma rujukan.

The GA activity conforms with the IIA's International Standards for the Professional Practice of Internal Auditing ("IPPF"). All internal auditors are accountable to demonstrate conformance with the Standards and requirements related to individual objectivity, proficiency and due professional care in discharging their responsibilities.

#### Independent Role, Management Audit Committee and Board Audit Committee

As per requirement of BNM/RH/GL013-4 - Guidelines on Internal Audit Function of Licensed Institutions 2010, the Group Chief Internal Auditor reports functionally to the BAC and administratively to the Group President/ Chief Executive Officer. In addition, Group Chief Internal Auditor presents the Shariah audit reports to the Shariah Committee as per requirement of the Shariah Governance Policy Document issued by Bank Negara Malaysia.

The Bank has established Management Audit Committee ("MAC"), which comprises of senior management representatives to ensure the adequacy of deliberation of issues and findings raised by GA. The audit reports and remedial actions are presented for notification and deliberation in the MAC meeting that is conducted on a scheduled basis. Minutes of MAC meeting together with the relevant audit reports are subsequently tabled to the BAC.

The BAC is chaired by an Independent Non-Executive Director of the Board. All BAC's decisions and recommendations are duly cascaded down to the relevant stakeholders for corrective actions and are followed through until the issues are closed. The BAC Chairman's reports will be tabled to the Board for information.

\* The details of Board Audit Committee are discussed in Corporate Governance section

#### 4. Other Key Elements of Internal Controls

The other key elements of the procedures established by the Board that provides effective internal control include:

- Other Board Committee is also established to assist the Board in performing its oversight function namely BNCC, BFIC and BITC. Specific responsibilities have been delegated to these Board Committees, which has formalised terms of reference.

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- Lembaga Pengarah menyemak laporan tetap daripada pihak pengurusan mengenai statistik operasi utama, serta perkara perundangan dan kawal selia. Rancangan perniagaan tahunan dan belanjawan dikemukakan kepada Lembaga Pengarah untuk kelulusan. Pencapaian prestasi dikaji semula berbanding keputusan yang disasarkan secara berkala bagi membolehkan tindak balas yang tepat pada masa dan tindakan pembetulan diambil untuk mengurangkan risiko. Lembaga Pengarah juga meluluskan sebarang perubahan atau pindaan kepada polisi Kumpulan
- Dasar/garis panduan perekrutan dan penilaian prestasi diwujudkan dalam Kumpulan bagi memastikan bahawa individu yang betul dan sesuai dipilih untuk mengisi jawatan yang ada. Program latihan formal dan prosedur lain yang berkaitan disediakan untuk memastikan kakitangan terlatih secukupnya dan cekap bagi membolehkan mereka melaksanakan tugas dan tanggungjawab dengan berkesan. Garis panduan yang betul juga disediakan untuk pemberhentian kakitangan.
- Penubuhan Ikrar Integriti Korporat SME Bank yang menetapkan bahawa SME Bank berjanji bahawa ia akan:
  - tidak, melalui mana-mana pekerja, wakil atau ejennya, melakukan sebarang kesalahan rasuah di bawah mana-mana undang-undang, seperti Suruhanjaya Pencegahan Rasuah Malaysia (Pindaan) ("SPRM") Akta 2018 atau Kanun Keseksaan;
  - tidak menjalankan sebarang amalan atau aktiviti perniagaan yang memerlukan atau menggalakkan mana-mana pekerja, wakil atau ejennya untuk melakukan kesalahan tersebut;
  - bekerjasama dengan rakan niaganya, pengawal selia dan agensi penguatkuasaan undang-undang untuk mewujudkan persekitaran perniagaan yang bebas daripada rasuah;
  - menegakkan Prinsip Integriti Korporat SME Bank di Malaysia dalam menjalankan perniagaannya dan dalam interaksinya dengan rakan kongsi perniagaannya dan Kerajaan; dan
  - mengambil Tindakan tegas terhadap mana-mana pihak yang mencemarkan integriti dan imej SME Bank.
- SME Bank telah mewujudkan saluran pemberi maklumat di bawah pengawasan Jawatankuasa Lembaga Audit. Pengurusan SME Bank memastikan semua aduan yang diterima dianalisis secara bebas dan maklumat hanya disampaikan kepada orang yang diperlukan untuk penyiasatan dan penyelesaian. Proses komunikasi adalah sulit sepenuhnya dan kerahsiaan komunikasi.
- SME Bank mempunyai kod tingkah laku yang diluluskan oleh Lembaga Pengarah, yang mencerminkan asas kami dan mengukuhkan nilai integriti.
- The Board reviews regular reports from the management on the key operating statistics, as well as legal and regulatory matters. An annual business plan and budget are submitted to the Board for approval. Performance achievements are reviewed against the targeted results on a periodic basis allowing timely responses and corrective actions to be taken to mitigate risks. The Board also approves any changes or amendments to the Group's policies.
- There are recruitment and performance appraisal policies/guidelines established within the Group to ensure that the right and appropriate persons are selected to fill available positions. Formal training programmes and other relevant procedures are in place to ensure that staff are adequately trained and competent to enable them to discharge their duties and responsibilities effectively. Proper guidelines are also drawn up for termination of staff.
- Establishment of SME Bank's Corporate Integrity Pledge which stipulates that SME Bank pledges that it shall:
  - not, through any of its employees, representatives or agents, commit any corruption offence under any law, such as Malaysian Anti-Corruption Commission (Amendment) ("MACC") Act 2018 or Penal Code;
  - not conduct any business practices or activities that would require or encourage any of its employees, representatives or agents to commit such offences;
  - work together with its business partners, regulators and law enforcement agencies to create a business environment that is free from corruption;
  - uphold the SME Bank's Corporate Integrity Principles in Malaysia in the conduct of its business and in its interactions with its business partners and the Government; and
  - take strict action against any party who tarnishes the integrity and SME Bank's image.
- SME Bank has established whistleblowing channel under supervision of Board Audit Committee. SME Bank's management ensures that all complaints received are independently analysed and information is communicated only to the people required to the investigation and resolution. The communication process is completely confidential and the anonymity of the communication is assured.
- SME Bank has a code of conduct approved by the Board of Directors, which reflects our fundamental and strengthen integrity values.

#### 5. Jaminan daripada Pengurusan

Lembaga Pengarah juga telah menerima jaminan munasabah daripada Presiden Kumpulan/Ketua Pegawai Eksekutif dan Ketua Pegawai Kewangan Kumpulan bahawa pengurusan risiko dan sistem kawalan dalaman Kumpulan bagi tahun berakhir 2023 beroperasi dengan secukupnya dan berkesan, dalam semua aspek material, berdasarkan pengurusan risiko dan sistem kawalan dalaman Kumpulan.

#### SEMAKAN KENYATAAN OLEH JURUAUDIT LUAR

Juruaudit luar telah menyemak Penyata Pengurusan Risiko dan Kawalan Dalaman ini untuk dimasukkan ke dalam Laporan Tahunan bagi tahun kewangan berakhir 31 Disember 2023. Juruaudit luar menjalankan semakan mengikut skop yang ditetapkan dalam Panduan Amalan Audit dan Jaminan 3 ("AAPG 3"), Panduan untuk Juruaudit Mengenai Penglibatan Melaporkan Penyata Pengurusan Risiko dan Kawalan Dalaman yang disertakan dalam Laporan Tahunan yang dikeluarkan oleh Institut Akauntan Malaysia ("MIA"). Mereka telah melaporkan kepada Lembaga Pengarah bahawa tiada apa yang sampai kepada perhatian mereka yang menyebabkan mereka percaya bahawa penyata tersebut bertujuan untuk dimasukkan ke dalam laporan tahunan Kumpulan, dalam semua aspek penting:

- tidak disediakan menurut pendedahan yang diperlukan oleh perenggan 41 dan 42 Penyata Pengurusan Risiko dan Kawalan Dalaman: Garis Panduan untuk Pengarah Penerbit Tersenarai; atau
- tidak tepat secara fakta.

AAPG 3 tidak memerlukan juruaudit luar untuk mempertimbangkan sama ada Penyataan Pengarah mengenai Pengurusan Risiko dan Kawalan Dalaman meliputi semua risiko dan kawalan, atau untuk membentuk pendapat tentang kecukupan dan keberkesanan sistem pengurusan risiko dan kawalan dalaman Kumpulan termasuk penilaian dan pendapat oleh Lembaga Pengarah dan pengurusan berkaitan. Juruaudit juga tidak perlu mempertimbangkan sama ada proses yang diterangkan untuk menangani aspek kawalan dalaman bagi sebarang masalah penting yang didedahkan dalam laporan tahunan akan, sebenarnya, membetulkan masalah tersebut.

#### 5. Assurance from Management

The Board has also received reasonable assurance from the Group President/Chief Executive Officer and Group Chief Financial Officer that the Group's risk management and internal control system for the year ended 2023 is operating adequately and effectively, in all material aspects, based on the risk management and internal control system of the Group.

#### REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The external auditors have reviewed this Statement on Risk Management and Internal Control for inclusion in the Annual Report for the financial year ended 31 December 2023. The external auditors conducted the review in accordance with the scope set out in Audit and Assurance Practice Guide 3 ("AAPG 3"), Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants ("MIA"). They have reported to the Board that nothing has come to their attention that causes them to believe that the statement intended to be included in the annual report of the Group, in all material respects:

- has not been prepared in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers; or
- is factually inaccurate.

AAPG 3 does not require the external auditors to consider whether the Directors' Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Board of Directors and management thereon. The auditors are also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the annual report will, in fact, remedy the problems.



# PENYATA TADBIR URUS SYARIAH

## STATEMENT ON SHARIAH GOVERNANCE

### 1. Latar Belakang

Tadbir urus Syariah adalah penting kepada kestabilan sistem kewangan Islam. Penginstitusian rangka kerja tadbir urus Syariah yang teguh mengukuhkan keyakinan orang ramai terhadap integriti, pengurusan dan operasi perniagaan institusi kewangan Islam.

Dokumen Dasar Bank Negara Malaysia (BNM) mengenai Tadbir Urus Syariah telah mengukuhkan akauntabiliti pengawasan terhadap Lembaga Pengarah, Jawatankuasa Syariah (JS) dan bahagian utama lain yang terlibat dalam pelaksanaan tadbir urus Syariah. Ia juga menyerlahkan objektiviti JS untuk mengukuhkan proses membuat keputusan yang jitu dan kemantapan fungsi kawalan dalam untuk pengurusan risiko ketidakpatuhan Syariah yang berkesan.

Produk & perkhidmatan kewangan Islam SME Bank ditadbir terutamanya oleh peruntukan berkaitan Akta Institusi Pembangunan Kewangan 2002 dan lain-lain peraturan terpakai yang dikeluarkan oleh BNM.

### 2. Peranan dan Tanggungjawab Lembaga Pengarah

Ahli Lembaga bertanggungjawab antara lainnya memastikan tadbir urus Syariah mematuhi keperluan Dokumen Dasar Bank Negara Malaysia (BNM) mengenai Tadbir Urus Syariah.

Lembaga Pengarah mentakrifkan dengan jelas hubungannya dengan JS. Lembaga Pengarah bertanggungjawab untuk mengawasi rangka kerja tadbir urus Syariah yang teguh dan integrasinya dalam perniagaan dan strategi risiko Bank manakala JS bertanggungjawab untuk memberikan nasihat objektif dan wajar kepada Bank untuk memastikan matlamat dan operasinya, perniagaan, hal ehwal dan aktiviti adalah mematuhi Syariah.

Bank telah mewujudkan komunikasi berkesan antara Lembaga Pengarah dan jawatankuasa Syariah mengenai semua perkara yang berkaitan dengan keperluan Syariah, tadbir urus Syariah, risiko ketidakpatuhan Syariah untuk membolehkan kedua-dua pihak melaksanakan tanggungjawab masing-masing dengan berkesan di bawah Dokumen Dasar BNM mengenai Tadbir Urus Syariah.

Terdapat lima (5) sesi perkongsian pengetahuan yang dijalankan melibatkan Lembaga Pengarah dan JS sepanjang tahun dalam memastikan penglibatan berterusan di antara kedua pihak. Butiran adalah seperti berikut:

- i. Sesi penglibatan antara BOD, JS dan Kumpulan Kepimpinan Kanan (SLT) semasa “Majlis Penghargaan Jawatankuasa Syariah dan Majlis Berbuka Puasa” di Hotel Le Meridien, Putrajaya, yang diadakan pada 31 Mac 2023;
- ii. Perkongsian Pengetahuan mengenai “Kelestarian, ESG & Perubahan Iklim”, diadakan pada 29 Ogos 2023;

### 1. Background

Shariah governance is integral to Islamic financial system stability. The institutionalisation of a sound Shariah governance framework strengthens public confidence in the integrity, management and business operations of the Islamic financial institutions.

Bank Negara Malaysia (BNM) Policy Document on Shariah Governance has strengthened the oversight accountabilities on the Board, Shariah Committee (SC) and other key organs involved in the implementation of Shariah governance. It also highlights the SC's objectivity to reinforce sound decision-making process and robustness of internal control functions for effective management of Shariah non-compliance risks.

SME Bank's Islamic financial products & services are governed mainly by the relevant provisions of Development Financial Institutions Act 2002 and other applicable rules and regulations issued by BNM.

### 2. Board Roles and Responsibilities

The Board is responsible, among others, to ensure Shariah compliance in accordance to the requirements of BNM Policy Document on Shariah Governance.

The Board has clearly defined its relationship with SC. The Board is responsible to oversee a robust Shariah governance framework and its integration within the business and risk strategies of the Bank whereas the SC has the responsibility to provide objective and sound advice to the Bank to ensure that its aims and operations, business, affairs and activities are in compliance with Shariah.

The Bank has established the effective communication between Board and Shariah committee on all matters relating to Shariah requirements, Shariah governance or Shariah non-compliance risks to enable both parties to effectively discharge respective responsibilities under BNM Policy Document on Shariah Governance.

There were five (5) knowledge sharing sessions conducted involving the Board and SC during the year in ensuring continuous engagement between the parties. Details are as follows:

- i. Engagement session between BOD, SC and Senior Leadership Team (SLT) during “Shariah Committee Appreciation Ceremony and Majlis Berbuka Puasa” at Le Meridien Hotel, Putrajaya, held on 31 March 2023;
- ii. Knowledge Sharing on “Sustainability, ESG & Climate Change”, held on 29 August 2023;

- iii. Perkongsian Pengetahuan mengenai “Pengurusan Kesenambungan Perniagaan (BCM)”, yang diadakan pada 29 Ogos 2023;
- iv. Perkongsian Pengetahuan mengenai “Kesedaran tentang Keselamatan Siber”, diadakan pada 25 September 2023; dan
- v. Perkongsian Pengetahuan mengenai “Komitmen Ahli Lembaga dalam Mempersiapkan Liabiliti Korporat dan Mempromosikan Budaya Tatakelakuan Beretika”, yang diadakan pada 31 Oktober 2023.

Sebagai sebahagian daripada peranan ahli Lembaga Pengarah untuk mengawasi pelaksanaan ketetapan MPS dan keputusan atau nasihat JS dalam semua bidang perniagaan dan fungsi, semua keputusan yang dibuat oleh JS akan dibentangkan kepada Lembaga Pengarah. Empat (4) laporan Pengerusi JS yang dibentangkan kepada Lembaga Pengarah berhubung keputusan yang dibuat oleh JS semasa mesyuarat JS sepanjang tahun, adalah seperti berikut:

- i. 31 Januari 2023;
- ii. 20 April 2023;
- iii. 27 Jun 2023; dan
- iv. 31 Oktober 2023.

Sebagai sebahagian daripada tanggungjawab Lembaga Pengarah untuk menggalakkan pertumbuhan mampan dan kekukuhan kewangan Bank, Lembaga Pengarah telah menginstitusikan rangka kerja tadbir urus Syariah yang utuh. Akauntabiliti pengawasan Lembaga terhadap tadbir urus dan pematuhan Syariah mencerminkan integrasi pertimbangan tadbir urus Syariah dalam perniagaan dan strategi risiko Bank. Dalam melaksanakan peranan ini, Lembaga Pengarah telah:

- (a) meluluskan polisi berkaitan dengan struktur tadbir urus dan pengaturan pelaporan, pengurusan risiko ketidakpatuhan Syariah dan bidang lain yang penting kepada pelaksanaan berkesan tadbir urus Syariah dalam Bank;
- (b) membuat pengawasan terhadap pelaksanaan Majlis Penasihat Syariah (MPS) mengikut ketetapan BNM dan keputusan atau nasihat JS dalam semua bidang perniagaan dan fungsi, termasuk sebarang perniagaan atau implikasi risiko yang timbul daripada pelaksanaan tersebut;
- (c) membuat pengawasan terhadap pelaksanaan rangka kerja kawalan dalaman untuk mencegah ketidakpatuhan Syariah dan sebarang langkah pembetulan bagi menyelesaikan insiden atau keadaan yang mungkin berpotensi atau mengakibatkan ketidakpatuhan Syariah;
- (d) menjalankan pengawasan terhadap prestasi pengurusan kanan dan pegawai lain yang diamanahkan untuk melaksanakan rangka kerja tadbir urus Syariah supaya Lembaga Pengarah berpuas hati bahawa ukuran prestasi mereka adalah sejajar dengan objektif tadbir urus Syariah; dan

- iii. Knowledge Sharing on “Business Continuity Management (BCM)”, held on 29 August 2023;
- iv. Knowledge Sharing on “Awareness on Cyber Security”, held on 25 September 2023; and
- v. Knowledge Sharing on “The Board's Commitment in Gearing Up for Corporate Liability and Promoting Culture of Ethical Conduct”, held on 31 October 2023.

As part of the role of Board members to oversee the implementation of SAC rulings and decisions or advice of SC within all business and functional lines, all decisions made by SC will be tabled to Board. There were four (4) SC Chairman reports presented to the Board with regards to decision made by SC during SC meetings throughout the year, as follows:

- i. 31 January 2023;
- ii. 20 April 2023;
- iii. 27 June 2023; and
- iv. 31 October 2023.

As part of the Board's responsibility to promote the Bank's sustainable growth and financial soundness, the Board has institutionalised a robust Shariah governance framework. The Board's oversight accountability over Shariah governance and compliance reflects the integration of Shariah governance considerations within the Bank's business and risk strategies. In fulfilling this role, the Board has:

- (a) approved policies relating to governance structure and reporting arrangements, Shariah non-compliance risk management and other areas that are material to the effective implementation of Shariah governance within the Bank;
- (b) oversight on the implementation of Shariah Advisory Council (SAC) of BNM rulings and decisions or advice of the SC within all business and functional lines, including any business or risk implications arising from such implementation;
- (c) oversight on the implementation of the internal control framework to prevent Shariah non-compliance and any rectification measures to resolve incidences or circumstances that may result or have resulted in Shariah non-compliance;
- (d) oversight on the performance of senior management and other officers entrusted to implement Shariah governance framework such that the Board is satisfied that the measures of their performance are aligned with Shariah governance objectives; and

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(e) menggalakkan budaya korporat yang kukuh yang mencerminkan kepentingan mematuhi keperluan Syariah dalam pembangunan dan pemasaran produk, penggubalan strategi, operasi perniagaan, amalan pengurusan risiko dan aspek lain yang menggalakkan pematuhan menyeluruh terhadap Syariah.

Dalam melaksanakan peranan dan tanggungjawab mereka, Lembaga Pengarah telah diberikan maklumat dan penjelasan yang diperlukan serta bukti dan jaminan yang mencukupi bahawa Bank telah mematuhi Syariah.

#### 3. Peranan dan Tanggungjawab JS

Berdasarkan Dokumen Dasar BNM mengenai Tadbir Urus Syariah, Bank telah menubuhkan Piagam Jawatankuasa Syariahnya sendiri sebagai sebahagian daripada rangka kerja tadbir urus Syariah yang teguh untuk mempromosikan standard tertinggi tadbir urus Syariah di peringkat Bank.

Objektif Piagam Jawatankuasa Syariah adalah untuk memastikan semua ahli JS sedar tentang tugas, peranan dan tanggungjawab mereka seperti yang digariskan oleh pelbagai perundangan dan peraturan serta memastikan semua ahli JS berperanan dengan tahap integriti tertinggi yang memberi keyakinan dalam melaksanakan kebertanggungjawaban mereka terhadap tadbir urus Syariah dengan berkesan.

JS memainkan peranan pengawasan dalam menyelia semua perkara Syariah yang berkaitan dengan perniagaan perbankan Islam. Peranan dan tanggungjawab JS adalah, tetapi tidak terhad kepada yang berikut:

- (a) untuk memberikan nasihat objektif dan wajar kepada Lembaga Pengarah dan/atau Pengurusan mengenai perkara-perkara Syariah bagi memastikan matlamat dan operasi, perniagaan, hal ehwal dan aktiviti mematuhi Syariah. Ini termasuk:
  - (i) memberikan keputusan atau nasihat kepada Bank mengenai penggunaan mana-mana ketetapan MPS BNM atau piawaian mengenai perkara Syariah yang terpakai kepada operasi, perniagaan, hal ehwal dan aktiviti Bank;
  - (ii) memberikan keputusan atau nasihat mengenai perkara yang memerlukan rujukan dibuat kepada MPS BNM;
  - (iii) memberikan keputusan atau nasihat mengenai operasi, perniagaan, hal ehwal dan aktiviti Bank yang boleh mencetuskan ketidakpatuhan Syariah;
  - (iv) membincangkan dan mengesahkan penemuan ketidakpatuhan Syariah oleh mana-mana fungsi yang berkaitan;
  - (v) mengesahkan langkah pembetulan untuk menangani ketidakpatuhan Syariah;

(e) promoted a sound corporate culture which reflected the importance of adhering to Shariah requirements in product development and marketing, strategy formulation, business operations, risk management practices and other aspects that promote end-to-end compliance with Shariah.

In performing their roles and responsibilities, the Board has been provided with the necessary information and explanations as well as sufficient evidence and assurance that the Bank has complied with Shariah.

#### 3. SC Roles and Responsibilities

In light of BNM Policy Document on Shariah Governance, the Bank has established its own Shariah Committee Charter as part and parcel of the robust Shariah governance framework to promote highest standard of Shariah governance within the Bank.

The objectives of the Shariah Committee Charter are to ensure that all SC members are aware of their duties, roles and responsibilities as outlined by various legislations and regulations as well as to ensure that all SC members carry themselves with the highest level of integrity that commands confidence in effectively discharging their accountability over Shariah governance.

The SC plays an oversight role in overseeing all Shariah matters related to the Bank's Islamic banking business. The roles and responsibilities of SC are, but not limited to the following:

- (a) to provide objective and sound advice to the Board of Directors and/or the Management on Shariah matters in order to ensure that its aims and operations, business, affairs and activities are in compliance with Shariah. This includes:
  - (i) providing decision or advice to the Bank on the application of any rulings of the SAC of BNM or standards on Shariah matters that are applicable to the Bank's operations, business, affairs and activities;
  - (ii) providing decision or advice on matters which require reference to be made to the SAC of BNM;
  - (iii) providing decision or advice on the Bank's operations, business, affairs and activities which may trigger Shariah non-compliance event;
  - (iv) deliberating and affirming Shariah non-compliance finding by any relevant functions;
  - (v) endorsing rectification measure to address Shariah non-compliance event;

- (vi) memberikan keputusan atau nasihat mengenai perkara Syariah yang terpakai kepada dokumentasi yang berkaitan dengan operasi, perniagaan, hal ehwal dan aktiviti Bank termasuk tetapi tidak terhad kepada dokumentasi undang-undang, bahan pemasaran, polisi dan prosedur serta garis panduan operasi; dan
- (vii) mengeluarkan Laporan Jawatankuasa Syariah tahunan seperti yang terkandung dalam laporan tahunan Bank untuk menyatakan pematuhan Bank terhadap Syariah.

- (b) untuk terus meningkatkan pemahaman yang munasabah tentang perniagaan dan operasi Bank serta mengikuti perkembangan pasaran dan kawal selia yang berkaitan;
- (c) untuk menyemak kerja yang dijalankan oleh fungsi Syariah termasuk Bahagian Syariah Kumpulan, Kajian Syariah, Audit Syariah dan Risiko Syariah (diterapkan dalam Pengurusan Risiko Operasi);
- (d) melibatkan diri secara aktif dalam membincangkan isu-isu Syariah yang dibentangkan dan penyertaan aktif melalui kehadiran mesyuarat, menilai laporan, membaca minit, dan tugas lain yang dimandatkan;
- (e) untuk memastikan standard yang tinggi dalam mencapai keputusan Syariah melalui ketetapan Syariah yang betul dan komprehensif;
- (f) untuk menumpukan masa yang mencukupi bagi membuat persediaan dan menghadiri mesyuarat JS;
- (g) untuk memastikan konsistensi dalam memberikan pandangan dan tidak boleh bertindak dengan cara yang boleh menjejaskan ketetapan MPS BNM atau mana-mana keputusan JS yang mereka wakili;
- (h) untuk segera mendedahkan kepada Lembaga apa-apa keadaan yang boleh menjejaskan keupayaannya untuk memenuhi keperluan minimum menjadi JS yang layak; dan
- (i) untuk meluluskan metodologi pengiraan zakat dan jumlah zakat yang perlu dibayar oleh Bank.

Selain daripada perkara di atas, JS juga akan menjalankan peranan dan tanggungjawab seperti yang digariskan dalam Piagam Jawatankuasa Syariah Bank, Dokumen Dasar BNM mengenai Tadbir Urus Syariah, Garis Panduan BNM yang berkaitan dan lain-lain dokumen/memo polisi berkaitan yang dikeluarkan oleh Bank/pihak berkuasa seperti yang disemak dari semasa ke semasa.

Dalam melaksanakan peranan dan tanggungjawab mereka, JS memperoleh semua maklumat dan penjelasan yang mereka anggap perlu dalam memberikan mereka bukti yang mencukupi untuk memberi jaminan yang munasabah bahawa Bank telah mematuhi Syariah.

- (vi) providing decision or advice on Shariah matters that are applicable to the documentation relating to the Bank's operations, business, affairs and activities including but not limited to legal documentation, marketing materials, policies and procedures and operating guidelines; and
- (vii) issuing annual Shariah Committee's Report as contained in the Bank's annual report to state the Bank's compliance with Shariah.

- (b) to continuously develop reasonable understanding of the Bank's business and operations and keep abreast with relevant market and regulatory developments;
- (c) to review the work carried out by Shariah functions including Group Shariah Division, Shariah Review, Shariah Audit and Shariah Risk (embedded in the Operational Risk Management);
- (d) to actively engage in deliberating Shariah issues presented and have active participation through attending meetings, evaluating reports, reading minutes, and other mandated task;
- (e) to ensure high standard in arriving at Shariah decision through proper and comprehensive Shariah ruling;
- (f) to dedicate sufficient time to prepare for and attend SC meetings;
- (g) to ensure consistency in providing its views and must not act in a manner that would undermine the rulings of the SAC of BNM or any decisions of SC that they represent;
- (h) to immediately disclose to the Board any circumstances that may affect his ability to meet the minimum requirement to be a qualified SC; and
- (i) to approve the zakat calculation methodology and total zakat payable by the Bank.

Other than the above, SC shall also carry out the roles and responsibilities as outlined in the Bank's Shariah Committee Charter, BNM Policy Document on Shariah Governance, relevant BNM Guidelines and other relevant policy documents/memo issued by the Bank/governing authorities as revised from time to time.

In performing their roles and responsibilities, SC had obtained all the information and explanations which they considered necessary in order to provide them with sufficient evidences to give reasonable assurance that the Bank has complied with the Shariah.

## PENYATA TADBIR URUS SYARIAH

### STATEMENT ON SHARIAH GOVERNANCE

#### 4. Komposisi Jawatankuasa Syariah

Sehingga 31 Disember 2023, SC terdiri daripada enam (6) ahli daripada pelbagai latar belakang berbeza dari aspek kelayakan, pengalaman dan pengetahuan yang merangkumi bidang Syariah, perakaunan dan ekonomi bagi memastikan perbincangan Syariah yang jitu dan menyeluruh. Majoriti ahlinya adalah sarjana yang mempunyai pengalaman dalam bidang Syariah terutamanya Perundangan Islam (Usul al-Fiqh) dan Undang-undang Perdagangan Islam (Fiqh al-Muamalat).

#### 5. Mesyuarat dan Kehadiran Jawatankuasa Syariah

Sepanjang tahun kewangan 2023, SC telah mengadakan dua belas (12) sesi mesyuarat. Komposisi SC sepanjang tahun 2023 dan rekod kehadiran adalah seperti

BIL. NO.	NAMA AHLI JAWATANKUASA SYARIAH NAME OF SHARIAH COMMITTEE MEMBER	JAWATAN DESIGNATION	BIL. MESYUARAT DIHADIRI*/ NO. OF MEETINGS ATTENDED *
1.	Prof. Dr. Amir Shahrudin	Pengerusi Chairman	11/12
2.	Dr. Shamsiah binti Mohamad	Ahli Member	11/12
3.	Dr. Ahmad Sufian bin Che Abdullah	Ahli Member	11/12
4.	Assoc. Prof. Dr. Ahmad Zaki bin Salleh	Ahli Member	12/12
5.	Ustaz Ahmad Husni bin Abdul Rahman	Ahli Member	12/12
6.	Encik Faizal bin Jaffar	Ahli Member	11/12
7.	Assoc. Prof. Dr. Asmak binti Ab Rahman	Ahli Member (Tempoh berakhir pada 31 Mac 2023) (Tenure ended on 31 March 2023)	3/3

\* Mewakili bilangan mesyuarat dihadiri sepanjang tempoh ahli Jawatankuasa Syariah memegang jawatan.

\* Reflects the number of meetings attended during the time the Shariah Committee held office.

#### 6. Latihan dan Pembangunan Ahli Jawatankuasa Syariah

Ke arah meningkatkan profesionalisme dan mengukuhkan keupayaan ahli SC, mereka telah mengikuti Program Pensijilan Penasihat Syariah Bertauliah (CSA) dan Pengamal Syariah Bertauliah (CSP) anjuran Persatuan Penasihat Syariah dalam Kewangan Islam (ASAS). Untuk memastikan ahli SC mengikuti perkembangan terkini industri, mereka juga telah menghadiri, antara lain, program dan acara berikut:

##### a) Program dalaman

- (i) Perkongsian Pengetahuan mengenai "Rangka Kerja Kemudahan Pembiayaan dengan Pihak Berkaitan" yang diadakan pada 31 Mac 2023;

#### 4. SC Composition

As at 31 December 2023, SC consists of six (6) members with diverse backgrounds in terms of qualification, experience and knowledge, which includes the fields of Shariah, accounting and economics, to support the depth and breadth of the Shariah deliberations. Majority of the members are scholars with qualification, expertise and experience in the areas of Shariah especially Islamic Jurisprudence (*Usul al-Fiqh*) and Islamic Commercial Law (*Fiqh al-Muamalat*).

#### 5. SC Meeting & Attendance

During the financial year ended 31 December 2023, SC held twelve (12) meetings. The composition of the SC during the year 2023 and record of attendance are as follows:

- (ii) Perkongsian Pengetahuan mengenai "Pengenalan kepada Pengurusan Modal Insan Kumpulan" yang diadakan pada 10 Jun 2023;
- (iii) Perkongsian Pengetahuan mengenai "Tinjauan dan Prestasi Perniagaan" yang diadakan pada 11 Jun 2023;
- (iv) Perkongsian Pengetahuan mengenai "Kelestarian, ESG & Perubahan Iklim" yang diadakan pada 29 Ogos 2023;
- (v) Perkongsian Pengetahuan mengenai "Pengurusan Kesinambungan Perniagaan" yang diadakan pada 29 Ogos 2023;
- (vi) Perkongsian Pengetahuan mengenai "Kesedaran tentang Keselamatan Siber" yang diadakan pada 25 September 2023;
- (vii) Perkongsian Pengetahuan mengenai "Komitmen Lembaga dalam Mempersiapkan Liabiliti Korporat dan Mempromosikan Budaya Tingkah Laku Beretika" yang diadakan pada 31 Oktober 2023; dan
- (viii) Perkongsian Pengetahuan mengenai "Proses Penilaian Kredit" yang diadakan pada 25 November 2023.

##### b) Program luar

- (i) Penasihat Syariah Bertauliah (CSA) dan Pengamal Syariah Bertauliah (CSP);
- (ii) Ceramah "Zakat dan Wakaf: Pengalaman Mesir" di Kampus INCEIF, Kuala Lumpur yang diadakan pada 22 Mei 2023;
- (iii) Muzakarah Cendekiawan Syariah Nusantara ke-16 yang diadakan pada 30 Mei - 1 Jun 2023;
- (iv) Muzakarah Penasihat Syariah Dalam Kewangan Islam kali ke-16 yang diadakan pada 18 September 2023;
- (v) Forum Kewangan Islam Kuala Lumpur ke-18 yang diadakan pada 19 - 20 September 2023; dan
- (vi) International Shari'ah Scholars Forum (ISSF 2023) yang diadakan pada 14 dan 15 November 2023.

- (ii) Knowledge Sharing on "An Introduction to Group Human Capital Management" held on 10 June 2023;
- (iii) Knowledge Sharing on "Business Outlook and Performance" held on 11 June 2023;
- (iv) Knowledge Sharing on "Sustainability, ESG & Climate Change" held on 29 August 2023;
- (v) Knowledge Sharing on "Business Continuity Management" held on 29 August 2023;
- (vi) Knowledge Sharing on "Awareness on Cyber Security" held on 25 September 2023;
- (vii) Knowledge Sharing on "The Board's Commitment in Gearing Up for Corporate Liability and Promoting Culture of Ethical Conduct" held on 31 October 2023; and
- (viii) Knowledge Sharing on "Credit Assessment Process" held on 25 November 2023.

##### b) External programme

- (i) Certified Shariah Advisor (CSA) and Certified Shariah Practitioner (CSP);
- (ii) Talk on "Zakat and Waqf: The Egyptian Experience" at INCEIF Campus, Kuala Lumpur held on 22 May 2023;
- (iii) Muzakarah Cendekiawan Syariah Nusantara ke-16 held on 30 May - 1 June 2023;
- (iv) Muzakarah Penasihat Syariah Dalam Kewangan Islam kali ke-16 held on 18 September 2023;
- (v) 18<sup>th</sup> Kuala Lumpur Islamic Finance Forum held on 19 - 20 September 2023; and
- (vi) International Shari'ah Scholars Forum (ISSF 2023) held on 14 and 15 November 2023.

#### 6. Training and Development of SC Members

Towards elevating the professionalism and strengthening capabilities of the SC members, they have enrolled in Certified Shariah Advisor (CSA) and Certified Shariah Practitioner (CSP) Certification Programme organized by the Association of Shariah Advisors in Islamic Finance (ASAS). To keep the SC members abreast with the latest development of the industry, they have also attended, among others, the following programmes and events:

##### a) Internal programme

- (i) Knowledge Sharing on "Financing Facilities with Connected Parties Framework" held on 31 March 2023;

## PENYATA TADBIR URUS SYARIAH

### STATEMENT ON SHARIAH GOVERNANCE

#### 7. Bahagian Syariah Kumpulan dan Fungsi Kawalan Syariah

##### (a) Bahagian Syariah Kumpulan

SME Bank melalui Bahagian Syariah Kumpulan (GSD) kini melaksanakan dua (2) bidang tanggungjawab utama seperti berikut:

##### (i) Penyelidikan & Khidmat Nasihat Syariah

Bertanggungjawab untuk memastikan fungsi penasihat Syariah yang berkesan berhubung dengan perkara berkaitan Syariah dalam operasi, aktiviti dan hal ehwal harian Bank selaras dengan keputusan Majlis Penasihat Syariah Bank Negara Malaysia, Majlis Penasihat Syariah Suruhanjaya Sekuriti dan Jawatankuasa Syariah Bank. Ia juga bertanggungjawab untuk melaksanakan penyelidikan dan kajian mendalam mengenai isu Syariah dalam menyokong perniagaan, operasi, hal ehwal dan aktiviti Bank serta menjalankan fungsi pentadbiran dan kesetiausahaan untuk menyokong Jawatankuasa Syariah seperti penyelarasan mesyuarat, penyusunan kertas cadangan, penyebaran keputusan am jawatankuasa kepada pihak berkepentingan yang berkaitan dan pelantikan Jawatankuasa Syariah.

##### (ii) Tadbir Urus Syariah

Bertanggungjawab sebagai Sekretariat Jawatankuasa Tadbir Urus Syariah (SGC), yang bertindak sebagai platform penghubung antara fungsi-fungsi Syariah yang dinyatakan di bawah rangka kerja Tadbir Urus Syariah Bank. Ia juga bertanggungjawab untuk menyemak dan mengemaskini dasar, prosedur dan panduan kerja yang berkaitan dengan Syariah bagi memastikan pelaksanaan Perbankan Islam dan prosesnya mematuhi Dokumen Dasar Tadbir Urus Syariah BNM serta menjalankan sesi latihan dan kesedaran Syariah pada pemegang taruh di peringkat dalaman. Jabatan Tadbir Urus Syariah juga bertanggungjawab untuk menjalankan projek Kewangan Sosial Islam yang dilaksanakan oleh GSD yang juga telah dipilih sebagai Penyata Hasrat Korporat Bank (SCI). Pada tahun 2023, Jabatan Tadbir Urus Syariah telah melaksanakan salah satu projek utama SME Bank iaitu pelaksanaan program keusahawanan Asnaf (SME Bank iTEKAD ISHRAF) dengan pelaksanaan berikut:

- Penglibatan 400 peserta di seluruh negara;

#### 7. Group Shariah Division and Shariah Control Functions

##### (a) Group Shariah Division

SME Bank via Group Shariah Division (GSD) is currently undertaking two (2) main areas of responsibilities as follows:

##### (i) Shariah Research & Advisory

Responsible to ensure the effective Shariah advisory function with regards to Shariah related matters in the Bank's day-to-day operations, activities and affairs in line with decisions of the Shariah Advisory Council of Bank Negara Malaysia, Shariah Advisory Council of Securities Commission and Bank's SC. It is also responsible for performing in-depth research and studies on Shariah issues to support the Bank's business, operations, affairs and activities as well as to undertake administrative and secretarial functions to support SC such as coordinating meeting, compiling proposal papers, disseminating SC general decisions to the relevant stakeholders and appointment of SC.

##### (ii) Shariah Governance

Responsible as the Secretariat of Shariah Governance Committee (SGC), which acts as a bridging platform between the Shariah functions specified under the Bank's Shariah Governance framework. It is also responsible to review and update policies, procedures and work guide which related to Shariah to ensure the implementation of Islamic Banking and its processes are in compliance with BNM Policy Document on Shariah Governance as well as to conduct Shariah training and awareness session for internal stakeholders. Shariah Governance Department is also accountable to conduct Islamic Social Finance projects undertaken by GSD which had been also selected as Statement of Corporate Intent (SCI) of the Bank. In 2023, Shariah Governance Department has undertaken one of SME Bank's flagship project of the Bank i.e. the implementation of *Asnaf* entrepreneurship program (SME Bank iTEKAD ISHRAF) with the following arrangements:

- Involvement of 400 participants nationwide;

- Usaha kerjasama dengan rakan strategik daripada agensi kerajaan dan institusi korporat iaitu iTEKAD Bank Negara Malaysia (BNM), Yayasan Pembangunan Ekonomi Islam Malaysia (YaPEIM), Bank Islam Malaysia Berhad (BIMB), Etiqa Takaful, FGV Holdings Berhad dan Permodalan Nasional Berhad (PNB);
- Dana terkumpul berjumlah RM5.6 juta; dan
- Program ini selaras dengan Rangka Kerja EKONOMI MADANI Malaysia: Memperkasa Rakyat (Fokus 2: Meningkatkan Kualiti Hidup Untuk Rakyat) seperti yang diumumkan oleh YAB Perdana Menteri, Dato' Seri Anwar Ibrahim pada 27 Julai 2023.

##### (b) Fungsi-Fungsi Kawalan Syariah

Rangka kerja dan dasar fungsi kawalan Syariah dalaman telah diwujudkan untuk membimbing dan mengukuhkan pengurusan potensi risiko ketidakpatuhan Syariah yang mungkin timbul daripada aktiviti dan operasi perniagaan Bank. Fungsi utama Risiko Syariah, Semakan Syariah dan Audit Syariah didokumenkan dengan peranan dan tanggungjawab yang jelas, selaras dengan Dokumen Dasar BNM mengenai Tadbir Urus Syariah dan keperluan kawal selia lain yang berkaitan. Objektif utama adalah untuk mengukuhkan proses membuat keputusan yang mantap dan kemantapan fungsi kawalan dalaman untuk pengurusan risiko ketidakpatuhan Syariah yang berkesan. Fungsi kawalan Syariah adalah seperti berikut:

##### (i) Risiko Syariah

Risiko Syariah berfungsi di bawah Pengurusan Risiko Operasi & Syariah, membentuk bahagian penting dalam rangka kerja pengurusan risiko bersepadu Bank dan menggunakan prinsip yang digariskan dalam Dokumen Dasar BNM mengenai Tadbir Urus Syariah. Tanggungjawab utama Risiko Syariah termasuk penggubalan dasar dan garis panduan mengenai pengurusan risiko Syariah. Ini termasuk pendekatan untuk mengenal pasti dan menilai risiko ketidakpatuhan Syariah dalam aktiviti perniagaan, produk dan perkhidmatan, dan penilaian keberkesanan kawalan dan pelan mitigasi sedia ada. Risiko Syariah juga melaksanakan penilaian produk, perkhidmatan dan prosedur operasi dari perspektif risiko Syariah dan menjalankan program latihan dan kesedaran tentang risiko Syariah untuk menggalakkan budaya pematuhan risiko Syariah.

Sebagai sebahagian daripada risiko operasi, Risiko Syariah memanfaatkan prinsip, proses dan alat risiko operasi yang sama seperti Penilaian Kendiri Kawalan Risiko, Petunjuk Risiko Utama serta Pengurusan Insiden & Pengumpulan Data.

- Collaborative efforts with the strategic partners from the government agencies and corporate institutions i.e. Bank Negara Malaysia (BNM) iTEKAD, Yayasan Pembangunan Ekonomi Islam Malaysia (YaPEIM), Bank Islam Malaysia Berhad (BIMB), Etiqa Takaful, FGV Holdings Berhad and Permodalan Nasional Berhad (PNB);
- Accumulated fund amounting to RM5.6 mil; and
- The programme aligns with Malaysia EKONOMI MADANI Framework: Empowering the People (Focus 2: Elevating Quality of Life For The Rakyat) as announced by YAB Prime Minister, Dato' Seri Anwar Ibrahim on 27 July 2023.

##### (b) Shariah Control Functions

The internal Shariah control functions' framework and policies have been established to guide and strengthen the management of potential Shariah non-compliance risks which may arise from the Bank's business activities and operations. The key functions of Shariah Risk, Shariah Review and Shariah Audit are documented with clear roles and responsibilities, in accordance with BNM Policy Document on Shariah Governance and other relevant regulatory requirements. The main objective is to reinforce sound decision-making process and robustness of internal control functions for effective management of Shariah non-compliance risks. The Shariah control functions are as follows:

##### (i) Shariah Risk

Shariah Risk function under Operational & Shariah Risk Management forms an important part of the Bank's integrated risk management framework and applies the principles outlined in BNM Policy Document on Shariah Governance. Shariah Risk's main responsibility include the formulation of policies and guidelines on Shariah risk management This includes the approaches for identification and assessment of Shariah non-compliance risks in business activities, products and services, and assessment of the effectiveness of existing controls and mitigation plan. Shariah Risk also performs assessment of products, services and operating procedures from Shariah risk perspective and conducts training and awareness programs on Shariah risk to promote a Shariah compliance risk culture.

Being part of operational risk, Shariah Risk leverages on the same principles, processes and tools of operational risk such as Risk Control Self-Assessment, Key Risk Indicators and Incident Management & Data Collection.

## PENYATA TADBIR URUS SYARIAH STATEMENT ON SHARIAH GOVERNANCE

### (ii) Pengawasan Syariah

Pengawasan Syariah menjalankan penilaian berkala ke atas pematuhan operasi, perniagaan, hal ehwal dan aktiviti Bank dengan keperluan Syariah berdasarkan Pelan Tahunannya yang diluluskan oleh Jawatankuasa Pengurusan Risiko Lembaga (BRMC) dan JS. Ia menyediakan laporan tetap mengenai isu dan penemuan ketidakpatuhan Syariah kepada Lembaga Pengarah, jawatankuasa syariah dan pengurusan kanan. Kajian Syariah adalah sebahagian daripada Bahagian Pematuhan Kumpulan dan Ketua Pegawai Pematuhan Kumpulan mempunyai talian fungsi langsung dan akses tanpa halangan kepada jawatankuasa syariah.

Kajian semula Syariah dalam dijalankan secara berterusan, iaitu kajian semula proses dan hasil, serta menentukan bahawa proses dan hasil tersebut memenuhi keperluan Syariah. Semakan Syariah adalah fungsi kawalan yang bebas dan berkesan dan tidak diletakkan dalam kedudukan konflik dari segi skop tanggungjawab dan garis pelaporan. Semakan Syariah juga bertanggungjawab untuk memastikan latihan dan bimbingan yang mencukupi diberikan kepada pegawai Bank mengenai keperluan Syariah yang berkaitan dalam mengawal operasi, perniagaan, serta hal ehwal dan aktiviti Bank.

### (iii) Audit Syariah

Audit Syariah membentuk sebahagian daripada Bahagian Audit Kumpulan. Ia menyediakan penilaian bebas mengenai kualiti dan keberkesanan kawalan dalaman Bank, sistem pengurusan risiko, proses tadbir urus serta pematuhan keseluruhan operasi, perniagaan, hal ehwal dan aktiviti Bank terhadap aspek Syariah.

Iajugabertanggungjawabuntukmewujudkan metodologi audit bagi menilai kelemahan profil risiko setiap kawasan yang boleh diaudit, menjana pelan audit, mewujudkan program audit yang didokumenkan dengan jelas dan menyampaikan keputusan kepada Jawatankuasa Audit Lembaga dan jawatankuasa syariah melalui laporan audit, perincian penemuan audit dan cadangan untuk langkah pembedahan.

### (ii) Syariah Review

Shariah Review conducts regular assessment on the compliance of the Bank's operations, business, affairs and activities with Shariah requirements based on its Annual Plan approved by Board Risk Management Committee (BRMC) and SC. It provides regular reporting on Shariah non-compliance issues and findings to the Board, SC and senior management. Shariah Review is part of the Group Compliance Division and the Group Chief Compliance Officer has direct functional line and unimpeded access to the SC.

The internal Shariah review is conducted on a continuous basis, which is a review of processes and deliverables, as well as determining that such processes and outcomes satisfy the needs of the Shariah. Shariah Review is an independent and effective control function and is not place in a position of conflict in terms of scope of responsibilities and reporting lines. Shariah Review is also responsible to ensure adequate training and guidance are provided to the officers of the Bank on relevant Shariah requirements governing the Bank's operations, business, affairs and activities.

### (iii) Syariah Audit

Shariah Audit forms part of the Group Audit Division. It provides independent assessments on the quality and effectiveness of the Bank's internal control, risk management systems, governance processes as well as the overall compliance of the Bank's operations, business, affairs and activities with Shariah.

It is also responsible to establish an audit methodology to assess the risk profile vulnerabilities of each auditable area, generate an audit plan, establish clear documented audit programs and communicate the results to the Board Audit Committee and SC through an audit report, detailing the audit findings and recommendations for rectification measures.

## RANGKA KERJA PENGUKURAN PRESTASI PERFORMANCE MEASUREMENT FRAMEWORK

### Peranan Penting Rangka Kerja Pengurusan Prestasi

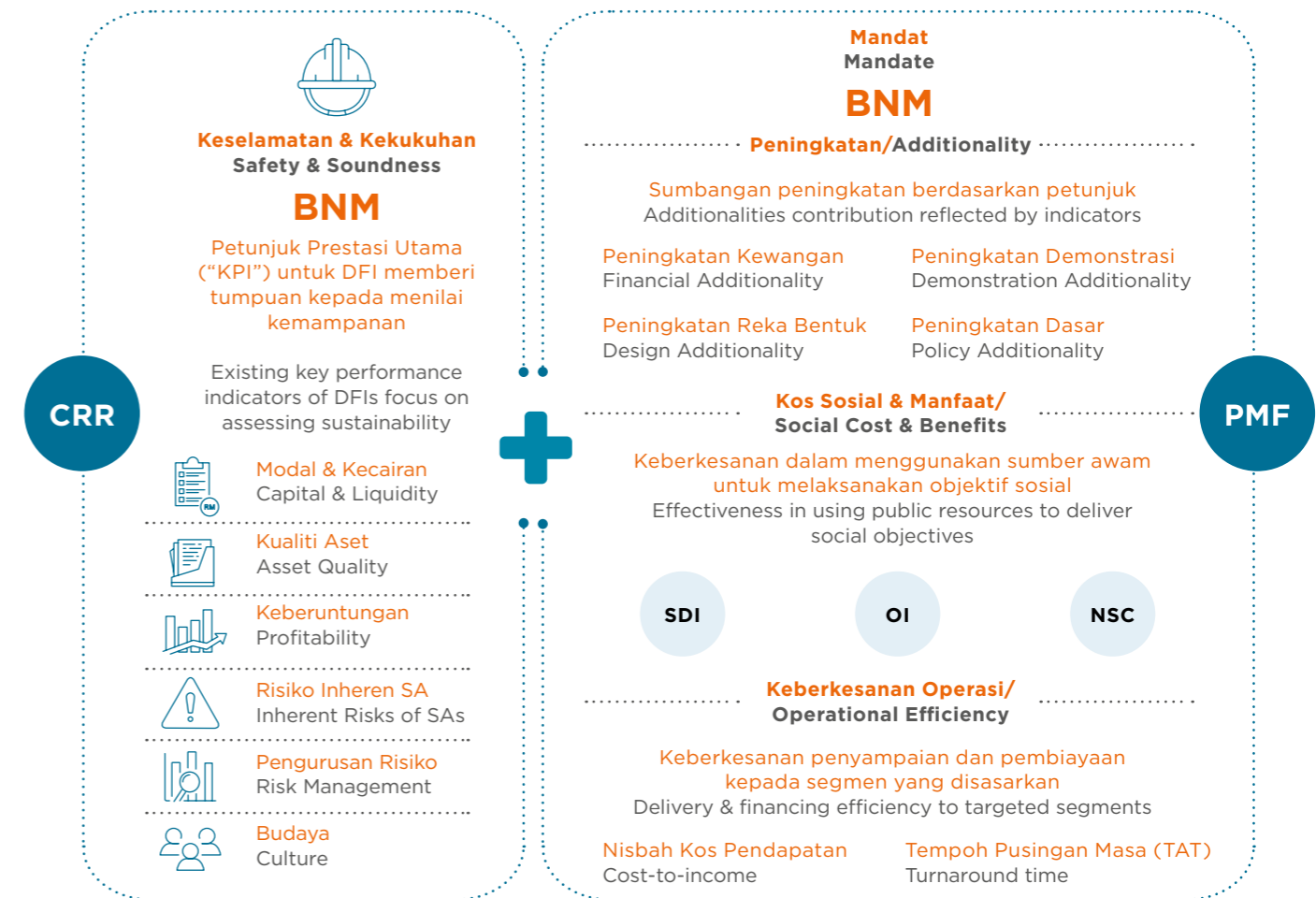
Kerangka Pengurusan Prestasi ("PMF") untuk Institusi Kewangan Pembangunan ("DFI") ialah rangka kerja berasaskan hasil yang direka untuk menumpukan sumbangan DFI yang lebih luas melangkaui fokus sempit petunjuk pertumbuhan pembiayaan. Secara khususnya, PMF menyepadukan petunjuk keputusan utama pembangunan untuk mengukur impak sosio-ekonomi operasi DFI dan untuk mewujudkan insentif yang kukuh penajajaran strategik untuk mencapai impak pembangunan yang lebih besar. Penerimaan PMF juga bertujuan untuk mengukuhkan kapasiti dan keupayaan DFI selain sekadar menyediakan pembiayaan tetapi juga menjana budaya pembangunan dan pemikiran yang bermakna dalam menyampaikan nilai kepada masyarakat.

PMF melengkapkan Petunjuk Prestasi Utama ("KPI") DFI sedia ada (iaitu Penarafan Risiko Komposit ("CRR")). Komponen kedua-dua CRR & PMF adalah seperti yang digambarkan di bawah:

### The Vital Role of Performance Management Framework

The Performance Management Framework ("PMF") for Development Financial Institutions ("DFIs") is an outcome-based framework designed to capture the broader contributions of DFIs beyond the narrow focus of financing growth indicators. In particular, PMF integrates developmental key result indicators to measure the socio-economic impact of DFIs' operations and to create strong incentives for strategic alignment to achieve greater development impact. The adoption of PMF is also intended to strengthen the capacity and capability of DFIs beyond just providing financing but also generating meaningful development culture and mindset in delivering value to society.

The PMF complements the existing Key Performance Indicators ("KPI") of DFIs (i.e. Composite Risk Rating ("CRR")). The components of both CRR & PMF are as illustrated below:



Nota: SAs = Aktiviti Penting; SDI = Indeks Kebergantungan Subsidi; OI = Indeks Keluaran; NSC = Kos Bersih Subsidi  
Note: SAs = Significant Activities; SDI = Subsidy Dependence Index; OI = Output Index; NSC = Net Subsidy Cost

## RANGKA KERJA PENGUKURAN PRESTASI PERFORMANCE MEASUREMENT FRAMEWORK

Kepentingan PMF telah dinyatakan dalam dasar SME Bank berikutan kelulusan Lembaga Pengarah pada 2018. Berikutan itu, Pasukan Projek khas secara khusus melaksanakan pembangunan kad skor tambahan untuk SME Bank dan melancarkan pelaksanaan awal. Petunjuk PMF telah diperhalusi lagi pada tahun berikutnya oleh sebuah Unit dalam Bank yang berdedikasi mentakrifkan dengan jelas dan menyatakan keputusan yang diinginkan, menyampaikan program dan cadangan, mengukur dan menilai prestasi serta membuat pelarasan yang diperlukan bagimeningkatkan kecekapan dan keberkesanan.

### Pelan Hala Tuju 3 Tahun PMF (2022 - 2024)

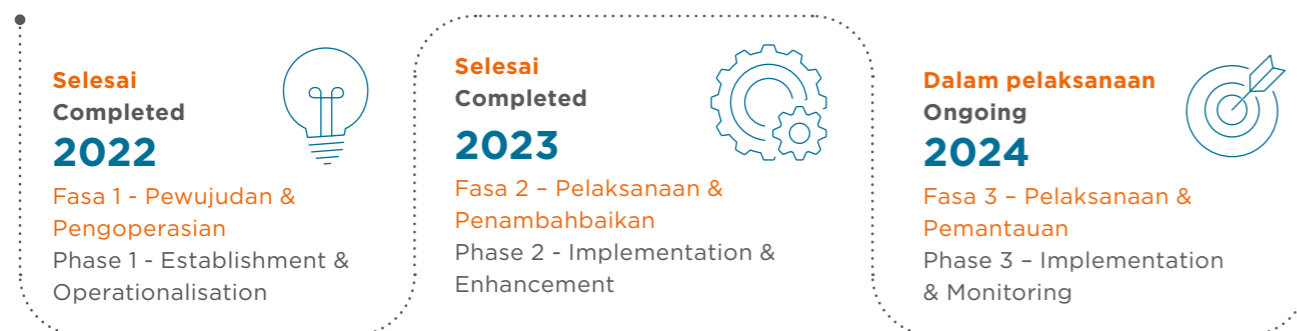
Lembaga Pengarah telah meluluskan Pelan Hala Tuju PMF 3 Tahun (2022 - 2024) Bank pada 30 Ogos 2022. Tiga (3) fasa tersebut dengan jelas menunjukkan pendirian progresif dan memberikan kejelasan serta jangka masa untuk setiap aktiviti yang dicadangkan di bawah Pelan Hala Tuju. Fasa 1 dan 2 Pelan Hala Tuju telah siap seperti yang dirancang. Gambar laluan adalah seperti berikut:

The importance of PMF was articulated in SME Bank's policy following the approval by the Board of Directors in 2018. Following this, a special Project Team specifically undertook the development of additionality scorecard for SME Bank and rolled out the preliminary implementation. The PMF indicators were further refined in the following year by a dedicated unit within the Bank who clearly defines and articulates the desired results, delivers the programmes and recommendations, measures and evaluates performance and makes the necessary adjustments to improve both efficiency and effectiveness.

### PMF 3-Year Roadmap (2022 - 2024)

The BOD has approved the Bank's 3-Year (2022 - 2024) PMF Roadmap ("Roadmap") on 30 August 2022. The three (3) phases clearly demonstrate progressive stance and gives clarity and a time frame for each proposed activity under the Roadmap. The 1st and 2nd phase of Roadmap has been completed as per planned. The snapshot of the Roadmap are as follows:

**OBJEKTIF: UNTUK MENGINSTITUSIKAN KERANGKA PENGUKURAN PRESTASI (PMF)**  
**OBJECTIVE: TO INSTITUTIONALISE PERFORMANCE MEASUREMENT FRAMEWORK (PMF)**



### Ringkasan 3 Komponen PMF

PMF terdiri daripada tiga komponen utama:

- i. **Tambahan** - Tambahan yang dikehendaki daripada operasi:
  - a. Tambahan Kewangan
  - b. Tambahan Demonstrasi
  - c. Tambahan Reka Bentuk
  - d. Tambahan Polisi
- ii. **Kos Faedah dan Manfaat (SCB)** - Keberkesanan dalam menggunakan sumber awam untuk menyampaikan mandat:
  - a. Indeks Pergantungan Subsidi
  - b. Indeks Keluaran
  - c. Kos Subsidi Bersih
- iii. **Kecekapan Operasi (OE)** - Pencapaian aktiviti DFI dalam memenuhi objektif sosialnya:
  - a. Nisbah Kos Kepada Pendapatan (CTI)
  - b. Tempoh Pusingan Masa

### Summary of 3 Component of PMF

The PMF consists of three key components:

- i. **Additionality** - Desired additionalities from operations:
  - a. Financial Additionality
  - b. Demonstration Additionality
  - c. Design Additionality
  - d. Policy Additionality
- ii. **Social Cost and Benefit (SCB)** - Effectiveness in using public resources to deliver mandate:
  - a. Subsidy Dependence Index
  - b. Output Index
  - c. Net Subsidy Cost
- iii. **Operational Efficiency (OE)** - Achievement of DFI's activities in fulfilling its social objectives:
  - a. Cost-to-income ratio
  - b. Turnaround time

### SOROTAN UTAMA LAPORAN TAHUNAN PMF BAGI 2023 KEY HIGHLIGHTS OF PMF ANNUAL REPORT FOR 2023

#### i. KOMPONEN 1 - TAMBAHAN/COMPONENT 1 - ADDITIONALITY

- a. Kewangan/Financial

Indikator Indicator	Sorotan Utama Key Highlights		
Kelulusan Pembiayaan Financing Approved	<b>i) Jumlah kelulusan</b>		
	<b>Indikator</b>	<b>2023</b>	
		<b>Bilangan Pelanggan</b>	
		<b>Jumlah RM Juta</b>	
	Bukan PKS (Perusahaan Besar)	10	122.2
	PKS (tidak termasuk Perusahaan Mikro)	900	2,430.3
	Perusahaan Mikro	90	90.5
<b>Jumlah Kelulusan</b>	<b>990</b>	<b>2,520.8</b>	
<b>Jumlah Kelulusan Keseluruhan</b>	<b>1,000</b>	<b>2,643.0</b>	

#### i) Total Approval

Indicator	2023	
	No. of Customers	Amount RM million
Non-SME (Large Enterprise)	10	122.2
SME (excluding Microenterprises)	900	2,430.3
Microenterprises	90	90.5
<b>Total Approval to MSME</b>	<b>990</b>	<b>2,520.8</b>
<b>Overall Total Approval</b>	<b>1,000</b>	<b>2,643.0</b>

## RANGKA KERJA PENGUKURAN PRESTASI

### PERFORMANCE MEASUREMENT FRAMEWORK

Indikator Indicator	Sorotan Utama Key Highlights
------------------------	---------------------------------

#### ii) Kelulusan kepada segmen yang disasarkan (PKS)

Indikator	2023	
	Bilangan Pelanggan	Jumlah RM Juta
Perniagaan baharu (< 3 tahun)	93	83.6
Pelanggan kali pertama	119	129.8
Bumiputera	664	1,882.7
Pengeksport	32	141.3
Pelanggan yang ditolak oleh institusi kewangan	7	3.6
Sektor berkaitan ESG	990	2,520.8
Pemilikan belia	254	196.2
Pembinaan	167	567.7
Pelancongan	21	31.5

#### iii) Jumlah latihan, jangkauan dan khidmat nasihat

Indikator	2023
	Bilangan peserta
Latihan/ jangkauan (contoh SME Bank XCESS, Jom XCESS, dan lain-lain.)	13,354
Kejurulatihan Berstruktur/Nasihat Khusus (e.g. BEP, PPKV, ISHRAF, SJL, SIK, N-Gene, Sandbox, dan lain-lain.)	2,769
Pameran Perdagangan Antarabangsa	76

#### ii) Approval to targeted segments (MSME)

Indicator	2023	
	No. of Customers	Amount RM million
New business (< 3 year)	93	83.6
1st time customers	119	129.8
Bumiputera	664	1,882.7
Exporters	32	141.3
Customers rejected by FIs	7	3.6
ESG related sector	990	2,520.8
Youth-owned	254	196.2
Construction	167	567.7
Tourism	27	67.4

#### iii) Total training, outreach and advisory services

Indicator	2023
	No. of Participants
Training/Outreach (e.g. SME Bank XCESS, Jom XCESS, etc.)	13,354
Structured Coaching/Specialised Advisory (e.g. BEP, PPKV, ISHRAF, SJL, SIK, N-Gene, Sandbox, etc.)	2,769
International Trade fairs	76

#### b. Demonstrasi/Demonstration

Indikator Indicator	Sorotan Utama Key Highlights
------------------------	---------------------------------

<b>Jumlah amaun pembiayaan yang dihimpun daripada sektor swasta (entiti berasaskan komersial dan tidak termasuk agensi Kerajaan)</b>	Jumlah: RM2,100,000.00 <b>Catatan:</b> i. Dana crowded-in untuk SME BANK iTEKAD ISHRAF ii. Dana yang disumbangkan oleh Etiqa Takaful, FGV Holdings, PNB dan Bank Islam iii. Dana crowd-in telah digunakan untuk latihan, bimbingan dan dana pembenihan untuk para peserta. Peserta adalah dari kategori B40 dan asnaf  Total: RM2,100,000.00 <b>Remark:</b> i. Crowded-in fund for SME BANK iTEKAD ISHRAF ii. Funds contributed by Etiqa Takaful, FGV Holdings, PNB and Bank Islam iii. Crowd-in fund has been utilised for training, coaching and seeding fund for the participants. Participants are from B40 and asnaf category
<b>Total funding amount crowded-in from the private sector (commercial-based entities and excluding Govt. agencies)</b>	

Jumlah pelanggan yang boleh mendapatkan pembiayaan daripada FI	2023	
	Indikator	Bilangan peserta
Total customers able to obtain financing from FIs	Pelanggan sedia ada juga mendapat pembiayaan daripada FI lain	1,360

Total customers able to obtain financing from FIs	2023	
	Indicator	No. of Participants
Total customers able to obtain financing from FIs	Existing customers also obtained financing from other FIs	1,360

## RANGKA KERJA PENGUKURAN PRESTASI

### PERFORMANCE MEASUREMENT FRAMEWORK

#### c. Reka Bentuk/Design

Indikator Indicator	Sorotan Utama Key Highlights	
Aliran positif kepada ekonomi	<b>2023</b>	
	<b>Pekerjaan</b>	
	Jumlah pekerjaan yang diwujudkan dan dikekalkan	108,103
	Jumlah kerja dijangka diwujudkan	11,872
	Jumlah pekerjaan yang dijangka dikekalkan	96,231

Program	Perincian program	Sumbangan kepada Aliran Positif		
		Bilangan Peserta	Indikator	Output/ Hasil
<b>Program Pengeksport Terbaik</b>	Program intervensi berstruktur yang menasarkankan Syarikat-syarikat dalam meluaskan kapasiti mereka sebagai pengeksport	59 syarikat BEP Fasa 1 (25) BEP Fasa 2 (23) BEP Fasa 3 (11)	Kenaikan pendapatan eksport	RM46.8 juta jumlah peningkatan pendapatan eksport
<b>Program SME Bank iTEKAD ISHRAF Fasa 1 2023</b>	Program tersusun untuk melengkapkan golongan Asnaf dengan kemahiran asas perniagaan dan alat yang sesuai untuk menjadi usahawan yang berjaya, seterusnya berada dalam kedudukan yang lebih baik untuk keluar daripada kategori penerima zakat dan menjadi pembayar zakat sendiri.	200	Penambahbaikan penggunaan platform pemasaran digital	62 penambahbaikan direkodkan (14.6% keseluruhan penambahbaikan direkodkan)
			Jumlah pertambahan pekerjaan	Kenaikan 35.0% to 270 (70 peluang pekerjaan baharu diwujudkan)
			Peningkatan untuk pertumbuhan perniagaan baharu & rangkaian	51 penambahbaikan direkodkan (19.5% keseluruhan penambahbaikan direkodkan )

Indikator Indicator	Sorotan Utama Key Highlights	
Positive spillover into the economy	<b>2023</b>	
	<b>Employment</b>	
	Total expected job created and sustained	108,103
	Total expected job created	11,872
	Total expected job sustained	96,231

Name of Program	Program Details	Contribution to Positive Spillover		
		No of Participants	Indicators	Output/ Outcome
<b>Best Exporters Program</b>	A structured intervention programme aimed for companies to expand their capacity for exports	59 companies BEP Phase 1 (25) BEP Phase 2 (23) BEP Phase 3 (11)	Incremental export revenue	RM46.8 m total incremental export revenue
<b>Program SME Bank iTEKAD ISHRAF Fasa 1 2023</b>	A structured programme to equip the Asnaf with the basic business skills and proper tools to become a successful entrepreneur, thereby being in a better position to move out of from the zakat recipients' category to become zakat payers themselves	200	Improvements of use to digital marketing platforms	62 improvements recorded (14.6% overall improvements recorded)
			Total growth of employment	Increase of 35.0% to 270 (70 new job opportunities created)
			Enhancement for new business growth & networking	51 improvements recorded (19.5% of the total improvements recorded)



## RANGKA KERJA PENGUKURAN PRESTASI

### PERFORMANCE MEASUREMENT FRAMEWORK

Indikator Indicator	Sorotan Utama Key Highlights			
	Program	Perincian program	Sumbangan kepada Aliran Positif	
			Bilangan Peserta	Indikator
<b>iTEKAD Penjana Komuniti@SME Bank 4.0</b>	Program tanggungjawab korporat yang bertujuan untuk merangsang aktiviti ekonomi usahawan B40 ke peringkat lebih tinggi dan maju dengan latihan dan bimbingan	249	Kenaikan pendapatan sebelum vs selepas program	165 peserta mengalami kenaikan pendapatan
			Penambahbaikan penggunaan platform pemasaran	249 peserta meningkatkan penggunaan platform pemasaran digital
			Jumlah pertambahan pekerjaan	Peningkatan di antara 11.5% hingga 416 (48 peluang pekerjaan baharu diwujudkan)
<b>Program Usahawan Generasi Baharu (N-GENE   NEW GEN ENTREPRENEUR ONLINE BOOTCAMP) 3.0 2023</b>	Program ini menasaskan graduan yang telah memulakan perniagaan kurang daripada lima (5) tahun lalu. Objektif program ini adalah untuk:  1. Meningkatkan potensi kebolehpasaran serta memupuk kemahiran keusahawanan melalui latihan dalam talian 2. Meningkatkan bilangan usahawan siswazah mengikut perusahaan yang mampan dan berdaya saing	300	Kenaikan pendapatan sebelum vs selepas program	104 peserta mengalami kenaikan pendapatan (19.8% jumlah kenaikan ke RM5.3 m)
			Penambahbaikan penggunaan platform pemasaran	195 peserta meningkatkan penggunaan platform pemasaran digital
			Jumlah pertambahan pekerjaan	Peningkatan 15.4% hingga 493 (76 peluang pekerjaan baharu diwujudkan)

Indikator Indicator	Sorotan Utama Key Highlights			
	Name of Program	Program Details	Contribution to Positive Spillover	
			No of Participants	Indicators
<b>iTEKAD Penjana Komuniti@SME Bank 4.0</b>	A corporate responsibility programme aimed at stimulating economic activities for the B40 entrepreneurs to higher and advanced levels with training and guidance	249	Increase in total income (revenue) before vs after the program	165 participants increased their revenue
			Improvements of use to digital marketing platforms	249 participants increased their use of digital marketing platform
			Total growth of employment	Increase of 11.5% to 416 (48 new job opportunities created)
<b>Program Usahawan Generasi Baharu (N-GENE   NEW GEN ENTREPRENEUR ONLINE BOOTCAMP) 3.0 2023</b>	The programme targets graduates who have started businesses less than five (5) years ago. The programme's objectives are to:  1. Increase marketability potential as well as cultivating entrepreneurial skills through online training 2. Increase the number of graduate entrepreneurs by sustainable and competitive enterprise	300	Increase in total income (revenue) before vs after the program	104 participants increased their revenue (19.8% total increase to RM5.3 m)
			Improvements of use to digital marketing platforms	195 participants increased their use of digital marketing platform
			Total growth of employment	Increase of 15.4% to 493 (76 new job opportunities created)

## RANGKA KERJA PENGUKURAN PRESTASI

### PERFORMANCE MEASUREMENT FRAMEWORK

Indikator Indicator	Sorotan Utama Key Highlights				
	Program	Perincian program	Sumbangan kepada Aliran Positif		
			Bilangan Peserta	Indikator	Output/ Hasil
	<b>Program Usahawan Perantis (SPACE) 2.0 2023</b>	Program ini direka untuk pelajar tahun akhir, dengan keutamaan diberikan kepada mereka yang telah menjalankan perniagaan (dengan atau tanpa pendaftaran) sekurang-kurangnya setahun, B40 dan OKU.  Objektif program ini adalah untuk:  1. Meningkatkan potensi kebolehpasaran serta memupuk kemahiran keusahawanan melalui program latihan, medan kuasa dan bimbingan 2. Menjana ekonomi melalui pemerksaan usahawan mikro dan kecil 3. Mengurangkan kadar pengangguran dalam kalangan graduan serta mewujudkan peluang pekerjaan di pasaran 4. Menjana ekonomi melalui kewujudan usahawan baharu	300	Pemilikan syarikat	124 peserta telah menubuhkan dan mendaftarkan syarikat mereka sendiri dengan SSM atau Pihak Berkuasa Tempatan
				Kenaikan pendapatan sebelum vs selepas program	Peserta mengalami kenaikan pendapatan (21.1% jumlah kenaikan hingga RM1.6 m)
				Peningkatan jumlah untung rugi sebelum vs. selepas program	80 peserta meningkatkan keuntungan (34.2 jumlah kenaikan hingga RM551,000)
				Jumlah pertambahan pekerjaan	Kenaikan 27.0% ke 303 (81 peluang pekerjaan baharu diwujudkan )

Indikator Indicator	Sorotan Utama Key Highlights				
	Name of Program	Program Details	Contribution to Positive Spillover		
			No of Participants	Indicators	Output/ Outcome
	<b>Program Usahawan Perantis (SPACE) 2.0 2023</b>	The programme was designed for final year students, with priority given to those who have been running a business (with or without proper registration) for at least one year, B40s and OKUs.  The programme's objectives are to:  1. Increase marketability potential as well as cultivate entrepreneurial skills through training programs, power pitches and guidance 2. Generate the economy through the empowerment of micro and small entrepreneurs 3. Reduce the unemployment rate among graduates as well as create job opportunities in the market 4. Generate the economy through the existence of new entrepreneurs	300	Company ownership	124 participants established and registered their own company with SSM or the Local Authorities
				Increase in total income (revenue) before vs after the program	89 participants increased their income (21.1% total increase to RM1.6 m)
				Increase in total profit-loss before vs. after the program	80 participants Increased their profit (34.2% total increase to RM551,000)
				Total growth of employment	Increase of 27.0% to 303 (81 new job opportunities created)

## RANGKA KERJA PENGUKURAN PRESTASI

### PERFORMANCE MEASUREMENT FRAMEWORK

Indikator Indicator	Sorotan Utama Key Highlights								
	Ketahanan pelanggan								
	<table border="1"> <thead> <tr> <th>Program</th> <th>2023 Bilangan pelanggan</th> </tr> </thead> <tbody> <tr> <td>Bilangan pelanggan dengan peningkatan dalam Penilaian Kredit Dalaman</td> <td>1,237</td> </tr> <tr> <td>Bilangan pelanggan dengan peningkatan pusing ganti jualan</td> <td>660</td> </tr> <tr> <td>Bilangan pelanggan yang meningkatkan diri mengikut klasifikasi MSME</td> <td>41</td> </tr> </tbody> </table>	Program	2023 Bilangan pelanggan	Bilangan pelanggan dengan peningkatan dalam Penilaian Kredit Dalaman	1,237	Bilangan pelanggan dengan peningkatan pusing ganti jualan	660	Bilangan pelanggan yang meningkatkan diri mengikut klasifikasi MSME	41
Program	2023 Bilangan pelanggan								
Bilangan pelanggan dengan peningkatan dalam Penilaian Kredit Dalaman	1,237								
Bilangan pelanggan dengan peningkatan pusing ganti jualan	660								
Bilangan pelanggan yang meningkatkan diri mengikut klasifikasi MSME	41								
	Client resilience								
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Name of Program	2023 No. of Customers								
Number of customers with improvement in Internal Credit Rating	1,237								
Number of customers with increased sales turnover	660								
Number of customers migrated upwards according to MSME classification	41								

#### d. Dasar/Policy

Indikator Indicator	Sorotan Utama Key Highlights
<b>Nasihat dasar oleh DFI yang diguna pakai oleh Kerajaan</b>	<p>Penubuhan program pembangunan Perusahaan Sosial (SE) holistik melalui penyediaan pembinaan kapasiti iaitu SJL dan kemudahan pembiayaan melalui Skim Pembiayaan Perusahaan Sosial (SPPS).</p> <p>Bank mencadangkan program ini dan kemudiannya diumumkan di bawah Belanjawan Negara 2023.</p> <p><b>SJL</b> Program pembinaan kapasiti untuk membantu SE menjadi SE Asas dan/atau Bertauliah.</p> <p><b>SPPS</b> Bantuan kewangan kepada SE Asas dan Bertauliah untuk pemerolehan aset dan keperluan modal kerja.</p>
<b>Indikator Indikator</b>	<b>Sorotan Utama Key Highlights</b>
<b>Policy advice by DFIs taken up by Government</b>	<p>The establishment of holistic Social Enterprise (SE) development programme through providing capacity building namely Skim Juara Lestari (SJL) and financing facility through Skim Pembiayaan Perusahaan Sosial (SPPS).</p> <p>The Bank proposed these programmes and was subsequently announced under the National Budget 2023.</p> <p><b>SJL</b> Capacity building programme to assist SE in becoming Basic and/or Accredited SE.</p> <p><b>SPPS</b> Financial assistance to Basic and Accredited SE for asset acquisition and working capital requirement.</p>

#### iii. KOMPONEN 3 - KECEKAPAN OPERASI

- Nisbah Kos kepada Pendapatan (CTI) untuk tahun 2023 adalah 54.8%.
- Turnaround Time (TAT) - Purata TAT keseluruhan untuk tahun 2023 kekal dalam piagam pelanggan yang boleh diterima. (TAT 2023 - 80 hari; Piagam Pelanggan 104 hari)

#### iii. COMPONENT 3 - OPERATIONAL EFFICIENCY

- Cost-to-income (CTI) ratio for year 2023 is 54.8%.
- Turnaround time (TAT) - Total Average TAT for year 2023 remained within the acceptable client charter. (TAT 2023 - 80 days; Client Charter 104 days)

Di SME Bank Malaysia Berhad, kemampuan lebih daripada sekadar matlamat; ia adalah nilai teras yang meresap ke seluruh organisasi kami. Kami komited untuk memupuk budaya di mana kemampuan diintegrasikan ke dalam setiap aspek operasi dan proses membuat keputusan kami. Dengan menggalakkan amalan mampan dan menggalakkan pemikiran inovatif, kami bertujuan untuk memberi inspirasi kepada pekerja, rakan kongsi, dan pelanggan kami untuk menyertai kami dalam misi kami untuk mencipta masa depan yang mampan untuk generasi akan datang.

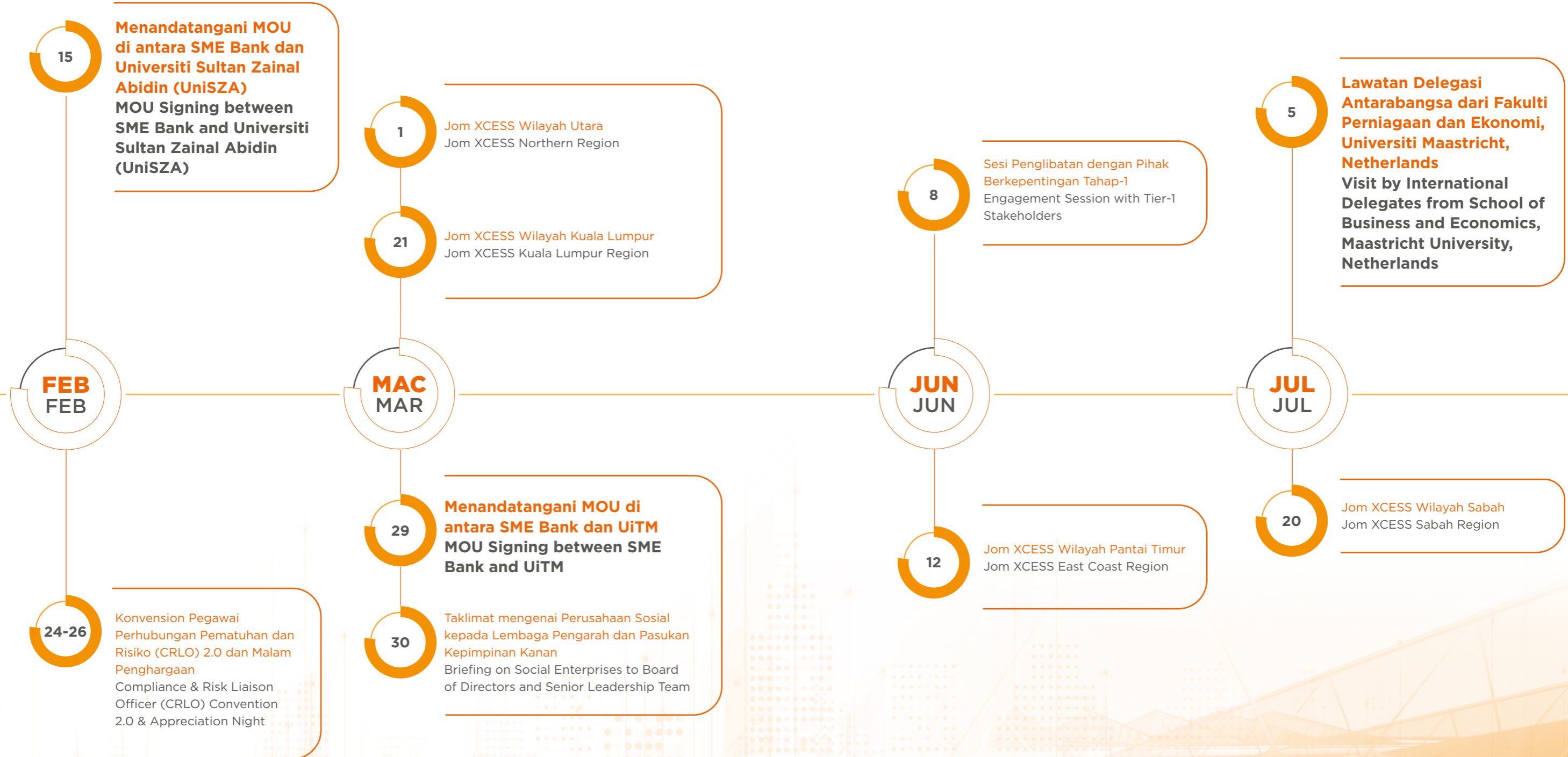
At SME Bank Malaysia Berhad, sustainability is more than a goal; it is a core value that permeates our entire organization. We are committed to fostering a culture where sustainability is integrated into every aspect of our operations and decision-making processes. By promoting sustainable practices and encouraging innovative thinking, we aim to inspire our employees, partners, and clients to join us in our mission to create a sustainable future for generations to come.

# MEMUPUK BUDAYA KEMAMPAHAN

FOSTERING A  
CULTURE OF  
SUSTAINABILITY

# TAKWIM PERISTIWA

## CALENDAR OF EVENTS



# TAKWIM PERISTIWA

## CALENDAR OF EVENTS



# PENYATA KEWANGAN

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# DIRECTORS' REPORT

The directors of Small Medium Enterprise Development Bank Malaysia Berhad have pleasure in submitting their report and the audited financial statements of the Group and of the Bank for the financial year ended 31 December 2023.

## Principal activities

The principal activities of the Bank are those of development banking, both Islamic and conventional and related financial services.

The information on the name, place of incorporation, principal activities and percentage of issued share capital held by the Bank in each subsidiary and associate is as disclosed in Note 9 and Note 10 to the financial statements respectively.

## Financial results

The results of the Group and of the Bank for the financial year are as follows:

	Group RM'000	Bank RM'000
Profit before tax expense and zakat	75,278	75,605
Tax expense	7,194	9,342
Zakat	170	170
Profit for the year	82,642	85,117
Profit for the year attributable to the owner of the Bank	82,642	85,117

In the opinion of the directors, the results of operations of the Group and of the Bank during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature, other than those adjustments necessary to align the financial statements of the Group and of the Bank for compliance with Malaysian Financial Reporting Standards ("MFRS") and International Financial Reporting Standards ("IFRS") upon the expiry of an accounting treatment modification allowed under Bank Negara Malaysia's ("BNM") Financial Reporting for Development Financial Institutions policy document. Further disclosures regarding this matter is found in Note 40 to the financial statements.

## Dividends

The amount of dividend paid by the Bank since the end of the previous financial year is as follows:

In respect of the financial year ended 31 December 2022, a final single-tier dividend of 0.34 sen per share on 1,850,000,000 ordinary shares, amounting to RM6,221,000 was proposed, approved and declared at the Annual General Meeting held on 31 May 2023. The dividend was paid on 8 June 2023.

At the forthcoming Annual General Meeting, a final single-tier dividend in respect of the financial year ended 31 December 2023 of 0.46 sen per share on 1,850,000,000 ordinary shares, amounting to RM8,512,000 will be proposed for the shareholder's approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the Shareholder, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2024.

## Reserves and provisions

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

## Issue of shares and debentures

The Bank did not issue any new shares or debentures during the financial year.

## Directors

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

Dato' Muslim bin Hussain  
Datuk Ahmad Hizzad bin Baharuddin  
Zulkiflee bin Hashim  
Suharti binti Mohd Ali  
Datuk Haji Zamri @ Fazillah bin Salleh (appointed on 1 February 2023)  
Datuk Wan Azhar bin Wan Ahmad (appointed on 1 February 2024)  
Afidah Azwa binti Abdul Aziz (appointed on 1 February 2023)  
Rozainah binti Awang (appointed on 1 January 2024)  
Dato' Sharkawi bin Alis (end of tenure on 31 March 2023)  
Wan Abdul Rahman bin Wan Abu Bakar (end of tenure on 10 January 2023)

The directors who are not the directors of the Bank who held office in the subsidiaries of the Bank during the financial year and up to the date of this report are:

Datuk Wira (Dr.) Aria Putera bin Ismail  
Datuk Dr. Mohammad Hardee bin S.N Ibrahim  
Samad Majid Zain bin Abdul Majid  
Zarina Nor binti Ismail  
Mohd Fikri bin Abd Ghapar  
Mohammad Azam bin Ahmad  
Hairil Izwar bin Abd. Rahman  
Shuhaibatulaslamiyah binti Hurmuzan (appointed on 16 May 2023)  
Zabidi bin Abdullah (appointed on 1 February 2023)  
Nurbayu Kasim Chang (resigned on 4 January 2023)

## Directors' benefits

Since the end of the previous financial year, none of the directors of the Bank has received or become entitled to receive any benefit (other than the benefit included in the aggregate amount of remuneration received or due and receivable by the director or the fixed salary of a full time employee of the Bank, by reason of a contract made by the Bank or 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.

During the financial year, the fees, salaries and other benefits received and receivable by the Directors of the Bank are as follows:-

	Bank RM'000
<b>Non-Executive Directors:</b>	
- Directors' fee	319
- Directors salaries and other benefits	872
	1,191

During and at the end of the financial year, no arrangement subsisted to which the Bank is a party whereby directors of the Bank might acquire benefits by means of the acquisition of shares in, or debentures of the Bank or any other body corporate.



## DIRECTORS' REPORT

### Directors' interests

None of the directors in office at the end of the financial year held shares or had a beneficial interest in the shares of the Bank or its related corporations during or at the beginning and end of the financial year.

### Other statutory information

Before the financial statements of the Group and of the Bank were prepared, the directors took reasonable steps:

- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
- (ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the value of current assets as shown in the accounting records of the Group and of the Bank 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:

- (i) which would render the amount written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Bank inadequate to any substantial extent; or
- (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Bank misleading; or
- (iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Bank misleading or inappropriate; or
- (iv) not otherwise dealt with in this report of the financial statements of the Group and of the Bank which would render any amount stated in the financial statements misleading.

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

- (i) any charge on the assets of the Group and of the Bank which has arisen since the end of the financial year which secures the liabilities of any other person; or
- (ii) any contingent liability of the Group and of the Bank 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 substantially affect the ability of the Group and of the Bank to meet their obligations when they fall due.

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

### Indemnity and takaful for directors, officers and auditors

The Group and the Bank maintains Directors' and Officers' Liability Takaful for purposes of Section 289 of the Companies Act, 2016, throughout the year, which provides appropriate takaful cover for the directors and officers of the Group and of the Bank. The amount of takaful coverage paid during the year amounted to RM129,591.

Save as disclosed above, there were no indemnity given to or takaful effected for auditors of the Group and of the Bank in accordance with Section 289 of the Companies Act, 2016.

### Holding corporation

The directors regard Minister of Finance (Incorporated), a body corporate incorporated pursuant to the Minister of Finance (Incorporated) Act, 1957 (Revised 1989), as the Bank's immediate and ultimate holding corporation.

### Auditors

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

### Auditors' remuneration

Auditors' remuneration of the Group and of the Bank for the financial year ended 31 December 2023 were as follows:

	Group RM'000	Bank RM'000
Auditors' remuneration		
- Statutory audit	898	825
- Regulatory related services	34	34
- Other assurance services	121	121
	1,053	980

The auditor's remuneration of the Group and of the Bank is as disclosed in Note 28 to the financial statements.

Signed on behalf of the Board in accordance with a resolution of the directors dated 29 February 2024.

**Dato' Muslim bin Hussain**


Kuala Lumpur, Malaysia

**Zulkiflee bin Hashim**

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

The directors of Small Medium Enterprise Development Bank Malaysia Berhad state that, in their opinion, the accompanying financial statements are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the provisions of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Bank as of 31 December 2023 and of the financial performance and the cash flows of the Group and of the Bank for the year ended on that date.

Signed on behalf of the Board in accordance with a resolution of the directors dated 29 February 2024.



**Dato' Muslim bin Hussain**

Kuala Lumpur, Malaysia



**Zulkiflee bin Hashim**


## STATUTORY DECLARATION PURSUANT TO SECTION 251(1)(B) OF THE COMPANIES ACT, 2016

We, Dato' Muslim bin Hussain and Datuk Wira (Dr.) Aria Putera bin Ismail, being the Chairman and Group President/Chief Executive Officer respectively, being the officers primarily responsible for the financial management of Small Medium Enterprise Development Bank Malaysia Berhad, do solemnly and sincerely declare that the accompanying financial statements are, in our opinion, correct and we make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed at Kuala Lumpur in the Federal Territory on 29 February 2024.



**Dato' Muslim bin Hussain**



**Datuk Wira (Dr.) Aria Putera bin Ismail**

Before me,



## SHARIAH COMMITTEE'S REPORT PURSUANT TO PARAGRAPH 22 OF SHARIAH GOVERNANCE POLICY DOCUMENT OF BANK NEGARA MALAYSIA

In the Name of Allah, The Compassionate, The Most Merciful

Praise be to Allah and peace be upon His messenger, his family and his companions.

السَّلَامُ عَلَيْكُمْ وَرَحْمَةُ اللَّهِ وَبَرَكَاتُهُ

To the shareholder, depositors and customers of Small Medium Enterprise Development Bank Malaysia Berhad ("the Bank"):

In carrying out the roles and responsibilities of the Bank's Shariah Committee ("SC") as prescribed in the Shariah Governance Policy Document of Bank Negara Malaysia ("BNM"), we hereby submit the following report for the financial year ended 31 December 2023.

We have reviewed the principles and the contracts relating to the transactions and applications introduced by the Bank during the financial year ended 31 December 2023. We have also conducted our review to form an opinion as to whether the Bank has complied with the Shariah principles and with the Shariah rulings issued by the Shariah Advisory Council ("SAC") of BNM, as well as Shariah decisions made by us.

The management of the Bank shall at all times be responsible for ensuring that the conducts of all its Islamic Banking operations, business, affairs and activities are in accordance with Shariah principles. It is our responsibility to form an independent opinion, based on our review of the Islamic Banking operations of the Bank, and to report to you.

In discharging our duties effectively, we are supported by dedicated internal Shariah functions of the Bank, namely Group Shariah Division, Shariah Review under Group Compliance Division, Operational and Shariah Risk Management under Group Risk Division and Shariah Audit under Group Audit Division, whose roles and responsibilities as well as scope of duties are embedded in the Shariah Governance Policy Document of BNM and in the Bank's internal Shariah framework, policies and guidelines.

We had convened a total of twelve (12) meetings during the financial year, in which we reviewed, inter alia, products, transactions, services, processes and documents of the Bank. All SC members have complied with the minimum requirement of 75% attendance of the Shariah Committee meetings held in the financial year, as laid down in the Shariah Governance Policy Document of BNM.

As part of the initiatives towards strengthening capabilities of the SC members and to keep ourselves abreast with the latest development of the industry, we have attended the following programmes and events:

- a) Internal programmes
  - Knowledge Sharing on "Financing Facilities with Connected Parties Framework" held on 31 March 2023
  - Knowledge Sharing on "An introduction to Group Human Capital Management" held on 10 June 2023
  - Knowledge Sharing on "Business Outlook and Performance" held on 11 June 2023
  - Knowledge Sharing on "Sustainability, ESG & Climate Change" held on 29 August 2023
  - Knowledge Sharing on "Business Continuity Management" held on 29 August 2023
  - Knowledge Sharing on "Awareness on Cyber Security" held on 25 September 2023
  - Knowledge Sharing on "The Board's Commitment in Gearing Up for Corporate Liability and Promoting Culture of Ethical Conduct" held on 31 October 2023
  - Knowledge Sharing on "Credit Assessment Process" held on 25 November 2023
- b) External programmes
  - Certified Shariah Advisor (CSA) and Certified Shariah Practitioner (CSP)
  - Talk on "Zakat and Waqf: The Egyptian Experience" talk at INCEIF Campus, Kuala Lumpur held on 22 May 2023
  - Muzakarah Cendekiawan Syariah Nusantara ke-16 held on 30 May - 1 June 2023
  - Muzakarah Penasihat Syariah dalam Kewangan Islam kali ke-16 held on 18 September 2023
  - 18th Kuala Lumpur Islamic Finance Forum held on 19 - 20 September 2023
  - International Shari'ah Scholars Forum 2023 held on 14 and 15 November 2023

## SHARIAH COMMITTEE'S REPORT

### PURSUANT TO PARAGRAPH 22 OF SHARIAH GOVERNANCE POLICY DOCUMENT OF BANK NEGARA MALAYSIA

In compliance with Shariah Governance Policy Document of BNM, the SC undergoes the process of assessing the effectiveness of the individual members and the committee as a whole on a yearly basis. The SC annual assessment exercise is primarily based on a questionnaire distributed to the respective committee members and encompasses considerations on the effectiveness of the SC in discharging its duties.

In performing our roles and responsibilities, we had obtained all the information and explanations which we considered necessary in order to provide us with sufficient evidences to give reasonable assurance that the Bank has complied with the Shariah rules and principles.

We also oversee the Shariah Risk function in systematically identify, measure, monitor and report any potential or actual Shariah non-compliance risks associated with the Bank's business and operations as per regulatory requirements.

Apart from that, we had also assessed the Shariah Review and Shariah Audit reports based on their respective annual plans which have been approved by us. The outcomes of the reports were deliberated in our meetings to confirm that the Bank has complied with the applicable internal SC's decisions as well as the relevant resolutions and rulings issued by the SAC of BNM and SAC of Securities Commission for capital market related matters.

In our opinion:

- 1) The overall operations, business, affairs and activities of the Bank are in compliance with Shariah but it has come to the Shariah Committee's attention that one (1) Shariah non-compliance event has occurred i.e. extension of maturity date (rollover) for Revolving Credit-i (RC-i) without aqad execution and the total excess amount of RM11,925.17 has been purified in accordance with Bank's internal guidelines. We were also informed of the causes of the incidences and noted that the Bank had taken necessary corrective and preventive measures to avoid the same incident from recurring in the future. We also confirmed that the SNC event and their corresponding rectification plans had been presented to us for endorsement; and
- 2) The calculation and distribution of zakat is in compliance with the Shariah principles.

We, Dr. Ahmad Sufian bin Che Abdullah and Dr. Shamsiah binti Mohamad, being two of the members of the SC of the Bank, do hereby confirm on behalf of the members of the SC that, in our level best, the Islamic Banking's operations, business, affairs and activities of the Bank for the financial year ended 31 December 2023 have been conducted in conformity with the Shariah principles.

We beg Allah the Almighty to grant us all the success and straight-forwardness and Allah knows best.



**Dr. Ahmad Sufian bin Che Abdullah**  
Member of the Shariah Committee

Kuala Lumpur, Malaysia  
29 February 2024



**Dr. Shamsiah binti Mohamad**  
Member of the Shariah Committee

## INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF SMALL MEDIUM ENTERPRISE DEVELOPMENT BANK MALAYSIA BERHAD

(Incorporated in Malaysia)

*Report on the Audit of the Financial Statements*

### Opinion

We have audited the financial statements of SMALL MEDIUM ENTERPRISE DEVELOPMENT BANK MALAYSIA BERHAD, which comprise the statements of financial position of the Group and of the Bank as at 31 December 2023, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Bank for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 326 to 484.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Bank as at 31 December 2023, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of 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 opinion.

### Independence and Other Ethical Responsibilities

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

### Information Other than the Financial Statements and Auditors' Report Thereon

The directors are responsible for the other information. The other information comprises the Directors' report, Statement of Risk Management and Internal Control and Shariah Committee's Report but does not include the financial statements and our auditors' report thereon, which we obtained prior to the date of this auditors' report, and other information and reports included in the Annual Report are expected to be made available to us after that date.

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

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

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

When we read the other information and reports included in the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBER OF SMALL MEDIUM ENTERPRISE DEVELOPMENT BANK MALAYSIA BERHAD

(Incorporated in Malaysia)

#### Responsibilities of the Directors for the Financial Statements

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

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

#### Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- (a) Identify and assess the risks of material misstatement of the financial statements, 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.
- (b) 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 of the Bank's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- (d) 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 and the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Bank or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group and the Bank to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Bank, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- (f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and the Bank to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

#### Auditors' Responsibilities for the Audit of the Financial Statements (Cont'd)

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.

We also provide the directors with a statement that we have complied with the relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

#### Other Matter

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



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



**MAK WAI KIT**  
**Partner - 03546/12/2024 J**  
**Chartered Accountant**

29 February 2024

# STATEMENTS OF FINANCIAL POSITION

## AS AT 31 DECEMBER 2023

	Note	31.12.2023 RM'000	Group 31.12.2022 RM'000 Restated	1.1.2022 RM'000 Restated
<b>ASSETS</b>				
Cash and short-term funds	4	1,558,746	1,628,091	1,254,962
Financial investments at fair value through other comprehensive income ("FVOCI")	5	1,482,674	1,436,121	1,396,737
Financial investments at fair value through profit or loss ("FVTPL")		-	-	100,927
Financial investments at amortised cost ("AC")	6	975,652	934,753	518,757
Loans, advances and financing	7	8,284,537	7,752,065	7,343,894
Other assets	8	24,199	25,210	20,608
Investment in associate	10	-	2,335	2,654
Property, plant and equipment	11	124,395	146,131	134,044
Right-of-use assets	12	12,334	14,821	13,830
Investment properties	13	394,399	377,231	374,081
Intangible assets	14	41,503	17,698	14,762
Tax recoverable		5,942	5,203	5,572
Deferred tax assets	15	113,536	108,089	106,947
<b>TOTAL ASSETS</b>		<b>13,017,917</b>	12,447,748	11,287,775
<b>LIABILITIES</b>				
Deposits from customers	16	3,943,673	4,503,909	3,742,803
Deposits from banks and other financial institutions	17	140,056	150,208	50,085
Islamic medium-term notes/commercial papers	18	3,506,937	2,622,297	2,521,926
Borrowings/Fundings	19	2,047,647	1,949,473	1,741,109
Lease liabilities	20	12,811	15,137	14,195
Other liabilities	21	1,118,449	1,028,511	1,151,093
Government funds	22	580,125	602,785	540,701
<b>TOTAL LIABILITIES</b>		<b>11,349,698</b>	10,872,320	9,761,912
<b>EQUITY</b>				
Share capital	23	1,850,000	1,850,000	1,850,000
Accumulated losses		(212,192)	(288,613)	(341,903)
Other reserves	24	30,411	14,041	17,766
<b>TOTAL EQUITY</b>		<b>1,668,219</b>	1,575,428	1,525,863
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>13,017,917</b>	12,447,748	11,287,775
<b>COMMITMENTS AND CONTINGENCIES</b>	33	<b>1,969,272</b>	2,255,710	2,180,552

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

	Note	31.12.2023 RM'000	Bank 31.12.2022 RM'000 Restated	1.1.2022 RM'000 Restated
<b>ASSETS</b>				
Cash and short-term funds	4	1,558,045	1,626,827	1,246,606
Financial investments at FVOCI	5	1,482,674	1,436,121	1,396,737
Financial investments at FVTPL		-	-	100,927
Financial investments at AC	6	975,652	934,753	518,757
Loans, advances and financing	7	8,284,537	7,752,065	7,343,894
Other assets	8	117,678	121,889	106,480
Investment in subsidiaries	9	-	-	-
Investment in associate	10	-	-	-
Property, plant and equipment	11	124,395	146,098	134,011
Right-of-use assets	12	12,334	14,821	13,830
Investment properties	13	394,399	377,231	374,081
Intangible assets	14	41,503	17,698	14,762
Tax recoverable		2,692	2,997	2,997
Deferred tax assets	15	113,536	108,089	106,947
<b>TOTAL ASSETS</b>		<b>13,107,445</b>	12,538,589	11,360,029
<b>LIABILITIES</b>				
Deposits from customers	16	3,984,635	4,553,795	3,776,444
Deposits from banks and other financial institutions	17	140,056	150,208	50,085
Islamic medium-term notes/commercial papers	18	3,506,937	2,622,297	2,521,926
Borrowings/Fundings	19	2,047,647	1,949,473	1,741,109
Lease liabilities	20	12,811	15,137	14,195
Other liabilities	21	1,156,723	1,061,649	1,178,555
Government funds	22	580,125	602,785	540,701
<b>TOTAL LIABILITIES</b>		<b>11,428,934</b>	10,955,344	9,823,015
<b>EQUITY</b>				
Share capital	23	1,850,000	1,850,000	1,850,000
Accumulated losses		(201,900)	(280,796)	(330,752)
Other reserves	24	30,411	14,041	17,766
<b>TOTAL EQUITY</b>		<b>1,678,511</b>	1,583,245	1,537,014
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>13,107,445</b>	12,538,589	11,360,029
<b>COMMITMENTS AND CONTINGENCIES</b>	33	<b>1,969,272</b>	2,255,710	2,180,552

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

# STATEMENTS OF COMPREHENSIVE INCOME

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	Group		Bank	
		2023 RM'000	2022 RM'000 Restated	2023 RM'000	2022 RM'000 Restated
Interest income	25	114	679	114	679
Interest expense	26	(5,798)	(6,149)	(5,798)	(6,149)
<b>Net interest expense</b>		<b>(5,684)</b>	(5,470)	<b>(5,684)</b>	(5,470)
Gross income from Islamic banking business	39	524,242	461,365	517,332	457,138
Other operating income	27	11,781	28,495	10,708	18,629
<b>Net income</b>		<b>530,339</b>	484,390	<b>522,356</b>	470,297
Other operating expenses	28	(286,948)	(242,103)	(289,386)	(243,311)
<b>Operating profit</b>		<b>243,391</b>	242,287	<b>232,970</b>	226,986
(Allowances)/Writeback for impairment losses on :					
- loans, advances and financing	30	(164,277)	(181,045)	(189,346)	(204,769)
- commitments and contingencies	21(v)	(1,191)	989	(1,191)	989
- financial investments at FVOCI	5	(2,104)	108	(2,104)	108
- financial investments at AC	6	(786)	277	(786)	277
- other assets at AC	8(i)(b)	245	(1,504)	245	(1,504)
- other assets at FVOCI	8(ii)	-	-	60,700	35,155
- investments in subsidiaries	9	-	-	(24,883)	-
Share of loss after tax of an associate	10(ii)	75,278	61,112	75,605	57,242
		-	(319)	-	-
<b>Profit before tax expense and zakat</b>		<b>75,278</b>	60,793	<b>75,605</b>	57,242
Tax credit/(expense)	31	7,194	(935)	9,342	(718)
Zakat	31	170	(1,562)	170	(1,562)
<b>Profit for the year</b>		<b>82,642</b>	58,296	<b>85,117</b>	54,962
<b>Other comprehensive income/(loss)</b>					
<b>Items that may be reclassified to profit or loss:</b>					
Unrealised gain/(loss) on revaluation of financial investments at FVOCI	24	18,735	(17,325)	18,735	(17,325)
Reclassification of gain included in profit or loss	24	36	12,566	36	12,566
Changes in expected credit losses on financial investments at FVOCI	24	2,104	(108)	2,104	(108)
Income tax relating to components of other comprehensive income	24	(4,505)	1,142	(4,505)	1,142
<b>Other comprehensive gain/(loss) for the year, net of tax</b>		<b>16,370</b>	(3,725)	<b>16,370</b>	(3,725)
<b>Total comprehensive income for the year, net of tax</b>		<b>99,012</b>	54,571	<b>101,487</b>	51,237

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

	Note	Group		Bank	
		2023 RM'000	2022 RM'000 Restated	2023 RM'000	2022 RM'000 Restated
Profit for the year attributable to the owner of the Bank		82,642	58,296	85,117	54,962
Total comprehensive income attributable to the owner of the Bank		99,012	54,571	101,487	51,237
Earnings per share attributable to the owner of the Bank (sen)					
- Basic and diluted	32			4.60	2.97

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

## STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

Group	Note	Attributable to the Owner of the Bank				Total equity RM'000
		Share capital RM'000	Fair value reserve RM'000	General reserve RM'000	Accumulated losses RM'000	
<b>At 1 January 2023, as previously reported</b>		<b>1,850,000</b>	<b>3,927</b>	<b>10,114</b>	<b>(201,809)</b>	<b>1,662,232</b>
Effect on the expiry of BNM Modified Accounting Framework ("MAF")	40	-	-	-	<b>(86,804)</b>	<b>(86,804)</b>
<b>At 1 January 2023, as restated</b>		<b>1,850,000</b>	<b>3,927</b>	<b>10,114</b>	<b>(288,613)</b>	<b>1,575,428</b>
Unrealised gain on revaluation of financial investments at FVOCI	24	-	<b>18,735</b>	-	-	<b>18,735</b>
Reclassification of gain included in profit or loss	24	-	<b>36</b>	-	-	<b>36</b>
Changes in expected credit losses of financial investments at FVOCI	24	-	<b>2,104</b>	-	-	<b>2,104</b>
Income tax relating to components of other comprehensive income	24	-	<b>(4,505)</b>	-	-	<b>(4,505)</b>
Profit for the year		-	-	-	<b>82,642</b>	<b>82,642</b>
Total comprehensive income for the year		-	<b>16,370</b>	-	<b>82,642</b>	<b>99,012</b>
Transaction with owner: Dividends	38	-	-	-	<b>(6,221)</b>	<b>(6,221)</b>
<b>At 31 December 2023</b>		<b>1,850,000</b>	<b>20,297</b>	<b>10,114</b>	<b>(212,192)</b>	<b>1,668,219</b>

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

Group	Note	Attributable to the Owner of the Bank				Total equity RM'000
		Share capital RM'000	Fair value reserve RM'000	General reserve RM'000	Accumulated losses RM'000	
<b>At 1 January 2022, as previously reported</b>		<b>1,850,000</b>	<b>7,652</b>	<b>10,114</b>	<b>(262,346)</b>	<b>1,605,420</b>
Effect on the expiry of BNM MAF (2021)	40	-	-	-	<b>(79,557)</b>	<b>(79,557)</b>
<b>At 1 January 2022, as restated</b>		<b>1,850,000</b>	<b>7,652</b>	<b>10,114</b>	<b>(341,903)</b>	<b>1,525,863</b>
Unrealised loss on revaluation of financial investments at FVOCI	24	-	<b>(17,325)</b>	-	-	<b>(17,325)</b>
Reclassification of gain included in profit or loss	24	-	<b>12,566</b>	-	-	<b>12,566</b>
Changes in expected credit losses of financial investments at FVOCI	24	-	<b>(108)</b>	-	-	<b>(108)</b>
Income tax relating to components of other comprehensive income	24	-	<b>1,142</b>	-	-	<b>1,142</b>
Profit for the year		-	-	-	<b>58,296</b>	<b>58,296</b>
Total comprehensive (loss)/income for the year		-	<b>(3,725)</b>	-	<b>58,296</b>	<b>54,571</b>
Transaction with owner: Dividends	38	-	-	-	<b>(5,006)</b>	<b>(5,006)</b>
<b>At 31 December 2022</b>		<b>1,850,000</b>	<b>3,927</b>	<b>10,114</b>	<b>(288,613)</b>	<b>1,575,428</b>

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

## STATEMENTS OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

Bank	Note	Attributable to the Owner of the Bank				Total equity RM'000
		Share capital RM'000	Fair value reserve RM'000	General reserve RM'000	Accumulated losses RM'000	
<b>At 1 January 2023, as previously reported</b>		<b>1,850,000</b>	<b>3,927</b>	<b>10,114</b>	<b>(193,992)</b>	<b>1,670,049</b>
Effect on the expiry of BNM MAF	40	-	-	-	<b>(86,804)</b>	<b>(86,804)</b>
<b>At 1 January 2023, as restated</b>		<b>1,850,000</b>	<b>3,927</b>	<b>10,114</b>	<b>(280,796)</b>	<b>1,583,245</b>
Unrealised gain on revaluation of financial investments at FVOCI	24	-	<b>18,735</b>	-	-	<b>18,735</b>
Reclassification of gain included in profit or loss	24	-	<b>36</b>	-	-	<b>36</b>
Changes in expected credit losses of financial investments at FVOCI	24	-	<b>2,104</b>	-	-	<b>2,104</b>
Income tax relating to components of other comprehensive income	24	-	<b>(4,505)</b>	-	-	<b>(4,505)</b>
Profit for the year		-	-	-	<b>85,117</b>	<b>85,117</b>
Total comprehensive income for the year		-	<b>16,370</b>	-	<b>85,117</b>	<b>101,487</b>
Transaction with owner: Dividends	38	-	-	-	<b>(6,221)</b>	<b>(6,221)</b>
<b>At 31 December 2023</b>		<b>1,850,000</b>	<b>20,297</b>	<b>10,114</b>	<b>(201,900)</b>	<b>1,678,511</b>

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

Bank	Note	Attributable to the Owner of the Bank				Total equity RM'000
		Share capital RM'000	Fair value reserve RM'000	General reserve RM'000	Accumulated losses RM'000	
<b>At 1 January 2022, as previously reported</b>		<b>1,850,000</b>	<b>7,652</b>	<b>10,114</b>	<b>(251,195)</b>	<b>1,616,571</b>
Effect on the expiry of BNM MAF (2021)	40	-	-	-	<b>(79,557)</b>	<b>(79,557)</b>
<b>At 1 January 2022, as restated</b>		<b>1,850,000</b>	<b>7,652</b>	<b>10,114</b>	<b>(330,752)</b>	<b>1,537,014</b>
Unrealised loss on revaluation of financial investments at FVOCI	24	-	<b>(17,325)</b>	-	-	<b>(17,325)</b>
Reclassification of gain included in profit or loss	24	-	<b>12,566</b>	-	-	<b>12,566</b>
Changes in expected credit losses of financial investments at FVOCI	24	-	<b>(108)</b>	-	-	<b>(108)</b>
Income tax relating to components of other comprehensive income	24	-	<b>1,142</b>	-	-	<b>1,142</b>
Profit for the year		-	-	-	<b>54,962</b>	<b>54,962</b>
Total comprehensive (loss)/ income for the year		-	<b>(3,725)</b>	-	<b>54,962</b>	<b>51,237</b>
Transaction with owner: Dividends	38	-	-	-	<b>(5,006)</b>	<b>(5,006)</b>
<b>At 31 December 2022</b>		<b>1,850,000</b>	<b>3,927</b>	<b>10,114</b>	<b>(280,796)</b>	<b>1,583,245</b>

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



# STATEMENTS OF CASH FLOWS

## FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	Group		Bank	
		2023 RM'000	2022 RM'000 Restated	2023 RM'000	2022 RM'000 Restated
<b>Cash flows from operating activities</b>					
Profit before tax expense and zakat		75,278	60,793	75,605	57,242
<b>Adjustments for:</b>					
Net impairment loss on loans, advances and financing	30	164,277	181,045	189,346	204,769
Net impairment loss/(writeback) of commitment and contingencies	21(v)	1,191	(989)	1,191	(989)
Net loss/(writeback) on financial investments at FVOCI	5	2,104	(108)	2,104	(108)
Net impairment loss/(writeback) on financial investment at AC	6	786	(277)	786	(277)
Impairment (gain)/loss on other asset at AC	8(i)(b)	(245)	1,504	(245)	1,504
Impairment gain on other asset at FVOCI	8(ii)	-	-	(60,700)	(35,155)
Impairment loss on investment in subsidiaries	9	-	-	24,883	-
Capital contribution to a subsidiary	9	-	-	(24,883)	-
Modification of Bai' Inah facility	8(ii)	-	-	24,883	-
Depreciation of property, plant and equipment	28(ii)	12,800	11,613	12,800	11,613
Depreciation of right-of-use assets	28(ii)	3,713	3,562	3,713	3,562
Amortisation of intangible assets	28(ii)	10,530	8,394	10,530	8,394
Fair value gain on investment properties	39(i)	(17,168)	(3,150)	(17,168)	(3,150)
Government funds released, net	39(i)	(36,202)	(34,564)	(36,202)	(34,564)
Modification (gain)/loss arising from loans, advances and financing		(1,437)	30,553	(1,437)	30,553
Income from financial investments at FVOCI	26,39(g)	(49,029)	(45,195)	(49,029)	(45,195)
Income from financial investments at FVTPL	39(g)	(5,807)	(3,499)	(5,807)	(3,499)
Income from financial investments at AC	39(g)	(40,301)	(23,160)	(40,301)	(23,160)
Interest/Profit expense on borrowings/fundings	26,39(h)	47,350	42,030	47,350	42,030
Profit expense on medium-term notes/commercial papers	39(h)	109,997	84,084	109,997	84,084
Finance cost on lease liabilities	39(h)	498	524	498	524
Profit income on amount due from a subsidiary company	39(i)	-	-	(7,183)	(8,596)
Gain on derecognition of leases		(7)	(211)	(7)	(211)
Gain on disposal of associate		(3,465)	-	(5,800)	-
Share of loss after tax of an associate	10	-	319	-	-
<b>Operating profit before working capital changes</b>		<b>274,863</b>	313,268	<b>254,924</b>	289,371
Changes in working capital:					
Loans, advances and financing		(695,311)	(619,770)	(720,381)	(643,493)
Other assets		6,236	(6,104)	52,402	26,840
Deposits from customers		(560,237)	787,896	(569,160)	804,142
Deposits from banks and other financial institutions		(10,152)	100,124	(10,152)	100,124
Other liabilities		89,995	(121,417)	95,132	(115,743)
<b>Cash (used in)/generated from operating activities</b>		<b>(894,606)</b>	453,997	<b>(897,235)</b>	461,241

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

	Note	Group		Bank	
		2023 RM'000	2022 RM'000 Restated	2023 RM'000	2022 RM'000 Restated
<b>Cash flow from operating activities (Cont'd)</b>					
Interest and profit received		98,803	79,627	98,803	79,627
Income tax paid		(3,676)	(1,533)	(305)	(718)
Income tax refunded		179	967	-	-
Zakat paid		(1,330)	(1,702)	(1,330)	(1,702)
Zakat refunded		289	-	289	-
<b>Net cash (used in)/generated from operating activities</b>		<b>(800,341)</b>	531,356	<b>(799,778)</b>	538,448
<b>Cash flows from investing activities</b>					
Purchase of private debt securities		(210,709)	(690,709)	(210,709)	(690,709)
Purchase of Islamic commercial papers		(1,840,000)	(810,000)	(1,840,000)	(810,000)
Purchase of sukuk		(1,573,130)	(690,000)	(1,573,130)	(690,000)
Proceeds from redemption of private debt securities		-	25,000	-	25,000
Proceeds from redemption of sukuk		740,000	100,000	740,000	100,000
Proceeds from maturity of sukuk		700,000	300,000	700,000	300,000
Proceeds from maturity of private debt securities		345,709	560,000	345,709	560,000
Proceeds from maturity of Islamic commercial papers		1,765,000	839,000	1,765,000	839,000
Proceeds from disposal of associate		5,800	-	5,800	-
Proceeds from disposal of investment properties		-	-	-	-
Purchase of property, plant and equipment	11	(20,475)	(34,494)	(20,475)	(34,494)
Purchase of intangible assets	14	(9,908)	(536)	(9,908)	(536)
<b>Net cash used in investing activities</b>		<b>(97,713)</b>	(401,739)	<b>(97,713)</b>	(401,739)
<b>Cash flows from financing activities</b>					
Net disburse of borrowings/fundings		81,007	245,935	81,007	245,935
Net disburse of Islamic medium-term notes/commercial papers		880,000	91,246	880,000	91,246
Interest/Profit paid on borrowings/fundings		(16,679)	(19,781)	(16,679)	(19,781)
Profit paid on Islamic medium-term notes/commercial papers		(105,357)	(74,959)	(105,357)	(74,959)
Proceeds from government funds		-	10,000	-	10,000
Payment of lease liabilities		(4,041)	(3,923)	(4,041)	(3,923)
Dividend paid		(6,221)	(5,006)	(6,221)	(5,006)
<b>Net cash generated from financing activities</b>		<b>828,709</b>	243,512	<b>828,709</b>	243,512
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(69,345)</b>	373,129	<b>(68,782)</b>	380,221
<b>Cash and cash equivalents at beginning of year</b>		<b>1,628,091</b>	1,254,962	<b>1,626,827</b>	1,246,606
<b>Cash and cash equivalents at end of year</b>		<b>1,558,746</b>	1,628,091	<b>1,558,045</b>	1,626,827
<b>Cash and cash equivalents comprise of:</b>					
- Cash and short-term funds	4	1,558,746	1,628,091	1,558,045	1,626,827

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

## STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

**Note:**  
**(a) Reconciliation of liabilities arising from financing activities**  
The table below details changes in the Group's and the Bank's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's and the Bank's statements of cash flows from financing activities.

Group and Bank	Note	Non-cash changes				Effect of benefit derived from below market profit rate (Note 22) RM'000	31 December RM'000
		Financing cash flows (i) RM'000	Interest/profit accrual (Note 26 & 39(h)) RM'000	Reclassification from other liabilities (Note 22) RM'000	Government funds released (Note 39(i)) RM'000		
<b>2023</b>		<b>1 January RM'000</b>					
Islamic medium-term notes/commercial papers	18	2,622,297	109,997	-	-	-	3,506,937
Borrowings/Fundings	19	1,949,473	47,350	-	-	(13,504)	2,047,647
Lease liabilities	20	15,137	498	1,217	-	-	12,811
Government funds	22	602,785	-	-	38	(36,202)	580,125
		<b>5,189,692</b>	<b>157,845</b>	<b>1,217</b>	<b>38</b>	<b>(36,202)</b>	<b>6,147,520</b>
<b>2022</b>							
Islamic medium-term notes/commercial papers	18	2,521,926	84,084	-	-	-	2,622,297
Borrowings/Fundings	19	1,741,109	42,030	-	-	(59,820)	1,949,473
Lease liabilities	20	14,195	524	4,341	-	-	15,137
Government funds	22	540,701	-	26,828	(34,564)	59,820	602,785
		<b>4,817,931</b>	<b>126,638</b>	<b>4,341</b>	<b>26,828</b>	<b>(34,564)</b>	<b>5,189,692</b>

(i) The cash flows from Islamic medium-term notes, borrowings/fundings, government funds and lease liabilities make up the net amount of proceeds and payments of Islamic medium-term notes, borrowings/fundings and lease liabilities, interest/profit payment on Islamic medium-term notes, borrowings/fundings and lease liabilities and receipt of government fund in the statements of cash flows. The accompanying notes form an integral part of the financial statements.

## NOTES TO THE FINANCIAL STATEMENTS 31 DECEMBER 2023

### 1. Corporate information

Small Medium Enterprise Development Bank Malaysia Berhad ("the Bank") is a public limited liability company, incorporated and domiciled in Malaysia. The registered office and principal place of business of the Bank is at Level 22, Menara SME Bank, Jalan Sultan Ismail, 50250 Kuala Lumpur.

The immediate and ultimate holding company of the Bank during the financial year is Minister of Finance Incorporated. The Bank is principally engaged in development banking, both Islamic and conventional and related financial services. The principal activities of the subsidiaries is described in Note 9 to the financial statements.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 29 February 2024.

### 2. Summary of material accounting policies

#### 2.1 Statement of compliance and basis of preparation

The financial statements of the Group and the Bank have been prepared in accordance with the MFRS, IFRS and the requirements of Companies Act, 2016 in Malaysia. During the financial year, adjustments necessary to align the financial statements of the Group and of the Bank for compliance with MFRS and IFRS were made upon the expiry of an accounting treatment modification allowed under BNM's Financial Reporting for Development Financial Institutions policy document. Further disclosures regarding this matter is found in Note 40 to the financial statements.

The financial statements of the Group and of the Bank are presented in Ringgit Malaysia ("RM") and values are rounded to the nearest thousand (RM'000) except when otherwise stated.

The financial statements of the Group and of the Bank have been prepared under the historical cost convention unless otherwise indicated in the summary of material accounting policies below. The Group and the Bank present the statements of financial position in order of liquidity.

#### 2.2 Changes in accounting policies and disclosures

##### Amendments to MFRSs

In the current financial year, the Group and the Bank have adopted all Amendments to MFRS issued by the Malaysian Accounting Standard Board ("MASB") that are relevant to the operations and effective for accounting period that begins on or after 1 January 2023.

Amendments to:

MFRS 101	Disclosure of Accounting Policies
MFRS 108	Definition of Accounting Estimates
MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The adoption of the Amendments to MFRSs above did not have any material impact on the financial statements of the Group and the Bank in current financial year.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

#### 2. Summary of material accounting policies (Cont'd)

##### 2.3 Amendments to MFRSs in issue but not yet effective

At the date of authorisation for issue of these financial statements, the relevant Amendments to MFRSs, which were in issue but not yet effective and not early adopted by the Group and the Bank are as listed below:

Amendments to:

MFRS 7 and MFRS 107	Supplier Finance Arrangements <sup>1</sup>
MFRS 16	Lease Liability in a Sale and Leaseback <sup>1</sup>
MFRS 101	Classification of Liabilities as Current and Non-Current <sup>1</sup>
MFRS 101	Non-current Liabilities with Covenants <sup>1</sup>
MFRS 10 and MFRS 128	Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures <sup>2</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2024

<sup>2</sup> Effective date deferred to a date to be announced by MASB

The directors anticipate that the abovementioned Amendments will be adopted in the annual financial statements of the Group and of the Bank when they become effective and is of the view that the adoption of these Amendments will have no material impact on the financial statements of the Group and of the Bank in the period of initial application.

##### 2.4 Basis of preparation

The financial statements of the Group and of the Bank have been prepared under the historical cost convention unless otherwise indicated in the summary of material accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or liability, the Group and the Bank take into account the characteristics of the asset or liability if market participant would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such basis, except for share-based payment transactions that are within the scope of MFRS 102, leasing transactions that are within the scope of MFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in MFRS 102 or value in use in MFRS 136.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the input to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than unquoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

#### 2. Summary of material accounting policies (Cont'd)

##### 2.5 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Bank and entities (including structured entities) controlled by the Bank and its subsidiaries. Control is achieved when the Bank has the power over the investee; is exposed, or has rights, to variable returns from its involvement with the investee; and has the ability to use its power to affect its return.

The Bank reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control stated above.

When the Bank has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Bank considers all relevant facts and circumstances in assessing whether or not the Bank's voting rights in an investee are sufficient to give it power, including:

- the size of the Bank's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Bank, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Bank has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

##### 2.6 Subsidiaries

Consolidation of a subsidiary begins when the Bank obtains control over the subsidiary and ceases when the Bank loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in profit or loss and other comprehensive income from the date the Bank gains control until the date when the Bank ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Bank and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Bank and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policy.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Bank.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained profit and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under MFRS 9, when applicable, the cost on initial recognition of an investment in an associate or joint venture. Investment in subsidiaries which are eliminated on consolidation, are stated at cost less accumulated impairment losses, if any, in the Bank's separate financial statements.

On disposal of such investments, the difference between net disposal proceeds and their carrying amount is included in profit or loss.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

#### 2. Summary of material accounting policies (Cont'd)

##### 2.7 Associate

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

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment is classified as held for sale. Under the equity method, an investment in an associate is initially recognised in the statements of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

When a group entity transacts with its associate, profits and losses resulting from the transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

Investment in associates which are consolidated using the equity method are stated at cost less accumulated impairment losses in the Bank's separate financial statements.

On disposal of such investments, the difference between net disposal proceeds and their carrying amount is included in profit or loss.

##### 2.8 Property, plant and equipment and depreciation

Land and buildings comprise mainly branches and offices. All property, plant and equipment used by the Group and the Bank are stated at historical cost less accumulated depreciation and any impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

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

Freehold land has indefinite useful life and therefore is not depreciated. Construction work-in-progress is not depreciated as this asset is also not available for use. Depreciation of other property, plant and equipment are calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Building	50 years
Furniture and equipment	3 - 10 years
Renovation	3 years
Motor vehicles	5 years
Electrical and machinery	10 - 15 years

The leasehold land are amortised on a straight-line basis over the remaining lease terms, ranging from 12 to 901 years (2022 : 13 to 902 years).

The assets' residual values, useful lives and depreciation method are reviewed at the end of each reporting period with the effect of any changes in estimate accounted for on a prospective basis.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the assets. Any gains and losses arising on disposals are determined as the difference between sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

#### 2. Summary of material accounting policies (Cont'd)

##### 2.9 Leases

###### (i) Definition of a lease

A contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group and the Bank assess whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the customer has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the customer has the right to direct the use of the asset. The customer has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the customer has the right to direct the use of the asset if either the customer has the right to operate the asset; or the customer designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Group and the Bank allocate the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which the Group and the Bank are lessees, it has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

###### (ii) Recognition and initial measurement

###### (a) As a lessee

The Group and the Bank recognise a right-of-use asset at the date of initial application for leases previously classified as operating lease. The right-of-use asset and a corresponding lease liability are recognised with respect to all lease arrangements in which the group and the Bank are the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets.

The right-of-use asset is initially measured at an amount equal to the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use assets are presented as a separate line in the statements of financial position.

The lease liability is initially measured at the present value of the remaining lease payments at the date of initial application, discounted using the Group's and the Bank's incremental borrowing rate. The lease liability is presented as a separate line in the statements of financial position.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

### 2. Summary of material accounting policies (Cont'd)

#### 2.9 Leases (Cont'd)

##### (ii) Recognition and initial measurement (Cont'd)

###### (a) As a lessee (Cont'd)

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments less any incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase option that the Group is reasonably certain to exercise; and
- penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The Group and the Bank exclude variable lease payments that linked to future performance or usage of the underlying asset from the lease liability. Instead, these payments are recognised in profit or loss in the period in which the performance or use occurs.

The Group and the Bank have elected not to recognise right-of-use assets and lease liabilities for short-term leases and leases of low-value assets. The Group and the Bank recognise the lease payments associated with these leases as an operating expense over the lease term.

As a practical expedient, MFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group and the Bank have not used this practical expedient. For contracts that contain a lease component and one or more additional lease or non-lease components, the Group and the Bank allocate the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

###### (b) As a lessor

The Group and the Bank enter into lease agreements as a lessor with respect to their properties. When the Group and the Bank act as a lessor, they determine at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group and the Bank make an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

If an arrangement contains lease and non-lease components, the Group and the Bank apply MFRS 15 to allocate the consideration in the contract based on the stand-alone selling prices.

Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

### 2. Summary of material accounting policies (Cont'd)

#### 2.9 Leases (Cont'd)

##### (iii) Subsequent measurement

###### (a) As a lessee

The right-of-use asset is subsequently depreciated using the straight-line method from the date of initial application to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability. The Group and the Bank apply MFRS 136 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss.

Whenever the Group and the Bank incur an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under MFRS 137.

The lease liability is measured by increasing the carrying amount to reflect profit on the lease liability and reducing the carrying amount to reflect the lease payments made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a revision of in-substance fixed lease payments, or if there is a change in the Group and the Bank's estimate of the amount expected to be payable under a residual value guarantee, or if the Group and the Bank change its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group and the Bank remeasure the lease liability whenever:

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating profit/interest rate, in which case a revised discount rate is used).
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group and the Bank did not make any such adjustments during the current financial year.

###### (b) As a lessor

The Group and the Bank recognise lease payment from operating leases as income on a straight-line basis. The Group and the Bank also recognise cost, including depreciation, incurred in earning the lease income as an expense.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

### 2. Summary of material accounting policies (Cont'd)

#### 2.10 Investment properties

Investment properties of the Group and the Bank are properties held to earn rentals and/or for capital appreciation (including property under construction for such purpose). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are included in profit or loss in the period in which they arise.

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

#### 2.11 Intangible assets

Intangible assets with indefinite lives are not amortised but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

### 2. Summary of material accounting policies (Cont'd)

#### 2.12 Impairment of non-financial assets

At the end of each reporting period, the Group and the Bank review the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group and the Bank estimate the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

#### 2.13 Financial instruments

##### Initial recognition

Financial assets and liabilities, with the exception of loans, advances and financing to customers, are initially recognised on the trade date, i.e., the date that the Group and the Bank become a party to the contractual provisions of the instrument. Loans, advances and financing to customers are recognised when funds are transferred to the customers' accounts.

##### Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments. Financial instruments are initially measured at their fair value. When the fair value of financial instruments at initial recognition differs from the transaction price, the Group and the Bank account for the Day 1 profit or loss, as described below.

##### Day 1 profit or loss

When the transaction price of the instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, the Group and the Bank recognise the difference between the transaction price and fair value in statements of comprehensive income.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

### 2. Summary of material accounting policies (Cont'd)

#### 2.13 Financial instruments (Cont'd)

##### Measurement categories of financial assets and liabilities

The Group and the Bank classify all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either:

- AC
- FVOCI
- FVTPL

The Group and the Bank classify and measures its derivative at FVTPL. The Group and the Bank may designate financial instruments at FVTPL, if so doing eliminates or significantly reduces measurement or recognition inconsistencies.

##### Business model assessment

The Group and the Bank determine their business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The Group's and the Bank's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel.
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed.
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).
- The expected frequency, value and timing of sales are also important aspects of the Group's and Bank's assessment.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Group's and the Bank's original expectations, the Group and the Bank do not change the classification of the remaining financial assets held in that business model, but incorporate such information when assessing newly originated financial assets going forward.

##### The SPPI test

As a second step of its classification process, the Group and the Bank assess the contractual terms of financial asset to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are payments of principal or amortisation of the premium/discount).

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

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

### 2. Summary of material accounting policies (Cont'd)

#### 2.13 Financial instruments (Cont'd)

##### Financial investment at AC

The Group and the Bank measure debt instruments at AC when both of the following conditions are met:

- The instrument is held within a business model, the objective of which is achieved solely by collecting contractual cash flows
- The contractual terms of the financial asset meet the SPPI test

For financial assets other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective profit rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

##### Debt instruments at FVOCI

The Group and the Bank measure debt instruments at FVOCI when both of the following conditions are met:

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

FVOCI debt instruments are measured at fair value with gains and losses arising due to changes in fair value recognised in OCI. Profit income are recognised in profit or loss in the same manner as for financial assets measured at AC as explained in Note 2.21. The expected credit loss ("ECL") calculation for Debt instruments at FVOCI is explained in Note 2.14. Where the Group and the Bank holds more than one investment in the same security, they are deemed to be disposed of on a first-in first-out basis. On derecognition, cumulative gains or losses previously recognised in OCI are reclassified from OCI to profit or loss.

##### Equity instruments at FVOCI

Upon initial recognition, the Group and the Bank elect to classify irrevocably some of its equity investments as equity instruments at FVOCI when they meet the definition of Equity under MFRS 132 Financial Instruments: Presentation and are not held for trading. Such classification is determined on an instrument-by-instrument basis. Gains and losses arising from changes in fair value on these equity instruments are recorded in OCI and accumulated revaluation reserve. The cumulative fair value gain or loss is not reclassified to profit or loss on disposal of the equity investments, instead, it is transferred to retained earnings.

Dividends are recognised in profit or loss as other operating income when the right of the payment has been established.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

#### 2. Summary of material accounting policies (Cont'd)

##### 2.13 Financial instruments (Cont'd)

###### Financial guarantees, letters of credit and undrawn loan/undisbursed financing

The Group and the Bank issue financial guarantees, letters of credit and loan/financing commitments. Financial guarantees are initially recognised in the financial statements at fair value, being the premium received. Subsequent to initial recognition, the Group's and the Bank's liability under each guarantee is measured at the higher of the amount initially recognised less cumulative amortisation recognised in profit or loss.

The premium received is recognised in profit or loss in fees and commission income, on a straight line basis over the life of the guarantee.

Undrawn loan/undisbursed financing and letters of credits are commitments under which, over the duration of the commitment, the Group and the Bank are required to provide a financing with pre-specified terms to the customer. A provision is made if there is any onerous contract under the scope of the ECL requirements.

The nominal contractual value of financial guarantees, letters of credit and undrawn loan/undisbursed financing, where the loan/financing agreed to be provided is on market terms, are not recorded in the Statements of Financial Position.

###### Derecognition of financial assets and liabilities

###### Derecognition due to substantial modification of terms and conditions

The Group and the Bank derecognise a financial asset, such as a financing to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new financing, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised financing are classified as Stage 1 for ECL measurement purposes.

When assessing whether or not to derecognise a financing to a customer, amongst others, the Group and the Bank consider the following factors:

- Change in currency of the loans, advances and financing
- Introduction of an equity feature
- Change in counterparty
- If the modification is such that the instrument would no longer meet the SPPI criterion

If the modification does not result in substantial change in cash flows, thus, the modification does not result in derecognition. The Group and the Bank recalculate the gross carrying amount based on the revised cash flows of the financial asset and recognise a modification gain or loss in the income statements. The new gross carrying amount is recalculated by discounting the modified cash flows at the original EPR/EIR.

###### Derecognition other than for substantial modification

The Group and the Bank derecognise a financial asset when the contractual rights to the cash flows from the asset expire, or when they transfer the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group and the Bank neither transfer nor retain substantially all the risks and rewards of ownership and continue to control the transferred asset, the Group and the Bank recognise their retained interest in the asset and an associated liability for amounts they may have to pay. If the Group and the Bank retain substantially all the risks and rewards of ownership of a transferred financial asset, the Group and the Bank continue to recognise the financial asset and also recognise a collateralised borrowing for the proceeds received.

#### 2. Summary of material accounting policies (Cont'd)

##### 2.14 Impairment of financial assets

###### Overview of the ECL principles

With respect to financing loss impairment method, the Group and the Bank have applied a forward-looking ECL approach.

Through this approach, the Group and the Bank have recorded the allowance for ECL for all loans, advances and financing and other debt financial assets not held at FVTPL, together with loans, advances and financing commitments and financial guarantee contracts (all referred to as 'financial instruments' in this section). Equity instruments are not subject to impairment under MFRS 9.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL). The Group's and the Bank's policies for determining if there has been a significant increase in credit risk are set out below.

The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the end of the reporting period. Both LTECLs and 12mECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of the financial instruments.

The Group and the Bank have established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument. Based on the above process, the Group and the Bank groups its loans, advances and financing into Stage 1, Stage 2 and Stage 3, as described below:

- |         |  |
|---------|--|
| Stage 1 | When loans, advances and financing are first recognised, the Group and the Bank recognise an allowance based on 12mECLs. Stage 1 loans, advances and financing also include facilities where the credit risk has improved and the loans, advances and financing has been reclassified from Stage 2.  |
| Stage 2 | When a loans, advances and financing has shown a significant increase in credit risk since origination, the Group and the Bank record an allowance for the LTECLs. Stage 2 loans, advances and financing also include facilities, where the credit risk has improved and the loans, advances and financing has been reclassified from Stage 3. |
| Stage 3 | Financial assets are assessed as credit-impaired when one or more events that have detrimental impact on the estimated future cash flows of that asset have occurred.  |

###### Significant increase in credit risk

At the end of each reporting period, the Group and the Bank assess whether there has been a significant increase in credit risk for exposures since initial recognition to determine whether the exposure is subject to 12-month ECL or lifetime ECL. This is performed by comparing the risk of default occurring over the remaining expected life from the reporting date and the date of initial recognition. When determining whether the risk of default has increased significantly since initial recognition, the Group and the Bank consider both quantitative and qualitative information and analysis based on the Group's and the Bank's historical experience and credit risk assessment, including forward-looking information.

The criteria for determining whether credit risk has increased significantly vary by portfolio and include quantitative factors such as delinquency, historical delinquency trend, changes in credit ratings and qualitative factors as well as a backstop based on delinquency.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

### 2. Summary of material accounting policies (Cont'd)

#### 2.14 Impairment of financial assets (Cont'd)

##### Significant increase in credit risk (Cont'd)

A financial asset is considered to have experienced a significant increase in credit risk if the financial asset is more than 30 days past due on its contractual payments. In addition, the Group and the Bank may determine that an exposure has demonstrated a significant increase in credit risk based on certain qualitative factors using its expert credit judgment and, where possible, relevant historical experience that are considered to be indicative of such increase and whose effect may not otherwise be fully reflected in its quantitative factors.

##### The calculation of ECLs

The Group and the Bank calculate ECLs based on multiple scenarios to measure the expected cash shortfalls, which are discounted using the EIR/EPR. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

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

PD	The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio. The PD rates are derived from latest 7-years historical data on Months-in-Arrears ("MIA") of an instrument in accordance to its SME Category.
EAD	The Exposure at Default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the end of the reporting period, including payments of principal and interest/profit and accrued interest/profit from missed payments.
LGD	The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the Group and the Bank would expect to receive, including from the realisation of any collateral.

The mechanics of the ECL method are summarised below:

Stage 1	The 12mECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the end of the reporting period. The Group and the Bank calculate the 12mECL allowance based on the expectation of a default occurring in the 12 months following the end of the reporting period. These expected 12-month default probabilities are applied to EAD and multiplied by the expected LGD and discounted by applying the original EIR/EPR.
Stage 2	For exposures where there has been a significant increase in credit risk since initial recognition, the Group and the Bank record an allowance for the LTECLs. The mechanics are similar to those explained above, but PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by applying the original EIR/EPR.
Stage 3	For financial assets that are considered as credit-impaired, the Group and the Bank recognise the lifetime expected credit losses. The method is similar to that for Stage 2 assets, with the PD set at 100% for any instrument with MIA more than 2 months. For exposure on loans, advances and financing under this category with significant EAD, i.e. more than RM1.0 million, assessments are made on individual basis.

### 2. Summary of material accounting policies (Cont'd)

#### 2.14 Impairment of financial assets (Cont'd)

##### Overlays and adjustments for expected credit losses

The Group and the Bank continue to factor in the impact through application of management overlay in the ECL calculations. The management overlay has been prudently incorporated within the ECL mechanism taking into account the heightened uncertainty surrounding the determination of estimates in the current environment and to preserve sound provisioning buffers.

As the current MFRS 9 models are not expected to generate levels of ECL's with sufficient reliability in view of the novel risks, overlays and post-model adjustments have been applied to determine a sufficient overall level of ECLs for the year ended and as at 31 December 2023.

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

The overlays and post-model adjustments of RM39,896,000 (2021: RM40,185,000) involved significant level of judgement and reflect the management's views of possible severities of the pandemic and paths of recovery in the forward-looking assessment for ECL estimation purposes.

The Group and the Bank have updated the related parameters for ECL computation and the current Macro Economics Variables ("MEV") for both loans, advances and financing and the financial investment portfolio. The Group and the Bank have taken the latest forecasted numbers published by Bloomberg in deriving the final PD rates. Meanwhile the probability-weighted ratio i.e. (upside, baseline and downside) is maintained at 10% - 75% - 15% as per 2022.

In addition, the Group and the Bank have also imposed the overlay by applying lifetime ECL to all Stage 1 accounts under SME Restart and Recovery Programme ("RECOVERY +") accounts which were still in payment observation period after the moratorium ended. Overlay also applied to the industries deemed to be vulnerable, namely glove manufacturing industry.

##### Debt instruments measured at FVOCI

The ECLs for debt instruments measured at FVOCI do not reduce the carrying amount of these financial assets in the statements of financial position, which remains at fair value. The calculation of ECLs for debt instruments are describe in Note 2.14, the calculation of ECLs.

Instead, an amount equal to the allowance that would arise if the assets were measured at Amortised Cost is recognised in OCI as an accumulated impairment amount, with a corresponding charge to profit or loss. The accumulated loss recognised in OCI is recycled to the profit and loss upon derecognition of the assets.

##### Forward-looking information

The Group and the Bank use multiple scenarios, i.e. Baseline, Upside and Downside, to model the non-linear impact of assumptions about macroeconomic factors on ECL. The Group and the Bank apply probabilities to the forecast scenarios identified. In their ECL models, the Group and the Bank rely on a broad range of forward-looking information, such as:

- Consumer Price Index (CPI)
- BRENT crude oil price
- USD MYR

The forward-looking information of the Group and the Bank are subject to change on an annual basis. The use of these macroeconomic factors have been determined as appropriate based on the annual assessment made by the Group and the Bank.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

#### 2. Summary of material accounting policies (Cont'd)

##### 2.14 Impairment of financial assets (Cont'd)

###### Write-offs

The Group's and the Bank's financial assets are written off either partially or in their entirety only when the Group and the Bank has stopped pursuing the recovery or become uncollectible.

##### 2.15 Financial liabilities

Financial liabilities are initially recognised at the fair value of consideration received less directly attributable transaction costs. Subsequent to initial recognition, financial liabilities are measured at AC using the effective interest/profit method. The Group and the Bank do not have any non-derivative financial liabilities designated at FVTPL. Financial liabilities at AC include deposits from customers, deposits and placements from banks and financial institutions, other liabilities, Islamic medium-term notes, borrowings/fundings and lease liabilities.

The effective interest/profit method is a method of calculating the AC of a financial liability and of allocating interest/profit expense over the relevant period. The effective interest/profit rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or where appropriate, a shorter period to the net carrying amount on initial recognition.

###### (a) Other financial liabilities

The Group's and the Bank's other financial liabilities include deposits from customers, deposits from other financial institutions, medium term notes, borrowings/fundings and other liabilities.

Other financial liabilities are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at AC using the EIR/EPR method.

###### (b) Derecognition

The Group and the Bank derecognise financial liabilities when, and only when, the Group's and the Bank's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liabilities derecognised and the consideration paid or payable is recognised in profit or loss.

##### 2.16 Cash and cash equivalents

The Group and the Bank adopt the indirect method in the preparation of statements of cash flows.

Cash and cash equivalents, which comprise cash and balances with banks and other financial institutions and money at call and deposit placements maturing within three month, are short-term, highly liquid investments with maturities of three month or less from the date of acquisition and are readily convertible to cash with insignificant risks of changes in value.

##### 2.17 Provisions

Provisions are recognised when the Group and the Bank have a present obligation (legal or constructive) as a result of past events, when it is probable that the Group and the Bank will be required to settle the obligation, and when a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of time value of money is material).

#### 2. Summary of material accounting policies (Cont'd)

##### 2.18 Government funds

Government funds are meant for the following purposes:

- (i) To finance the purchase of investment properties. The funds are initially recognised at their fair values in the statements of financial position as deferred income when there is reasonable assurance that the funds will be received and all attaching conditions will be complied with. Government funds that compensate the Group and the Bank for expenses incurred are recognised as income over the periods necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Government funds that compensate the Group and the Bank for the cost of an asset are recognised as income on a systematic basis over the useful life of the asset.
- (ii) To finance loans, advances and financing for specific projects and utilise against credit losses and charges arising from the financing of these projects. The government funds are recognised at the fair value of the consideration received in the statements of financial position. Any credit losses or charges as a result of defaulted loans/financing on the loans/financing financed by the government funds are recognised and utilised against the funds.

##### 2.19 Employee benefits

###### (i) Short-term benefits

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

###### (ii) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group and the Bank pay fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. Such contributions are recognised as an expense in profit or loss as incurred. As required by law, companies in Malaysia make such contributions to the Employees Provident Fund ("EPF").

##### 2.20 Fair value measurement

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

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

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

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

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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

### 2. Summary of material accounting policies (Cont'd)

#### 2.20 Fair value measurement (Cont'd)

For recurring and non-recurring fair value measurements categorised within Level 2 and Level 3 of the fair value hierarchy, the Group and the Bank use the following valuation techniques in determining the fair values:

- A market approach premised on the current realisable values of the net assets for unquoted shares.
- A market approach using indicative market value published by pricing agencies in Malaysia as reference for Malaysian Government Investment Issues, Malaysian Government Securities and private debt securities.
- An income approach premised on the future cash flows and expected recoveries, discounted using the prevailing market rates at the end of the reporting period for deposits and placements with banks, Bai' Inah facility granted to SMEB Asset Management Sdn. Bhd. ("SAM") and derivative financial assets and liabilities.

For recurring fair value measurements categorised within Level 3 of the fair value hierarchy, the significant unobservable inputs are as follows:

Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
---------------------------------	---

##### *Unquoted shares*

- |                             |   |
|-----------------------------|---|
| - Current realisable values | - Increase in realisable value will result in higher fair value, and vice versa |
|-----------------------------|---|

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

#### 2.21 Revenue

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

Under MFRS 15, the Group's and the Bank's revenue from contracts with customers is recognised by reference to each distinct performance obligation in the contract with customer. Transaction price is allocated to each performance obligation on the basis of the relative standalone selling prices of each distinct good or services promised in the contract.

##### (a) The EIR/EPR method

Under MFRS 9, interest/profit income is recorded using the EIR/EPR method for all financial instruments measured at Amortised Cost and financial instruments designated at FVTPL. The EIR/EPR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset.

The EIR/EPR (and therefore, the Amortised Cost of the asset) is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR/EPR. The Group and the Bank recognise profit income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the financing. Hence, it recognises the effect of potentially different interest/profit rates charged at various stages, and other characteristics of the product life cycle (including payments, penalty interest/compensation (ta'widh) and charges).

### 2. Summary of material accounting policies (Cont'd)

#### 2.21 Revenue (Cont'd)

##### (a) The EIR/EPR method (Cont'd)

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is booked as a positive or negative adjustment to the carrying amount of the asset in the statements of financial position with an increase or reduction in interest income. The adjustment is subsequently amortised through profit and similar income in profit or loss.

##### (b) Interest/profit income

The Group and the Bank calculate interest/profit income by applying the EIR/EPR to the gross carrying amount of financial assets other than credit-impaired assets.

When a financial asset becomes credit-impaired and is, therefore, regarded as Stage 3, the Group and the Bank calculate interest/profit income by applying the EIR/EPR to the net Amortised Cost of the financial asset. If the financial assets cures and is no longer credit-impaired, the Group and the Bank revert to calculating interest/profit income on a gross basis.

Interest/profit income on all trading assets and financial assets mandatorily required to be measured at FVTPL is recognised using the contractual interest/profit rate in net trading income and net gains/(losses) on financial assets at fair value through profit or loss, respectively.

##### (c) Islamic income recognition by type of Shariah contract

###### (i) Bai' contracts

###### Bai' Bithaman Ajil

A contract of sale and purchase of an asset in which the payment of price is deferred either be paid in lump-sum or instalment basis within an agreed period of time. Income shall be recognised based on agreed profit rate over the expected life of the contract.

###### Murabahah

A contract of sale of assets at a mark-up price, which includes a profit margin as agreed by the contracting parties. The price, costs and profit margin in Murabahah shall be made transparent and agreed upon between buyer and seller. Income shall be recognised based on agreed profit rate over the financing tenure.

###### Istisna'

A contract which a seller sells to a purchaser an asset which is yet to be constructed, built or manufactured according to agreed specifications and delivered on an agreed specified future date at an agreed pre-determined price. Income shall be recognised based on agreed profit rate over the financing tenure.

###### Bai' Dayn

A contract of trading of debt and the outstanding debt may be sold to the debtor or to a third party on cash basis. Income from the transaction shall be recognised based on the agreed profit rate over the tenure.

###### Tawarruq

Arrangement that involves a purchase of an asset/commodity based on musawamah or murabahah contract on deferred term and a subsequent sale of the same asset to a third party in order to obtain cash. Income shall be recognised based on agreed profit rate over the financing tenure.

###### Bai' Inah

A contract of sale and purchase of an asset whereby the seller sells to buyer in cash and subsequently buy back the asset at a marked up and deferred. Income shall be recognised based on agreed profit rate over the financing tenure.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

### 2. Summary of material accounting policies (Cont'd)

#### 2.21 Revenue (Cont'd)

##### (c) Islamic income recognition by type of Shariah contract (Cont'd)

###### (ii) Ijarah contracts

A lease contract that transfers the ownership of a usufruct of an asset to another party for a specified period in exchange for a rental. Ijarah contract may end with the transfer of the legal title of the leased asset to the lessee is called Ijarah Muntahia bi al-Tamlik (IMBT). Effective transfer of the legal title is consequent to the conclusion of the lease arrangement that can be in the form of a sale or a gift of the asset to the lessee. Al-Ijarah Thumma al-Bai (AITAB) is a form of Ijarah Muntahia bi al-Tamlik where the sale of asset to the lessee is executed at the completion of the lease period. Income is recognised based on agreed profit rate basis over the lease term.

###### (iii) Loan contracts

###### Qard

A contract of lending a fungible asset to a borrower who is bound to return an equivalent replacement. No income from this contract shall be generated from the transactions.

##### (d) Dividend income

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

##### (e) Fee income

Fee income from bank guarantee arrangements and letters of credit is recognised on an accrual basis.

##### (f) Rental income

Rental income is accounted for on a straight-line basis over the term of the lease. The aggregate cost of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

#### 2.22 Income taxes

##### (a) Current tax

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

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

##### (b) Deferred tax

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

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

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

### 2. Summary of material accounting policies (Cont'd)

#### 2.22 Income taxes (Cont'd)

##### (b) Deferred tax (Cont'd)

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

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

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

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

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

#### 2.23 Zakat

In computing for zakat, the Group and the Bank have been applying the growth capital method based on the rate of 2.5%. This method applies the rate on owner's equity, long term liabilities, net of fixed assets and non-current assets, and subjected to allowable adjustments.

It is an obligatory amount payable on the business on behalf of the shareholder(s) and/or business entity depending on the ownership characteristics.

Zakat is distributed according to Shariah principles and being extended through Islamic Religious Council of the respective states and other rightful beneficiaries or Asnaf.

#### 2.24 Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia (RM), which is also the Bank's functional currency.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

#### 2. Summary of material accounting policies (Cont'd)

##### 2.25 Share capital

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Bank after deducting all of its liabilities. Ordinary share is an equity instrument.

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

##### 2.27 Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future events not wholly within the control of the Group and the Bank.

Contingent liabilities and assets are not recognised in the statements of financial position of the Group and the Bank.

#### 3. Significant accounting judgement and estimates

The preparation of the Group's and of the Bank's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

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

##### (a) Impairment losses on financial assets and loans, advances and financing

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

The Group's and the Bank's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- The Group's and the Bank's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a LTECL basis and the qualitative assessment.
- The segmentation of financial assets when their ECL is assessed on a collective basis.
- Development of ECL models, including the various formulas and the choice of inputs.
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models.
- A set of post model overlays were considered to reflect the effect of novel risks to ensure sufficient ECL were allocated.

#### 4. Cash and short-term funds

	Group		Bank	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Cash at banks and on hand	73,001	50,771	72,300	49,507
Short-term deposits and maturing within three months:				
- Licensed banks	1,485,745	1,577,320	1,485,745	1,577,320
	1,558,746	1,628,091	1,558,045	1,626,827

Cash at banks is placed in non-profit bearing accounts. Short-term deposit placements are made between one day to three months depending on the Group's and the Bank's cash requirements, and earn profit at the respective short-term deposit rates. The weighted average effective profit rate and weighted average remaining maturity as at 31 December 2023 for the Group and the Bank was 3.38% per annum and 15 days (2022: 3.37% per annum and 15 days) respectively.

#### 5. Financial investments at FVOCI

	Group and Bank	
	2023 RM'000	2022 RM'000
<b>At fair value</b>		
<b>Government securities</b>		
Malaysian Government Investment Issues	1,108,183	1,059,078
<b>Non-money market instruments</b>		
Equity securities		
- Private debt securities	30,761	30,618
- Unquoted shares	10,693	10,062
Debt securities		
- Private debt securities	333,037	336,363
	374,491	377,043
	1,482,674	1,436,121

No loss allowance is recognised in the statements of financial position as the carrying amount is at fair value. However, the loss allowance is included as part of the revaluation amount in the fair value reserve (Note 24).

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

#### 5. Financial investments at FVOCI (Cont'd)

Movements in allowances for impairment losses which reflects the ECL model on impairment, recognised in profit or loss and other comprehensive income are as follows:

	Group and Bank			Total RM'000
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	
At 1 January 2023	1	198	10,000	10,199
Allowance made due to changes in credit risk (Note 24)	445	1,659	-	2,104
At 31 December 2023	446	1,857	10,000	12,303
At 1 January 2022	89	218	10,000	10,307
Writeback made due to changes in credit risk (Note 24)	(40)	-	-	(40)
New financial investments originated (Note 24)	1	198	-	199
Financial investments derecognised (Note 24)	(49)	(218)	-	(267)
At 31 December 2022	1	198	10,000	10,199

The impairment losses by external rating grade are as follows:

	Group and Bank			Total RM'000
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	
<b>External rating grade</b>				
RAM AAA	14	-	-	14
MARC AAA	48	-	-	48
RAM A	-	1,857	-	1,857
MARC AA-	384	-	-	384
RAM D <sup>^</sup>	-	-	10,000	10,000
At 31 December 2023	446	1,857	10,000	12,303
<b>External rating grade</b>				
RAM A	-	198	-	198
MARC AA-	1	-	-	1
RAM D <sup>^</sup>	-	-	10,000	10,000
At 31 December 2022	1	198	10,000	10,199

<sup>^</sup> The nominal amount of certain private debt securities were impaired in full due to qualitative factors.

#### 6. Financial investments at AC

	Group and Bank	
	2023 RM'000	2022 RM'000
<b>At amortised cost</b>		
<b>Government securities</b>		
Malaysian Government Investment Issues	292,369	199,429
<b>Money market instruments</b>		
Commercial papers	138,890	64,140
<b>Non-money market instruments</b>		
Private debt securities	545,180	671,185
	976,439	934,754
Less: Accumulated impairment losses	(787)	(1)
	975,652	934,753

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

	Group and Bank	
	2023 RM'000	2022 RM'000
Within one year	321,506	416,607
More than one year to three years	373,587	196,574
More than three years to five years	266,306	281,172
More than five years	15,040	40,401
	976,439	934,754

Movements in allowances for impairment losses which reflects the ECL model on impairment are as follows:

	Group and Bank	
	2023 RM'000 Stage 1	2022 RM'000 Stage 1
At 1 January	1	278
Allowance/(Writeback) made due to changes in credit risk	199	(32)
New financial investments originated or purchased	587	1
Financial investments derecognised	-	(246)
At 31 December	787	1

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

### 6. Financial investments at AC (Cont'd)

The impairment losses by external rating grade are as follows:

	Group and Bank	
	2023 RM'000 Stage 1	2022 RM'000 Stage 1
<b>External rating grade</b>		
RAM AAA	26	-
MARC AAA	26	-
RAM AA	354	1
MARC AA	381	-
	<b>787</b>	<b>1</b>

The indicative market values of financial investments at amortised cost on government securities, money market instruments and non-money market instruments are as follows:

	Group and Bank	
	2023 RM'000	2022 RM'000
Malaysian Government Investment Issues	293,515	199,428
Commercial papers	138,890	64,140
Private debt securities	549,680	670,110
	<b>982,085</b>	<b>933,678</b>

### 7. Loans, advances and financing

	Group		Bank	
	2023 RM'000	2022 RM'000 Restated	2023 RM'000	2022 RM'000 Restated
Term loans/financing				
- Hire purchase receivables	330,085	386,177	319,715	350,696
- Leasing	225	345	-	-
- Other term loans/financing	6,406,039	6,310,687	6,184,151	5,996,408
Revolving loans/financing	2,397,789	1,989,381	2,397,217	1,969,395
Staff loans/financing	9,798	10,991	9,798	10,991
Gross loans, advances and financing	<b>9,143,936</b>	8,697,581	<b>8,910,881</b>	8,327,490
Less: Allowance for impairment losses on				
- Stage 1 (Note 7(ix))	(105,085)	(91,586)	(105,085)	(91,586)
- Stage 2 (Note 7(ix))	(63,292)	(45,182)	(63,292)	(45,182)
- Stage 3 (Note 7(ix))	(691,022)	(808,748)	(457,967)	(438,657)
Net loans, advances and financing	<b>8,284,537</b>	7,752,065	<b>8,284,537</b>	7,752,065
Gross impaired loans, advances and financing (Note 7(vii))	<b>1,347,439</b>	1,472,816	<b>1,114,384</b>	1,102,725
Net impaired loans, advances and financing	<b>656,417</b>	664,068	<b>656,417</b>	664,068

### 7. Loans, advances and financing (Cont'd)

Included in loans, advances and financing for the Group and the Bank are gross loans, advances and financing of RM124,160,000 (2022: RM107,020,000) financed by Government funds. The treatment of credit losses incurred for these loans, advances and financing is as disclosed in Note 2.19(ii).

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

	Group		Bank	
	2023 RM'000	2022 RM'000 Restated	2023 RM'000	2022 RM'000 Restated
Within one year	2,610,292	1,996,633	2,421,238	1,690,392
More than one year to three years	940,745	703,959	922,926	673,102
More than three years to five years	1,377,271	1,382,839	1,369,904	1,370,115
More than five years	4,215,628	4,614,150	4,196,813	4,593,881
	<b>9,143,936</b>	8,697,581	<b>8,910,881</b>	8,327,490

(ii) Gross loans, advances and financing analysed by type of customers are as follows:

	Group		Bank	
	2023 RM'000	2022 RM'000 Restated	2023 RM'000	2022 RM'000 Restated
Domestic business enterprise	9,134,138	8,686,590	8,901,083	8,316,499
Individual	9,798	10,991	9,798	10,991
	<b>9,143,936</b>	8,697,581	<b>8,910,881</b>	8,327,490

(iii) Gross loans, advances and financing analysed by industry are as follows:

	Group		Bank	
	2023 RM'000	2022 RM'000 Restated	2023 RM'000	2022 RM'000 Restated
Construction	1,619,022	1,440,517	1,618,252	1,437,693
Education, health and others	600,806	633,283	593,052	589,410
Electricity, gas and water supply	162,567	162,245	162,567	162,245
Financial, insurance/takaful, real estate and business services	1,081,271	1,131,873	1,080,609	1,129,157
Manufacturing	1,654,468	1,611,333	1,628,889	1,543,094
Mining and quarrying	114,979	112,075	114,979	110,079
Primary agriculture	10,153	7,315	10,123	7,046
Transportation, storage and communication	1,261,432	1,084,694	1,244,816	1,046,392
Wholesale, retail trade, restaurants and hotels	2,629,440	2,503,255	2,447,796	2,291,383
Others	9,798	10,991	9,798	10,991
	<b>9,143,936</b>	8,697,581	<b>8,910,881</b>	8,327,490

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

#### 7. Loans, advances and financing (Cont'd)

(iv) Gross loans, advances and financing analysed by location and sector are as follows:

Group	2023	2023				2022				Total RM'000
		Central Region RM'000	Northern Region RM'000	Southern Region RM'000	East Coast Region RM'000	Sabah Region RM'000	Sarawak Region RM'000	Total RM'000		
Construction	1,139,986	36,311	65,985	59,038	214,709	1,619,022				
Education, health and others	448,628	23,298	14,605	68,100	11,043	600,806				
Electricity, gas and water supply	150,695	3,618	1,675	1,601	2,080	162,567				
Financial, insurance/takaful, real estate and business services	721,595	115,065	68,804	36,076	75,766	1,081,271				
Manufacturing	878,126	261,026	232,140	99,949	132,638	1,654,468				
Mining and quarrying	53,238	-	15,058	35,166	7,033	114,979				
Primary agriculture	4,805	-	185	219	3,625	10,153				
Transportation, storage and communication	899,844	85,396	42,895	94,856	72,854	1,261,432				
Wholesale, retail trade, restaurants and hotels	1,323,006	330,948	119,390	331,979	302,776	2,629,440				
Others	9,798	-	-	-	-	9,798				
	<b>5,629,721</b>	<b>855,662</b>	<b>560,737</b>	<b>726,984</b>	<b>641,865</b>	<b>9,143,936</b>				
<b>2022 Restated</b>										
Construction	991,022	29,409	53,134	48,135	99,367	1,440,517				
Education, health and others	459,724	19,855	21,115	83,857	37,115	633,283				
Electricity, gas and water supply	154,775	578	1,518	2,009	3,032	162,245				
Financial, insurance/takaful, real estate and business services	772,468	112,450	67,098	40,335	63,924	1,131,873				
Manufacturing	912,258	246,052	211,994	103,538	52,865	1,611,333				
Mining and quarrying	56,260	-	18,174	33,282	1,847	112,075				
Primary agriculture	1,371	-	231	240	3,977	7,315				
Transportation, storage and communication	691,884	90,121	43,394	114,010	71,622	1,084,694				
Wholesale, retail trade, restaurants and hotels	1,257,390	310,689	106,485	320,033	303,524	2,503,255				
Others	10,991	-	-	-	-	10,991				
	<b>5,308,143</b>	<b>809,154</b>	<b>523,143</b>	<b>745,439</b>	<b>637,273</b>	<b>8,697,581</b>				

#### 7. Loans, advances and financing (Cont'd)

(iv) Gross loans, advances and financing analysed by location and sector are as follows: (Cont'd)

Bank	2023	2023				2022				Total RM'000
		Central Region RM'000	Northern Region RM'000	Southern Region RM'000	East Coast Region RM'000	Sabah Region RM'000	Sarawak Region RM'000	Total RM'000		
Construction	1,139,216	36,311	65,985	59,038	214,709	1,618,252				
Education, health and others	440,874	23,298	14,605	68,100	11,043	593,052				
Electricity, gas and water supply	150,695	3,618	1,675	1,601	2,080	162,567				
Financial, insurance/takaful, real estate and business services	720,933	115,065	68,804	36,076	75,766	1,080,609				
Manufacturing	852,547	261,026	232,140	99,949	132,638	1,628,889				
Mining and quarrying	53,238	-	15,058	35,166	7,033	114,979				
Primary agriculture	4,775	-	185	219	3,625	10,123				
Transportation, storage and communication	883,228	85,396	42,895	94,856	72,854	1,244,816				
Wholesale, retail trade, restaurants and hotels	1,141,362	330,948	119,390	331,979	302,776	2,447,796				
Others	9,798	-	-	-	-	9,798				
	<b>5,396,666</b>	<b>855,662</b>	<b>560,737</b>	<b>726,984</b>	<b>641,865</b>	<b>8,910,881</b>				
<b>2022 Restated</b>										
Construction	988,198	29,409	53,134	48,135	99,367	1,437,693				
Education, health and others	415,851	19,855	21,115	83,857	37,115	589,410				
Electricity, gas and water supply	154,775	578	1,518	2,009	3,032	162,245				
Financial, insurance/takaful, real estate and business services	769,752	112,450	67,098	40,335	63,924	1,129,157				
Manufacturing	844,019	246,052	211,994	103,538	52,865	1,543,094				
Mining and quarrying	54,264	-	18,174	33,282	1,847	110,079				
Primary agriculture	1,102	-	231	240	3,977	7,046				
Transportation, storage and communication	653,582	90,121	43,394	114,010	71,622	1,046,392				
Wholesale, retail trade, restaurants and hotels	1,045,518	310,689	106,485	320,033	303,524	2,291,383				
Others	10,991	-	-	-	-	10,991				
	<b>4,938,052</b>	<b>809,154</b>	<b>523,143</b>	<b>745,439</b>	<b>637,273</b>	<b>8,327,490</b>				



## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

### 7. Loans, advances and financing (Cont'd)

(v) Gross loans, advances and financing analysed by interest/profit rate sensitivity are as follows:

	Group		Bank	
	2023 RM'000	2022 RM'000 Restated	2023 RM'000	2022 RM'000 Restated
Fixed rate				
- Staff loan/financing	9,798	10,991	9,798	10,991
- Hire purchase receivables	121,355	165,932	111,548	131,317
- Leasing	225	345	-	-
- Other term loans/financing	2,173,061	2,187,613	2,044,081	1,977,210
- Revolving loans/financing	1,947,655	1,173,389	1,947,138	1,153,464
Variable rate				
- Hire purchase receivables	208,730	220,245	208,167	219,379
- Other term loans/financing	4,232,978	4,123,074	4,140,070	4,019,198
- Revolving loans/financing	450,134	815,992	450,079	815,931
	<b>9,143,936</b>	8,697,581	<b>8,910,881</b>	8,327,490

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

	Group		Bank	
	2023 RM'000	2022 RM'000 Restated	2023 RM'000	2022 RM'000 Restated
Construction	135,787	130,470	135,017	127,646
Education, health and others	56,615	144,880	48,861	101,007
Electricity, gas and water supply	55,383	54,824	55,383	54,824
Financial, insurance/takaful, real estate and business services	174,500	182,156	173,838	179,440
Manufacturing	247,623	286,901	222,044	218,662
Mining and quarrying	7,818	7,115	7,818	5,119
Primary agriculture	528	486	498	217
Transportation, storage and communication	95,954	106,495	79,338	68,193
Wholesale, retail trade, restaurants and hotels	573,231	559,489	391,587	347,617
	<b>1,347,439</b>	1,472,816	<b>1,114,384</b>	1,102,725

### 7. Loans, advances and financing (Cont'd)

(vii) Impaired loans, advances and financing analysed by location and sector are as follows:

	Central Region		Northern Region		Southern Region		East Coast Region		Sabah Region		Sarawak Region		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		
<b>2023</b>													
Construction	107,987	162	3,099	5,755	9,509	9,275	135,787						
Education, health and others	44,730	320	1,847	7,311	1,783	624	56,615						
Electricity, gas and water supply	55,383	-	-	-	-	-	55,383						
Financial, insurance/takaful, real estate and business services	155,283	7,524	2,477	4,314	3,111	1,791	174,500						
Manufacturing	138,880	7,170	52,573	19,440	22,933	6,627	247,623						
Mining and quarrying	4,903	-	454	2,157	-	304	7,818						
Primary agriculture	528	-	-	-	-	-	528						
Transportation, storage and communication	59,857	6,894	13,481	5,147	8,303	2,272	95,954						
Wholesale, retail trade, restaurants and hotels	406,427	65,445	11,255	39,410	45,673	5,021	573,231						
	<b>973,978</b>	<b>87,515</b>	<b>85,186</b>	<b>83,534</b>	<b>91,312</b>	<b>25,914</b>	<b>1,347,439</b>						
<b>2022 Restated</b>													
Construction	106,585	700	2,004	3,269	10,136	7,776	130,470						
Education, health and others	100,753	460	7,949	28,074	6,828	816	144,880						
Electricity, gas and water supply	54,824	-	-	-	-	-	54,824						
Financial, insurance/takaful, real estate and business services	165,696	7,449	1,504	3,705	3,054	748	182,156						
Manufacturing	186,317	13,441	55,231	25,370	1,179	5,363	286,901						
Mining and quarrying	6,793	-	-	322	-	-	7,115						
Primary agriculture	315	-	-	-	171	-	486						
Transportation, storage and communication	56,457	7,625	9,741	13,871	11,440	7,361	106,495						
Wholesale, retail trade, restaurants and hotels	384,216	63,533	15,368	43,580	46,040	6,752	559,489						
	<b>1,061,956</b>	<b>93,208</b>	<b>91,797</b>	<b>118,191</b>	<b>78,848</b>	<b>28,816</b>	<b>1,472,816</b>						

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

#### 7. Loans, advances and financing (Cont'd)

(vii) Impaired loans, advances and financing analysed by location and sector are as follows: (Cont'd)

Bank	2023		2022		2023		2022		2023		2022	
	Central Region RM'000	Northern Region RM'000	Southern Region RM'000	East Coast Region RM'000	Sabah Region RM'000	Sarawak Region RM'000	Total RM'000	Central Region RM'000	Northern Region RM'000	Southern Region RM'000	East Coast Region RM'000	Total RM'000
Construction	107,217	162	3,099	5,755	9,509	9,275	135,017	103,761	700	2,004	3,269	127,646
Education, health and others	36,976	320	1,847	7,311	1,783	624	48,861	56,880	460	7,949	28,074	101,007
Electricity, gas and water supply	55,383	-	-	-	-	-	55,383	54,824	-	-	-	54,824
Financial, insurance/takaful, real estate and business services	154,621	7,524	2,477	4,314	3,111	1,791	173,838	162,980	7,449	1,504	3,705	179,440
Manufacturing	113,301	7,170	52,573	19,440	22,933	6,627	222,044	118,078	13,441	55,231	25,370	218,662
Mining and quarrying	4,903	-	454	2,157	-	304	7,818	4,797	-	-	322	5,119
Primary agriculture	498	-	-	-	-	-	498	46	-	-	-	217
Transportation, storage and communication	43,241	6,894	13,481	5,147	8,303	2,272	79,338	18,155	7,625	9,741	13,871	68,193
Wholesale, retail trade, restaurants and hotels	224,783	65,445	11,255	39,410	45,673	5,021	391,587	172,344	63,533	15,368	43,580	347,617
	<b>740,923</b>	<b>87,515</b>	<b>85,186</b>	<b>83,534</b>	<b>91,312</b>	<b>25,914</b>	<b>1,114,384</b>	<b>691,865</b>	<b>93,208</b>	<b>91,797</b>	<b>118,191</b>	<b>1,102,725</b>
<b>2022 Restated</b>												
Construction	103,761	700	2,004	3,269	10,136	7,776	127,646	103,761	700	2,004	3,269	127,646
Education, health and others	56,880	460	7,949	28,074	6,828	816	101,007	56,880	460	7,949	28,074	101,007
Electricity, gas and water supply	54,824	-	-	-	-	-	54,824	54,824	-	-	-	54,824
Financial, insurance/takaful, real estate and business services	162,980	7,449	1,504	3,705	3,054	748	179,440	162,980	7,449	1,504	3,705	179,440
Manufacturing	118,078	13,441	55,231	25,370	1,179	5,363	218,662	118,078	13,441	55,231	25,370	218,662
Mining and quarrying	4,797	-	-	322	-	-	5,119	4,797	-	-	322	5,119
Primary agriculture	46	-	-	-	171	-	217	46	-	-	-	217
Transportation, storage and communication	18,155	7,625	9,741	13,871	11,440	7,361	68,193	18,155	7,625	9,741	13,871	68,193
Wholesale, retail trade, restaurants and hotels	172,344	63,533	15,368	43,580	46,040	6,752	347,617	172,344	63,533	15,368	43,580	347,617
	<b>691,865</b>	<b>93,208</b>	<b>91,797</b>	<b>118,191</b>	<b>78,848</b>	<b>28,816</b>	<b>1,102,725</b>	<b>691,865</b>	<b>93,208</b>	<b>91,797</b>	<b>118,191</b>	<b>1,102,725</b>

#### 7. Loans, advances and financing (Cont'd)

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

	Group		Bank	
	2023 RM'000	2022 RM'000 Restated	2023 RM'000	2022 RM'000 Restated
At 1 January, as previously reported	<b>1,484,710</b>	1,526,505	<b>1,114,619</b>	1,132,690
Prior year adjustments	<b>(11,894)</b>	(7,755)	<b>(11,894)</b>	(7,755)
At 1 January, as restated	<b>1,472,816</b>	1,518,750	<b>1,102,725</b>	1,124,935
-Transfers to Stage 1	<b>(54,736)</b>	(60,433)	<b>(54,736)</b>	(60,433)
-Transfers to Stage 2	<b>(13,500)</b>	(29,193)	<b>(13,500)</b>	(29,193)
-Transfers to Stage 3	<b>250,199</b>	280,014	<b>250,199</b>	280,014
	<b>1,654,779</b>	1,709,138	<b>1,284,688</b>	1,315,323
Changes due to change in credit risk	<b>(50,624)</b>	(77,391)	<b>(25,555)</b>	(53,667)
New financial assets originated	<b>51,555</b>	7,196	<b>51,555</b>	7,196
Financial assets derecognised	<b>(58,183)</b>	(62,223)	<b>(58,183)</b>	(62,223)
Amount written-off	<b>(250,088)</b>	(103,904)	<b>(138,121)</b>	(103,904)
At 31 December	<b>1,347,439</b>	1,472,816	<b>1,114,384</b>	1,102,725

(ix) Movement in loss allowances which reflect the ECL model on impairment are as follows:

Group	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
At 1 January 2023, as previously reported	<b>93,965</b>	<b>45,769</b>	<b>815,952</b>	<b>955,686</b>
Prior year adjustments (Note 40)	<b>(2,379)</b>	<b>(587)</b>	<b>(7,204)</b>	<b>(10,170)</b>
At 1 January 2023, as restated	<b>91,586</b>	<b>45,182</b>	<b>808,748</b>	<b>945,516</b>
-Transfers to Stage 1	<b>30,096</b>	<b>(6,313)</b>	<b>(23,783)</b>	-
-Transfers to Stage 2	<b>(3,631)</b>	<b>7,387</b>	<b>(3,756)</b>	-
-Transfers to Stage 3	<b>(1,294)</b>	<b>(12,638)</b>	<b>13,932</b>	-
	<b>25,171</b>	<b>(11,564)</b>	<b>(13,607)</b>	-
Changes due to change in credit risk (Note 30)	<b>(28,688)</b>	<b>28,076</b>	<b>150,027</b>	<b>149,415</b>
New financial assets originated (Note 30)	<b>27,852</b>	<b>1,866</b>	<b>7,102</b>	<b>36,820</b>
Financial assets derecognised (Note 30)	<b>(10,836)</b>	<b>(268)</b>	<b>(15,183)</b>	<b>(26,287)</b>
Amount written-off	-	-	<b>(246,065)</b>	<b>(246,065)</b>
At 31 December 2023	<b>105,085</b>	<b>63,292</b>	<b>691,022</b>	<b>859,399</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

### 7. Loans, advances and financing (Cont'd)

(ix) Movement in loss allowances which reflect the ECL model on impairment are as follows: (Cont'd)

Group	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
At 1 January 2022, as previously reported	97,559	16,634	765,939	880,132
Prior year adjustments (Note 40)	(1,519)	(431)	(7,266)	(9,216)
At 1 January 2022, as restated	96,040	16,203	758,673	870,916
-Transfers to Stage 1	11,376	(4,084)	(7,292)	-
-Transfers to Stage 2	(9,584)	16,718	(7,134)	-
-Transfers to Stage 3	(9,035)	(4,149)	13,184	-
	(7,243)	8,485	(1,242)	-
Changes due to change in credit risk (Note 30)	(4,529)	19,739	167,803	183,013
New financial assets originated (Note 30)	20,208	933	2,113	23,254
Financial assets derecognised (Note 30)	(12,890)	(178)	(17,671)	(30,739)
Amount written-off	-	-	(100,928)	(100,928)
At 31 December 2022	91,586	45,182	808,748	945,516

Bank	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
At 1 January 2023, as previously reported	93,965	45,769	445,861	585,595
Prior year adjustments (Note 40)	(2,379)	(587)	(7,204)	(10,170)
At 1 January 2023, as restated	91,586	45,182	438,657	575,425
-Transfers to Stage 1	30,096	(6,313)	(23,783)	-
-Transfers to Stage 2	(3,631)	7,387	(3,756)	-
-Transfers to Stage 3	(1,294)	(12,638)	13,932	-
	25,171	(11,564)	(13,607)	-
Changes due to change in credit risk (Note 30)	(28,688)	28,076	175,096	174,484
New financial assets originated (Note 30)	27,852	1,866	7,102	36,820
Financial assets derecognised (Note 30)	(10,836)	(268)	(15,183)	(26,287)
Amount written-off	-	-	(134,098)	(134,098)
At 31 December 2023	105,085	63,292	457,967	626,344

### 7. Loans, advances and financing (Cont'd)

(ix) Movement in loss allowances which reflect the ECL model on impairment are as follows: (Cont'd)

Bank	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
At 1 January 2022, as previously reported	97,559	16,634	372,124	486,317
Prior year adjustments (Note 40)	(1,519)	(431)	(7,266)	(9,216)
At 1 January 2022, as restated	96,040	16,203	364,858	477,101
-Transfers to Stage 1	11,376	(4,084)	(7,292)	-
-Transfers to Stage 2	(9,584)	16,718	(7,134)	-
-Transfers to Stage 3	(9,035)	(4,149)	13,184	-
	(7,243)	8,485	(1,242)	-
Changes due to change in credit risk (Note 30)	(4,529)	19,739	191,527	206,737
New financial assets originated (Note 30)	20,208	933	2,113	23,254
Financial assets derecognised (Note 30)	(12,890)	(178)	(17,671)	(30,739)
Amount written-off	-	-	(100,928)	(100,928)
At 31 December 2022	91,586	45,182	438,657	575,425

	Group 2023 RM'000	2022 RM'000 Restated	Bank 2023 RM'000	2022 RM'000 Restated
Net impaired loans, advances and financing as a percentage	7.77%	8.43%	7.77%	8.43%

In ensuring the sufficient level of ECL, the overlay of RM39,896,000 (2022: RM40,185,000) as at 31 December 2023, were estimated at customer level and adjusted on top of ECL model based on the requirements of MFRS 9.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

### 8. Other assets

	Note	Group	
		2023 RM'000	2022 RM'000
<b>At AC</b>			
Other receivables		12,340	10,402
Rental receivables	(i)	993	1,523
		<b>13,333</b>	11,925
Prepayments		10,866	13,285
		<b>24,199</b>	25,210
		Bank	
		2023 RM'000	2022 RM'000
<b>At FVOCI</b>			
Amount due from a subsidiary company	(ii)	35,800	43,751
<b>At AC</b>			
Amount due from subsidiary companies	(iii)	57,791	50,489
Other receivables		12,239	12,855
Rental receivables	(i)	993	1,523
		<b>71,023</b>	64,867
Prepayments		10,855	13,271
		<b>117,678</b>	121,889

(i) As at 31 December 2023, the portfolio impacted under other assets is rental receivables from investment properties with net carrying amount of RM993,000 (2022: RM1,523,000).

(a) The movement of gross rental receivables are as follows:

	Non-credit impaired RM'000	Credit impaired RM'000	Total RM'000
At 1 January 2023	616	10,847	11,463
Transfer to non-credit impaired	1,009	(1,009)	-
Transfer to credit impaired	(98)	98	-
Changes due to change in credit risk	(838)	63	(775)
At 31 December 2023	689	9,999	10,688
At 1 January 2022	482	9,154	9,636
Transfer to non-credit impaired	301	(301)	-
Transfer to credit impaired	(207)	207	-
Changes due to change in credit risk	40	1,787	1,827
At 31 December 2022	616	10,847	11,463

### 8. Other assets (Cont'd)

(b) Movement in loss allowances which reflect the ECL model on impairment are as follows:

	Non-credit impaired RM'000	Credit impaired RM'000	Total RM'000
At 1 January 2023	(25)	(9,915)	(9,940)
Allowance made during the year	7	238	245
At 31 December 2023	(18)	(9,677)	(9,695)
At 1 January 2022	(20)	(8,416)	(8,436)
Writeback made during the year	(5)	(1,499)	(1,504)
At 31 December 2022	(25)	(9,915)	(9,940)

(ii) On 15 December 2014, the Bank issued an unsecured Bai' Inah facility to SAM amounting to RM510,000,000. This facility bears a step-up rate at 2.75% for year 2015 and 2016, 3.50% for 2017 and an increase of 100 basis points every 2 years thereafter, and is payable over 8 annual instalments commencing 15 December 2017.

The Bank, via its Board resolution dated on 30 August 2022 approved the rescheduling of the intercompany unsecured Bai'Inah facility to SAM by extending the facility for another 7 years from its original maturity date, from 15 December 2024 to 31 December 2031, effective 1 January 2023. The rescheduling activity has resulted in the facility not having additional profit charged, hence the new effective profit rate is below market rate. Therefore, RM24,883,000 being the fair value impact has been classified as an Investment in Subsidiaries as disclosed in Note 9.

Movements in allowances for impairment which reflects the ECL model on impairment, recognised in profit or loss and other comprehensive income are as follows:

	Bank	
	2023 RM'000	2022 RM'000
At 1 January	(233,722)	(268,877)
Allowance made during the year	(7,183)	(8,596)
Writeback during the year	67,883	43,751
At 31 December	(173,022)	(233,722)

(iii) The amounts due from subsidiaries are non-trade, interest-free, unsecured and repayable on demand.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

### 9. Investment in subsidiaries

	Bank	
	2023 RM'000	2022 RM'000
<b>Unquoted shares</b>		
At cost	3,582	3,582
Additional capital contribution due to rescheduling of facility (Note 8(ii))	24,883	-
	28,465	3,582
Allowances for impairment loss	(28,465)	(3,582)
Carrying amount	-	-

Movements in allowances for impairment loss recognised in profit or loss are as follows:

	Bank	
	2023 RM'000	2022 RM'000
As at 1 January	3,582	3,582
Allowance made during the year	24,883	-
As at 31 December	28,465	3,582

The subsidiaries, all of which are incorporated and having their principal place of business in Malaysia are as follows:

Name of companies	Principal activities	Proportion of Ownership Interest and Voting Power Held by the Group (%)	
		2023	2022
<b>Held by the Bank:</b>			
SMEB Asset Management Sdn. Bhd.	Asset management company, debts recovery agents, advisory and consultancy provider on distressed loans/financing and debt recovery	100	100
Centre for Entrepreneur Development and Research Sdn. Bhd. ("CEDAR")	Providing training, consultancy services, research, development and publication	100	100
BI Nominees (Tempatan) Sdn. Bhd.	Nominee services	100	100

The subsidiaries are consolidated based on the respective management accounts and all intragroup assets, liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

### 10. Investment in associate

	Group		Bank	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>Unquoted shares</b>				
At cost	6,826	6,826	6,826	6,826
Share of post-acquisition reserves	2,335	2,335	-	-
	9,161	9,161	6,826	6,826
Less: Accumulated impairment losses	(6,826)	(6,826)	(6,826)	(6,826)
Less: Disposal of investment	(2,335)	-	-	-
	-	2,335	-	-

On 21 February 2023, the Group and the Bank completed the sale of its entire 30% shareholding in Capatronics (M) Sdn. Bhd. with a total proceeds of RM5,800,000. The disposal has the following effects on the results of the Group and the Bank:

	Group 2023 RM'000	Bank 2023 RM'000
Proceeds of disposal	5,800	5,800
Net carrying amount	2,335	-
Gain on disposal (Note 39(i))	3,465	5,800

The associate company was incorporated and having its principal place of business in Malaysia. The details of the associate company is as follows:

Name of company	Principal activity	Proportion of Ownership Interest and Voting Power Held by the Group (%)		Accounting model applied
		2023	2022	
<b>Held by the Bank:</b>				
Capatronics (M) Sdn. Bhd.	Manufacturing of ceramic capacitors	-	30	Equity method

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

#### 10. Investment in associate (Cont'd)

##### (i) Summarised statement of financial position

	Capatronics (M) Sdn. Bhd.	
	2023 RM'000	2022 RM'000
Non-current assets	-	3,468
Current assets	-	21,932
Total assets	-	25,400
Current liabilities	-	4,070
Total liabilities	-	4,070
Net assets as at 31 December	-	21,330

##### (ii) Summarised statement of comprehensive income

	Capatronics (M) Sdn. Bhd.	
	2023 RM'000	2022 RM'000
Revenue	-	-
Loss before tax	-	(1,064)
Loss for the year	-	(1,064)
Total comprehensive loss for the year	-	(1,064)
Interest in associate	-	30%
Share of loss after tax of an associate	-	(319)

##### (iii) Reconciliation of the summarised financial information presented above to the carrying amount of the Group's interest in associate

	Capatronics (M) Sdn. Bhd.	
	2023 RM'000	2022 RM'000
Net assets as at 1 January	-	8,847
Total comprehensive loss for the year	-	(1,064)
Net assets as at 31 December	-	7,783
Interest in associate	-	30%
Carrying value of Group's interest in associate	-	2,335

#### 11. Property, plant and equipment

Group	Freehold land RM'000	Long-term leasehold land RM'000	Building RM'000	Furniture and equipment RM'000	Renovation RM'000	Motor vehicles RM'000	Electrical and machinery RM'000	Work-in progress RM'000	Total RM'000	Accumulated depreciation
Cost										
At 1 January 2023	4,083	36,663	86,108	52,779	59,593	1,757	8,042	26,535	275,560	
Additions	-	-	-	6,157	4,369	-	56	9,893	20,475	
Disposals/Write-offs	-	-	-	(23,453)	(32)	(195)	-	(589)	(24,269)	
Adjustment	-	(5)	-	(41)	-	5	-	(520)	(561)	
Reclassification to intangible assets (Note 15)	-	-	-	-	-	-	-	(26,059)	(26,059)	
At 31 December 2023	4,083	36,658	86,108	35,442	63,930	1,567	8,098	9,260	245,146	
Accumulated depreciation										
At 1 January 2023	-	6,212	30,611	37,946	45,385	1,573	7,702	-	129,429	
Charge for the year (Note 29(ii))	-	81	2,445	4,342	5,762	49	121	-	12,800	
Disposals/Write-offs	-	-	-	(21,235)	(18)	(195)	-	-	(21,448)	
Adjustment	-	-	-	3	(33)	-	-	-	(30)	
At 31 December 2023	-	6,293	33,056	21,056	51,096	1,427	7,823	-	120,751	
Net carrying amount										
At 31 December 2023	4,083	30,365	53,052	14,386	12,834	140	275	9,260	124,395	

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

### 11. Property, plant and equipment (Cont'd)

Group	Freehold land		Long-term leasehold land		Building		Furniture and equipment		Renovation		Motor vehicles		Electrical and machinery		Work-in progress		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	RM'000	RM'000	RM'000	
<b>Cost</b>																	
At 1 January 2022	4,083	36,545	86,108	39,406	58,634	1,677	7,992	17,811	252,256								
Additions	-	118	-	2,705	749	80	85	30,757	34,494								
Disposals/Write-offs	-	-	-	(72)	(289)	-	(35)	-	(396)								
Reclassification to intangible assets (Note 15)	-	-	-	10,740	499	-	-	(22,033)	(10,794)								
At 31 December 2022	4,083	36,663	86,108	52,779	59,593	1,757	8,042	26,535	275,560								
<b>Accumulated depreciation</b>																	
At 1 January 2022	-	6,130	28,167	34,656	40,134	1,532	7,593	-	118,212								
Charge for the year (Note 28(ii))	-	82	2,444	3,362	5,540	41	144	-	11,613								
Disposals/Write-offs	-	-	-	(72)	(289)	-	(35)	-	(396)								
At 31 December 2022	-	6,212	30,611	37,946	45,385	1,573	7,702	-	129,429								
<b>Net carrying amount</b>																	
At 31 December 2022	4,083	30,451	55,497	14,833	14,208	184	340	26,535	146,131								

Included in property, plant and equipment of the Group are fully depreciated assets at a total cost of RM38,020,072 (2022: RM51,004,000), which are still in use by the Group.

### 11. Property, plant and equipment (Cont'd)

Bank	Freehold land		Long-term leasehold land		Building		Furniture and equipment		Renovation		Motor vehicles		Electrical and machinery		Work-in progress		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	RM'000	RM'000		
<b>Cost</b>																	
At 1 January 2023	4,083	36,663	86,108	52,611	59,593	1,757	8,042	26,535	275,392								
Additions	-	-	-	6,157	4,369	-	56	9,893	20,475								
Disposals/Write-offs	-	-	-	(23,453)	(32)	(195)	-	(589)	(24,269)								
Adjustment	-	(5)	-	(6)	-	-	-	(520)	(531)								
Reclassification to intangible assets (Note 14)	-	-	-	-	-	-	-	(26,059)	(26,059)								
At 31 December 2023	4,083	36,658	86,108	35,309	63,930	1,562	8,098	9,260	245,008								
<b>Accumulated depreciation</b>																	
At 1 January 2023	-	6,212	30,611	37,816	45,385	1,568	7,702	-	129,294								
Charge for the year (Note 28(ii))	-	81	2,445	4,342	5,762	49	121	-	12,800								
Disposals/Write-offs	-	-	-	(21,235)	(18)	(195)	-	-	(21,448)								
Adjustment	-	-	-	-	(33)	-	-	-	(33)								
At 31 December 2023	-	6,293	33,056	20,923	51,096	1,422	7,823	-	120,613								
<b>Net carrying amount</b>																	
At 31 December 2023	4,083	30,365	53,052	14,386	12,834	140	275	9,260	124,395								

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

#### 11. Property, plant and equipment (Cont'd)

Bank	Freehold land		Long-term leasehold land		Building		Furniture and equipment		Renovation		Motor vehicles		Electrical and machinery		Work-in progress		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	RM'000	RM'000	RM'000	RM'000	RM'000	
<b>Cost</b>																			
At 1 January 2022	4,083	36,545	86,108	39,238	58,634	1,677	7,992	17,811	252,088										
Additions	-	118	-	2,705	749	80	85	30,757	34,494										
Write-offs	-	-	-	(72)	(289)	-	(35)	-	(396)										
Reclassification to intangible assets (Note 14)	-	-	-	10,740	499	-	-	(22,033)	(10,794)										
At 31 December 2022	4,083	36,663	86,108	52,611	59,593	1,757	8,042	26,535	275,392										
<b>Accumulated depreciation</b>																			
At 1 January 2022	-	6,130	28,167	34,526	40,134	1,527	7,593	-	118,077										
Charge for the year (Note 28(ii))	-	82	2,444	3,362	5,540	41	144	-	11,613										
Disposals/Write-offs	-	-	-	(72)	(289)	-	(35)	-	(396)										
At 31 December 2022	-	6,212	30,611	37,816	45,385	1,568	7,702	-	129,294										
<b>Net carrying amount</b>																			
At 31 December 2022	4,083	30,451	55,497	14,795	14,208	189	340	26,535	146,098										

Included in property, plant and equipment of the Bank are fully depreciated assets at a total cost of RM37,883,000 (2022: RM50,881,000), which are still in use by the Bank.

#### 12. Right-of-use assets

Group and Bank	Enterprise Centre RM'000	Motor Vehicles RM'000	Total RM'000
<b>Cost</b>			
At 1 January 2023	24,425	4,361	28,786
Additions	517	1,932	2,449
Contract expiry	-	(1,223)	(1,223)
At 31 December 2023	24,942	5,070	30,012
<b>Accumulated depreciation</b>			
At 1 January 2023	10,827	3,138	13,965
Charge for the year (Note 28(ii))	2,940	773	3,713
At 31 December 2023	13,767	3,911	17,678
<b>Carrying amount</b>			
At 31 December 2023	11,175	1,159	12,334
<b>Cost</b>			
At 1 January 2022	19,872	4,361	24,233
Additions	4,553	-	4,553
At 31 December 2022	24,425	4,361	28,786
<b>Accumulated depreciation</b>			
At 1 January 2022	8,050	2,353	10,403
Charge for the year (Note 28(ii))	2,777	785	3,562
At 31 December 2022	10,827	3,138	13,965
<b>Carrying amount</b>			
At 31 December 2022	13,598	1,223	14,821

The Group and the Bank lease a number of premises and motor vehicles with lease term ranges between 3-6 years (2022: 3-7 years), with an option for renewal. The leased assets are utilised to carry out the Bank's operational activities.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

### 13. Investment properties

	Group and Bank	
	2023 RM'000	2022 RM'000
<b>At fair value</b>		
At 1 January	377,231	374,081
Disposal	-	-
Fair value adjustment (Note 39(i))	17,168	3,150
At 31 December	394,399	377,231

The following investment properties are held under leasehold:

	Group and Bank	
	2023 RM'000	2022 RM'000
<b>At fair value</b>		
Building	204,489	193,411
Land	189,910	183,820
	394,399	377,231

The investment properties comprise of land and building which was financed by government funds. The fair value of the Group's and of the Bank's investment properties as of 31 December 2023 have been arrived at on the basis of valuation carried out by independent valuers, who are not related to the Group and to the Bank on 10 December 2021. In the current year, a desktop valuation was performed to update the valuation inputs for current year movements. The independent valuers have appropriate qualifications and recent experience in the valuation of properties in the respective locations. The fair value was determined using the cost and comparison approach. The fair values determined under this approach are derived by comparing and adopting as yardstick, recent transactions and sale evidences involving other similar properties in the vicinity. Due consideration is given for such factors including location, plot size, improvements made, if any, surrounding developments, facilities and amenities available.

Rental income earned from investment properties during the year amounted to RM11,505,000 (2022: RM11,178,000). Direct operating expenses arising from the investment properties during the year amounting to RM3,492,000 (2022: RM3,364,000).

### 14. Intangible assets

	Group		Software		Bank	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>At cost</b>						
At 1 January	85,367	74,037	84,715	73,385		
Additions	9,908	536	9,908	536		
Disposals/Write-offs	(1,875)	-	(1,875)	-		
Adjustment	-	-	-	-		
Reclassification from property, plant and equipment (Note 11)	26,059	10,794	26,059	10,794		
At 31 December	119,459	85,367	118,807	84,715		
<b>Accumulated amortisation</b>						
At 1 January	67,669	59,275	67,017	58,623		
Charge for the year (Note 28(ii))	10,530	8,394	10,530	8,394		
Disposals/Write-offs	(243)	-	(243)	-		
At 31 December	77,956	67,669	77,304	67,017		
<b>Carrying amount</b>						
At 31 December	41,503	17,698	41,503	17,698		

### 15. Deferred tax assets

	Group and Bank	
	2023 RM'000	2022 RM'000
At 1 January	108,089	106,947
Recognised in profit or loss (Note 31)	9,952	-
Recognised in other comprehensive income (Note 24)	(4,505)	1,142
At 31 December	113,536	108,089
<b>Presented before appropriate offsetting as follows:</b>		
Deferred tax assets	142,603	136,766
Deferred tax liabilities	(29,067)	(28,677)
	113,536	108,089

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

#### 15. Deferred tax assets (Cont'd)

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

##### Deferred tax assets of the Group and of the Bank:

	Loans, advances and financing	Unabsorbed business losses and capital allowance	Provisions	Financial investments at AC	Financial investments at FVOCI	Other assets	Right-of-use assets and lease liabilities	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2023	33,536	34,610	11,761	-	5,312	51,471	76	136,766
Recognised in profit or loss	6,875	12,221	(985)	189	(378)	(7,619)	39	10,342
Recognised in other comprehensive income	-	-	-	-	(4,505)	-	-	(4,505)
At 31 December 2023	40,411	46,831	10,776	189	429	43,852	115	142,603
At 1 January 2022	27,405	26,564	12,484	67	3,313	64,530	88	134,451
Recognised in profit or loss	6,131	8,046	(723)	(67)	857	(13,059)	(12)	1,173
Recognised in other comprehensive income	-	-	-	-	1,142	-	-	1,142
At 31 December 2022	33,536	34,610	11,761	-	5,312	51,471	76	136,766

#### 15. Deferred tax assets (Cont'd)

##### Deferred tax liabilities of the Group and of the Bank:

	Investment properties	Property plant and equipment	Intangible assets	Total
	RM'000	RM'000	RM'000	RM'000
At 1 January 2023	(18,226)	(3,868)	(6,583)	(28,677)
Recognised in profit or loss	(1,717)	(1,835)	3,162	(390)
At 31 December 2023	(19,943)	(5,703)	(3,421)	(29,067)
At 1 January 2022	(17,911)	(6,348)	(3,245)	(27,504)
Recognised in profit or loss	(315)	2,480	(3,338)	(1,173)
At 31 December 2022	(18,226)	(3,868)	(6,583)	(28,677)

Deferred tax assets have not been recognised in respect of the following items:

As mentioned in Note 2.22, the tax effects of deductible temporary differences, unused tax losses and unused tax credits which would give rise to 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, unused tax losses and unabsorbed capital allowances can be utilised.

Under the current tax legislation, the unabsorbed tax losses will expire whereas the unutilised capital allowances do not expire. As of 31 December 2023, the deductible temporary differences and unused tax losses for which deferred tax assets has not been recognised in the financial statements due to uncertainty of its realisation, are as follows:

	Group		Bank	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Unused tax losses	-	62,469	-	62,469
Temporary differences arising from:				
Impairment on debts purchased	173,269	173,269	-	-
Others	29,533	4,712	28,465	3,582
	202,802	240,450	28,465	66,051

Under the Malaysia Finance Act 2018 which was gazetted on 27 December 2018, the unutilised tax losses with no expiry period will be imposed with a time limit of utilisation. Effective from year of assessment 2019, unutilised tax losses in a year of assessment can only be carried for a maximum period of 7 consecutive years of assessment.

Subsequently, pursuant to the guidelines issued by the Malaysian tax authorities on 29 October 2021, a transitional provision was introduced to cater for any unutilised business losses accumulated up to year of assessment 2018 can be carried forward for a maximum of 10 years, up to year of assessment 2028.

Expiry date of the Group's and the Bank's tax losses are summarised as below:

	Group and Bank	
	2023	2022
	RM'000	RM'000
Expiring in year assessment ("YA") 2029	188,617	194,235
Expiring in YA2031	779	779
Expiring in YA2032	2,656	2,656
	192,052	197,670

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

### 16. Deposits from customers

	Group		Bank	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Term deposit: - Commodity Murabahah/Tawarruq	<b>3,943,673</b>	4,503,909	<b>3,984,635</b>	4,553,795

(i) The deposits are sourced from the following types of customers:

	Group		Bank	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Government bodies (Note 35(c))	<b>1,052,155</b>	1,614,767	<b>1,052,155</b>	1,614,767
Statutory bodies	<b>532,591</b>	870,527	<b>532,591</b>	870,527
Business enterprise	<b>1,244,995</b>	1,443,003	<b>1,285,957</b>	1,492,889
Others	<b>1,113,932</b>	575,612	<b>1,113,932</b>	575,612
	<b>3,943,673</b>	4,503,909	<b>3,984,635</b>	4,553,795

(ii) The maturity structure of deposits are as follows:

	Group		Bank	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Within three months	<b>2,283,720</b>	3,797,935	<b>2,322,100</b>	3,847,821
More than three months to six months	<b>482,628</b>	466,222	<b>485,210</b>	466,222
More than six months to one year	<b>1,177,325</b>	239,752	<b>1,177,325</b>	239,752
	<b>3,943,673</b>	4,503,909	<b>3,984,635</b>	4,553,795

The deposits from customers carried weighted average profit rate of 3.48% (2022: 3.28%) per annum.

### 17. Deposits from banks and other financial institutions

	Group and Bank	
	2023 RM'000	2022 RM'000
Licensed banks and other financial institutions	<b>140,056</b>	150,208

The deposits maturity structure are as follows:

	Group and Bank	
	2023 RM'000	2022 RM'000
Less than three months	<b>140,056</b>	150,208

The deposits from banks and other financial institutions carried weighted average profit rate of 3.13% (2022: 2.98%) per annum.

### 18. Islamic medium-term notes/commercial papers

	Note	Group and Bank	
		2023 RM'000	2022 RM'000
Islamic medium-term notes ("IMTNs")	(i)	<b>3,127,748</b>	2,124,222
Islamic commercial papers ("ICPs")	(ii)	<b>379,189</b>	498,075
		<b>3,506,937</b>	2,622,297

(i) The IMTNs' details of issuance as of 31 December 2023 are as follows:

	Issuance Date
Guaranteed by the Government of Malaysia: RM400,000,000 4.03% maturing on 22 March 2024	<b>22 March 2019</b>
RM200,000,000 4.10% maturing on 20 March 2026	<b>22 March 2019</b>
RM250,000,000 3.02% maturing on 23 April 2025	<b>23 April 2020</b>
RM250,000,000 3.30% maturing on 23 April 2027	<b>23 April 2020</b>
Rated: RM500,000,000 3.10% maturing on 31 July 2026	<b>2 August 2021</b>
RM500,000,000 4.04% maturing on 4 August 2025	<b>4 August 2022</b>
RM1,000,000,000 4.05% maturing on 30 May 2028	<b>30 May 2023</b>

(ii) The unsecured ICPs issued by the Group and the Bank as of 31 December 2023 are as follows:

	Issuance Date
RM300,000,000 3.50% maturing on 8 January 2024	<b>8 December 2023</b>
RM80,000,000 3.90% maturing on 8 March 2024	<b>8 December 2023</b>

(iii) The maturity structure of IMTNs and ICPs are as follows:

	Group and Bank	
	2023 RM'000	2022 RM'000
Within one year	<b>806,937</b>	522,297
More than one year to three years	<b>1,450,000</b>	1,150,000
More than three years to five years	<b>1,250,000</b>	950,000
	<b>3,506,937</b>	2,622,297

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

### 19. Borrowings/Fundings

	Group and Bank	
	2023 RM'000	2022 RM'000
Unsecured borrowings/fundings	2,047,647	1,949,473

Included in the borrowings/fundings is amount received by the Group and the Bank under Government financing scheme as part of the Government support measure in response to COVID-19 pandemic for the purpose of SME lending at a below market rate amounting RM977,478,000 (2022: RM924,005,000).

(i) The maturity structure of the borrowings/fundings are as follows:

	Group and Bank	
	2023 RM'000	2022 RM'000
Within one year	59,107	44,001
More than one year to five years	813,300	911,363
More than five years	1,175,240	994,109
	2,047,647	1,949,473

(ii) The unsecured borrowings/fundings are sourced from the following:

	Note	Group and Bank	
		2023 RM'000	2022 RM'000
Government of Malaysia (Note 35(c))	(a)	911,000	941,916
Other institutions	(b)	1,136,647	1,007,557
		2,047,647	1,949,473

(a) Borrowings/Fundings from Government of Malaysia

The borrowings/fundings from the Government of Malaysia are payable as follows:

	Group and Bank	
	2023 RM'000	2022 RM'000
Within one year	53,238	33,266
More than one year to five years	316,970	453,647
More than five years	540,792	455,003
	911,000	941,916

The interest/profit rates on the borrowings/fundings from the Government of Malaysia range from 0% to 2.75% (2022: 0% to 2.75%) per annum.

### 19. Borrowings/Fundings (Cont'd)

(b) Borrowings/Fundings from other institutions

	Group and Bank	
	2023 RM'000	2022 RM'000
BNM	1,136,647	1,007,557

The borrowings/fundings from other institutions are payable as follows:

	Group and Bank	
	2023 RM'000	2022 RM'000
Within one year	5,869	10,735
More than one year to five years	496,330	457,716
More than five years	634,448	539,106
	1,136,647	1,007,557

The interest/profit rates on the borrowings/fundings from other institutions range from 0% to 1.5% (2022: 0% to 1.5%) per annum.

### 20. Lease liabilities

	Group and Bank	
	2023 RM'000	2022 RM'000
Lease liabilities	12,811	15,137

The Group and the Bank lease a number of premises and motor vehicles with lease term ranges between 3-6 years (2022: 3-7 years), with options for renewal. The weighted average of discount rates of the Group and of the Bank range between 3.00% to 3.42% (2022: 3.06% to 3.42%) per annum.

The maturity structure based on undiscounted contractual cash flows is as follows:

	Group and Bank	
	2023 RM'000	2022 RM'000
Within one year	4,066	3,741
More than one year to five years	9,689	12,214
More than five years	-	551
	13,755	16,506
Less: Future finance cost	(944)	(1,369)
	12,811	15,137

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

### 21. Other liabilities

	Group		Bank	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Other payables and accruals (Note i)	558,555	422,446	565,329	427,721
Islamic margin account (Note ii)	340,743	381,832	340,690	381,779
Guarantee payable (Note iii)	161,914	164,197	161,914	164,197
Amount due to subsidiaries (Note iv)	-	-	32,390	29,276
Sinking fund	403	429	403	429
Rental and security deposits	3,457	3,689	3,457	3,689
Provision for zakat	2,304	5,118	2,304	5,118
Allowance for impairment on commitments and contingencies (Note v)	5,915	4,724	5,915	4,724
Other provisions	45,158	46,076	44,321	44,716
	<b>1,118,449</b>	<b>1,028,511</b>	<b>1,156,723</b>	<b>1,061,649</b>

(i) Included in other payables and accruals are undisbursed funds amounting to RM16,927,000 (2022: RM37,867,000) provided by Small and Medium Enterprise Corporation Malaysia ("SME Corp"). Under the arrangement with SME Corp, the Bank acts as an agent to administer the said funds to be channelled as financial assistance to the small and medium sized companies.

Also included in other payables and accruals are fund balance under Skim Pinjaman Ekonomi Desa ("SPED") amounting to RM10,820,000 (2022: RM26,553,000). Under the agreement with SPED, the Bank acts as an agent to execute and channel the said fund as financial assistance to the small and medium sized companies.

(ii) Islamic margin account refers to the cash collateral pledged by the Islamic banking customers of the Bank. The amount will be repaid to the customers at the end of the financing tenure or will be offset with any overdue amount. The Bank will pay a hibah/profit rate at 0.25% (2022: 0.25%) per annum to the customers.

(iii) Guarantee payable refers to the guarantee extended by Teraju which applies to companies classified as Small Medium Enterprise ("SMEs") companies as defined by the terms of the Teraju Program. The guarantee payable will be liquidated in the event of financing accounts under Teraju guarantee is exhausted.

(iv) The amounts due to subsidiaries are non-trade, interest-free, unsecured and repayable on demand.

### 21. Other liabilities (Cont'd)

(v) Movement in loss allowances for impairment on financing commitments and contingencies are as follows:

	Group and Bank	
	2023 RM'000 Stage 1	2022 RM'000 Stage 1
<b>Commitments and Contingencies</b>		
At 1 January	4,724	5,713
Changes due to change in credit risk	378	476
New financial assets originated	3,261	1,334
Derecognition	(2,448)	(2,799)
At 31 December	<b>5,915</b>	<b>4,724</b>

(vi) During the financial year, an amount of RM11,925 has been purified in accordance with Bank's internal guidelines.

### 22. Government funds

	Note	Group and Bank	
		2023 RM'000	2022 RM'000
To finance:			
Purchase of investment properties	(i)	101,361	104,854
Loans, advances and financing	(ii)	478,764	497,931
		<b>580,125</b>	<b>602,785</b>

(i) To finance the purchase of investment properties:

Group and Bank	Kompleks Kilang Bimbingan			Total RM'000
	Nursery Factory Scheme (RMK7) RM'000	Nursery Factory Scheme (RMK8) RM'000	Nursery Factory Scheme (RMK9) RM'000	
At 1 January 2023	64,892	7,512	32,450	104,854
Government fund released (Note 39(i))	(249)	(2,864)	(380)	(3,493)
At 31 December 2023	<b>64,643</b>	<b>4,648</b>	<b>32,070</b>	<b>101,361</b>
At 1 January 2022	65,128	10,423	32,830	108,381
Government fund released (Note 39(i))	(236)	(2,911)	(380)	(3,527)
At 31 December 2022	64,892	7,512	32,450	104,854

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

#### 22. Government funds (Cont'd)

(ii) To finance loans, advances and financing:

Group and Bank	At	Proceeds	Additions/ Reclassi- fication	Deposit matured	Recoveries from loan/ financing written-off (Note 39(i))	Muqasah (Note 39(i))	At
	1 January 2023						RM'000
Soft Loan Scheme	36,291	-	-	-	(529)	-	35,762
Tabung Usahawan Pahang	288	-	-	-	-	-	288
Tabung Inkubator Pertanian Kelantan	2,669	-	-	-	-	-	2,669
Tabung Usahawan Siswazah	18,591	-	983	-	(1,186)	(167)	18,221
Dana Usahawan Negeri Terengganu	4,098	-	-	-	(361)	-	3,737
Program dan Skim Usahawan Batik	4,206	-	-	-	-	-	4,206
Basic Capital Scheme	33,888	-	-	-	76	-	33,964
Skim Perusahaan Kapal Tradisional	3,000	-	-	-	-	-	3,000
Program dan Skim Usahawan Kraf	4,681	-	-	-	-	-	4,681
Skim Anjakan Usahawan	140,378	-	-	38	-	-	140,416
Teraju Facilitation Fund	50,000	-	-	-	-	-	50,000
Special Relief Facility <sup>^</sup>	46,366	-	-	-	-	(13,226)	33,140
Penjana Tourism Financing <sup>^</sup>	9,390	-	-	-	-	(1,509)	7,881
TRRF <sup>^</sup>	99,230	-	(958)	-	-	(13,750)	84,522
PEMERKASA	30,488	-	-	-	-	-	30,488
HTGF <sup>^</sup>	11,467	-	(6,225)	-	-	(398)	4,844
Disaster Relief Facility <sup>^</sup>	2,900	-	(597)	-	-	(271)	2,032
ADF <sup>^</sup>	-	-	17,525	-	-	(1,165)	16,360
Agrofood Facility <sup>^</sup>	-	-	2,505	-	-	(223)	2,282
LCTF <sup>^</sup>	-	-	271	-	-	-	271
	<b>497,931</b>	<b>-</b>	<b>13,504</b>	<b>38</b>	<b>(2,000)</b>	<b>(30,709)</b>	<b>478,764</b>

#### 22. Government funds (Cont'd)

(ii) To finance loans, advances and financing: (Cont'd)

Group and Bank	At	Proceeds	Additions/ Reclassi- fication	Deposit matured	Recoveries from loan/ financing written-off (Note 39(i))	Muqasah (Note 39(i))	At
	1 January 2022						RM'000
Soft Loan Scheme	36,648	-	-	-	(357)	-	36,291
Tabung Usahawan Pahang	288	-	-	-	-	-	288
Tabung Inkubator Pertanian Kelantan	2,669	-	-	-	-	-	2,669
Tabung Usahawan Siswazah	19,819	-	-	-	(1,228)	-	18,591
Dana Usahawan Negeri Terengganu	4,687	-	-	-	(589)	-	4,098
Program dan Skim Usahawan Batik	4,206	-	-	-	-	-	4,206
Basic Capital Scheme	33,639	-	-	-	249	-	33,888
Skim Perusahaan Kapal Tradisional	3,000	-	-	-	-	-	3,000
Program dan Skim Usahawan Kraf	4,757	-	-	-	(76)	-	4,681
Skim Anjakan Usahawan	140,341	-	-	37	-	-	140,378
Teraju Facilitation Fund	23,209	-	-	26,791	-	-	50,000
Special Relief Facility <sup>^</sup>	59,593	-	-	-	-	(13,227)	46,366
Penjana Tourism Financing <sup>^</sup>	10,899	-	-	-	-	(1,509)	9,390
TRRF <sup>^</sup>	68,077	-	44,517	-	-	(13,364)	99,230
PEMERKASA	20,488	10,000	-	-	-	-	30,488
HTGF <sup>^</sup>	-	-	12,133	-	-	(666)	11,467
Disaster Relief Facility <sup>^</sup>	-	-	3,170	-	-	(270)	2,900
	<b>432,320</b>	<b>10,000</b>	<b>59,820</b>	<b>26,828</b>	<b>(2,001)</b>	<b>(29,036)</b>	<b>497,931</b>

<sup>^</sup> The amount represent the benefits derived from the below-market interest element of the borrowings/fundings obtained from BNM as mentioned in Note 19.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

#### 22. Government funds (Cont'd)

Summary of the government funds are as follows:

Types of fund	Purpose of fund	Source	Grant received RM'000
(a) Soft Loan Scheme	To provide soft loans/ financing to Bumiputera entrepreneurs	Ministry of International Trade and Industry ("MITI")	34,400
(b) Tabung Usahawan Pahang	To provide loans/financing for furniture industry in Temerloh, Pahang	Pahang State Government	1,000
(c) Tabung Inkubator Pertanian Kelantan	To support the business expansion of livestock business	MITI	2,992
(d) Tabung Usahawan Siswazah	To encourage graduates into entrepreneurship	MITI	62,000
(e) Dana Usahawan Negeri Terengganu	To promote Bumiputera entrepreneurs in Terengganu	MITI	30,000
(f) Program dan Skim Usahawan Batik	To promote Bumiputera entrepreneurs in the batik industry	MITI	5,000
(g) Basic Capital Scheme	To promote Bumiputera entrepreneurs with basic capital	MITI	75,835
(h) Skim Perusahaan Kapal Tradisional	To promote ship making in Terengganu	MITI	3,000
(i) Program dan Skim Usahawan Kraf	To promote Bumiputera entrepreneurs in the craft industry	MITI	5,000
(j) Skim Anjakan Usahawan	To promote business expansion for Bumiputera entrepreneur	MITI	140,000
(k) Teraju Facilitation Fund	To finance project cost and acquisition of machinery for Bumiputera entrepreneur	Teraju Bumiputera Corporation ("TERAJU")	50,000
(l) Program Strategik Memperkasa Rakyat dan Ekonomi ("PEMERKASA")	To assist SMEs in the acquisition of machinery/ equipment to encourage automation and reduce dependency on foreign workers	Ministry of Finance ("MOF")	30,488
(m) Kompleks Kilang Bimbingan	To provide premises for Bumiputera entrepreneurs industry	MITI	220,775

#### 22. Government funds (Cont'd)

Summary of the government funds are as follows: (Cont'd)

The following funds are channelled from BNM with 0% funding rate to the Group and the Bank to assist selected eligible SMEs. The funds received at below market rate were fair valued at inception using the market profit rate. The difference between the proceeds received and the fair value of the financing was recognised as government grants.

#### 31 December 2023

Types of fund	Purpose of fund	Outstanding balances	
		2023 RM'000	2022 RM'000
(n) Special Relief Facility	To help alleviate the short-term cash flow problems faced by SMEs adversely affected by the COVID-19 outbreak	33,140	46,366
(o) Penjana Tourism Financing	To support SMEs in the tourism sector	7,881	9,390
(p) Targeted Relief and Recovery Facility ("TRRF")	To provide relief and support recovery for SMEs in the services sector affected by reintroduction of containment measures, except tourism and tourism related subsectors	84,522	99,230
(q) High Tech and Green Facility ("HTGF")	To help SMEs and innovative start-ups to grow their businesses and invest in strategic sectors and technologies fields (digital tech, green tech and biotech) for a sustainable and entrenched economic recovery	4,844	11,467
(r) Disaster Relief Facility	To alleviate the financial burden of SMEs affected by the recent floods and facilitate the resumption of their business operations	2,032	2,900
(s) SME Automation & Digitalisation Facility ("ADF")	To enhance productivity and efficiency by purchase of equipment, machinery, computer hardware and software, IT solutions and services, technology support services, and other intangible assets	16,360	-
(t) Agrofood Facility	To support development of agrofood projects on capital expenditures and/or working capital	2,282	-
(u) Low Carbon Transition Facility ("LCTF")	To encourage and support SMEs to adopt sustainable practices for business resilience	271	-

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

#### 22. Government funds (Cont'd)

All the government grants are non-repayable and the credit risk pertaining to loans, advances and financing financed by the government grants are borne by the Government of Malaysia.

Summary of utilisation of the government funds are as follows:

##### 31 December 2023

Types of funds	Outstanding loans, advances and financing RM'000	No. of customers assisted
(a) Soft Loan Scheme	2,189	22
(b) Tabung Usahawan Pahang	-	-
(c) Tabung Inkubator Pertanian Kelantan	-	-
(d) Tabung Usahawan Siswazah	3,153	47
(e) Dana Usahawan Negeri Terengganu	2,395	18
(f) Program dan Skim Usahawan Batik	-	-
(g) Basic Capital Scheme	2,135	8
(h) Skim Perusahaan Kapal Tradisional	-	-
(i) Program dan Skim Usahawan Kraf	-	-
(j) Skim Anjakan Usahawan	86,977	43
(k) Teraju Facilitation Fund	12,326	8
(l) PEMERKASA	14,985	97
<b>Total</b>	<b>124,160</b>	
	<b>Fair value RM'000</b>	<b>No. of tenants assisted</b>
(m) Kompleks Kilang Bimbingan	394,399 (Note 13)	399

#### 22. Government funds (Cont'd)

Summary of utilisation of the government funds are as follows: (Cont'd)

##### 31 December 2022

Types of funds	Outstanding loans, advances and financing RM'000 Restated	No. of customers assisted
(a) Soft Loan Scheme	1,724	34
(b) Tabung Usahawan Pahang	-	-
(c) Tabung Inkubator Pertanian Kelantan	-	-
(d) Tabung Usahawan Siswazah	7,015	86
(e) Dana Usahawan Negeri Terengganu	3,604	26
(f) Program dan Skim Usahawan Batik	-	-
(g) Basic Capital Scheme	3,418	12
(h) Skim Perusahaan Kapal Tradisional	-	-
(i) Program dan Skim Usahawan Kraf	-	-
(j) Skim Anjakan Usahawan	73,156	33
(k) Teraju Facilitation Fund	11,137	8
(l) PEMERKASA	6,966	40
<b>Total</b>	<b>107,020</b>	
	<b>Fair value RM'000</b>	<b>No. of tenants assisted</b>
(m) Kompleks Kilang Bimbingan	377,231 (Note 13)	397



## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

#### 23. Share capital

Group and Bank	Number of ordinary shares		Amount	
	2023 Unit '000	2022 Unit '000	2023 RM'000	2022 RM'000
Issued and fully paid	1,850,000	1,850,000	1,850,000	1,850,000

#### 24. Other reserves

Group and Bank	Fair value reserve RM'000	Distributable general reserve RM'000	Total RM'000
Unrealised gain on revaluation of debt instrument at FVOCI	18,087	-	18,087
Unrealised gain on revaluation of equity instrument at FVOCI	648	-	648
Reclassification of loss included in profit or loss	36	-	36
Changes in expected credit losses of financial investments at FVOCI (Note 5)	2,104	-	2,104
Income tax relating to components of other comprehensive income (Note 15)	(4,505)	-	(4,505)
At 31 December 2023	20,297	10,114	30,411
At 1 January 2022	7,652	10,114	17,766
Unrealised loss on revaluation of debt instrument at FVOCI	(17,180)	-	(17,180)
Unrealised loss on revaluation of equity instrument at FVOCI	(145)	-	(145)
Reclassification of loss included in profit or loss	12,566	-	12,566
Changes in expected credit losses of financial investments at FVOCI (Note 5)	(108)	-	(108)
Income tax relating to components of other comprehensive income (Note 15)	1,142	-	1,142
At 31 December 2022	3,927	10,114	14,041

##### (a) Fair value reserve

Unrealised FVOCI reserve represents the cumulative fair value changes and allowance for expected credit loss, net of tax, of FVOCI financial assets until they are disposed of or impaired. Included in financial investments at FVOCI are equity instruments which the Group and the Bank have elected at initial recognition to measure the fair value changes in OCI whose fair value amounted to RM41,454,000 (2022: RM40,680,000).

##### (b) Distributable general reserve

Distributable general reserves arose from the rationalisation process between Bank Pembangunan dan Infrastruktur Malaysia Berhad and Bank Industri dan Teknologi Malaysia Berhad in 2005, of which eventually led to the commencement of operations of Small Medium Enterprise Development Bank Malaysia Berhad (SME Bank).

#### 25. Interest income

	Group and Bank	
	2023 RM'000	2022 RM'000
Interest income from loans	114	679

Included in interest income from loans is interest on impaired loans amounting to RM65,000 (2022: RM549,000).

#### 26. Interest expense

	Group and Bank	
	2023 RM'000	2022 RM'000
Term loans	5,798	6,149

#### 27. Other operating income

	Group		Bank	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Fee income	925	262	925	262
Commission fee income	2	-	2	-
	927	262	927	262
<b>Other income:</b>				
Recoveries from financing written off	10,433	27,111	9,360	17,245
Compensation on late payment charges	421	1,121	421	1,121
Others	-	1	-	1
	10,854	28,233	9,781	18,367
Total other operating income	11,781	28,495	10,708	18,629

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

#### 28. Other operating expenses

	Note	Group		Bank	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Personnel expenses	(i)	<b>183,318</b>	160,246	<b>179,783</b>	156,415
Establishment related expenses	(ii)	<b>52,003</b>	43,304	<b>51,977</b>	43,253
Promotion and marketing expenses	(iii)	<b>5,039</b>	4,995	<b>5,012</b>	4,961
Administration and general expenses	(iv)	<b>46,588</b>	33,558	<b>52,614</b>	38,682
		<b>286,948</b>	242,103	<b>289,386</b>	243,311
<b>(i) Personnel expenses</b>					
Salaries, allowances and bonuses		<b>139,967</b>	125,677	<b>137,268</b>	122,540
Group President/ Chief Executive Officer and Directors' fees and remuneration	29	<b>3,044</b>	3,177	<b>3,044</b>	3,177
Shariah Committees' fees and remuneration	29	<b>347</b>	293	<b>347</b>	293
Social security cost		<b>1,187</b>	1,012	<b>1,157</b>	987
Contribution to Employee Provident Fund		<b>18,058</b>	16,729	<b>17,668</b>	16,353
Other staff related expenses		<b>20,715</b>	13,358	<b>20,299</b>	13,065
		<b>183,318</b>	160,246	<b>179,783</b>	156,415
<b>(ii) Establishment related expenses</b>					
Depreciation of property, plant and equipment	11	<b>12,800</b>	11,613	<b>12,800</b>	11,613
Depreciation of right-of-use assets	12	<b>3,713</b>	3,562	<b>3,713</b>	3,562
Amortisation of intangible assets	14	<b>10,530</b>	8,394	<b>10,530</b>	8,394
Rental expenses		<b>(2)</b>	98	<b>(2)</b>	98
Repairs and maintenance of property, plant and equipment		<b>24,962</b>	19,637	<b>24,936</b>	19,586
		<b>52,003</b>	43,304	<b>51,977</b>	43,253
<b>(iii) Promotion and marketing expenses</b>					
Advertisement and publicity		<b>5,039</b>	4,995	<b>5,012</b>	4,961
<b>(iv) Administration and general expenses</b>					
Administrative expenses		<b>6,559</b>	6,315	<b>6,515</b>	6,311
Auditors' remuneration					
- Statutory audit		<b>898</b>	898	<b>825</b>	825
- Regulatory related services		<b>34</b>	34	<b>34</b>	34
- Other assurance services		<b>121</b>	166	<b>121</b>	166
General expenses		<b>38,976</b>	26,145	<b>45,119</b>	31,346
		<b>46,588</b>	33,558	<b>52,614</b>	38,682

#### 29. Group President/Chief Executive Officer, Directors' and Shariah Committees' fees and remuneration

	2023					
	Salary RM'000	Fees RM'000	Bonus RM'000	Pension cost RM'000	Remuneration received from the Bank Other Benefits- in-kind RM'000	Bank Total RM'000
<b>Group President/Chief Executive Officer:</b> Datuk Wira (Dr.) Aria Putera bin Ismail	990	-	165	207	491	1,853
<b>Non-Executive Directors:</b> Dato' Muslim bin Hussain Baharuddin Datuk Ahmad Hizzad bin Zulkiflee bin Hashim Wan Abdul Rahman bin Wan Abu Bakar Suharti binti Mohd Ali Dato' Sharkawi bin Alis Afidah Azwa Binti Abdul Aziz Datuk Haji Zamri @ Fazillah Bin Salleh	-	72	-	-	175	247
<b>Shariah Committees:</b> Dr. Asmak Binti Ab Rahman Dr. Shamsiah Binti Mohamad Dr. Ahmad Sufian Bin Che Abdullah Prof. Dr. Amir Bin Shahrudin Ahmad Husni Bin Abd Rahman Faizal Bin Jaafar Assoc. Prof. Dr. Ahmad Zaki Bin Salleh	-	48	-	-	134	182
	-	48	-	-	199	247
	-	1	-	2	3	3
	-	48	-	156	204	204
	-	14	-	35	49	49
	-	44	-	88	132	132
	-	44	-	83	127	127
	-	319	-	872	1,191	1,191
	990	319	165	207	1,363	3,044
	-	9	-	5	14	14
	-	36	-	14	50	50
	-	36	-	15	51	51
	-	54	-	26	80	80
	-	36	-	15	51	51
	-	36	-	14	50	50
	-	36	-	15	51	51
	-	243	-	104	347	347

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

#### 29. Group President/Chief Executive Officer, Directors' and Shariah Committees' fees and remuneration (Cont'd)

2022	Remuneration received from the Bank				Remuneration received from subsidiaries				Group Total RM'000	
	Salary RM'000	Fees RM'000	Bonus RM'000	Pension cost RM'000	Other emoluments RM'000	Benefits-in-kind RM'000	Total RM'000	Other emoluments RM'000		Benefits-in-kind RM'000
<b>Group President/Chief Executive Officer:</b> Dato' Wira (Dr.) Aria Putera bin Ismail	930	-	150	194	291	-	1,565	-	-	1,565
<b>Non-Executive Directors:</b> Dato' Seri Nazir Ariff bin Mushir Ariff Dato' Muslim bin Hussain Dato' Ahmad Hizzad bin Baharuddin Mohd Sakeri bin Abdul Kadir Zulkiflee bin Hashim Dato' Mohammad Radhi Bin Abdul Razak Wan Abdul Rahman bin Wan Abu Bakar Suharti binti Mohd Ali Dato' Sharkawi bin Alis	930	-	150	194	291	-	1,565	-	-	1,565
<b>Shariah Committees:</b> Dr. Asmak Binti Ab Rahman Dr. Azrul Azlan Bin Iskandar Mirza Dr. Shamsiah Binti Mohamad Dr. Ahmad Sufian Bin Che Abdullah Dr. Amir Bin Shaharuddin Ahmad Husni Bin Abd Rahman Faizal Bin Jaafar Assoc. Prof. Dr. Ahmad Zaki Bin Salleh	-	36	-	-	15	-	51	-	-	51
	-	9	-	-	4	-	13	-	-	13
	-	36	-	-	15	-	51	-	-	51
	-	36	-	-	15	-	51	-	-	51
	-	50	-	-	20	-	70	-	-	70
	-	14	-	-	5	-	19	-	-	19
	-	14	-	-	5	-	19	-	-	19
	-	14	-	-	5	-	19	-	-	19
	-	209	-	-	84	-	293	-	-	293
	930	485	150	194	1,418	-	3,177	-	-	3,177

#### 29. Group President/Chief Executive Officer, Directors' and Shariah Committees' fees and remuneration (Cont'd)

The number of chief executives and directors of the Group and of the Bank whose total remuneration fell within the following bands are analysed below:

	Group and Bank	
	2023 RM'000	2022 RM'000
<b>Number of Chief Executives:</b>		
RM1,000,001 to RM2,000,000	1	1
	1	1
<b>Number of Non-Executive Directors:</b>		
RM200,001 to RM400,000	3	3
RM100,001 to RM200,000	3	5
RM1 to RM100,000	2	1
	8	9

#### 30. Allowance/(Writeback) for impairment loss on loans, advances and financing

	Group		Bank	
	2023 RM'000	2022 RM'000 Restated	2023 RM'000	2022 RM'000 Restated
Allowance for impairment losses on loans, advances and financing made during the year				
- Stage 1, net (Note 7(ix))	(11,672)	2,789	(11,672)	2,789
- Stage 2, net (Note 7(ix))	29,674	20,494	29,674	20,494
- Stage 3, net (Note 7(ix))	141,946	152,245	167,015	175,969
	159,948	175,528	185,017	199,252
Impaired loans, advances and financing written off	4,329	5,517	4,329	5,517
Total allowance for impairment losses on loans, advances and financing	164,277	181,045	189,346	204,769

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

#### 31. Tax (credit)/expense and zakat

	Group		Bank	
	2023 RM'000	2022 RM'000 Restated	2023 RM'000	2022 RM'000 Restated
<b>Current tax:</b>				
Tax expense for the year	3,448	935	1,315	718
Overprovision in prior years	(690)	-	(705)	-
	2,758	935	610	718
<b>Deferred tax (Note 15):</b>				
Origination or reversal of temporary differences	(4,691)	(10,299)	(4,691)	(10,299)
(Over)/Under provision in prior years	(5,261)	10,299	(5,261)	10,299
	(9,952)	-	(9,952)	-
Total tax (credit)/expense for the year	(7,194)	935	(9,342)	718

The reconciliation between tax expense and accounting profit of the Group and of the Bank multiplied by the applicable corporate tax rate is as follows:

	Group		Bank	
	2023 RM'000	2022 RM'000 Restated	2023 RM'000	2022 RM'000 Restated
Profit before tax expense and zakat	75,278	61,112	75,605	57,242
Tax expenses at Malaysian tax rate of 24% (2022: 24%)	18,067	14,667	18,145	13,738
Tax effects of:				
Non-deductible expenses	10,741	16,766	8,515	17,555
Non-taxable income	(182)	(8,761)	(182)	(8,761)
Day-1 modification loss	(20,833)	-	(20,833)	-
Utilisation of deferred tax previously not recognised	(9,036)	(32,113)	(9,021)	(32,113)
Effects of share of associate's post-tax loss included in Group's profit before taxation	-	77	-	-
Overprovision of current tax in prior years	(690)	-	(705)	-
(Over)/Under provision of deferred tax in prior years	(5,261)	10,299	(5,261)	10,299
Total tax (credit)/expense for the year	(7,194)	935	(9,342)	718

#### 31. Tax (credit)/expense and zakat (Cont'd)

	Group and Bank	
	2023 RM'000	2022 RM'000
<b>Zakat:</b>		
Zakat expense for the year	1,500	3,000
Overprovision in prior years	(1,670)	(1,438)
	(170)	1,562

The Group and the Bank's zakat provision have been applying the growth capital method based on the rate of 2.5% (2022: 2.5%). This method applies the rate on owner's equity, long term liabilities, net of fixed assets and non-current assets, and subjected to allowable adjustments.

#### 32. Earnings per share

The basic and diluted earnings per share amount is calculated by dividing profit for the year net of tax, by the weighted average number of ordinary shares outstanding during the financial year as follows:

	Bank	
	2023 RM'000	2022 RM'000 Restated
Profit for the year	85,117	54,962
Earnings per share (sen) - Basic and diluted	4.60	2.97
Weighted average number of ordinary shares for basic earnings per share computation	1,850,000	1,850,000

Earning per share for the financial year ended 2022 has been restated to 2.97 sen (as previously reported: 3.36 sen) due to the impact of prior year adjustments as disclosed in Note 40 of the financial statements.

#### 33. Commitments and contingencies

(i) Loans, advances and financing related commitments and contingencies of the Group and of the Bank are as follows:

	Group and Bank	
	2023 RM'000	2022 RM'000
Direct credit substitutes	149,032	178,521
Transaction-related-contingent items	251,229	167,106
Undisbursed loans/financing		
- original maturity up to one year	340,257	226,071
- original maturity more than one year	1,215,945	1,667,262
	1,956,463	2,238,960

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

#### 33. Commitments and contingencies (Cont'd)

(ii) Capital expenditure commitments of the Group and of the Bank are as follows:

	Group and Bank	
	2023 RM'000	2022 RM'000
Approved and contracted for: Information technology system	12,809	16,750
	12,809	16,750
Total commitments and contingencies	1,969,272	2,255,710

#### 34. Capital adequacy

##### Capital management

###### Capital policy

The overall objective of capital management is to maintain a strong capital position in order to provide opportunities for business growth and be able to provide cushion for any potential losses. In line with this objective, the Bank views its capital position as an important key barometer of financial health.

###### Regulatory capital

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

The capital adequacy ratios of the Group and of the Bank are computed in accordance with the requirements of the BNM's Capital Framework for Development Financial Institutions, which is based on the Basel I capital adequacy framework requirements.

The following table set forth capital resources and capital adequacy for the Group and the Bank as at the end of the reporting period:

	Group		Bank	
	2023 RM'000	2022 RM'000 Restated	2023 RM'000	2022 RM'000 Restated
Tier I Capital				
Paid-up share capital	1,850,000	1,850,000	1,850,000	1,850,000
Accumulated losses	(212,192)	(288,613)	(201,900)	(280,796)
General reserves	10,114	10,114	10,114	10,114
General provision for loans, advances and financing <sup>1</sup>	43,564	40,747	43,564	40,747
Less: Deferred tax assets	(113,536)	(108,089)	(113,536)	(108,089)
Less: Property revaluation reserve	(248,933)	(231,765)	(248,933)	(231,765)
Total Tier I capital	1,329,017	1,272,394	1,339,309	1,280,211

#### 34. Capital adequacy (Cont'd)

##### Capital management (Cont'd)

###### Regulatory capital (Cont'd)

	Group		Bank	
	2023 RM'000	2022 RM'000 Restated	2023 RM'000	2022 RM'000 Restated
Tier II Capital				
General provision for loans, advances and financing <sup>1</sup>	130,728	100,745	130,728	100,745
Property revaluation reserve <sup>2</sup>	124,467	115,883	124,467	115,883
Government funds	427,977	433,432	427,977	433,432
Total Tier II capital	683,172	650,060	683,172	650,060
Total capital	2,012,189	1,922,454	2,022,481	1,930,271
Less: Investment in subsidiaries	-	-	-	-
Total capital base	2,012,189	1,922,454	2,022,481	1,930,271

<sup>1</sup> General provision refers to loss allowance measured at an amount equal to 12mECLs and LTECLs commonly known as Stage 1 and Stage 2 provisions respectively; and regulatory reserves, to the extent they are ascribed to non-credit impaired exposures.

<sup>2</sup> The eligible amount for Tier II Capital is only limited to 50% of property revaluation reserves.

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

	Group		Bank	
	2023 RM'000	2022 RM'000 Restated	2023 RM'000	2022 RM'000 Restated
20%	320,673	351,705	320,673	351,705
50%	4,501	5,121	4,501	5,121
100%	10,553,908	10,153,538	10,644,139	10,245,642
	10,879,082	10,510,364	10,969,313	10,602,468

	Group		Bank	
	2023	2022 Restated	2023	2022 Restated
Before deducting proposed dividends:				
Core capital ratio	12.216%	12.106%	12.210%	12.075%
Risk-weighted capital ratio	18.496%	18.291%	18.438%	18.206%

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

#### 34. Capital adequacy (Cont'd)

##### Capital management (Cont'd)

Breakdown of risk-weighted assets in the various categories of risk-weights: (Cont'd)

	Group		Bank	
	2023	2022 Restated	2023	2022 Restated
After deducting proposed dividends:				
Core capital ratio	<b>12.138%</b>	12.047%	<b>12.132%</b>	12.016%
Risk-weighted capital ratio	<b>18.418%</b>	18.232%	<b>18.360%</b>	18.147%

##### Capital monitoring

The Group's and the Bank's capital are closely monitored and actively managed. Besides the regulatory capital requirement of 8%, the Group and the Bank adhere to an internal capital limit that would act as a trigger to the regulatory capital and also as an indicator that allows the Group and the Bank to have the "well capitalised" status. Internal capital limit and regulatory capital requirement are closely monitored, regularly reviewed and reported to senior management and the Board of Directors.

##### Transitional arrangements

Pursuant to BNM's Policy Document on Transitional Arrangements ("TA") for Regulatory Capital Treatment of Account Provisions for Development Financial Institutions, the Bank had elected to apply the transitional arrangements where the Bank is allowed to add back a portion of the Stage 1 and Stage 2 provisions for ECL to Common Equity Tier 1 Capital over a four-year period from financial year beginning 2020.

The Bank is allowed to add back the amount of loss allowance measured at an amount equal to 12-month ("12mECLs") and lifetime expected credit losses ("LTECLs") to the extent they are ascribed to non-credit-impaired exposures to Tier 1 Capital.

Transitional arrangement	Group		Bank	
	Before RM'000	After RM'000	Before RM'000	After RM'000
<b>2023</b>				
<b>Total Tier I capital</b>	<b>1,285,453</b>	<b>1,285,453</b>	<b>1,295,745</b>	<b>1,295,745</b>
of which: Total Add-back	-	<b>43,564</b>	-	<b>43,564</b>
<b>Total Additional Tier I capital</b>	<b>1,285,453</b>	<b>1,329,017</b>	<b>1,295,745</b>	<b>1,339,309</b>
<b>Total Tier II capital</b>	<b>726,736</b>	<b>683,172</b>	<b>726,736</b>	<b>683,172</b>
of which: Loss provisions	<b>174,292</b>	<b>130,728</b>	<b>174,292</b>	<b>130,728</b>
<b>Total Risk Weighted Assets</b>	<b>10,879,082</b>	<b>10,879,082</b>	<b>10,969,313</b>	<b>10,969,313</b>
<b>Core capital ratio</b>	<b>11.816%</b>	<b>12.216%</b>	<b>11.812%</b>	<b>12.210%</b>
<b>Risk-weighted capital adequacy ratio</b>	<b>18.496%</b>	<b>18.496%</b>	<b>18.438%</b>	<b>18.438%</b>

#### 34. Capital adequacy (Cont'd)

##### Capital management (Cont'd)

Transitional arrangement (Cont'd)	Group		Bank	
	Before RM'000	After RM'000	Before RM'000	After RM'000
<b>2022 Restated</b>				
<b>Total Tier I capital</b>	1,231,647	1,231,647	1,239,464	1,239,464
of which: Total Add-back	-	40,747	-	40,747
<b>Total Additional Tier I capital</b>	1,231,647	1,272,394	1,239,464	1,280,211
<b>Total Tier II capital</b>	690,807	650,060	690,807	650,060
of which: Loss provisions	141,492	100,745	141,492	100,745
<b>Total Risk Weighted Assets</b>	10,510,364	10,510,364	10,602,468	10,602,468
<b>Core capital ratio</b>	11.718%	12.106%	11.690%	12.075%
<b>Risk-weighted capital adequacy ratio</b>	18.291%	18.291%	18.206%	18.206%

#### 35. Related party transactions

##### (a) Parent entity

The Bank is a Government Linked Corporation, with all shares held by the Minister of Finance Incorporated and is incorporated on behalf of the Government of Malaysia ("GOM"). GOM and entities directly controlled by GOM are collectively referred to as government-related-entities to the Group and the Bank.

##### (b) Compensation of key management personnel

The compensation of key management personnel other than the directors of the Group and of the Bank as disclosed in Note 29 is as follows:

	Group and Bank	
	2023 RM'000	2022 RM'000
Salaries and other emoluments	<b>9,390</b>	7,733
Defined contribution plan	<b>1,259</b>	1,064
	<b>10,649</b>	8,797

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

#### 35. Related party transactions (Cont'd)

##### (c) Related party transactions

The significant outstanding balances of the Group and of the Bank with its related parties are as follows:

	Group and Bank	
	2023 RM'000	2022 RM'000
Long-term loans/financing from MOF (Note 19)	903,222	932,393
Interest/Profit payable to MOF (Note 19)	7,778	9,523
Deposit acceptance from government agencies (Note 16(i))	1,037,428	1,603,375
Interest/Profit payable to government agencies (Note 16(i))	14,727	11,392
Government fund from MITI (Note 22)	348,017	352,656
Government fund from Ministry of Entrepreneur Development and Cooperatives ("MEDAC")	6,325	-
	<b>2,317,497</b>	<b>2,909,339</b>

The significant related parties credits/(charges) within the Group, which were determined based on terms agreed between the parties are as follows:

	Bank	
	2023 RM'000	2022 RM'000
Profit income on amount due from a subsidiary company (Note 39(i))	7,183	8,596
Profit expense on Commodity Murabahah to subsidiary companies (Note 39(h)(i))	(719)	(536)
Service fee charged by a subsidiary company	(10,177)	(9,289)
Training fee charged by a subsidiary company	(727)	(326)
	<b>(4,440)</b>	<b>(1,555)</b>

##### (d) Connected parties

	Group and Bank			
	Total outstanding RM'000	Total number of connected party account/ counter- party	Total exposure (total outstanding plus unutilised limit) RM'000	Total financing exposure which is non- performing or in default RM'000
<b>31 December 2023</b>				
Loans/financing facility (except guarantee)	400,341	6	400,341	-
Off-balance sheet exposure	-	-	-	-
Equities and private debt securities held	128,652	5	128,652	-
	<b>528,993</b>	<b>11</b>	<b>528,993</b>	<b>-</b>
<b>Total exposure to connected parties as % of total capital</b>			<b>26.2%</b>	<b>-</b>
<b>Total exposure to connected parties as % of total outstanding exposure</b>			<b>4.2%</b>	<b>-</b>

#### 35. Related party transactions (Cont'd)

##### (d) Connected parties (cont'd)

31 December 2022 Restated	Total outstanding RM'000	Group and Bank		
		Total number of connected party account/ counter- party	Total exposure (total outstanding plus unutilised limit) RM'000	Total financing exposure which is non- performing or in default RM'000
Loans/financing facility (except guarantee)	459,263	9	459,263	-
Off-balance sheet exposure	22	1	22	-
Equities and private debt securities held	133,884	6	133,884	-
	<b>593,169</b>	<b>16</b>	<b>593,169</b>	<b>-</b>
<b>Total exposure to connected parties as % of total capital</b>			<b>30.7%</b>	<b>-</b>
<b>Total exposure to connected parties as % of total outstanding exposure</b>			<b>4.7%</b>	<b>-</b>

The connected parties refers to parties involved in a related-party transaction relating to a deal or arrangement made between the said two parties who are joined by a pre-existing business relationship or common interest. The Bank connected parties transactions relate to any loans/financing facility (except guarantee) and equities and private debt securities held.

#### 36. Fair value of financial instruments

The fair value of a financial instrument is the price that would be received to sell an asset or be paid to transfer a liability in an orderly transaction between market participants at the measurement date. The information presented herein represents best estimates of fair value of financial instruments at the end of the reporting period.

For loans, advances and financing to customers, where such market prices are not available, various methodologies have been used to estimate the approximate fair value of such instruments. These methodologies are significantly affected by the assumptions used and judgements made regarding the risk characteristics of various financial instruments, discount rates, estimates of future cash flows, historical loss experience and other factors. Changes in the assumptions could significantly affect these estimates and the resulting fair value estimates. Therefore, for a significant portion of the Group's and of the Bank's financial instruments, including loans, advances and financing to customers, their respective fair value estimates do not purport to represent, nor should they be construed to represent, the amounts that the Group and the Bank could realise in a sale transaction at the end of the reporting period. The fair value information presented herein should also in no way be construed as representative of the underlying value of the Group and of the Bank as a going concern.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

#### 36. Fair value of financial instruments (Cont'd)

The estimated fair value of those on-balance sheet financial assets and financial liabilities as at the end of the reporting period approximate their carrying amounts as shown in the statements of financial position, except for the following financial assets and financial liabilities:

	Group and Bank	
	Carrying amount RM'000	Fair value RM'000
<b>31 December 2023</b>		
<b>Financial assets:</b>		
Debt instruments at AC	975,652	982,085
Loans, advances and financing	8,284,537	7,288,629
<b>Financial liabilities:</b>		
Islamic medium-term notes/commercial papers	3,506,937	3,402,926
Borrowings/Fundings	2,047,647	1,876,152
Lease liabilities	12,811	12,203
<b>31 December 2022</b>		
<b>Financial assets:</b>		
Debt instruments at AC	934,753	933,678
Loans, advances and financing (restated)	7,752,065	6,655,559
<b>Financial liabilities:</b>		
Islamic medium-term notes/commercial papers	2,622,297	2,506,574
Borrowings/Fundings	1,949,473	1,733,393
Lease liabilities	15,137	14,176

The methods and assumptions used in estimating the fair values of the financial instruments are as follows:

##### (a) Debt instruments at AC

The fair values of private debt securities, Malaysian Government Investment Issues and Commercial papers are determined by reference to the market value of these instruments published by pricing agencies in Malaysia.

##### (b) Loans, advances and financing

The fair values of variable and fixed rate loans/financing with remaining maturity of less than one year are estimated to approximate their carrying values. For variable and fixed rate loans, advances and financing with maturities of more than one year, the fair values are estimated based on expected future cash flows of contractual instalment payments and discounted at prevailing rates at end of the reporting period offered for similar loans/financing to new borrowers/customers with similar credit profiles, where applicable. For impaired loans/financing, the fair values are deemed to approximate the carrying values, net of impairment allowance.

##### (c) Islamic medium-term notes/commercial notes, borrowings/fundings and lease liabilities

The fair values are estimated based on expected future cash flows of contractual instalment payments and discounted at prevailing rates at the end of the reporting period obtained for similar loans/financing with similar maturities, where applicable.

#### 36. Fair value of financial instruments (Cont'd)

The following table provides the fair value measurement hierarchy of the Group's and of the Bank's financial assets and financial liabilities other than those short-term or on demand financial assets and financial liabilities whose carrying amounts are reasonable approximation of their fair values.

	Group and Bank			Total RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	
<b>2023</b>				
<b>Financial assets and financial liabilities measured at fair value:</b>				
<b>Financial assets:</b>				
Debt instruments at FVOCI	-	1,441,220	-	1,441,220
Equity instruments at FVOCI	-	30,761	10,693	41,454
<b>Financial assets and financial liabilities not measured at fair value for which fair values are disclosed:</b>				
<b>Financial assets:</b>				
Debt instruments at AC	-	982,085	-	982,085
Loans, advances and financing	-	-	7,288,629	7,288,629
<b>Financial liabilities:</b>				
Islamic medium-term notes/commercial papers	-	3,402,926	-	3,402,926
Borrowings/Fundings	-	1,876,152	-	1,876,152
Lease liabilities	-	12,203	-	12,203
<b>2022</b>				
<b>Financial assets and financial liabilities measured at fair value:</b>				
<b>Financial assets:</b>				
Debt instruments at FVOCI	-	1,395,441	-	1,395,441
Equity instruments at FVOCI	-	30,618	10,062	40,680
<b>Financial assets and financial liabilities not measured at fair value for which fair values are disclosed:</b>				
<b>Financial assets:</b>				
Debt instruments at AC	-	933,678	-	933,678
Loans, advances and financing	-	-	6,655,559	6,655,559
<b>Financial liabilities:</b>				
Islamic medium-term notes/commercial papers	-	2,506,574	-	2,506,574
Borrowings/Fundings	-	1,733,393	-	1,733,393
Lease liabilities	-	14,176	-	14,176



## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

### 37. Financial risk management objectives and policies

The Group's and the Bank's financial risk management frameworks and policies have been established with the objective to enhance shareholder's value. The Group and the Bank focus on the enterprise wide risk exposure, which include the major risk arising from credit risk, liquidity risk, market risk, operational risk and seeks to minimise potential adverse effects on the financial performance of the Group and of the Bank.

#### Risk management structure

The Board of Directors is responsible for the overall risk management approach and for approving the risk management principles and strategies. Separate independent bodies and functions have been established and are responsible in assisting the Board of Directors in managing and monitoring risks, which are elaborated as follows:

#### (a) Board Risk Management Committee

The Board Risk Management Committee ("BRMC") has the overall responsibilities for the development of the risk strategies and implementing principles, frameworks, policies and limits. The BRMC is responsible for managing risk decisions and monitoring risk levels.

#### (b) Risk Management and Compliance

The Risk Management and Compliance is responsible for implementing and maintaining risk related procedures to ensure an independent control process is maintained.

Risk Management and Compliance is also responsible for monitoring and review of compliance with risk principles, policies and limits across the Bank as well as applicable laws and regulations. The function ensures the completeness of risk identification, measurement, monitoring and reporting.

#### (c) Assets and Liability Management

Treasury and Finance are responsible for managing the Bank's assets and liabilities and the overall financial structure. Treasury and Finance are also responsible for the funding and liquidity of the Bank.

#### (d) Internal Audit

The Internal Audit function provides an objective assurance, on-going assessment on the internal control systems and periodic reviews of the risk management processes. It also reviews compliance with the approved policies and procedures, as well as applicable laws and regulations. Internal Audit function also provides advisory services for areas of improvement based on acceptable best practices. Audit engagements are carried out based on the annual audit plan approved by the Board Audit Committee ("BAC") and takes into consideration feedback from the Management.

Internal Audit independently assess the overall effectiveness of the risk management systems and controls environments based on the accepted industry standards such as COSO and COBIT. Internal Audit's assessment on the adequacy of governance structure, processes and internal controls will involve understanding, documenting, evaluating and testing the Group's and the Bank's internal control system. It is also involves the follow-up on remediation, corrective actions, and review of management's action to address the identified material weaknesses.

### 37. Financial risk management objectives and policies (Cont'd)

#### (e) Risk measurement and reporting systems

Monitoring and controlling risks is primarily performed based on limits established by the Group and the Bank. These limits reflect the business strategy and market environment of the Group and the Bank as well as the level of risk the Group and the Bank are willing to accept, with additional emphasis on selected industries. In addition, the Group's and the Bank's policy is to measure and monitor the overall risk bearing capacity in relation to the aggregate risk exposure across all risk types and activities.

Information compiled from all the businesses is examined and processed in order to analyse, control and identify risks on a timely basis. This information is presented to various committee at management level before submission to the BRMC and Board of Directors. The BRMC receives a comprehensive risk report which is designed to provide all the necessary information to assess and conclude on the risks of the Bank. In discharging its roles and responsibilities, BRMC is supported by a number of Executive Committees ("EXCO"). These Management Committees are generally accountable for the effectiveness of the day-to-day risk assessment and controls, in an effort to balance the Group's risk and return as well as maintain its competitive advantage.

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

#### (a) Credit risk

Credit risk is the potential loss arising from customers or counterparties failing to meet their financial contractual obligations. Management of credit risk is principally through financing directions and policies, which are instituted based on prevailing business and economic conditions. Credit processes are also structured to ensure adherence of credit policies and to establish impartiality in loan/financing origination, approval, documentation, disbursement, monitoring and settlement.

The Group's and the Bank's Credit and Risk Management manages and reviews asset quality, reviews concentration limits, according to various categories such as customer, economic segment and product types and monitors credit portfolio risk. Industry risk is also evaluated and monitored as dynamic changes in the economic environment have a direct impact on the Group's and the Bank's asset quality.

The internal credit risk rating system has been established to measure the credit worthiness of each customer. The primary objectives are to provide a consistent approach in risk grading of the Group's and the Bank's customers.

The Group and the Bank adopt best practices as set out in BNM Guidelines on Best Practices for the Management of Credit Risk for Development Financial Institutions and Credit Risk Policy Document. The Integrated Risk Management Framework has also been established in line with best practices. Internal single customer limits are regularly monitored to minimise the risk of over-concentration. The overall risk management is subjected to an on-going process for review and enhancement.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

### 37. Financial risk management objectives and policies (Cont'd)

#### (e) Risk measurement and reporting systems (Cont'd)

##### (a) Credit risk (Cont'd)

Credit assessments on financing applications will be performed before the applications are being approved by the approving authorities. Various Credit Committees have been established to review all financing to be submitted for the approval of the respective approving authorities. The respective Credit Committees have specified approval authority limit.

##### (i) Credit exposure

The gross credit risk exposure of the Group and the Bank at the end of the reporting period are as follows:

	Group	
	2023 RM'000	2022 RM'000
<b>On balance sheet:</b>		
Cash and short-term funds	1,558,746	1,628,091
Debt instrument at FVOCI (Note 5)	1,441,220	1,395,441
Debt instrument at AC	976,439	934,754
Loans, advances and financing (Note 7)	9,143,936	8,697,581
Other receivables and rental receivables (Note 8)	23,028	21,865
	<b>13,143,369</b>	12,677,732
<b>Off balance sheet:</b>		
Commitments and contingencies (Note 33 (i))	1,956,463	2,238,960
	<b>15,099,832</b>	14,916,692
	Bank	
	2023 RM'000	2022 RM'000
<b>On balance sheet:</b>		
Cash and short-term funds	1,558,045	1,626,827
Debt instrument at FVOCI (Note 5)	1,441,220	1,395,441
Debt instrument at AC	976,439	934,754
Loans, advances and financing (Note 7)	8,910,881	8,327,490
Amount due from subsidiaries, other receivables and rental receivables (Note 8)	289,540	352,280
	<b>13,176,125</b>	12,636,792
<b>Off balance sheet:</b>		
Commitments and contingencies (Note 33 (i))	1,956,463	2,238,960
	<b>15,132,588</b>	14,875,752

### 37. Financial risk management objectives and policies (Cont'd)

#### (e) Risk measurement and reporting systems (Cont'd)

##### (a) Credit risk (Cont'd)

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

Group 31 December 2023	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
<b>Risk rating category</b>				
Highest safety*	4,008,176	102,104	-	4,110,280
Moderate safety**	2,681,428	292,949	-	2,974,377
High risk***	446,764	251,300	-	698,064
Non-rated	13,038	738	-	13,776
Impaired	-	-	1,347,439	1,347,439
	<b>7,149,406</b>	<b>647,091</b>	<b>1,347,439</b>	<b>9,143,936</b>
Group 31 December 2022 Restated	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
<b>Risk rating category</b>				
Highest safety*	3,171,168	125,285	-	3,296,453
Moderate safety**	2,975,708	370,547	-	3,346,255
High risk***	471,685	92,663	-	564,348
Non-rated	16,776	933	-	17,709
Impaired	-	-	1,472,816	1,472,816
	<b>6,635,337</b>	<b>589,428</b>	<b>1,472,816</b>	<b>8,697,581</b>

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

#### 37. Financial risk management objectives and policies (Cont'd)

##### (e) Risk measurement and reporting systems (Cont'd)

###### (a) Credit risk (Cont'd)

##### (ii) Gross loans, advances and financing are rated based on internal rating by the Bank: (Cont'd)

Bank 31 December 2023	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
<b>Risk rating category</b>				
Highest safety*	4,008,176	102,104	-	4,110,280
Moderate safety**	2,681,428	292,949	-	2,974,377
High risk***	446,764	251,300	-	698,064
Non-rated	13,038	738	-	13,776
Impaired	-	-	1,114,384	1,114,384
	7,149,406	647,091	1,114,384	8,910,881

Bank 31 December 2022 Restated	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
<b>Risk rating category</b>				
Highest safety*	3,171,168	125,285	-	3,296,453
Moderate safety**	2,975,708	370,547	-	3,346,255
High risk***	471,685	92,663	-	564,348
Non-rated	16,776	933	-	17,709
Impaired	-	-	1,102,725	1,102,725
	6,635,337	589,428	1,102,725	8,327,490

- \* Strong capacity to meet financial commitments  
 \*\* Moderate capacity to meet financial commitments  
 \*\*\* Poor credit quality and high risk of default

It is the Bank's policy to maintain accurate and consistent risk ratings across the credit portfolio. This facilitates focused management of the applicable risks and the comparison of credit exposures across all lines of business, geographic regions and products. The rating system is supported by a variety of financial analytics, combined with processed market information to provide the main inputs for the measurement of counterparty risk. All internal risk ratings are tailored to the various categories and are derived in accordance with the Bank's rating policy. The attributable risk ratings are assessed and updated regularly.

#### 37. Financial risk management objectives and policies (Cont'd)

##### (e) Risk measurement and reporting systems (Cont'd)

###### (a) Credit risk (Cont'd)

##### (iii) The following table sets out the credit risk concentration by industry sector (gross balances):

Group	Short-term funds and placements with financial institutions		Debt instrument at FVOCI		Debt instrument at AC		Loans, advances and financing		Other assets		Commitments and contingencies	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2023												
Government	-	-	1,108,183	292,369	-	-	-	-	-	-	1,400,552	-
Construction	-	-	-	-	1,619,022	-	1,619,022	-	-	-	1,619,022	-
Education, health and others	-	-	-	-	-	-	600,806	-	-	-	600,806	-
Electricity, gas and water supply	-	-	-	-	-	-	162,567	-	-	-	162,567	-
Financial, insurance/takaful, real estate and business services	1,558,746	-	333,037	684,070	-	-	1,081,271	-	-	-	3,657,124	-
Manufacturing	-	-	-	-	1,654,468	-	1,654,468	-	-	-	1,654,468	-
Mining and quarrying	-	-	-	-	114,979	-	114,979	-	-	-	114,979	-
Primary agriculture	-	-	-	-	-	-	10,153	-	-	-	10,153	-
Transportation, storage and communication	-	-	-	-	-	-	1,261,432	-	-	-	1,261,432	-
Wholesale, retail trade, restaurants and hotels	-	-	-	-	-	-	2,629,440	-	-	-	2,629,440	-
Others	-	-	-	-	-	-	9,798	-	23,028	-	32,826	1,956,463
Gross total	1,558,746	1,441,220	1,441,220	976,439	9,143,936	23,028	13,143,369	1,956,463	1,956,463			

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

#### 37. Financial risk management objectives and policies (Cont'd)

##### (e) Risk measurement and reporting systems (Cont'd)

###### (a) Credit risk (Cont'd)

(iii) The following table sets out the credit risk concentration by industry sector (gross balances): (Cont'd)

Group 2022	Short-term funds and placements with financial institutions							Commitments and contingencies RM'000
	Restated RM'000	Debt instrument at FVOCI RM'000	Debt instrument at AC RM'000	Loans, advances and financing RM'000	Other assets RM'000	Total RM'000	Total contingencies RM'000	
Government	-	1,059,078	199,429	-	-	1,258,507	-	
Construction	-	-	-	1,440,517	-	1,440,517	-	
Education, health and others	-	-	-	633,283	-	633,283	-	
Electricity, gas and water supply	-	-	-	162,245	-	162,245	-	
Financial, insurance/ takaful, real estate and business services	1,628,091	336,363	735,325	1,131,873	-	3,831,652	-	
Manufacturing	-	-	-	1,611,333	-	1,611,333	-	
Mining and quarrying	-	-	-	112,075	-	112,075	-	
Primary agriculture	-	-	-	7,315	-	7,315	-	
Transportation, storage and communication	-	-	-	1,084,694	-	1,084,694	-	
Wholesale, retail trade, restaurants and hotels	-	-	-	2,503,255	-	2,503,255	-	
Others	-	-	-	10,991	21,865	32,856	2,238,960	
Gross total	1,628,091	1,395,441	934,754	8,697,581	21,865	12,677,732	2,238,960	

#### 37. Financial risk management objectives and policies (Cont'd)

##### (e) Risk measurement and reporting systems (Cont'd)

###### (a) Credit risk (Cont'd)

(iii) The following table sets out the credit risk concentration by industry sector (gross balances): (Cont'd)

Bank 2023	Short-term funds and placements with financial institutions							Commitments and contingencies RM'000
	Restated RM'000	Debt instrument at FVOCI RM'000	Debt instrument at AC RM'000	Loans, advances and financing RM'000	Other assets RM'000	Total RM'000	Total contingencies RM'000	
Government	-	1,108,183	292,369	-	-	1,400,552	-	
Construction	-	-	-	1,618,252	-	1,618,252	-	
Education, health and others	-	-	-	593,052	-	593,052	-	
Electricity, gas and water supply	-	-	-	162,567	-	162,567	-	
Financial, insurance/ takaful, real estate and business services	1,558,045	333,037	684,070	1,080,609	208,822	3,864,583	-	
Manufacturing	-	-	-	1,628,889	-	1,628,889	-	
Mining and quarrying	-	-	-	114,979	-	114,979	-	
Primary agriculture	-	-	-	10,123	-	10,123	-	
Transportation, storage and communication	-	-	-	1,244,816	-	1,244,816	-	
Wholesale, retail trade, restaurants and hotels	-	-	-	2,447,796	-	2,447,796	-	
Others	-	-	-	9,798	80,718	90,516	1,956,463	
Gross total	1,558,045	1,441,220	976,439	8,910,881	289,540	13,176,125	1,956,463	

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

#### 37. Financial risk management objectives and policies (Cont'd)

##### (e) Risk measurement and reporting systems (Cont'd)

###### (a) Credit risk (Cont'd)

(iii) The following table sets out the credit risk concentration by industry sector (gross balances): (Cont'd)

Bank 2022 Restated	Short-term funds and placements with financial institutions		Debt instrument at FVOCI		Debt instrument at AC		Loans, advances and financing		Other assets		Commitments and contingencies	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Government	-	1,059,078	199,429	-	-	-	-	1,258,507	-	-	1,258,507	-
Construction	-	-	-	-	1,437,693	-	-	1,437,693	-	-	1,437,693	-
Education, health and others	-	-	-	-	-	-	589,410	-	-	-	589,410	-
Electricity, gas and water supply	-	-	-	-	-	-	162,245	-	-	-	162,245	-
Financial, insurance/ takaful, real estate and business services	1,626,827	336,363	735,325	-	1,129,157	-	-	4,105,145	277,473	-	4,105,145	-
Manufacturing	-	-	-	-	1,543,094	-	-	1,543,094	-	-	1,543,094	-
Mining and quarrying	-	-	-	-	110,079	-	-	110,079	-	-	110,079	-
Primary agriculture	-	-	-	-	7,046	-	-	7,046	-	-	7,046	-
Transportation, storage and communication	-	-	-	-	-	-	1,046,392	-	-	-	1,046,392	-
Wholesale, retail trade, restaurants and hotels	-	-	-	-	-	-	2,291,383	-	-	-	2,291,383	-
Others	-	-	-	-	-	-	10,991	-	74,807	-	85,798	2,238,960
Gross total	1,626,827	1,395,441	934,754	8,327,490	352,280	12,636,792	2,238,960	2,238,960				

#### 37. Financial risk management objectives and policies (Cont'd)

##### (e) Risk measurement and reporting systems (Cont'd)

###### (a) Credit risk (Cont'd)

(iv) Credit risk exposure analysis of the Group and the Bank are as follows:

Group As at 31 December 2023	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Short-term funds and placements with financial institutions	1,558,746	-	-	1,558,746
Debt instrument at FVOCI	1,403,753	27,467	10,000	1,441,220
Debt instrument at AC	976,439	-	-	976,439
Loans, advances and financing:				
Term loans/financing				
- Hire purchase receivables	281,392	20,674	28,019	330,085
- Leasing	-	-	225	225
- Other term loans/ financing	4,756,470	557,489	1,092,080	6,406,039
Revolving loans/ financing	2,101,745	68,929	227,115	2,397,789
Staff loans/financing	9,798	-	-	9,798
Other assets	13,029	-	9,999	23,028
	11,101,372	674,559	1,367,438	13,143,369
As at 31 December 2022 Restated	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Short-term funds and placements with financial institutions	1,628,091	-	-	1,628,091
Debt instrument at FVOCI	1,359,407	26,034	10,000	1,395,441
Debt instrument at AC	934,754	-	-	934,754
Loans, advances and financing:				
Term loans/financing				
- Hire purchase receivables	296,545	19,023	70,609	386,177
- Leasing	-	-	345	345
- Other term loans/ financing	4,600,855	507,268	1,202,564	6,310,687
Revolving loans/ financing	1,726,947	63,136	199,298	1,989,381
Staff loans/financing	10,991	-	-	10,991
Other assets	11,018	-	10,847	21,865
	10,568,608	615,461	1,493,663	12,677,732

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

### 37. Financial risk management objectives and policies (Cont'd)

#### (e) Risk measurement and reporting systems (Cont'd)

##### (a) Credit risk (Cont'd)

##### (iv) Credit risk exposure analysis of the Group and the Bank are as follows: (Cont'd)

Bank As at 31 December 2023	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Short-term funds and placements with financial institutions	1,558,045	-	-	1,558,045
Debt instrument at FVOCI	1,403,753	27,467	10,000	1,441,220
Debt instrument at AC	976,439	-	-	976,439
Loans, advances and financing:				
Term loans/financing				
- Hire purchase receivables	281,392	20,674	17,649	319,715
- Other term loans/financing	4,756,470	557,489	870,192	6,184,151
Revolving loans/financing	2,101,745	68,929	226,543	2,397,217
Staff loans/financing	9,798	-	-	9,798
Other assets	70,719	-	218,821	289,540
	11,158,361	674,559	1,343,205	13,176,125

As at 31 December 2022 Restated	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Short-term funds and placements with financial institutions	1,626,827	-	-	1,626,827
Debt instrument at FVOCI	1,359,407	26,034	10,000	1,395,441
Debt instrument at AC	934,754	-	-	934,754
Loans, advances and financing:				
Term loans/financing				
- Hire purchase receivables	296,545	19,023	35,127	350,695
- Other term loans/financing	4,600,855	507,268	888,287	5,996,410
Revolving loans/financing	1,726,947	63,136	179,311	1,969,394
Staff loans/financing	10,991	-	-	10,991
Other assets	63,960	-	288,320	352,280
	10,620,286	615,461	1,401,045	12,636,792

### 37. Financial risk management objectives and policies (Cont'd)

#### (e) Risk measurement and reporting systems (Cont'd)

##### (a) Credit risk (Cont'd)

##### (v) Collateral and credit enhancement

The amount and type of collateral required depends on assessment of the credit risk of the counterparty. Guidelines are implemented on areas relating to the acceptability of collateral types and valuation parameters.

The main types of collateral and credit enhancement obtained are charges over real estate properties, vehicles, plant and machinery, shares and guarantees.

Management monitors the market value of collateral and ascertains the market value of collateral obtained during its review to ensure the adequacy of impairment losses.

##### (vi) Collateral and credit enhancement for loans, advances and financing

Collateral represents the asset pledged by a borrower/customer and/or a third party on behalf of the borrower/customer, in whole or in part, to secure credit exposure and/or potential credit exposure with the Group and the Bank.

The Group and the Bank will only accept high quality collateral by considering its marketability, measurability, stability, transferability, speed in realising the collateral value, enforceability and free from encumbrances. The estimated fair value of collaterals over gross loans/financing held by the Group and the Bank for respective industry sector are as follows:

Group	Gross loans, advances and financing RM'000	Estimated fair value of collateral (%)
<b>31 December 2023</b>		
Construction	1,619,022	64.53
Education, health and others	600,806	82.41
Electricity, gas and water supply	162,567	59.86
Financial, insurance/takaful, real estate and business services	1,081,271	73.38
Manufacturing	1,654,468	69.20
Mining and quarrying	114,979	88.66
Primary agriculture	10,153	97.40
Transportation, storage and communication	1,261,432	58.94
Wholesale, retail trade, restaurants and hotels	2,629,440	80.71
Others	9,798	-
	9,143,936	

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

### 37. Financial risk management objectives and policies (Cont'd)

#### (e) Risk measurement and reporting systems (Cont'd)

##### (a) Credit risk (Cont'd)

##### (vi) Collateral and credit enhancement for loans, advances and financing (Cont'd)

Group	Gross loans, advances and financing RM'000	Estimated fair value of collateral (%)
<b>31 December 2022</b>		
<b>Restated</b>		
Construction	1,440,517	66.4
Education, health and others	633,283	76.3
Electricity, gas and water supply	162,245	52.4
Financial, insurance/takaful, real estate and business services	1,131,873	71.9
Manufacturing	1,611,333	65.8
Mining and quarrying	112,075	87.8
Primary agriculture	7,315	86.8
Transportation, storage and communication	1,084,694	67.5
Wholesale, retail trade, restaurants and hotels	2,503,255	82.0
Others	10,991	-
	8,697,581	

Bank	Gross loans, advances and financing RM'000	Estimated fair value of collateral (%)
<b>31 December 2023</b>		
Construction	1,618,252	64.6
Education, health and others	593,052	83.3
Electricity, gas and water supply	162,567	59.9
Financial, insurance/takaful, real estate and business services	1,080,609	73.4
Manufacturing	1,628,889	70.2
Mining and quarrying	114,979	88.7
Primary agriculture	10,123	97.7
Transportation, storage and communication	1,244,816	59.7
Wholesale, retail trade, restaurants and hotels	2,447,796	84.0
Others	9,798	-
	8,910,881	

### 37. Financial risk management objectives and policies (Cont'd)

#### (e) Risk measurement and reporting systems (Cont'd)

##### (a) Credit risk (Cont'd)

##### (vi) Collateral and credit enhancement for loans, advances and financing (Cont'd)

Bank	Gross loans, advances and financing RM'000	Estimated fair value of collateral (%)
<b>31 December 2022</b>		
<b>Restated</b>		
Construction	1,437,693	66.6
Education, health and others	589,410	81.6
Electricity, gas and water supply	162,245	52.4
Financial, insurance/takaful, real estate and business services	1,129,157	72.0
Manufacturing	1,543,094	68.7
Mining and quarrying	110,079	89.4
Primary agriculture	7,046	90.1
Transportation, storage and communication	1,046,392	69.9
Wholesale, retail trade, restaurants and hotels	2,291,383	85.7
Others	10,991	-
	8,327,490	

##### (vii) Restructured loans/financing

Restructured loans/financing refer to the financial assets that would otherwise be past due or impaired, where there is fundamental revision in the principal terms and conditions of the facility. Restructuring is considered when the customer's business is still viable and is expected to remain viable after the restructuring. Total gross restructured loans/financing held by the Group and the Bank at the end of the reporting period stood at RM3,762 million (2022: RM4,269 million).

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

### 37. Financial risk management objectives and policies (Cont'd)

#### (e) Risk measurement and reporting systems (Cont'd)

##### (a) Credit risk (Cont'd)

##### (viii) Credit quality for treasury credit risk exposures

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

#### Group and Bank

#### Financial investments:

	Rating agency	Credit rating	Nominal value 2023 RM'000	Nominal value 2022 RM'000
Corporate sukuk	RAM	AAA	245,000	310,000
Corporate sukuk	MARC	AAA	85,000	85,000
Corporate sukuk	RAM	AA1	110,000	110,000
Corporate sukuk	RAM	AA2	15,000	75,000
Corporate sukuk	RAM	AA3	125,000	100,000
Corporate sukuk	RAM	A2	25,709	25,709
Corporate sukuk	MARC	AA-	55,000	60,000
Corporate sukuk	MARC	AA	-	5,000
Corporate sukuk	RAM	D	10,000	10,000
Malaysian Government Investment Issues	Not applicable	Not applicable	1,383,130	1,250,000
Government Guarantee sukuk	Not applicable	Not applicable	170,000	185,000
Commercial papers	RAM	P1	30,000	40,000
Commercial papers	MARC	-1	110,000	25,000
Non-rated			20,000	30,000
<b>Total</b>			<b>2,383,839</b>	<b>2,310,709</b>

#### Deposits and placements with banks and other financial institutions:

Rating for counterparty	Total principal outstanding 2023 RM'000	Total principal outstanding 2022 RM'000
AAA	570,000	394,800
AA	535,000	895,500
A	270,000	270,000
Non-rated	108,000	15,000
<b>Total</b>	<b>1,483,000</b>	<b>1,575,300</b>

### 37. Financial risk management objectives and policies (Cont'd)

#### (e) Risk measurement and reporting systems (Cont'd)

##### (a) Credit risk (Cont'd)

##### (ix) Impairment assessment

The Group and the Bank consider that a financial instrument has defaulted and, therefore, is placed under Stage 3 (credit-impaired) for ECL calculations in all cases, when the customer of loans/financing portfolio is due for 3 MIA on its contractual payments. The Group and the Bank consider treasury as defaulted and takes immediate action when the required intraday payments are not settled by the close of business as outlined in the individual agreements.

As a part of a qualitative assessment of whether a customer is in default, the Group and the Bank also consider variety of instances that may indicate unlikelihood to pay. When such events occur, the Group and the Bank carefully consider whether the event should result in treatment of the customer as defaulted and, therefore, assessed as Stage 3 for ECL calculations, or whether Stage 2 is appropriate. Such events include:

- Imminent closure/discontinuation of customer's operation
- Legal action initiated/taken against the customer by a third party
- The customer files for bankruptcy application/protection
- Significant/major adverse reports on customer's business

#### Restructure and Reschedule

It is the Group's and the Bank's policy to consider a financial instrument as 'cured' and, therefore, re-classified out of Stage 3 when there are sufficient cash inflows. The 'cured' rate for Restructure and Reschedule financial instruments is measured through 6 months continuous adherence to the revised payment schedule.

#### Probability of Default ("PD") estimation

The PD model was devised on non-rating based measure which is MIA. Financing, Undisbursed Commitments ("UDC") and Trade Finance share similar PD model which was developed via statistical method. Marginal PD is assigned to accounts with significant increase in credit risk/Stage 2.

The PD model for Treasury was devised through similar statistical method but was based on default study papers published by external rating agencies/ External Credit Assessment Institution ("ECAI").

PD is adjusted to incorporate forward looking information and is assessed for updates on a quarterly basis. The suitability of MEVs are assessed and applied as appropriate on similar intervals.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

### 37. Financial risk management objectives and policies (Cont'd)

#### (e) Risk measurement and reporting systems (Cont'd)

##### (a) Credit risk (Cont'd)

##### (x) Commitment and guarantees

To meet the financial needs of customers, the Group and the Bank enter into various irrevocable commitments and contingent liabilities. Even though these obligations may not be recognised on the statements of financial position, they do contain credit risk and are, therefore, part of the overall risk of the Group and the Bank. The table below shows the Group's and the Bank's maximum credit risk exposure for commitments and guarantees.

The maximum exposure to credit risk relating to a financial guarantee is the maximum amount the Group and the Bank could have to pay if the guarantee is called on. The maximum exposure to credit risk relating to a loans/financing commitment is the full amount of the commitment.

	Group and Bank	
	2023 RM'000	2022 RM'000
Financial guarantees, Corporate Guarantee Schemes, Letters of Credit and others	149,032	178,521
Performance guarantees	251,229	167,106
Undisbursed commitments	1,556,202	1,893,333
	<b>1,956,463</b>	2,238,960

##### (b) Market risk

##### Market Risk Governance

The management of market risk is principally carried out by using sets of policies and guidelines recommended by the Management through CRMC and Board via BRMC respectively, guided by the Board approved Risk Appetite Statement ("RAS"). The RAS is established and reviewed consistently that governed the Market Risk are includes New Liquidity Framework ("NLF"), Earning at Risk ("EaR") and Economic Value Equity ("EVE").

##### Management of market risk

The objective is to manage market risk exposures in order to optimise return on risk while maintaining a market risk profile consistent with the Group's and the Bank's approved risk appetite. The management of market risk is guided by comprehensive limits, policies and guidelines which are periodically reviewed. The Liquidity & Market Risk is the independent risk control function that is responsible for the developing and reviewing the Group's and the Bank's market risk management guidelines and policies, monitoring tools, behavioural assumptions and limit setting methodologies.

### 37. Financial risk management objectives and policies (Cont'd)

#### (e) Risk measurement and reporting systems (Cont'd)

##### (b) Market risk (Cont'd)

##### (i) Interest/Profit rate risk

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

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

The Group and the Bank may be exposed to a loss in earnings due to the interest/profit rate structure in the statements of financial position arising from interest/profit rate and yield curve changes. The sensitivity to interest/profit rate arises from the mismatches in the repricing rates, cash flows and other characteristics of the assets and their corresponding liability funding. The Group and the Bank manage their interest rate/profit rate risk exposure through the use of fixed and floating rate financing, deposit acceptance, fundings etc.

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

	Group		Bank	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Impact on variable rate loans, advances and financing				
+ 50 basis points	24,459	25,797	23,992	25,273
- 50 basis points	(24,459)	(25,797)	(23,992)	(25,273)

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

#### 37. Financial risk management objectives and policies (Cont'd)

##### (e) Risk measurement and reporting systems (Cont'd)

###### (b) Market risk (Cont'd)

###### (i) Interest/profit rate risk (Cont'd)

The following table indicates the EIR/EPR at the end of the reporting period and the Group's and the Bank's sensitivity to the interest/profit rate of return by time band based on the earlier of contractual repricing date and maturity date.

Group 31 December 2023	Non-trading book					Weighted average effective interest/ profit rate %
	Up to 1 month RM'000	>1 - 3 months RM'000	>3 - 12 months RM'000	>1 - 5 years RM'000	Over 5 years RM'000	
Cash and short-term funds	1,365,468	120,277	-	-	-	3.38
Debt instrument at FVOCI	37,362	-	520,796	798,004	85,058	4.01
Equity instrument at FVOCI	-	-	-	-	-	11.75
Debt instrument at AC	29,928	49,592	241,443	639,649	15,040	4.19
Loans, advances and financing	26,389	8,751	275,527	1,022,369	2,703,821	7.48
- non-credit impaired	-	-	-	-	-	-
- credit impaired*	-	-	-	-	-	-
Other assets (Note 8)	-	-	-	-	-	-
<b>Total assets</b>	<b>1,459,147</b>	<b>178,620</b>	<b>1,037,766</b>	<b>2,460,022</b>	<b>2,803,919</b>	<b>4,375,468</b>
						<b>- 12,314,942</b>

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

#### 37. Financial risk management objectives and policies (Cont'd)

##### (e) Risk measurement and reporting systems (Cont'd)

###### (b) Market risk (Cont'd)

###### (i) Interest/profit rate risk (Cont'd)

Group 31 December 2023 (Cont'd)	Non-trading book					Weighted average effective interest/ profit rate %
	Up to 1 month RM'000	>1 - 3 months RM'000	>3 - 12 months RM'000	>1 - 5 years RM'000	Over 5 years RM'000	
Deposits from customers	1,182,698	1,101,022	1,659,953	-	-	3.48
Deposits from banks and other financial institutions	140,056	-	-	-	-	3.13
IMTNs/ICPs	299,771	421,321	85,845	2,700,000	-	3.73
Borrowings/Fundings	222	15,405	43,480	813,300	1,175,240	0.84
Lease liabilities (Note 20)	300	601	2,774	9,136	-	3.06
Other liabilities (Note 21)	-	-	-	-	-	-
<b>Total liabilities</b>	<b>1,623,047</b>	<b>1,538,349</b>	<b>1,792,052</b>	<b>3,522,436</b>	<b>1,175,240</b>	<b>1,065,072</b>
						<b>- 10,716,196</b>
On-balance sheet interest/profit sensitivity gap	(163,900)	(1,359,729)	(754,286)	(1,062,414)	1,628,679	3,310,396
Off-balance sheet interest/profit sensitivity gap	-	-	-	-	-	(1,969,272)
<b>Total interest/profit sensitivity gap</b>	<b>(163,900)</b>	<b>(1,359,729)</b>	<b>(754,286)</b>	<b>(1,062,414)</b>	<b>1,628,679</b>	<b>1,341,124</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

### 37. Financial risk management objectives and policies (Cont'd)

#### (e) Risk measurement and reporting systems (Cont'd)

##### (b) Market risk (Cont'd)

##### (i) Interest/profit rate risk (Cont'd)

Group 31 December 2022 Restated	Non-trading book					Trading book RM'000	Total RM'000	Weighted average effective interest/ profit rate %
	Up to 1 month RM'000	>1 - 3 months RM'000	>3 - 12 months RM'000	>1 - 5 years RM'000	Over 5 years RM'000			
<b>Assets</b>								
Cash and short-term funds	1,507,280	70,040	-	-	-	-	1,628,091	3.37
Debt instrument at FVOCI	36,033	5,070	307,196	822,293	224,849	-	1,395,441	3.89
Equity instrument at FVOCI	-	-	-	-	-	-	40,680	9.75
Debt instrument at FVTPL	-	-	-	-	-	-	-	-
Debt instrument at AC	-	25,465	391,141	477,746	40,401	-	934,753	3.78
Loans, advances and financing - non-credit impaired	82,396	133,155	133,298	1,067,578	2,823,747	-	7,224,765	7.34
- credit impaired*	-	-	-	-	-	-	527,300	-
Other assets (Note 8)	-	-	-	-	-	-	11,925	-
<b>Total assets</b>	1,625,709	233,730	831,635	2,367,617	3,088,997	-	11,762,955	

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

### 37. Financial risk management objectives and policies (Cont'd)

#### (e) Risk measurement and reporting systems (Cont'd)

##### (b) Market risk (Cont'd)

##### (i) Interest/profit rate risk (Cont'd)

Group 31 December 2022 Restated (Cont'd)	Non-trading book					Trading book RM'000	Total RM'000	Weighted average effective interest/ profit rate %
	Up to 1 month RM'000	>1 - 3 months RM'000	>3 - 12 months RM'000	>1 - 5 years RM'000	Over 5 years RM'000			
<b>Liabilities</b>								
Deposits from customers	2,416,429	1,381,506	705,974	-	-	-	4,503,909	3.28
Deposits from banks and other financial institutions	100,135	50,073	-	-	-	-	150,208	2.98
IMTNs/ICPs	379,348	140,049	2,900	2,100,000	-	-	2,622,297	3.56
Borrowings/Fundings	1,835	16,527	25,639	911,363	994,109	-	1,949,473	0.89
Lease liabilities (Note 20)	286	571	2,415	11,330	535	-	15,137	3.10
Other liabilities (Note 21)	-	-	-	-	-	-	972,593	-
<b>Total liabilities</b>	2,898,033	1,588,726	736,928	3,022,693	994,644	-	10,213,617	
On-balance sheet interest/profit sensitivity gap	(1,272,324)	(1,354,996)	94,707	(655,076)	2,094,353	-	2,642,674	
Off-balance sheet interest/profit sensitivity gap	-	-	-	-	-	-	(2,255,710)	
<b>Total interest/profit sensitivity gap</b>	(1,272,324)	(1,354,996)	94,707	(655,076)	2,094,353	-	386,964	

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### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

#### 37. Financial risk management objectives and policies (Cont'd)

##### (e) Risk measurement and reporting systems (Cont'd)

##### (b) Market risk (Cont'd)

##### (i) Interest/profit rate risk (Cont'd)

Bank 31 December 2023	Non-trading book					Non- interest/ profit sensitive RM'000	Trading book RM'000	Total RM'000	Weighted average effective interest/ profit rate %
	Up to 1 month RM'000	>1 - 3 months RM'000	>3 - 12 months RM'000	>1 - 5 years RM'000	Over 5 years RM'000				
<b>Assets</b>									
Cash and short-term funds	1,365,468	120,277	-	-	-	72,300	-	1,558,045	3.38
Debt instrument at FVOCI	37,362	-	520,796	798,004	85,058	-	-	1,441,220	4.01
Equity instrument at FVOCI	-	-	-	-	-	41,454	-	41,454	11.75
Debt instrument at AC	29,928	49,592	241,443	639,649	15,040	-	-	975,652	4.19
Loans, advances and financing									
- non-credit impaired	26,389	8,751	275,527	1,022,369	2,703,821	3,759,640	-	7,796,497	7.48
- credit impaired*	-	-	-	-	-	488,040	-	488,040	-
Other assets (Note 8)	35,800	-	-	-	-	71,023	-	106,823	-
<b>Total assets</b>	<b>1,494,947</b>	<b>178,620</b>	<b>1,037,766</b>	<b>2,460,022</b>	<b>2,803,919</b>	<b>4,432,457</b>	<b>-</b>	<b>12,407,731</b>	

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

#### 37. Financial risk management objectives and policies (Cont'd)

##### (e) Risk measurement and reporting systems (Cont'd)

##### (b) Market risk (Cont'd)

##### (i) Interest/profit rate risk (Cont'd)

Bank 31 December 2023 (Cont'd)	Non-trading book					Non- interest/ profit sensitive RM'000	Trading book RM'000	Total RM'000	Weighted average effective interest/ profit rate %
	Up to 1 month RM'000	>1 - 3 months RM'000	>3 - 12 months RM'000	>1 - 5 years RM'000	Over 5 years RM'000				
<b>Liabilities</b>									
Deposits from customers	1,220,368	1,101,732	1,662,535	-	-	-	-	3,984,635	3.48
Deposits from banks and other financial institutions	140,056	-	-	-	-	-	-	140,056	3.13
IMTNs/ICPs	299,771	421,321	85,845	2,700,000	-	-	-	3,506,937	3.73
Borrowings/ Fundings	222	15,405	43,480	813,300	1,175,240	-	-	2,047,647	0.84
Lease liabilities (Note 20)	300	601	2,774	9,136	-	-	-	12,811	3.06
Other liabilities (Note 21)	-	-	-	-	-	1,104,183	-	1,104,183	-
<b>Total liabilities</b>	<b>1,660,717</b>	<b>1,539,059</b>	<b>1,794,634</b>	<b>3,522,436</b>	<b>1,175,240</b>	<b>1,104,183</b>	<b>-</b>	<b>10,796,269</b>	
On-balance sheet interest/profit sensitivity gap	(165,770)	(1,360,439)	(756,868)	(1,062,414)	1,628,679	3,328,274	-	-	
Off-balance sheet interest/profit sensitivity gap	-	-	-	-	-	(1,969,272)	-	-	
<b>Total interest/profit sensitivity gap</b>	<b>(165,770)</b>	<b>(1,360,439)</b>	<b>(756,868)</b>	<b>(1,062,414)</b>	<b>1,628,679</b>	<b>1,359,002</b>	<b>-</b>	<b>-</b>	

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

#### 37. Financial risk management objectives and policies (Cont'd)

##### (e) Risk measurement and reporting systems (Cont'd)

##### (b) Market risk (Cont'd)

##### (i) Interest/profit rate risk (Cont'd)

Bank 31 December 2022 Restated	Non-trading book					Trading book RM'000	Total RM'000	Weighted average effective interest/ profit rate %
	Up to 1 month RM'000	>1 - 3 months RM'000	>3 - 12 months RM'000	>1 - 5 years RM'000	Over 5 years RM'000			
<b>Assets</b>								
Cash and short-term funds	1,507,280	70,040	-	-	-	-	1,626,827	3.37
Debt instrument at FVOCI	36,033	5,070	307,196	822,293	224,849	-	1,395,441	3.89
Equity instrument at FVOCI	-	-	-	-	-	-	40,680	9.75
Debt instrument at FVTPL	-	-	-	-	-	-	-	-
Debt instrument at AC	-	25,465	391,141	477,746	40,401	-	934,753	3.78
Loans, advances and financing - non-credit impaired	82,396	133,155	133,298	1,067,578	2,823,747	2,984,591	7,224,765	7.34
- credit impaired*	-	-	-	-	-	527,300	527,300	-
Other assets (Note 8)	43,751	-	-	-	-	64,867	108,618	-
<b>Total assets</b>	1,669,460	233,730	831,635	2,367,617	3,088,997	3,666,945	11,858,384	

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

#### 37. Financial risk management objectives and policies (Cont'd)

##### (e) Risk measurement and reporting systems (Cont'd)

##### (b) Market risk (Cont'd)

##### (i) Interest/profit rate risk (Cont'd)

Bank 31 December 2022 (Cont'd)	Non-trading book					Trading book RM'000	Total RM'000	Weighted average effective interest/ profit rate %
	Up to 1 month RM'000	>1 - 3 months RM'000	>3 - 12 months RM'000	>1 - 5 years RM'000	Over 5 years RM'000			
<b>Liabilities</b>								
Deposits from customers	2,463,308	1,384,513	705,974	-	-	-	4,553,795	3.28
Deposits from banks and other financial institutions	100,135	50,073	-	-	-	-	150,208	2.98
IMTNs/ICPs	379,348	140,049	2,900	2,100,000	-	-	2,622,297	3.56
Borrowings/Fundings	1,835	16,527	25,639	911,363	994,109	-	1,949,473	0.89
Lease liabilities (Note 20)	286	571	2,415	11,330	535	-	15,137	3.10
Other liabilities (Note 21)	-	-	-	-	-	1,007,091	1,007,091	-
<b>Total liabilities</b>	2,944,912	1,591,733	736,928	3,022,693	994,644	1,007,091	10,298,001	
On-balance sheet interest/profit sensitivity gap	(1,275,452)	(1,358,003)	94,707	(655,076)	2,094,353	2,659,854	-	
Off-balance sheet interest/profit sensitivity gap	-	-	-	-	-	(2,255,710)	-	
<b>Total interest/profit sensitivity gap</b>	(1,275,452)	(1,358,003)	94,707	(655,076)	2,094,353	404,144	-	

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

#### 37. Financial risk management objectives and policies (Cont'd)

##### (e) Risk measurement and reporting systems (Cont'd)

##### (c) Liquidity risk

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

The Group and the Bank manage their liquidity requirements on a day-to-day basis to ensure that funds are readily available for operational needs, withdrawals of deposits and payments to fund providers. The Group and the Bank may raise funds locally through government borrowings/fundings, securities/debt issuance or direct negotiations.

##### (i) Maturity analysis of assets and liabilities based on remaining contractual maturity

Group 31 December 2023	Up to 1 months RM'000	>1 - 3 months RM'000	>3 - 12 months RM'000	>1 - 5 years RM'000	Over 5 years RM'000	Non-specific maturity RM'000	Total RM'000
<b>Assets</b>							
Cash and short-term funds	1,438,469	120,277	-	-	-	-	1,558,746
Debt instrument at FVOCI	37,362	-	520,796	798,004	85,058	-	1,441,220
Equity instrument at FVOCI	-	-	-	-	-	41,454	41,454
Debt instrument at AC	29,928	49,592	241,443	639,649	15,040	-	975,652
Loans, advances and financing	597,700	734,287	954,896	2,141,603	3,856,051	-	8,284,537
Other assets (Note 8)	-	-	-	-	-	13,333	13,333
<b>Total assets</b>	<b>2,103,459</b>	<b>904,156</b>	<b>1,717,135</b>	<b>3,579,256</b>	<b>3,956,149</b>	<b>54,787</b>	<b>12,314,942</b>

#### 37. Financial risk management objectives and policies (Cont'd)

##### (e) Risk measurement and reporting systems (Cont'd)

##### (c) Liquidity risk (Cont'd)

##### (i) Maturity analysis of assets and liabilities based on remaining contractual maturity (Cont'd)

Group 31 December 2023 (Cont'd)	Up to 1 month RM'000	>1 - 3 months RM'000	>3 - 12 months RM'000	>1 - 5 years RM'000	Over 5 years RM'000	Non-specific maturity RM'000	Total RM'000
<b>Liabilities</b>							
Deposits from customers	1,182,698	1,101,022	1,659,953	-	-	-	3,943,673
Deposits from banks and other financial institutions	140,056	-	-	-	-	-	140,056
IMTNs/ICPs	299,771	421,321	85,845	2,700,000	-	-	3,506,937
Borrowings/Fundings	222	15,405	43,480	813,300	1,175,240	-	2,047,647
Lease liabilities	300	601	2,774	9,136	-	-	12,811
Other liabilities (Note 21)	-	-	-	-	-	1,065,072	1,065,072
<b>Total liabilities</b>	<b>1,623,047</b>	<b>1,538,349</b>	<b>1,792,052</b>	<b>3,522,436</b>	<b>1,175,240</b>	<b>1,065,072</b>	<b>10,716,196</b>
<b>Net maturity mismatches</b>	<b>480,412</b>	<b>(634,193)</b>	<b>(74,917)</b>	<b>56,820</b>	<b>2,780,909</b>	<b>(1,010,285)</b>	<b>1,598,746</b>
<b>Commitments and contingencies</b>							
Financial guarantees	300	-	41,283	206,459	134,347	-	382,389
Letters of credit	6,365	2,784	3,952	4,771	-	-	17,872
Undisbursed loans/financing	21,013	319,244	-	664,001	182,788	369,156	1,556,202
	27,678	322,028	45,235	875,231	317,135	369,156	1,956,463

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### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

#### 37. Financial risk management objectives and policies (Cont'd)

##### (e) Risk measurement and reporting systems (Cont'd)

##### (c) Liquidity risk (Cont'd)

##### (i) Maturity analysis of assets and liabilities based on remaining contractual maturity (Cont'd)

Group 31 December 2022 Restated	Up to 1 month RM'000	>1 - 3 months RM'000	>3 - 12 months RM'000	>1 - 5 years RM'000	Over 5 years RM'000	Non-specific maturity RM'000	Total RM'000
<b>Assets</b>							
Cash and short-term funds	1,558,051	70,040	-	-	-	-	1,628,091
Debt instrument at FVOCI	36,033	5,070	3,071,196	822,293	224,849	-	1,395,441
Equity instrument at FVOCI	-	-	-	-	-	40,680	40,680
Debt instrument at AC	-	25,465	391,141	477,746	40,401	-	934,753
Loans, advances and financing	404,036	545,674	642,049	1,900,947	4,259,359	-	7,752,065
Other assets (Note 8)	-	-	-	-	-	11,925	11,925
<b>Total assets</b>	<b>1,998,120</b>	<b>646,249</b>	<b>1,340,386</b>	<b>3,200,986</b>	<b>4,524,609</b>	<b>52,605</b>	<b>11,762,955</b>
<b>Liabilities</b>							
Deposits from customers	2,416,429	1,381,506	705,974	-	-	-	4,503,909
Deposits from banks and other financial institutions	100,135	50,073	-	-	-	-	150,208
IMTNS/ICPs	379,348	140,049	2,900	2,100,000	-	-	2,622,297
Borrowings/Fundings	1,835	16,527	25,639	911,363	994,109	-	1,949,473
Lease liabilities	286	571	2,415	11,330	535	-	15,137
Other liabilities (Note 21)	-	-	-	-	-	972,593	972,593
<b>Total liabilities</b>	<b>2,898,033</b>	<b>1,588,726</b>	<b>736,928</b>	<b>3,022,693</b>	<b>994,644</b>	<b>972,593</b>	<b>10,213,617</b>
<b>Net maturity mismatches</b>	<b>(899,913)</b>	<b>(942,477)</b>	<b>603,458</b>	<b>178,293</b>	<b>3,529,965</b>	<b>(919,988)</b>	<b>1,549,338</b>
<b>Commitments and contingencies</b>							
Financial guarantees	7,394	-	3,987	197,317	122,559	-	331,257
Letters of credit	3,226	2,246	8,898	-	-	-	14,370
Undisbursed loans/financing	13,695	16,271	194,444	680,313	888,956	99,654	1,893,333
	24,315	18,517	207,329	877,630	1,011,515	99,654	2,238,960

#### 37. Financial risk management objectives and policies (Cont'd)

##### (e) Risk measurement and reporting systems (Cont'd)

##### (c) Liquidity risk (Cont'd)

##### (i) Maturity analysis of assets and liabilities based on remaining contractual maturity (Cont'd)

Bank 31 December 2023	Up to 1 month RM'000	>1 - 3 months RM'000	>3 - 12 months RM'000	>1 - 5 years RM'000	Over 5 years RM'000	Non-specific maturity RM'000	Total RM'000
<b>Assets</b>							
Cash and short-term funds	1,437,768	120,277	-	-	-	-	1,558,045
Debt instrument at FVOCI	37,362	-	520,796	798,004	85,058	-	1,441,220
Equity instrument at FVOCI	-	-	-	-	-	41,454	41,454
Debt instrument at AC	29,928	49,592	241,443	639,649	15,040	-	975,652
Loans, advances and financing	597,700	734,287	954,896	2,141,603	3,856,051	-	8,284,537
Other assets (Note 8)	35,800	-	-	-	-	71,023	106,823
<b>Total assets</b>	<b>2,138,558</b>	<b>904,156</b>	<b>1,717,135</b>	<b>3,579,256</b>	<b>3,956,149</b>	<b>112,477</b>	<b>12,407,731</b>
<b>Liabilities</b>							
Deposits from customers	1,220,368	1,101,732	1,662,535	-	-	-	3,984,635
Deposits from banks and other financial institutions	140,056	299,771	-	-	-	-	140,056
IMTNS/ICPs	299,771	421,321	85,845	2,700,000	-	-	3,506,937
Borrowings/Fundings	222	15,405	43,480	813,300	1,175,240	-	2,047,647
Lease liabilities	300	601	2,774	9,136	-	-	12,811
Other liabilities (Note 21)	-	-	-	-	-	1,104,183	1,104,183
<b>Total liabilities</b>	<b>1,660,717</b>	<b>1,539,059</b>	<b>1,794,634</b>	<b>3,522,436</b>	<b>1,175,240</b>	<b>1,104,183</b>	<b>10,796,269</b>
<b>Net maturity mismatches</b>	<b>477,841</b>	<b>(634,903)</b>	<b>(77,499)</b>	<b>56,820</b>	<b>2,780,909</b>	<b>(991,706)</b>	<b>1,611,462</b>
<b>Commitments and contingencies</b>							
Financial guarantees	300	-	41,283	206,459	134,347	-	382,389
Letters of credit	6,365	2,784	3,952	4,771	-	-	17,872
Undisbursed loans/financing	21,013	319,244	-	664,001	182,788	369,156	1,556,202
	27,678	322,028	45,235	875,231	317,135	369,156	1,956,463

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

#### 37. Financial risk management objectives and policies (Cont'd)

##### (e) Risk measurement and reporting systems (Cont'd)

##### (c) Liquidity risk (Cont'd)

##### (i) Maturity analysis of assets and liabilities based on remaining contractual maturity (Cont'd)

Bank 31 December 2022	Up to 1 month RM'000	>1 - 3 months RM'000	>3 - 12 months RM'000	>1 - 5 years RM'000	Over 5 years RM'000	Non-specific maturity RM'000	Total RM'000
<b>Assets</b>							
Cash and short-term funds	1,556,787	70,040	-	-	-	-	1,626,827
Debt instrument at FVOCI	36,033	5,070	307,196	822,293	224,849	-	1,395,441
Equity instrument at FVOCI	-	-	-	-	-	40,680	40,680
Debt instrument at FVTPL	-	-	-	-	-	-	-
Debt instrument at AC	-	25,465	391,141	477,746	40,401	-	934,753
Loans, advances and financing	404,036	545,674	642,049	1,900,947	4,259,359	-	7,752,065
Other assets (Note 8)	43,751	-	-	-	-	64,867	108,618
<b>Total assets</b>	<b>2,040,607</b>	<b>646,249</b>	<b>1,340,386</b>	<b>3,200,986</b>	<b>4,524,609</b>	<b>105,547</b>	<b>11,858,384</b>
<b>Liabilities</b>							
Deposits from customers and other financial institutions	2,463,308	1,384,513	705,974	-	-	-	4,553,795
IMTNs/ICPs	100,135	50,073	-	-	-	-	150,208
Borrowings/Fundings	379,348	140,049	2,900	2,100,000	-	-	2,622,297
Lease liabilities	1,835	16,527	25,639	911,363	994,109	-	1,949,473
Other liabilities (Note 21)	286	571	2,415	11,330	535	-	15,137
	-	-	-	-	-	1,007,091	1,007,091
<b>Total liabilities</b>	<b>2,944,912</b>	<b>1,591,733</b>	<b>736,928</b>	<b>3,022,693</b>	<b>994,644</b>	<b>1,007,091</b>	<b>10,298,001</b>
<b>Net maturity mismatches</b>	<b>(904,305)</b>	<b>(945,484)</b>	<b>603,458</b>	<b>178,293</b>	<b>3,529,965</b>	<b>(901,544)</b>	<b>1,560,383</b>
<b>Commitments and contingencies</b>							
Financial guarantees	7,394	-	3,987	197,317	122,559	-	331,257
Letters of credit	3,226	2,246	8,898	-	-	-	14,370
Undisbursed loans/financing	13,695	16,271	194,444	680,313	888,956	99,654	1,893,333
	24,315	18,517	207,329	877,630	1,011,515	99,654	2,238,960

#### 37. Financial risk management objectives and policies (Cont'd)

##### (e) Risk measurement and reporting systems (Cont'd)

##### (c) Liquidity risk (Cont'd)

##### (ii) Maturity analysis of financial liabilities on an undiscounted basis

The following tables show the contractual undiscounted cash flows payable for financial liabilities by remaining contractual maturity. The financial liabilities disclosed in the tables below will not agree to the carrying amounts reported in the statements of financial position as the amounts incorporated all contractual cash flows, on an undiscounted basis, relating to both principal and interest/profit payments. The contractual maturity profile does not necessarily reflect the behavioural cash flows.

Group Liabilities	Up to 1 month RM'000	>1 - 3 months RM'000	>3 - 12 months RM'000	>1 - 5 years RM'000	Over 5 years RM'000	Non-specific maturity RM'000	Total RM'000
<b>31 December 2023</b>							
Deposits from customers	1,184,409	1,106,393	1,687,020	-	-	-	3,977,822
Deposits from banks and other financial institutions	140,121	-	-	-	-	-	140,121
IMTNs/ICPs	300,000	510,179	78,301	2,929,442	-	-	3,817,922
Borrowings/Fundings	220	15,180	43,034	905,420	1,325,954	-	2,289,808
Lease liabilities	337	674	3,055	9,689	-	-	13,755
Other liabilities (Note 21)	-	-	-	-	-	1,065,072	1,065,072
<b>Total liabilities</b>	<b>1,625,087</b>	<b>1,632,426</b>	<b>1,811,410</b>	<b>3,844,551</b>	<b>1,325,954</b>	<b>1,065,072</b>	<b>11,304,500</b>
<b>31 December 2022</b>							
Deposits from customers	2,420,562	1,388,910	713,960	-	-	-	4,523,432
Deposits from banks and other financial institutions	100,174	50,143	-	-	-	-	150,317
IMTNs/ICPs	379,347	30,167	164,380	2,255,616	-	-	2,829,510
Borrowings/Fundings	10,589	15,310	29,227	774,986	1,389,252	-	2,219,364
Lease liabilities	329	657	2,755	12,214	551	-	16,506
Other liabilities (Note 21)	-	-	-	-	-	972,593	972,593
<b>Total liabilities</b>	<b>2,911,001</b>	<b>1,485,187</b>	<b>910,322</b>	<b>3,042,816</b>	<b>1,389,803</b>	<b>972,593</b>	<b>10,711,722</b>



## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

#### 37. Financial risk management objectives and policies (Cont'd)

##### (e) Risk measurement and reporting systems (Cont'd)

##### (c) Liquidity risk (Cont'd)

##### (ii) Maturity analysis of financial liabilities on an undiscounted basis (Cont'd)

Bank Liabilities	Up to 1 month RM'000	>1 - 3 months RM'000	>3 - 12 months RM'000	>1 - 5 years RM'000	Over 5 years RM'000	Non-specific maturity RM'000	Total RM'000
<b>31 December 2023</b>							
Deposits from customers	1,222,131	1,107,106	1,689,634	-	-	-	4,018,871
Deposits from banks and other financial institutions	140,121	-	-	-	-	-	140,121
IMTNs/ICPs	300,000	510,179	78,301	2,929,442	-	-	3,817,922
Borrowings/Fundings	220	15,180	43,034	905,420	1,325,954	-	2,289,808
Lease liabilities	337	674	3,055	9,689	-	-	13,755
Other liabilities (Note 21)	-	-	-	-	-	1,104,183	1,104,183
<b>Total liabilities</b>	<b>1,662,809</b>	<b>1,633,139</b>	<b>1,814,024</b>	<b>3,844,551</b>	<b>1,325,954</b>	<b>1,104,183</b>	<b>11,384,660</b>
<b>31 December 2022</b>							
Deposits from customers	2,467,509	1,391,936	713,960	-	-	-	4,573,405
Deposits from banks and other financial institutions	100,174	50,143	-	-	-	-	150,317
IMTNs/ICPs	379,347	30,167	164,380	2,255,616	-	-	2,829,510
Borrowings/Fundings	10,589	15,310	29,227	774,986	1,389,252	-	2,219,364
Lease liabilities	329	657	2,755	12,214	551	-	16,506
Other liabilities (Note 21)	-	-	-	-	-	1,007,091	1,007,091
<b>Total liabilities</b>	<b>2,957,948</b>	<b>1,488,213</b>	<b>910,322</b>	<b>3,042,816</b>	<b>1,389,803</b>	<b>1,007,091</b>	<b>10,796,193</b>

#### 37. Financial risk management objectives and policies (Cont'd)

##### (e) Risk measurement and reporting systems (Cont'd)

##### (c) Liquidity risk (Cont'd)

The Group and the Bank are subject to liquidity requirements to support calls under outstanding contingent liabilities and undrawn credit facility commitments as disclosed in Note 34. These have been incorporated in the net off-balance sheet position for each year ended. The total outstanding contractual amounts of these items do not represent future cash requirements since the Group and the Bank expect many of these contingent liabilities and commitments (such as direct credit substitutes, and undisbursed credit facilities) to expire without being called or drawn upon, and many of the contingent liabilities (such as letters of credit) are reimbursable by customers.

##### (d) Operational risk

Operational risk, which is inherent in all business activities, is the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events.

Operational Risk Management ("ORM") takes place in a day-to-day basis at each business unit level. The Group and the Bank mitigate their operational risk by having comprehensive internal controls, conduct risk assessments through Risk Control Self Assessment ("RCSA"), fraud and loss analysis, system and procedures, which are reviewed regularly and subjected to periodical audits by Internal Auditors.

#### 38. Dividends

	Group and Bank	
	2023 RM'000	2022 RM'000
Dividends on ordinary shares:		
Final tax exempt (single-tier) dividend for 2022: 0.34 sen (2021: 0.27 sen) per share	6,221	5,006

At the forthcoming Annual General Meeting, a final single-tier dividend in respect of the financial year ended 31 December 2023 of 0.46 sen per share on 1,850,000,000 ordinary shares, amounting to RM8,512,000 will be proposed for the shareholder's approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholder, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2024.

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

#### 39. Islamic banking business

The state of affairs as at 31 December 2023 and results for the financial year then ended under the Islamic Banking business of the Group and of the Bank and included in the Group's and the Bank's financial statements are summarised as follows:

##### Statements of financial position As at 31 December 2023

	Note	31.12.2023 RM'000	Group 31.12.2022 RM'000 Restated	1.1.2022 RM'000 Restated
<b>Assets</b>				
Cash and short-term funds	39(a)	1,558,358	1,627,108	1,248,636
Financial investments at FVOCI	39(b)	1,471,981	1,426,059	1,386,545
Financial investments at FVTPL		-	-	100,927
Financial investments at AC	6	975,652	934,753	518,757
Advances and financing	39(c)	8,274,888	7,736,394	7,294,765
Other assets	39(d)	24,199	25,210	20,608
Investment in subsidiaries	9	-	-	-
Property, plant and equipment	11	124,395	146,131	134,044
Right-of-use assets	12	12,334	14,821	13,830
Investment properties	13	394,399	377,231	374,081
Intangible assets	14	41,503	17,698	14,762
Tax recoverables		5,942	5,203	5,572
Deferred tax assets	15	113,536	108,089	106,947
<b>Total assets</b>		<b>12,997,187</b>	12,418,697	11,219,474
<b>Liabilities</b>				
Deposits from customers	16	3,943,673	4,503,909	3,742,803
Deposits from banks and other financial institutions	17	140,056	150,208	50,085
Islamic medium-term notes/commercial papers	18	3,506,937	2,622,297	2,521,926
Term financing/Fundings	39(e)	1,574,346	1,445,256	766,563
Lease liabilities	20	12,811	15,137	14,195
Other liabilities	39(f)	1,118,045	1,031,893	1,150,023
Amount due to conventional operations		336,044	604,967	998,938
Government funds	22	580,125	602,785	540,701
<b>Total liabilities</b>		<b>11,212,037</b>	10,976,452	9,785,234
Islamic general fund		1,785,150	1,442,245	1,434,240
<b>Total liabilities and Islamic banking funds</b>		<b>12,997,187</b>	12,418,697	11,219,474
<b>Commitments</b>	39(l)	<b>1,956,463</b>	2,236,532	2,174,403

#### 39. Islamic banking business (Cont'd)

##### Statements of financial position As at 31 December 2023 (Cont'd)

	Note	31.12.2023 RM'000	Bank 31.12.2022 RM'000 Restated	1.1.2022 RM'000 Restated
<b>Assets</b>				
Cash and short-term funds	39(a)	1,557,705	1,626,341	1,246,152
Financial investments at FVOCI	39(b)	1,471,981	1,426,059	1,386,545
Financial investments at FVTPL		-	-	100,927
Financial investments at AC	6	975,652	934,753	518,757
Advances and financing	39(c)	8,274,888	7,736,394	7,294,765
Other assets	39(d)	117,678	121,889	106,480
Investment in subsidiaries	9	-	-	-
Property, plant and equipment	11	124,395	146,098	134,011
Right-of-use assets	12	12,334	14,821	13,830
Investment properties	13	394,399	377,231	374,081
Intangible assets	14	41,503	17,698	14,762
Tax recoverables		2,692	2,997	2,997
Deferred tax assets	15	113,536	108,089	106,947
<b>Total assets</b>		<b>13,086,763</b>	12,512,370	11,300,254
<b>Liabilities</b>				
Deposits from customers	16	3,984,635	4,553,795	3,776,444
Deposits from banks and other financial institutions	17	140,056	150,208	50,085
Islamic medium-term notes/commercial papers	18	3,506,937	2,622,297	2,521,926
Term financing/Fundings	39(e)	1,574,346	1,445,256	766,563
Lease liabilities	20	12,811	15,137	14,195
Other liabilities	39(f)	1,156,319	1,065,071	1,177,524
Amount due to conventional operations		468,890	763,711	1,192,341
Government funds	22	580,125	602,785	540,701
<b>Total liabilities</b>		<b>11,424,119</b>	11,218,260	10,039,779
Islamic general fund		1,662,644	1,294,110	1,260,475
<b>Total liabilities and Islamic banking funds</b>		<b>13,086,763</b>	12,512,370	11,300,254
<b>Commitments</b>	39(l)	<b>1,956,463</b>	2,236,532	2,174,403

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

#### 39. Islamic banking business (Cont'd)

##### Statements of comprehensive income For the financial year ended 31 December 2023

	Note	Group		Bank	
		2023 RM'000	2022 RM'000 Restated	2023 RM'000	2022 RM'000 Restated
Income from Islamic banking business	39(g)	671,472	569,779	671,472	569,779
Profit expense attributable to Islamic banking business	39(h)	(295,681)	(223,385)	(296,400)	(223,921)
<b>Gross income from Islamic banking business</b>		<b>375,791</b>	346,394	<b>375,072</b>	345,858
Other operating income	39(i)	148,451	114,971	142,260	111,280
Other operating expenses	39(j)	(286,532)	(240,921)	(288,970)	(242,127)
Operating profit		237,710	220,444	228,362	215,011
(Allowances)/Writeback for impairment losses on :					
- advances and financing	39(k)	(181,636)	(201,177)	(184,624)	(205,486)
- commitments	39(f)(i)	(1,191)	986	(1,191)	986
- financial investments at FVOCI	5	(2,104)	108	(2,104)	108
- financial investments at AC	6	(786)	277	(786)	277
- other assets at AC	8(i)(b)	245	(1,504)	245	(1,504)
- other assets at FVOCI	8(ii)	-	-	60,700	35,155
- investment in subsidiaries	9	-	-	(24,883)	-
<b>Profit before taxation and zakat</b>		<b>52,238</b>	19,134	<b>75,719</b>	44,547
Tax credit/(expense)	31	7,194	(935)	9,342	(718)
Zakat	31	170	(1,562)	170	(1,562)
<b>Profit for the year</b>		<b>59,602</b>	16,637	<b>85,231</b>	42,267
<b>Other comprehensive income</b>					
<b>Items that may be reclassified to profit or loss:</b>					
Unrealised gain/(loss) on revaluation of financial investments at FVOCI		18,104	(17,195)	18,104	(17,195)
Reclassification of gain included in profit or loss	24	36	12,566	36	12,566
Changes in expected credit losses on financial investments at FVOCI	24	2,104	(108)	2,104	(108)
Income tax relating to components of other comprehensive income		(4,354)	1,111	(4,354)	1,111
<b>Other comprehensive gain/(loss) for the year, net of tax</b>		<b>15,890</b>	(3,626)	<b>15,890</b>	(3,626)
<b>Total comprehensive income for the year</b>		<b>75,492</b>	13,011	<b>101,121</b>	38,641

#### 39. Islamic banking business (Cont'd)

##### Statements of changes in Islamic General Funds For the financial year ended 31 December 2023

Group	Note	Share capital RM'000	Non-distributable fair value reserve RM'000	Distributable retained profits RM'000	Total RM'000
<b>At 1 January 2023, as previously reported</b>		1,050,564	(1,348)	479,833	1,529,049
Effect on the expiry of BNM MAF	40	-	-	(86,804)	(86,804)
<b>At 1 January 2023, as restated</b>		1,050,564	(1,348)	393,029	1,442,245
Share capital reallocation		273,634	-	-	273,634
Unrealised gain on revaluation of financial investments at FVOCI		-	18,104	-	18,104
Reclassification of gain included in profit or loss	24	-	36	-	36
Changes in expected credit losses of financial investments at FVOCI	24	-	2,104	-	2,104
Income tax relating to components of other comprehensive income		-	(4,354)	-	(4,354)
Profit for the year		-	-	59,602	59,602
Total comprehensive income for the year		-	15,890	59,602	75,492
Transaction with owner: Dividends	38	-	-	(6,221)	(6,221)
<b>At 31 December 2023</b>		<b>1,324,198</b>	<b>14,542</b>	<b>446,410</b>	<b>1,785,150</b>

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

#### 39. Islamic banking business (Cont'd)

##### Statements of changes in Islamic General Funds For the financial year ended 31 December 2023 (Cont'd)

Group	Note	Share capital RM'000	Non-distributable fair value reserve RM'000	Distributable retained profits RM'000	Total RM'000
<b>At 1 January 2022, as previously reported</b>		1,050,564	2,278	460,955	1,513,797
Effect on the expiry of BNM MAF (2021)	40	-	-	(79,557)	(79,557)
<b>At 1 January 2022, as restated</b>		1,050,564	2,278	381,398	1,434,240
Unrealised loss on revaluation of financial investments at FVOCI		-	(17,195)	-	(17,195)
Reclassification of gain included in profit or loss	24	-	12,566	-	12,566
Changes in expected credit losses of financial investments at FVOCI	24	-	(108)	-	(108)
Income tax relating to components of other comprehensive income		-	1,111	-	1,111
Profit for the year		-	-	16,637	16,637
Total comprehensive (loss)/ income for the year		-	(3,626)	16,637	13,011
Transaction with owner: Dividends	38	-	-	(5,006)	(5,006)
<b>At 31 December 2022</b>		1,050,564	(1,348)	393,029	1,442,245

#### 39. Islamic banking business (Cont'd)

##### Statements of changes in Islamic General Funds For the financial year ended 31 December 2023 (Cont'd)

Bank	Note	Share capital RM'000	Non-distributable fair value reserve RM'000	Distributable retained profits RM'000	Total RM'000
<b>At 1 January 2023, as previously reported</b>		1,050,564	(1,348)	331,698	1,380,914
Effect on the expiry of BNM MAF	40	-	-	(86,804)	(86,804)
<b>At 1 January 2023, as restated</b>		1,050,564	(1,348)	244,894	1,294,110
Share capital reallocation		273,634	-	-	273,634
Unrealised gain on revaluation of financial investments at FVOCI		-	18,104	-	18,104
Reclassification of gain included in profit or loss	24	-	36	-	36
Changes in expected credit losses of financial investments at FVOCI	24	-	2,104	-	2,104
Income tax relating to components of other comprehensive income		-	(4,354)	-	(4,354)
Profit for the year		-	-	85,231	85,231
Total comprehensive income for the year		-	15,890	85,231	101,121
Transaction with owner: Dividends	38	-	-	(6,221)	(6,221)
<b>At 31 December 2023</b>		1,324,198	14,542	323,904	1,662,644

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

#### 39. Islamic banking business (Cont'd)

##### Statements of changes in Islamic General Funds For the financial year ended 31 December 2023 (Cont'd)

Bank	Note	Share capital RM'000	Non-distributable fair value reserve RM'000	(Accumulated losses)/ Distributable retained profits RM'000	Total RM'000
<b>At 1 January 2022, as previously reported</b>		1,050,564	2,278	287,190	1,340,032
Effect on the expiry of BNM MAF (2021)	40	-	-	(79,557)	(79,557)
<b>At 1 January 2022, as restated</b>		1,050,564	2,278	207,633	1,260,475
Unrealised loss on revaluation of financial investments at FVOCI		-	(17,195)	-	(17,195)
Reclassification of gain included in profit or loss	24	-	12,566	-	12,566
Changes in expected credit losses of financial investments at FVOCI	24	-	(108)	-	(108)
Income tax relating to components of other comprehensive income		-	1,111	-	1,111
Profit for the year		-	-	42,267	42,267
Total comprehensive (loss)/income for the year		-	(3,626)	42,267	38,641
Transaction with owner: Dividends	38	-	-	(5,006)	(5,006)
<b>At 31 December 2022</b>		1,050,564	(1,348)	244,894	1,294,110

#### 39. Islamic banking business (Cont'd)

##### Statements of cash flows For the financial year ended 31 December 2023

	Group 2023 RM'000	2022 RM'000 Restated	Bank 2023 RM'000	2022 RM'000 Restated
<b>Cash flows from operating activities</b>				
Profit before tax expense and zakat	52,238	19,134	75,719	44,547
<b>Adjustments for:</b>				
Net impairment loss on loans, advances and financing	181,636	201,177	184,624	205,486
Net impairment loss/(writeback) of commitment and contingencies	1,191	(986)	1,191	(986)
Net loss/(writeback) on financial investments at FVOCI	2,104	(108)	2,104	(108)
Net impairment loss/(writeback) on financial investment at AC	786	(277)	786	(277)
Impairment (loss)/gain on other asset at AC	(245)	1,504	(245)	1,504
Writeback of impairment loss on other asset at FVOCI	-	-	(60,700)	(35,155)
Impairment loss on investment in subsidiaries	-	-	24,883	-
Capital contribution to a subsidiary	-	-	(24,883)	-
Modification of Bai' Inah facility	-	-	24,883	-
Depreciation of property, plant and equipment	12,800	11,613	12,800	11,613
Depreciation of right-of-use assets	3,713	3,562	3,713	3,562
Amortisation of intangible assets	10,530	8,394	10,530	8,394
Fair value adjustment on investment properties	(17,168)	(3,150)	(17,168)	(3,150)
Government funds released, net	(36,202)	(34,564)	(36,202)	(34,564)
Modification (gain)/loss arising from advances and financing	(1,437)	30,553	(1,437)	30,553
Income from financial investments at FVOCI	(49,029)	(45,195)	(49,029)	(45,195)
Income from financial investments at FVTPL	(5,807)	(3,499)	(5,807)	(3,499)
Income from financial investments at AC	(40,301)	(23,160)	(40,301)	(23,160)
Profit expense on medium-term notes	109,997	84,084	109,997	84,084
Profit expense on term financing/fundings	41,552	35,881	41,552	35,881
Finance cost on lease liabilities	498	524	498	524
Profit income on amount due from a subsidiary company	-	-	(7,183)	(8,596)
Gain on derecognition of leases	(7)	(211)	(7)	(211)
<b>Operating profit before working capital changes</b>	<b>266,849</b>	285,276	<b>250,318</b>	271,247
Changes in working capital:				
Advances and financing	(718,692)	(673,361)	(721,680)	(677,669)
Other assets	6,236	(6,104)	5,402	26,839
Deposits from customers	(560,237)	787,896	(569,160)	804,142
Deposits from banks and other financial institutions	(10,152)	100,124	(10,152)	100,124
Other liabilities	86,210	(116,966)	91,305	(111,291)
Amount due to conventional operations	5,716	43,696	(20,181)	9,038
<b>Cash (used in)/generated from operating activities</b>	<b>(924,070)</b>	<b>420,561</b>	<b>(927,148)</b>	<b>422,430</b>

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

#### 39. Islamic banking business (Cont'd)

##### Statements of cash flows For the financial year ended 31 December 2023 (Cont'd)

	Group		Bank	
	2023 RM'000	2022 RM'000 Restated	2023 RM'000	2022 RM'000 Restated
<b>Cash (used in)/generated from operating activities (Cont'd)</b>	<b>(924,070)</b>	<b>420,561</b>	<b>(927,148)</b>	<b>422,430</b>
Profit received	98,803	79,627	98,803	79,627
Income tax paid	(3,676)	(1,533)	(305)	(718)
Income tax refunded	179	967	-	-
Zakat paid	(1,330)	(1,702)	(1,330)	(1,702)
Zakat refunded	289	-	289	-
<b>Net cash (used in)/generated from operating activities</b>	<b>(829,805)</b>	<b>497,920</b>	<b>(829,691)</b>	<b>499,637</b>
<b>Cash flows from investing activities</b>				
Purchase of private debt securities	(210,709)	(690,709)	(210,709)	(690,709)
Purchase of Islamic commercial papers	(1,840,000)	(810,000)	(1,840,000)	(810,000)
Purchase of sukuk	(1,573,130)	(690,000)	(1,573,130)	(690,000)
Proceed from redemption of private debt securities	-	25,000	-	25,000
Proceeds from redemption of sukuk	740,000	100,000	740,000	100,000
Proceeds from maturity of sukuk	700,000	300,000	700,000	300,000
Proceeds from maturity of private debt securities	345,709	560,000	345,709	560,000
Proceeds from maturity of Islamic commercial papers	1,765,000	839,000	1,765,000	839,000
Proceeds from disposal of investment properties	-	-	-	-
Purchase of property, plant and equipment	(20,475)	(34,494)	(20,475)	(34,494)
Purchase of intangible assets	(9,908)	(536)	(9,908)	(536)
<b>Net cash used in investing activities</b>	<b>(103,513)</b>	<b>(401,739)</b>	<b>(103,513)</b>	<b>(401,739)</b>
<b>Cash flows from financing activities</b>				
Net disbursement of term financing/fundings	109,321	274,086	109,321	274,086
Net disbursement of Islamic medium-term notes/commercial papers	880,000	91,246	880,000	91,246
Profit paid on term financing/fundings	(9,134)	(9,153)	(9,134)	(9,153)
Profit paid on medium-term notes/commercial papers	(105,357)	(74,959)	(105,357)	(74,959)
Proceed from government funds	-	10,000	-	10,000
Payment of lease liability	(4,041)	(3,923)	(4,041)	(3,923)
Dividend paid	(6,221)	(5,006)	(6,221)	(5,006)
<b>Net cash generated from financing activities</b>	<b>864,568</b>	<b>282,291</b>	<b>864,568</b>	<b>282,291</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(68,750)</b>	<b>378,472</b>	<b>(68,636)</b>	<b>380,189</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>1,627,108</b>	<b>1,248,636</b>	<b>1,626,341</b>	<b>1,246,152</b>
<b>Cash and cash equivalents at end of year</b>	<b>1,558,358</b>	<b>1,627,108</b>	<b>1,557,705</b>	<b>1,626,341</b>
<b>Cash and cash equivalents comprise of:</b>				
- Cash and short-term funds	1,558,358	1,627,108	1,557,705	1,626,341

#### 39. Islamic banking business (Cont'd)

##### Notes to the financial statements For the financial year ended 31 December 2023

##### (a) Cash and short-term funds

	Group		Bank	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Cash at banks and on hand	72,613	49,788	71,960	49,021
Money at call and deposit placements maturing within three months	1,485,745	1,577,320	1,485,745	1,577,320
	<b>1,558,358</b>	<b>1,627,108</b>	<b>1,557,705</b>	<b>1,626,341</b>

##### (b) Financial investments at FVOCI

	Group and Bank	
	2023 RM'000	2022 RM'000
<b>At fair value</b>		
<b>Government securities</b>		
Malaysian Government Investment Issues	1,108,183	1,059,078
<b>Non-money market instruments</b>		
Equity securities		
- Private debt securities	30,761	30,618
Debt securities		
- Private debt securities	333,037	336,363
	<b>363,798</b>	<b>366,981</b>
<b>Total</b>	<b>1,471,981</b>	<b>1,426,059</b>

No loss allowance is recognised in the statements of financial position as the carrying amount is at fair value. However, the loss allowance is included as part of the revaluation amount in the fair value reserve. The movement in allowances for impairment which reflects the ECL model on impairment are as disclosed in Note 5.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

### 39. Islamic banking business (Cont'd)

#### Notes to the financial statements For the financial year ended 31 December 2023 (Cont'd)

##### (c) Advances and financing

	Group		Bank	
	2023 RM'000	2022 RM'000 Restated	2023 RM'000	2022 RM'000 Restated
Bai' Bithaman Ajil	23	1,509	-	-
Murabahah	856,574	1,087,178	840,752	1,039,781
Istisna'	53,133	78,149	51,767	75,327
Ijarah	-	84	-	-
Ijarah Thumma Al-Bai	356,736	416,093	343,335	361,918
Bai' Dayn	-	-	-	-
Tawarruq	7,652,996	6,814,196	7,652,996	6,814,191
Bai' Inah	9,229	14,275	9,024	13,044
Gross advances and financing	8,928,691	8,411,484	8,897,874	8,304,261
Less: Allowance for impairment losses on				
- Stage 1 (Note 39(c)(x))	(105,084)	(91,586)	(105,084)	(91,586)
- Stage 2 (Note 39(c)(x))	(63,286)	(45,174)	(63,286)	(45,174)
- Stage 3 (Note 39(c)(x))	(485,433)	(538,330)	(454,616)	(431,107)
Net advances and financing	8,274,888	7,736,394	8,274,888	7,736,394
Gross impaired advances and financing (Note 39(c)(viii))	1,133,956	1,188,890	1,103,139	1,081,667
Net impaired advances and financing	648,523	650,560	648,523	650,560

Included in advances and financing for the Group and the Bank are gross loans, advances and financing of RM124,121,000 (2022: RM107,020,000) financed by Government funds. The treatment of credit losses incurred for these loans, advances and financing is as disclosed in Note 2.19(ii).

### 39. Islamic banking business (Cont'd)

#### Notes to the financial statements For the financial year ended 31 December 2023 (Cont'd)

##### (c) Advances and financing (Cont'd)

(i) The maturity profile of the gross advances and financing are as follows:

	Group		Bank	
	2023 RM'000	2022 RM'000 Restated	2023 RM'000	2022 RM'000 Restated
Maturity within one year	2,451,028	1,794,147	2,420,969	1,689,767
More than one year to three years	921,641	673,684	921,187	672,766
More than three years to five years	1,362,377	1,363,989	1,362,303	1,363,012
More than five years	4,193,645	4,579,664	4,193,415	4,578,716
	8,928,691	8,411,484	8,897,874	8,304,261

(ii) Gross advances and financing analysed by type of customers are as follows:

	Group		Bank	
	2023 RM'000	2022 RM'000 Restated	2023 RM'000	2022 RM'000 Restated
Domestic business enterprise	8,918,893	8,400,494	8,888,076	8,293,271
Individual	9,798	10,990	9,798	10,990
	8,928,691	8,411,484	8,897,874	8,304,261

(iii) Gross advances and financing analysed by industry are as follows:

	Group		Bank	
	2023 RM'000	2022 RM'000 Restated	2023 RM'000	2022 RM'000 Restated
Construction	1,618,909	1,439,173	1,618,251	1,437,691
Education, health and others	598,486	621,515	592,926	589,275
Electricity, gas and water supply	162,567	162,245	162,567	162,245
Financial, insurance/takaful, real estate and business services	1,081,185	1,130,914	1,080,609	1,129,155
Manufacturing	1,636,244	1,574,659	1,628,755	1,542,721
Mining and quarrying	114,979	110,079	114,979	110,079
Primary agriculture	10,123	7,046	10,123	7,046
Transportation, storage and communication	1,254,005	1,070,931	1,244,816	1,043,657
Wholesale, retail trade, restaurants and hotels	2,442,395	2,283,932	2,435,050	2,271,402
Others	9,798	10,990	9,798	10,990
	8,928,691	8,411,484	8,897,874	8,304,261

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

### 39. Islamic banking business (Cont'd) Notes to the financial statements For the financial year ended 31 December 2023 (Cont'd)

#### (c) Advances and financing (Cont'd)

(iv) Gross advances and financing analysed by location and sector are as follows:

Group 2023	Central Region			Northern Region			Southern Region			East Coast Region			Sabah Region			Sarawak Region			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	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Construction	1,139,874	36,311	65,985	59,038	214,709	102,992	59,038	214,709	102,992	59,038	214,709	1,618,909	214,709	1,618,909							
Education, health and others	446,308	23,298	14,605	68,100	11,043	35,132	68,100	11,043	35,132	68,100	11,043	598,486	11,043	598,486							
Electricity, gas and water supply	150,695	3,618	1,675	1,601	2,080	2,898	1,601	2,080	2,898	1,601	2,080	162,567	2,080	162,567							
Financial, insurance/takaful, real estate and business services	721,509	115,065	68,804	36,076	75,766	63,965	36,076	75,766	63,965	36,076	75,766	1,081,185	75,766	1,081,185							
Manufacturing	859,902	261,026	232,140	99,949	132,638	50,589	99,949	132,638	50,589	99,949	132,638	1,636,244	132,638	1,636,244							
Mining and quarrying	53,238	-	15,058	35,166	4,484	7,033	35,166	4,484	7,033	35,166	4,484	114,979	4,484	114,979							
Primary agriculture	4,775	-	185	219	1,319	3,625	219	1,319	3,625	219	1,319	10,123	1,319	10,123							
Transportation, storage and communication	892,417	85,396	42,895	94,856	65,587	72,854	94,856	65,587	72,854	94,856	65,587	1,254,005	65,587	1,254,005							
Wholesale, retail trade, restaurants and hotels	1,146,962	327,548	119,390	324,378	221,341	302,776	324,378	221,341	302,776	324,378	221,341	2,442,395	221,341	2,442,395							
Others	9,798	-	-	-	-	-	-	-	-	-	-	9,798	-	9,798							
	5,425,478	852,262	560,737	719,383	728,967	641,864	719,383	728,967	641,864	719,383	641,864	8,928,691	728,967	8,928,691							

### 39. Islamic banking business (Cont'd)

#### Notes to the financial statements For the financial year ended 31 December 2023 (Cont'd)

#### (c) Advances and financing (Cont'd)

(iv) Gross advances and financing analysed by location and sector are as follows: (Cont'd)

Group 2022 Restated	Central Region			Northern Region			Southern Region			East Coast Region			Sabah Region			Sarawak Region			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	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Construction	989,679	29,409	53,134	48,135	219,450	99,366	48,135	219,450	99,366	48,135	219,450	1,439,173	219,450	1,439,173							
Education, health and others	447,956	19,855	21,115	83,857	11,617	37,115	83,857	11,617	37,115	83,857	11,617	621,515	11,617	621,515							
Electricity, gas and water supply	154,775	578	1,518	2,009	333	3,032	2,009	333	3,032	2,009	333	162,245	333	162,245							
Financial, insurance/takaful, real estate and business services	771,509	112,450	67,098	40,335	75,598	63,924	40,335	75,598	63,924	40,335	75,598	1,130,914	75,598	1,130,914							
Manufacturing	875,584	246,052	211,994	103,538	84,626	52,865	103,538	84,626	52,865	103,538	84,626	1,574,659	84,626	1,574,659							
Mining and quarrying	54,264	-	18,174	33,282	2,512	1,847	33,282	2,512	1,847	33,282	2,512	110,079	2,512	110,079							
Primary agriculture	1,102	-	231	240	1,496	3,977	240	1,496	3,977	240	1,496	7,046	1,496	7,046							
Transportation, storage and communication	678,124	90,121	43,394	114,010	73,663	71,619	114,010	73,663	71,619	114,010	73,663	1,070,931	73,663	1,070,931							
Wholesale, retail trade, restaurants and hotels	1,050,503	307,220	106,485	312,815	205,134	301,775	312,815	205,134	301,775	312,815	205,134	2,283,932	205,134	2,283,932							
Others	10,990	-	-	-	-	-	-	-	-	-	-	10,990	-	10,990							
	5,034,486	805,685	523,143	738,221	674,429	635,520	738,221	674,429	635,520	738,221	674,429	8,411,484	674,429	8,411,484							



## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

#### 39. Islamic banking business (Cont'd)

##### Notes to the financial statements For the financial year ended 31 December 2023 (Cont'd)

#### (c) Advances and financing (Cont'd)

(iv) Gross advances and financing analysed by location and sector are as follows: (Cont'd)

Bank 2023	Central Region			Northern Region			Southern Region			East Coast Region			Sabah Region			Sarawak Region			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	RM'000	RM'000	RM'000	RM'000	RM'000		
Construction	1,139,216	36,311	65,985	59,038	214,709	1,618,251													
Education, health and others	440,748	23,298	14,605	68,100	11,043	592,926													
Electricity, gas and water supply	150,695	3,618	1,675	1,601	2,080	162,567													
Financial, insurance/takaful, real estate and business services	720,933	115,065	68,804	36,076	75,766	1,080,609													
Manufacturing	852,413	261,026	232,140	99,949	132,638	1,628,755													
Mining and quarrying	53,238	-	15,058	35,166	4,484	114,979													
Primary agriculture	4,775	-	185	219	1,319	10,123													
Transportation, storage and communication	883,228	85,396	42,895	94,856	65,587	1,244,816													
Wholesale, retail trade, restaurants and hotels	1,139,617	327,548	119,390	324,378	221,341	2,435,050													
Others	9,798	-	-	-	-	9,798													
	<b>5,394,661</b>	<b>852,262</b>	<b>560,737</b>	<b>719,383</b>	<b>641,864</b>	<b>8,897,874</b>													

#### 39. Islamic banking business (Cont'd)

##### Notes to the financial statements For the financial year ended 31 December 2023 (Cont'd)

#### (c) Advances and financing (Cont'd)

(iv) Gross advances and financing analysed by location and sector are as follows: (Cont'd)

Bank 2022 Restated	Central Region			Northern Region			Southern Region			East Coast Region			Sabah Region			Sarawak Region			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	RM'000	RM'000	RM'000	RM'000	RM'000		
Construction	988,197	29,409	53,134	48,135	219,450	1,437,691													
Education, health and others	415,716	19,855	21,115	83,857	11,617	589,275													
Electricity, gas and water supply	154,775	578	1,518	2,009	3,032	162,245													
Financial, insurance/takaful, real estate and business services	769,750	112,450	67,098	40,335	75,598	1,129,155													
Manufacturing	843,646	246,052	211,994	103,538	84,626	1,542,721													
Mining and quarrying	54,264	-	18,174	33,282	2,512	110,079													
Primary agriculture	1,102	-	231	240	1,496	7,046													
Transportation, storage and communication	650,850	90,121	43,394	114,010	73,663	1,043,657													
Wholesale, retail trade, restaurants and hotels	1,037,973	307,220	106,485	312,815	205,134	2,271,402													
Others	10,990	-	-	-	-	10,990													
	<b>4,927,263</b>	<b>805,685</b>	<b>523,143</b>	<b>738,221</b>	<b>674,429</b>	<b>8,304,261</b>													

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

#### 39. Islamic banking business (Cont'd)

##### Notes to the financial statements For the financial year ended 31 December 2023 (Cont'd)

#### (c) Advances and financing (Cont'd)

(v) Gross advances and financing by types and Shariah contracts are as follows:

Group	Hire purchase RM'000	Leasing RM'000	Other term financing RM'000	Revolving financing RM'000	Staff financing RM'000	Total RM'000
<b>2023</b>						
Bai' Bithaman Aji	-	-	23	-	-	23
Murabahah	162	-	837,999	8,615	9,798	856,574
Istisna'	-	-	52,924	209	-	53,133
Ijarah	-	-	-	-	-	-
Ijarah Thumma Al-Bai	329,260	-	17,656	9,820	-	356,736
Tawarruq	229	-	5,273,912	2,378,855	-	7,652,996
Bai' Inah	-	-	9,229	-	-	9,229
	<b>329,651</b>	<b>-</b>	<b>6,191,743</b>	<b>2,397,499</b>	<b>9,798</b>	<b>8,928,691</b>
<b>2022 Restated</b>						
Bai' Bithaman Aji	-	-	389	1,120	-	1,509
Murabahah	-	-	1,049,033	27,155	10,990	1,087,178
Istisna'	-	-	78,149	-	-	78,149
Ijarah	-	84	-	-	-	84
Ijarah Thumma Al-Bai	384,382	-	31,711	-	-	416,093
Bai' Dayn	-	-	-	-	-	-
Tawarruq	5	-	4,858,961	1,955,230	-	6,814,196
Bai' Inah	-	-	14,275	-	-	14,275
	<b>384,387</b>	<b>84</b>	<b>6,032,518</b>	<b>1,983,505</b>	<b>10,990</b>	<b>8,411,484</b>

#### 39. Islamic banking business (Cont'd)

##### Notes to the financial statements For the financial year ended 31 December 2023 (Cont'd)

#### (c) Advances and financing (Cont'd)

(v) Gross advances and financing by types and Shariah contracts are as follows: (Cont'd)

Bank	Hire purchase RM'000	Leasing RM'000	Other term financing RM'000	Revolving financing RM'000	Staff financing RM'000	Total RM'000
<b>2023</b>						
Murabahah	162	-	822,495	8,297	9,798	840,752
Istisna'	-	-	51,558	209	-	51,767
Ijarah Thumma Al-Bai	319,324	-	14,191	9,820	-	343,335
Tawarruq	229	-	5,273,912	2,378,855	-	7,652,996
Bai' Inah	-	-	9,024	-	-	9,024
	<b>319,715</b>	<b>-</b>	<b>6,171,180</b>	<b>2,397,181</b>	<b>9,798</b>	<b>8,897,874</b>
<b>2022 Restated</b>						
Murabahah	-	-	1,014,906	13,885	10,990	1,039,781
Istisna'	-	-	75,327	-	-	75,327
Ijarah Thumma Al-Bai	350,696	-	11,222	-	-	361,918
Tawarruq	-	-	4,858,961	1,955,230	-	6,814,191
Bai' Inah	-	-	13,044	-	-	13,044
	<b>350,696</b>	<b>-</b>	<b>5,973,460</b>	<b>1,969,115</b>	<b>10,990</b>	<b>8,304,261</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

### 39. Islamic banking business (Cont'd)

#### Notes to the financial statements For the financial year ended 31 December 2023 (Cont'd)

##### (c) Advances and financing (Cont'd)

(vi) Gross advances and financing analysed by profit rate sensitivity are as follows:

	Group		Bank	
	2023 RM'000	2022 RM'000 Restated	2023 RM'000	2022 RM'000 Restated
Fixed rate				
- Staff financing	9,798	10,990	9,798	10,990
- Hire purchase	120,928	164,150	111,548	131,317
- Leasing	-	84	-	-
- Other term financing	2,050,119	2,010,960	2,031,480	1,955,688
- Revolving financing	1,947,381	1,167,513	1,947,118	1,153,184
Variable rate				
- Hire purchase	208,723	220,237	208,167	219,379
- Other term financing	4,141,624	4,021,558	4,139,700	4,017,772
- Revolving financing	450,118	815,992	450,063	815,931
	<b>8,928,691</b>	8,411,484	<b>8,897,874</b>	8,304,261

(vii) Impaired advances and financing analysed by industry are as follows:

	Group		Bank	
	2023 RM'000	2022 RM'000 Restated	2023 RM'000	2022 RM'000 Restated
Construction	135,675	129,127	135,017	127,645
Education, health and others	54,295	133,112	48,735	100,872
Electricity, gas and water supply	55,383	54,825	55,383	54,825
Financial, insurance/takaful, real estate and business services	174,414	181,199	173,838	179,440
Manufacturing	229,419	250,504	221,930	218,566
Mining and quarrying	7,818	5,119	7,818	5,119
Primary agriculture	498	217	498	217
Transportation, storage and communication	88,527	92,732	79,338	65,458
Wholesale, retail trade, restaurants and hotels	387,927	342,055	380,582	329,525
	<b>1,133,956</b>	1,188,890	<b>1,103,139</b>	1,081,667

### 39. Islamic banking business (Cont'd)

#### Notes to the financial statements For the financial year ended 31 December 2023 (Cont'd)

##### (c) Advances and financing (Cont'd)

(viii) Impaired advances and financing analysed by location and sector are as follows:

	Central Region		Northern Region		Southern Region		East Coast Region		Sabah Region		Sarawak Region		Total	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Construction	107,876	162	162	3,099	5,755	9,508	9,275	135,675	42,410	320	320	1,847	5,755	9,508
Education, health and others	42,410	55,383	55,383	1,847	7,311	1,783	624	54,295	55,383	-	-	-	7,311	1,783
Electricity, gas and water supply	55,383	155,197	155,197	2,477	4,314	3,111	1,791	174,414	120,676	7,170	7,524	2,477	19,440	22,933
Financial, insurance/takaful, real estate and business services	155,197	120,676	120,676	52,573	19,440	22,933	6,627	229,419	4,903	-	-	454	2,157	7,818
Manufacturing	120,676	498	498	454	2,157	-	304	7,818	498	-	-	-	-	498
Mining and quarrying	4,903	52,430	52,430	13,481	5,147	8,303	2,272	88,527	52,430	6,894	6,894	13,481	5,147	8,303
Primary agriculture	498	232,122	232,122	11,255	31,809	45,673	5,021	387,927	232,122	62,047	62,047	11,255	31,809	45,673
Transportation, storage and communication	52,430	771,495	771,495	85,186	75,933	91,311	25,914	1,133,956	771,495	84,117	84,117	85,186	75,933	91,311
Wholesale, retail trade, restaurants and hotels	232,122	771,495	771,495	11,255	31,809	45,673	5,021	387,927	232,122	62,047	62,047	11,255	31,809	45,673
	<b>771,495</b>	<b>84,117</b>	<b>84,117</b>	<b>85,186</b>	<b>75,933</b>	<b>91,311</b>	<b>25,914</b>	<b>1,133,956</b>	<b>771,495</b>	<b>84,117</b>	<b>84,117</b>	<b>85,186</b>	<b>75,933</b>	<b>91,311</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

### 39. Islamic banking business (Cont'd) Notes to the financial statements For the financial year ended 31 December 2023 (Cont'd)

#### (c) Advances and financing (Cont'd)

(viii) Impaired advances and financing analysed by location and sector are as follows: (Cont'd)

Group 2022 Restated	Central Region			Northern Region			Southern Region			East Coast Region			Sabah Region			Sarawak Region			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	RM'000	RM'000	RM'000	RM'000	RM'000		
Construction	105,243	700	2,004	3,269	10,135	7,776	129,127												
Education, health and others	88,985	460	7,949	28,074	6,828	816	133,112												
Electricity, gas and water supply	54,825	-	-	-	-	-	54,825												
Financial, insurance/takaful, real estate and business services	164,739	7,449	1,504	3,705	3,054	748	181,199												
Manufacturing	149,920	13,441	55,231	25,370	1,179	5,363	250,504												
Mining and quarrying	4,797	-	-	322	-	-	5,119												
Primary agriculture	46	-	-	-	171	-	217												
Transportation, storage and communication	42,697	7,625	9,741	13,871	11,437	7,361	92,732												
Wholesale, retail trade, restaurants and hotels	179,215	60,066	15,368	36,363	44,291	6,752	342,055												
	790,467	89,741	91,797	110,974	77,095	28,816	1,188,890												

### 39. Islamic banking business (Cont'd) Notes to the financial statements For the financial year ended 31 December 2023 (Cont'd)

#### (c) Advances and financing (Cont'd)

(viii) Impaired advances and financing analysed by location and sector are as follows: (Cont'd)

Bank 2023	Central Region			Northern Region			Southern Region			East Coast Region			Sabah Region			Sarawak Region			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	RM'000	RM'000	RM'000	RM'000	RM'000		
Construction	107,218	162	3,099	5,755	9,508	9,275	135,017												
Education, health and others	36,850	320	1,847	7,311	1,783	624	48,735												
Electricity, gas and water supply	55,383	-	-	-	-	-	55,383												
Financial, insurance/takaful, real estate and business services	154,621	7,524	2,477	4,314	3,111	1,791	173,838												
Manufacturing	113,187	7,170	52,573	19,440	22,933	6,627	221,930												
Mining and quarrying	4,903	-	454	2,157	-	304	7,818												
Primary agriculture	498	-	-	-	-	-	498												
Transportation, storage and communication	43,241	6,894	13,481	5,147	8,303	2,272	79,338												
Wholesale, retail trade, restaurants and hotels	224,777	62,047	11,255	31,809	45,673	5,021	380,582												
	740,678	84,117	85,186	75,933	91,311	25,914	1,103,139												

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

### 39. Islamic banking business (Cont'd) Notes to the financial statements For the financial year ended 31 December 2023 (Cont'd)

#### (c) Advances and financing (Cont'd)

(viii) Impaired advances and financing analysed by location and sector are as follows: (Cont'd)

	Bank 2022 Restated	East				Total RM'000	
		Central Region RM'000	Northern Region RM'000	Southern Region RM'000	Coast Region RM'000		
Construction	103,761	700	2,004	3,269	10,135	7,776	127,645
Education, health and others	56,745	460	7,949	28,074	6,828	816	100,872
Electricity, gas and water supply	54,825	-	-	-	-	-	54,825
Financial, insurance/takaful, real estate and business services	162,980	7,449	1,504	3,705	3,054	748	179,440
Manufacturing	117,982	13,441	55,231	25,370	1,179	5,363	218,566
Mining and quarrying	4,797	-	-	322	-	-	5,119
Primary agriculture	46	-	-	-	171	-	217
Transportation, storage and communication	15,423	7,625	9,741	13,871	11,437	7,361	65,458
Wholesale, retail trade, restaurants and hotels	166,685	60,066	15,368	36,363	44,291	6,752	329,525
	683,244	89,741	91,797	110,974	77,095	28,816	1,081,667

### 39. Islamic banking business (Cont'd)

#### Notes to the financial statements For the financial year ended 31 December 2023 (Cont'd)

#### (c) Advances and financing (Cont'd)

(ix) Movements in impaired advances and financing are as follows:

	Group		Bank	
	2023 RM'000	2022 RM'000 Restated	2023 RM'000	2022 RM'000 Restated
At 1 January, as previously reported	1,200,784	1,186,610	1,093,561	1,075,078
Effect on the expiry of BNM MAF	(11,894)	(7,755)	(11,894)	(7,755)
At 1 January, as restated	1,188,890	1,178,855	1,081,667	1,067,323
-Transfers to Stage 1	(54,736)	(60,433)	(54,736)	(60,433)
-Transfers to Stage 2	(13,500)	(27,276)	(13,500)	(27,276)
-Transfers to Stage 3	250,199	279,996	250,199	279,996
	1,370,853	1,371,142	1,263,630	1,259,610
Changes due to change in credit risk	(29,401)	(24,244)	(26,413)	(19,935)
New financial assets originated	51,555	7,196	51,555	7,196
Financial assets derecognised	(56,434)	(61,717)	(56,434)	(61,717)
Amount written-off	(202,617)	(103,487)	(129,199)	(103,487)
At 31 December	1,133,956	1,188,890	1,103,139	1,081,667

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

#### 39. Islamic banking business (Cont'd)

##### Notes to the financial statements For the financial year ended 31 December 2023 (Cont'd)

##### (c) Advances and financing (Cont'd)

(x) Movement in loss allowances which reflect the ECL model on impairment are as follows:

Group	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
At 1 January 2023, as previously reported	93,965	45,761	545,534	685,260
Prior year adjustments (Note 40)	(2,379)	(587)	(7,204)	(10,170)
At 1 January 2023, as restated	91,586	45,174	538,330	675,090
-Transfers to Stage 1	30,096	(6,313)	(23,783)	-
-Transfers to Stage 2	(3,631)	7,387	(3,756)	-
-Transfers to Stage 3	(1,294)	(12,638)	13,932	-
	25,171	(11,564)	(13,607)	-
Changes due to change in credit risk (Note 39(k))	(28,689)	28,078	167,385	166,774
Net financial assets originated (Note 39(k))	27,852	1,866	7,102	36,820
Financial assets derecognised (Note 39(k))	(10,836)	(268)	(15,183)	(26,287)
Amount written-off	-	-	(198,594)	(198,594)
At 31 December 2023	105,084	63,286	485,433	653,803
At 1 January 2022, as previously reported	97,559	16,634	474,964	589,157
Prior year adjustments (Note 40)	(1,519)	(431)	(7,266)	(9,216)
At 1 January 2022, as restated	96,040	16,203	467,698	579,941
-Transfers to Stage 1	11,376	(4,084)	(7,292)	-
-Transfers to Stage 2	(9,584)	16,718	(7,134)	-
-Transfers to Stage 3	(9,035)	(4,149)	13,184	-
	(7,243)	8,485	(1,242)	-
Changes due to change in credit risk (Note 39(k))	(4,529)	19,731	187,782	202,984
Net financial assets originated (Note 39(k))	20,208	933	2,113	23,254
Financial assets derecognised (Note 39(k))	(12,890)	(178)	(17,510)	(30,578)
Amount written-off	-	-	(100,511)	(100,511)
At 31 December 2022	91,586	45,174	538,330	675,090

#### 39. Islamic banking business (Cont'd)

##### Notes to the financial statements For the financial year ended 31 December 2023 (Cont'd)

##### (c) Advances and financing (Cont'd)

(x) Movement in loss allowances which reflect the ECL model on impairment are as follows:  
(Cont'd)

Bank	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
At 1 January 2023, as previously reported	93,965	45,761	438,311	578,037
Prior year adjustments (Note 40)	(2,379)	(587)	(7,204)	(10,170)
At 1 January 2023, as restated	91,586	45,174	431,107	567,867
-Transfers to Stage 1	30,096	(6,313)	(23,783)	-
-Transfers to Stage 2	(3,631)	7,387	(3,756)	-
-Transfers to Stage 3	(1,294)	(12,638)	13,932	-
	25,171	(11,564)	(13,607)	-
Changes due to change in credit risk (Note 39(k))	(28,689)	28,078	170,373	169,762
Net financial assets originated (Note 39(k))	27,852	1,866	7,102	36,820
Financial assets derecognised (Note 39(k))	(10,836)	(268)	(15,183)	(26,287)
Amount written-off	-	-	(125,176)	(125,176)
At 31 December 2023	105,084	63,286	454,616	622,986
At 1 January 2022, as previously reported	97,559	16,634	363,432	477,625
Prior year adjustments (Note 40)	(1,519)	(431)	(7,266)	(9,216)
At 1 January 2022, as restated	96,040	16,203	356,166	468,409
-Transfers to Stage 1	11,376	(4,084)	(7,292)	-
-Transfers to Stage 2	(9,584)	16,718	(7,134)	-
-Transfers to Stage 3	(9,035)	(4,149)	13,184	-
	(7,243)	8,485	(1,242)	-
Changes due to change in credit risk (Note 39(k))	(4,529)	19,731	192,091	207,293
Net financial assets originated (Note 39(k))	20,208	933	2,113	23,254
Financial assets derecognised (Note 39(k))	(12,890)	(178)	(17,510)	(30,578)
Amount written-off	-	-	(100,511)	(100,511)
At 31 December 2022	91,586	45,174	431,107	567,867

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

### 39. Islamic banking business (Cont'd)

#### Notes to the financial statements For the financial year ended 31 December 2023 (Cont'd)

##### (c) Advances and financing (Cont'd)

- (x) Movement in loss allowances which reflect the ECL model on impairment are as follows:  
(Cont'd)

	Group		Bank	
	2023 RM'000	2022 RM'000 Restated	2023 RM'000	2022 RM'000 Restated
Net impaired advances and financing as a percentage	7.69%	8.27%	7.69%	8.27%

##### (d) Other assets

	Group		Bank	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
<b>At FVOCI</b>				
Amount due from a subsidiary company (Note 8(ii))	-	-	35,800	43,751
<b>At AC</b>				
Amount due from subsidiary companies (Note 8(iii))	-	-	57,791	50,489
Other receivables and rental receivables	13,333	11,925	13,232	14,378
	13,333	11,925	71,023	64,867
Prepayments	10,866	13,285	10,855	13,271
	24,199	25,210	117,678	121,889

##### (e) Term financing/Fundings

	Group and Bank	
	2023 RM'000	2022 RM'000
Unsecured term financing//fundings	1,574,346	1,445,256

### 39. Islamic banking business (Cont'd)

#### Notes to the financial statements For the financial year ended 31 December 2023 (Cont'd)

##### (e) Term financing/Fundings (Cont'd)

- (i) The maturity structure of the term financing/fundings is as follows:

	Group and Bank	
	2023 RM'000	2022 RM'000
Within one year	5,869	10,736
More than one year to five years	580,438	627,613
More than five years	988,039	806,907
	1,574,346	1,445,256

- (ii) The unsecured term financing/fundings denominated in RM is sourced from the following:

	Group and Bank	
	2023 RM'000	2022 RM'000
Financing from:		
- Government of Malaysia	437,699	437,699
- BNM	1,136,647	1,007,557
	1,574,346	1,445,256

MOF vide its letter dated 13 June 2022, approved the conversion of borrowing granted by the Government of Malaysia to the Bank as term financing amounting to RM437,699,000 effective date 2 January 2022 with original profit rate of 2.0%.

The profit rates on the term financing/fundings from Government of Malaysia is at 2.0% (2022: 2.0%) and Bank Negara Malaysia range from 0% to 1.5% (2022: 0% to 1.5%) per annum.

##### (f) Other liabilities

	Group		Bank	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Other payables and accruals	558,555	426,258	565,329	431,573
Islamic margin account (Note 21(ii))	340,743	381,832	340,690	381,779
Guarantee payable (Note 21(iii))	161,914	164,197	161,914	164,197
Amount due to subsidiaries (Note 21(iv))	-	-	32,390	29,276
Rental and security deposits	3,457	3,689	3,457	3,689
Provision for zakat	2,304	5,118	2,304	5,118
Allowance for impairment on financing commitments (Note (i))	5,914	4,723	5,914	4,723
Other provisions	45,158	46,076	44,321	44,716
	1,118,045	1,031,893	1,156,319	1,065,071

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

### 39. Islamic banking business (Cont'd)

#### Notes to the financial statements For the financial year ended 31 December 2023 (Cont'd)

##### (f) Other liabilities (Cont'd)

(i) Movement in loss allowances for impairment on financing commitments are as follows:

Commitments	Group and Bank	
	2023 Stage 1 RM'000	2022 Stage 1 RM'000
At 1 January	4,723	5,709
Changes due to change in credit risk	378	479
New financial assets originated	3,261	1,334
Derecognition	(2,448)	(2,799)
At 31 December	5,914	4,723

##### (g) Income from Islamic banking business

	Group and Bank	
	2023 RM'000	2022 RM'000 Restated
Income from advances and financing		
- Murabahah	57,452	76,538
- Istisna'	3,929	5,036
- Ijarah Thumma Al-Bai	22,655	23,369
- Bai' Dayn	-	28
- Tawarruq	457,644	358,050
- Bai' Inah	251	1,019
Total income from advances and financing	541,931	464,040
Tawarruq deposit placements	34,404	33,885
Financial investments at FVOCI	49,029	45,195
Financial investments at FVTPL	5,807	3,499
Financial investments at AC	40,301	23,160
	671,472	569,779

Included in income from advances and financing is profit on impaired advances and financing and modification gain amounting to RM59,846,000 (2022: RM50,852,000) and RM1,437,000 (2022: RM30,553,000 of modification loss), respectively.

### 39. Islamic banking business (Cont'd)

#### Notes to the financial statements For the financial year ended 31 December 2023 (Cont'd)

##### (h) Profit expense attributable to Islamic banking business

	Group		Bank	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Deposits from customers (Note i)	138,579	98,050	139,298	98,586
Islamic medium-term notes/ commercial papers	109,997	84,084	109,997	84,084
Term financing	41,552	35,881	41,552	35,881
Deposits from banks and other financial institutions	2,332	3,550	2,332	3,550
Others (Note ii)	3,221	1,820	3,221	1,820
	295,681	223,385	296,400	223,921

(i) Included in profit expense on deposits from customers of the Bank is profit expenses for subsidiary companies amounting to RM719,000 (2022: RM536,000) (Note 36(c)).

(ii) Included in other profit expenses is finance cost on lease liabilities amounting to RM498,000 (2022: RM524,000).

##### (i) Other income

	Group		Bank	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Fee income	17,953	17,558	9,878	10,303
Commission fee income (Note 27)	2,308	1,867	2,308	1,867
Rental income	11,781	11,585	11,781	11,585
Government funds released (Note 22)	36,202	34,564	36,202	34,564
Government compensation	12,150	8,528	12,150	8,528
Management fee	-	-	391	391
Gain on disposal of associate (Note 10)	3,465	-	5,800	-
Fair value adjustment on investment properties (Note 13)	17,168	3,150	17,168	3,150
Profit income on amount due from a subsidiary company (Note 35(c))	-	-	7,183	8,596
Recoveries from financing written off	36,381	29,479	28,943	24,101
Ta'widh/Compensation on late payment charges	6,775	5,091	6,775	5,091
Others	4,268	3,149	3,681	3,104
	148,451	114,971	142,260	111,280



## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

#### 39. Islamic banking business (Cont'd)

##### Notes to the financial statements For the financial year ended 31 December 2023 (Cont'd)

##### (j) Other operating expenses

	Group		Bank	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Personnel expenses	183,318	160,246	179,783	156,415
Establishment related expenses	52,003	43,304	51,977	43,253
Promotion and marketing expenses	5,039	4,995	5,012	4,961
Administration and general expenses	46,172	32,376	52,198	37,498
	<b>286,532</b>	240,921	<b>288,970</b>	242,127

##### (k) Allowance/(Writeback) for impairment loss on advances and financing

	Group		Bank	
	2023 RM'000	2022 RM'000 Restated	2023 RM'000	2022 RM'000 Restated
Allowance for impairment losses on advances and financing made during the year				
- Stage 1, net (Note 39(c)(ix))	(11,673)	2,789	(11,673)	2,789
- Stage 2, net (Note 39(c)(ix))	29,676	20,486	29,676	20,486
- Stage 3, net (Note 39(c)(ix))	159,304	172,385	162,292	176,694
	<b>177,307</b>	195,660	<b>180,295</b>	199,969
Impaired advances and financing written off	4,329	5,517	4,329	5,517
Total allowance for impairment loss on advances and financing	<b>181,636</b>	201,177	<b>184,624</b>	205,486

##### (l) Commitments

	Group and Bank	
	2023 RM'000	2022 RM'000
Direct credit substitutes	149,032	178,521
Transaction-related-contingent items	251,229	167,106
Undisbursed financing		
- original maturity up to one year	340,257	226,071
- original maturity more than one year	1,215,945	1,664,834
	<b>1,956,463</b>	2,236,532

#### 39. Islamic banking business (Cont'd)

##### Notes to the financial statements For the financial year ended 31 December 2023 (Cont'd)

##### (m) Capital adequacy

##### Capital management

##### Regulatory capital

The following table set forth capital resources and capital adequacy for the Group's and the Bank's Islamic banking business as at the end of the reporting period:

	Group		Bank	
	2023 RM'000	2022 RM'000 Restated	2023 RM'000	2022 RM'000 Restated
<b>Tier I Capital</b>				
Capital funds	1,324,198	1,050,564	1,324,198	1,050,564
Retained earnings	446,410	393,029	323,904	244,894
General provision for advances and financing <sup>1</sup>	44,860	42,688	44,860	42,688
Less: Deferred tax assets	(113,536)	(108,089)	(113,536)	(108,089)
Less: Property revaluation reserve	(248,933)	(231,765)	(248,933)	(231,765)
Total Tier I capital	<b>1,452,999</b>	1,146,427	<b>1,330,493</b>	998,292
<b>Tier II Capital</b>				
General provision for advances and financing <sup>1</sup>	129,426	98,795	129,426	98,795
Property revaluation reserve <sup>2</sup>	124,467	115,883	124,467	115,883
Government funds	427,977	433,432	427,977	433,432
Total Tier II capital	<b>681,870</b>	648,110	<b>681,870</b>	648,110
Total capital	<b>2,134,869</b>	1,794,537	<b>2,012,363</b>	1,646,402
Less: Investment in subsidiaries	-	-	-	-
Total capital base	<b>2,134,869</b>	1,794,537	<b>2,012,363</b>	1,646,402

<sup>1</sup> General provision for advances and financing refers to loss allowance measured at an amount equal to 12mECLs and LTECLs commonly known as Stage 1 and Stage 2 provisions respectively; and regulatory reserves, to the extent they are ascribed to non-credit impaired exposures.

<sup>2</sup> The eligible amount for Tier II Capital is only limited to 50% of property revaluation reserves.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

### 39. Islamic banking business (Cont'd)

#### Notes to the financial statements For the financial year ended 31 December 2023 (Cont'd)

##### (m) Capital adequacy (Cont'd)

##### Capital management (Cont'd)

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

	Group		Bank	
	2023 RM'000	2022 RM'000 Restated	2023 RM'000	2022 RM'000 Restated
20%	319,847	350,881	319,847	350,881
50%	4,501	5,121	4,501	5,121
100%	10,537,691	10,128,366	10,627,922	10,222,806
	10,862,039	10,484,368	10,952,270	10,578,808

	Group		Bank	
	2023	2022 Restated	2023	2022 Restated
Before deducting proposed dividends:				
Core capital ratio	13.377%	10.935%	12.148%	9.437%
Risk-weighted capital ratio	19.654%	17.116%	18.374%	15.563%
After deducting proposed dividends:				
Core capital ratio	13.298%	10.875%	12.070%	9.378%
Risk-weighted capital ratio	19.576%	17.057%	18.296%	15.504%

The capital adequacy ratios of the Islamic banking business are computed in accordance with the requirements of the Bank Negara Malaysia's Capital Framework for Development Financial Institutions which is based on Basel I capital adequacy framework requirements.

### 39. Islamic banking business (Cont'd)

#### Notes to the financial statements For the financial year ended 31 December 2023 (Cont'd)

##### (m) Capital adequacy (Cont'd)

##### Capital management (Cont'd)

##### Transitional arrangements

Pursuant to BNM's Policy Document on Transitional Arrangements for Regulatory Capital Treatment of Account Provisions for Development Financial Institutions, the Bank had elected to apply the transitional arrangements where the Bank are allowed to add back a portion of the Stage 1 and Stage 2 provisions for expected credit losses (ECL) to Common Equity Tier 1 Capital over a four-year period from financial year beginning 2020.

The Bank is allowed to add back the amount of loss allowance measured at an amount equal to 12-month (12mECLs) and lifetime expected credit losses (LTECLs) to the extent they are ascribed to non-credit-impaired exposures to Tier 1 Capital.

Transitional arrangement	Group		Bank	
	Before RM'000	After RM'000	Before RM'000	After RM'000
<b>2023</b>				
<b>Total Tier I capital</b>	1,408,139	1,408,139	1,285,633	1,285,633
of which: Total Add-back	-	44,860	-	44,860
<b>Total Additional Tier I capital</b>	1,408,139	1,452,999	1,285,633	1,330,493
<b>Total Tier II capital</b>	726,730	681,870	726,730	681,870
of which: Loss provisions	174,286	129,426	174,286	129,426
<b>Total Risk Weighted Assets</b>	10,862,039	10,862,039	10,952,270	10,952,270
<b>Core capital ratio</b>	12.964%	13.377%	11.739%	12.148%
<b>Risk-weighted capital adequacy ratio</b>	19.654%	19.654%	18.374%	18.374%
<b>2022 Restated</b>				
<b>Total Tier I capital</b>	1,103,739	1,103,739	955,604	955,604
of which: Total Add-back	-	42,688	-	42,688
<b>Total Additional Tier I capital</b>	1,103,739	1,146,427	955,604	998,292
<b>Total Tier II capital</b>	690,798	648,110	690,798	648,110
of which: Loss provisions	141,483	98,795	141,483	98,795
<b>Total Risk Weighted Assets</b>	10,484,368	10,484,368	10,578,808	10,578,808
<b>Core capital ratio</b>	10.527%	10.935%	9.033%	9.437%
<b>Risk-weighted capital adequacy ratio</b>	17.116%	17.116%	15.563%	15.563%

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

### 40. Prior year adjustments and reclassifications

#### (i) Prior year adjustments

On 28 July 2020, BNM issued an updated Financial Reporting for Development Financial Institutions policy document (BNM/RH/PD 035-6). Under this policy document, Development Financial Institutions (“DFIs”) were accorded an option to deviate from the requirements of MFRS 9 Financial Instruments with regards to accounting for modifications of contractual cash flows from financing provided for a period of two (2) financial years beginning 1 January 2020. Under this policy, revisions to effective profit rates in respect of any modifications made to the contractual cash flows from financing provided was allowed (“modified accounting treatment”) and this negated recognition of modification gains/losses as required by MFRS 9 Financial Instruments (“MFRS 9”) for non-significant contractual cash flow modifications. Subsequently, on 17 December 2021, BNM extended the modified accounting treatment for another financial year beginning on or after 1 January 2022.

Previously, the Bank elected to adopt the modified accounting treatment for the three financial years from 1 January 2020. A comparison of the accounting treatment between IFRS and the modified accounting treatment was disclosed in the financial statements of the Group and of the Bank during those relevant financial years.

During the current financial year, the financial statements of the Group and of the Bank were prepared in accordance with MFRS and IFRS. As a result, those adjustments necessary to align the financial statements from previous modified accounting treatment to the current basis of preparation were made in accordance with MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors on a retrospective basis as if the modified accounting treatment was not adopted from the earliest comparative period.

As a result, modifications made to contractual cash flows for financing provided during the financial years ended 31 December 2020, 2021 and 2022 are now accounted for in accordance with MFRS 9. Consequently, allowances for impairment losses and profit income on loans, advances and financing were adjusted to account for the change in gross financing balances after accounting for modification losses.

The adjustments to retained earnings have been accounted for in the current financial year’s determination of tax payable.

The impact to each financial statement line item are as disclosed below.

#### (ii) Reclassification of comparative figures

The presentation and classification of items in the current year’s financial statements have been consistent with the previous financial year except for the following comparative amounts which have been reclassified to conform with the current year’s presentation.

##### Presentation of impaired loans, advances and financing recovered

Impaired loans, advances and financing recovered were reclassified and presented within the respective income on recoveries from financing written off.

### 40. Prior year adjustments and reclassifications (Cont’d)

#### Statements of financial position

Group	As previously reported RM’000	Prior year adjustments RM’000	Re- classification RM’000	As restated RM’000
<b>As at 1 January 2022</b>				
Loans, advances and financing	7,423,451	(79,557)	-	7,343,894
Accumulated losses	(262,346)	(79,557)	-	(341,903)

#### **As at 31 December 2022**

Loans, advances and financing	7,838,869	(86,804)	-	7,752,065
Accumulated losses	(201,809)	(86,804)	-	(288,613)

#### Bank

#### **As at 1 January 2022**

Loans, advances and financing	7,423,451	(79,557)	-	7,343,894
Accumulated losses	(251,195)	(79,557)	-	(330,752)

#### **As at 31 December 2022**

Loans, advances and financing	7,838,869	(86,804)	-	7,752,065
Accumulated losses	(193,992)	(86,804)	-	(280,796)

#### Statements of comprehensive income For the financial year ended 31 December 2022

#### Group

Gross income from Islamic banking business	445,465	(8,201)	24,101	461,365
Other operating income	11,250	-	17,245	28,495
Allowances for impairment losses on loans, advances and financing	(140,653)	954	(41,346)	(181,045)

#### Bank

Gross income from Islamic banking business	441,238	(8,201)	24,101	457,138
Other operating income	1,384	-	17,245	18,629
Allowances for impairment losses on loans, advances and financing	(164,377)	954	(41,346)	(204,769)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

### 40. Prior year adjustments and reclassifications (Cont'd)

#### Islamic banking business Statements of financial position

Group	As previously reported RM'000	Prior year adjustments RM'000	Re-classification RM'000	As restated RM'000
<b>As at 1 January 2022</b>				
Advances and financing	7,374,322	(79,557)	-	7,294,765
Islamic general fund	1,513,797	(79,557)	-	1,434,240
<b>As at 31 December 2022</b>				
Advances and financing	7,823,198	(86,804)	-	7,736,394
Islamic general fund	1,529,049	(86,804)	-	1,442,245
<b>Bank</b>				
<b>As at 1 January 2022</b>				
Advances and financing	7,374,322	(79,557)	-	7,294,765
Islamic general fund	1,340,032	(79,557)	-	1,260,475
<b>As at 31 December 2022</b>				
Advances and financing	7,823,198	(86,804)	-	7,736,394
Islamic general fund	1,380,914	(86,804)	-	1,294,110

#### Statements of comprehensive income For the financial year ended 31 December 2022

Group				
Income from Islamic banking business	577,980	(8,201)	-	569,779
Other operating income	90,870	-	24,101	114,971
Allowances for impairment losses on advances and financing	(178,030)	954	(24,101)	(201,177)
<b>Bank</b>				
Income from Islamic banking business	577,980	(8,201)	-	569,779
Other operating income	87,179	-	24,101	111,280
Allowances for impairment losses on advances and financing	(182,339)	954	(24,101)	(205,486)

### 41. Subsequent events

During the 2024 National Budget Speech on 13 October 2023, Finance Minister announced a restructuring exercise of the DFIs. The objective of this exercise is to strengthen the development finance ecosystem. The DFIs involved in this exercise together with the Bank are Bank Pembangunan Malaysia Berhad ("BPMB") and Export-Import Bank of Malaysia Berhad ("Exim Bank"). The restructuring exercise is currently ongoing.

## DIREKTORI KORPORAT CORPORATE DIRECTORY



#### IBU PEJABAT SME BANK

Menara SME Bank  
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03-2615 2020

#### KUALA LUMPUR

##### PUSAT WILAYAH KUALA LUMPUR

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Wilayah Persekutuan  
03-2615 2017

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Selangor  
03-3359 3473

##### PUSAT ENTERPRIS SHAH ALAM

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40000 Shah Alam  
Selangor  
03-3358 2664

##### PUSAT ENTERPRIS KAJANG

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#### JOHOR

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Johor  
07-238 1470

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Johor  
07-432 8903/07-432 8946

#### CENTRAL

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#### NEGERI SEMBILAN

##### PUSAT ENTERPRIS SEREMBAN

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Negeri Sembilan  
06-671 6324/06-671 6432

#### MELAKA

##### PUSAT ENTERPRIS BANDAR MELAKA

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06-288 0213/06-288 0214

## DIREKTORI KORPORAT

### CORPORATE DIRECTORY

#### PERAK

##### PUSAT ENTERPRIS IPOH

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Perak  
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#### PAHANG

##### PUSAT WILAYAH PANTAI TIMUR

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25000 Kuantan  
Pahang  
09-513 5482/09-513 5487

##### PUSAT ENTERPRIS KUANTAN

B-14, Jalan Tun Ismail 1  
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25000 Kuantan  
Pahang  
09-517 1630

#### KELANTAN

##### PUSAT ENTERPRIS KOTA BHARU

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Kelantan  
09-748 3385/09-748 5260

#### TERENGGANU

##### PUSAT ENTERPRIS KUALA TERENGGANU

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#### PULAU PINANG

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#### JOHOR

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Kompleks Perniagaan Sultan Abdul Hamid  
Persiaran Sultan Abdul Hamid  
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##### PUSAT PERNIAGAAN BINTULU

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