

OCBC AL-AMIN BANK BERHAD

Registration No. 200801017151 (818444-T)

(Incorporated in Malaysia)

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024

Domiciled in Malaysia
Registered Office:
19th Floor Menara OCBC
18 Jalan Tun Perak
50050 Kuala Lumpur

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UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

		30 June	31 December
		2024	2023
	Note	RM'000	RM'000
ASSETS			
Cash and cash equivalents	9	794,531	1,123,565
Financial assets at fair value through profit or loss ("FVTPL")	10	5,004	5,021
Financial investments at fair value through other comprehensive income ("FVOCI")	11	4,135,276	3,431,407
Financing and advances	12	15,017,725	14,781,079
Derivative financial assets	14	19,545	14,866
Other assets	15	40,792	39,610
Statutory deposits with BNM		204,500	185,000
Property and equipment		2,257	2,714
Right-of-use ("ROU") assets		2,708	3,478
Deferred tax assets		27,830	29,430
Total assets		<u>20,250,168</u>	<u>19,616,170</u>
LIABILITIES			
Deposits from customers	16	11,155,551	11,432,233
Investment accounts due to designated financial institution	17	5,672,926	5,109,520
Deposits and placements of banks and other financial institutions	18	625,378	459,179
Bills and acceptances payable		13,958	18,478
Derivative financial liabilities	14	19,928	14,488
Other liabilities	19	343,147	340,607
Provision for taxation and zakat		32,834	14,099
Total liabilities		<u>17,863,722</u>	<u>17,388,604</u>
EQUITY			
Share capital		555,000	555,000
Reserves		1,831,446	1,672,566
Total equity		<u>2,386,446</u>	<u>2,227,566</u>
Total liabilities and equity		<u>20,250,168</u>	<u>19,616,170</u>
Commitments and contingencies	29	<u>6,384,096</u>	<u>5,927,230</u>

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Bank for the financial year ended 31 December 2023 and the accompanying explanatory notes to the unaudited condensed interim financial statements.

OCBC AL-AMIN BANK BERHAD
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024

	Note	Quarter Ended		Year-To-Date Ended	
		30 June 2024 RM'000	30 June 2023 RM'000	30 June 2024 RM'000	30 June 2023 RM'000
Income derived from investment of depositors' funds and others	20	134,289	136,327	270,965	269,027
Income derived from investment of investment account funds	21	72,332	40,705	141,238	78,107
Income derived from investment of shareholder's funds	22	47,194	43,591	89,245	83,263
Impairment allowance and provisions writeback	23	22,955	10,273	34,755	20,938
Total distributable income		276,770	230,896	536,203	451,335
Income attributable to depositors	24	(63,808)	(60,308)	(129,982)	(114,655)
Income attributable to investment account holder	25	(50,632)	(28,492)	(98,866)	(54,674)
Total net income		162,330	142,096	307,355	282,006
Operating expenses	26	(51,617)	(50,575)	(102,449)	(96,682)
Profit before taxation and zakat		110,713	91,521	204,906	185,324
Income tax expense	27	(26,833)	(21,962)	(49,434)	(44,487)
Zakat		(13)	(12)	(25)	(25)
Profit for the period		83,867	69,547	155,447	140,812
Items that may be subsequently reclassified to profit or loss					
Fair value reserve (debt instruments)					
- Change in fair value		2,618	(1,947)	5,043	19,946
- Transferred to profit or loss		(108)	-	(593)	(400)
- Related tax		(603)	467	(1,068)	(4,691)
Change in expected credit loss ("ECL") reserve on debt instruments at FVOCI		13	88	51	62
Other comprehensive income/(expense) for the period, net of income tax		1,920	(1,392)	3,433	14,917
Total comprehensive income for the period		85,787	68,155	158,880	155,729
Profit attributable to the owner of the Bank		83,867	69,547	155,447	140,812
Total comprehensive income attributable to the owner of the Bank		85,787	68,155	158,880	155,729
Basic earnings per ordinary share (sen)		45.33	37.59	84.03	76.11

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Bank for the financial year ended 31 December 2023 and the accompanying explanatory notes to the unaudited condensed interim financial statements.

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OCBC AL-AMIN BANK BERHAD
STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024

	<i>Non-distributable</i>			<i>Distributable</i>		Total Equity RM'000
	Share Capital RM'000	Regulatory Reserve RM'000	ECL Reserve RM'000	Fair Value Reserve RM'000	Retained Earnings RM'000	
2024						
At 1 January 2024	555,000	91,000	155	(6,759)	1,588,170	2,227,566
Fair value reserve						
- Change in fair value	-	-	-	5,043	-	5,043
- Transferred to profit or loss	-	-	-	(593)	-	(593)
- Related tax	-	-	-	(1,068)	-	(1,068)
Change in ECL reserve	-	-	51	-	-	51
Total other comprehensive income for the period	-	-	51	3,382	-	3,433
Profit for the period	-	-	-	-	155,447	155,447
Total comprehensive income for the period	-	-	51	3,382	155,447	158,880
At 30 June 2024	555,000	91,000	206	(3,377)	1,743,617	2,386,446
2023						
At 1 January 2023	555,000	91,000	147	(27,157)	1,339,873	1,958,863
Fair value reserve						
- Change in fair value	-	-	-	19,946	-	19,946
- Transferred to profit or loss	-	-	-	(400)	-	(400)
- Related tax	-	-	-	(4,691)	-	(4,691)
Change in ECL reserve	-	-	62	-	-	62
Total other comprehensive income for the period	-	-	62	14,855	-	14,917
Profit for the period	-	-	-	-	140,812	140,812
Total comprehensive income for the period	-	-	62	14,855	140,812	155,729
At 30 June 2023	555,000	91,000	209	(12,302)	1,480,685	2,114,592

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Bank for the financial year ended 31 December 2023 and the accompanying explanatory notes to the unaudited condensed interim financial statements.

OCBC AL-AMIN BANK BERHAD
STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024

	30 June 2024 RM'000	30 June 2023 RM'000
Cash flows from operating activities		
Profit before taxation and zakat	204,906	185,324
<i>Adjustments for:</i>		
Net (gain) from disposal of:		
- Financial investments at FVOCI	(593)	(400)
Depreciation of equipment	487	576
Depreciation of ROU assets	770	769
Impairment allowance and provisions	(21,839)	(12,333)
Finance expense on lease liabilities	50	27
Share-based costs	172	183
Unrealised loss on:		
- Financial assets at FVTPL	17	1
- Derivatives	850	7,355
Operating profit before changes in working capital	<u>184,820</u>	<u>181,502</u>
<i>Changes in operating assets and operating liabilities:</i>		
Financial assets at FVTPL	-	-
Financing and advances	(203,293)	247,092
Derivative financial assets	(5,529)	(15,693)
Other assets	(1,186)	(16,021)
Statutory deposits with BNM	(19,500)	(6,000)
Deposits from customers	(276,682)	(262,533)
Investment accounts due to designated financial institution	551,947	458,192
Deposits and placements of banks and other financial institutions	166,199	160,793
Bills and acceptances payable	(4,520)	6,771
Derivative financial liabilities	5,440	15,556
Other liabilities	3,118	(39,993)
Cash generated from operations	<u>400,814</u>	<u>729,666</u>
Income tax and zakat paid	<u>(30,192)</u>	<u>(42,827)</u>
Net cash generated from operating activities	<u>370,622</u>	<u>686,839</u>
Cash flows from investing activities		
Acquisition of financial investments at FVOCI	(2,265,000)	(2,487,450)
Proceeds from disposal of financial investments at FVOCI	1,566,174	1,099,626
Acquisition of equipment	(30)	(66)
Proceeds from disposal of equipment	-	19
Net cash used in investing activities	<u>(698,856)</u>	<u>(1,387,871)</u>
Cash flows from financing activity		
Payment of lease liabilities	(800)	(806)
Net cash used in financing activity	<u>(800)</u>	<u>(806)</u>
Net decrease in cash and cash equivalents	(329,034)	(701,838)
Cash and cash equivalents at 1 January	1,123,565	1,653,270
Cash and cash equivalents at 30 June	<u>794,531</u>	<u>951,432</u>
Change in liabilities arising from financing activity		
	2024 RM'000	2023 RM'000
At 1 January	3,504	1,986
Payment of lease liabilities	(800)	(806)
Acquisition of new leases and changes in lease terms	-	1,064
Finance expense on lease liabilities	50	27
At 30 June	<u>2,754</u>	<u>2,271</u>

Details of cash and cash equivalents are disclosed in Note 9 of the unaudited condensed interim financial statements.

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Bank for the financial year ended 31 December 2023 and the accompanying explanatory notes to the unaudited condensed interim financial statements.

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 30 JUNE 2024

GENERAL INFORMATION

The Bank is a licensed Islamic Bank principally engaged in Islamic Banking and related financial services. There were no significant changes in these activities during the financial period.

PERFORMANCE REVIEW

The Bank posted profit after tax of RM155.4 million for the financial period ended 30 June 2024, an increase of RM14.6 million mainly due to higher net income from investment account funds of RM18.9 million, higher writeback of allowances RM13.8 million, higher income from shareholder's funds of RM6.0 million and income derived from investment of depositors' funds and others of RM1.9 million partially offset by higher profit attributable to depositors of RM15.3 million, operating expenses of RM5.8 million and tax of RM4.9 million.

Higher net income from investment account funds of RM18.9 million mainly due to higher financing income of RM67.3 million partly offset by higher profit attributable to investor of RM44.2 million and lower income from interbank placements of RM4.2 million.

Allowances decreased by RM13.8 million mainly due to higher net write-back in Stage 3 expected credit losses ("ECL") of RM23.3 million partly offset by higher Stage 1 & 2 ECL charge of RM7.4 million and lower other recoveries of RM2.1 million.

Gross financing and advances increased by RM0.2 billion or 1% to RM15.3 billion in the first half of 2024 mainly from finance, insurance & business services, transport, storage & communication and wholesale & retail trade partly offset by lower exposure to real estate and agriculture sectors. However, customer deposits decreased by RM0.3 billion mainly from non-banking financial institutions and business enterprises.

Shareholder's funds strengthened by RM158.9 million to RM2.3 billion. The Bank is well capitalised, after taking into account the effects of RPSIA, with Common Equity Tier 1/Tier 1 capital ratios of 26.536% and Total capital ratio of 27.079%.

ECONOMIC PERFORMANCE AND PROSPECTS

Malaysia's economy grew at a higher rate of 4.2% in the first quarter of 2024, driven by stronger private expenditure and positive turnaround in exports. Bank Negara Malaysia ("BNM") maintained its forecast of 4.0% to 5.0% economic expansion for 2024. The economic growth is expected to be supported by resilient domestic expenditure, better exports performance, robust tourism activity, household spending, increased investment in infrastructure projects and higher realisation of approved investments. Exports in particular is likely to benefit from greater spillover from the global tech upcycle, given Malaysia's position in the semiconductor supply chain, and the continued strength in the electrical and electronic ("E&E") and non-E&E industries. However, the growth outlook is subject to downside risks stemming from weaker-than-expected external demand and declines in commodity production.

The ringgit's performance has been primarily driven by external factors, such as monetary policies of major economies and geopolitical tensions. The coordinated actions by the Government and BNM have helped cushion the pressure on the ringgit and improve the foreign exchange market. BNM maintained the Overnight Policy Rate ("OPR") at 3.00% at its Monetary Policy Committee meeting on 11 July 2024. The current OPR level remains supportive of the economy. Malaysian banks are well-positioned to support the financing needs of the domestic economy, with a strong financial position and robust levels of capital and liquidity buffers, as well as sound financing quality with prudent provisioning of financing losses.

1 BASIS OF PREPARATION

The accounting policies set out below have been applied consistently to the periods presented in the unaudited condensed interim financial statements, except as disclosed in Note 1(a) to the interim financial statements.

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 30 JUNE 2024 (continued)

1 BASIS OF PREPARATION (continued)

The unaudited condensed interim financial statements of the Bank have been prepared under the historical cost convention except for the assets and liabilities which are stated at fair value as disclosed in the notes to the unaudited condensed interim financial statements: financial assets at FVTPL, financial investments at FVOCI and derivative financial instruments. The unaudited condensed interim financial statements are presented in Ringgit Malaysia ("RM"), which is the Bank's functional currency. All financial information presented in RM have been rounded to the nearest thousand, unless otherwise stated.

(a) Statement of compliance

The unaudited condensed interim financial statements have been prepared in accordance with Malaysian Financial Reporting Standard ("MFRS") 134, International Accounting Standard 34 and BNM's Shariah requirements.

The following amendments to accounting standards have been adopted by the Bank during the current period:

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

The adoption of the abovementioned amendments to accounting standards did not have any material impact on the financial statements of the Bank.

The Bank has not adopted the following amendments to accounting standards issued by the Malaysian Accounting Standards Board ("MASB") as they are not yet effective:

Effective for annual periods commencing on or after 1 January 2025

- Amendments to MFRS 121, *The Effects of Changes in Foreign Exchange Rates*

Effective for annual periods commencing on or after 1 January 2026

- Amendments to MFRS 9, *Financial Instruments* and MFRS 7, *Financial Instruments: Disclosures - The Classification and Measurement of Financial Instruments*

Effective for annual periods commencing on or after 1 January 2027

- Amendments to MFRS 18, *Presentation and Disclosure in Financial Statements*

The Bank plans to apply the abovementioned amendments to accounting standards, which are relevant to the Bank when they become effective in the respective financial periods. The initial application of the abovementioned amendments to accounting standards are not expected to have any material impact to the financial statements of the Bank.

(b) Use of estimates and judgements

The preparation of the unaudited condensed interim financial statements in conformity with MFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In preparing the unaudited condensed interim financial statements, the significant judgements made by management in applying the Bank's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the audited financial statements as at and for the financial year ended 31 December 2023.

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 30 JUNE 2024 (continued)

2 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied by the Bank in these unaudited condensed interim financial statements are the same as those applied by the Bank in its audited financial statements as at 31 December 2023 and for the financial year ended then, except as disclosed in Note 1(a) to the interim financial statements.

3 AUDITOR'S REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditor's report on the financial statements for the financial year ended 31 December 2023 was not subject to any qualification.

4 SEASONALITY OF OPERATIONS

The business operations of the Bank are not materially affected by any seasonal factors.

5 DEBT SECURITIES

There were no other issuances, cancellations, repurchases and repayments of debt securities by the Bank during the financial period ended 30 June 2024.

6 DIVIDEND

No dividend was proposed in respect of the financial period ended 30 June 2024.

7 SUBSEQUENT EVENTS

There was no material event subsequent to the end of the reporting period that requires disclosure or adjustments to the unaudited condensed interim financial statements.

8 UNUSUAL ITEMS DUE TO THEIR NATURE, SIZE OR INCIDENCE

There was no unusual items affecting the assets, liabilities, equity and net income or cash flows of the Bank for the financial period ended 30 June 2024.

9 CASH AND CASH EQUIVALENTS

	30 June 2024 RM'000	31 December 2023 RM'000
Cash and balances with banks and other financial institutions	85,642	75,806
Deposits and placements with BNM	708,896	1,047,762
	<u>794,538</u>	<u>1,123,568</u>
Stage 1 ECL allowance	(7)	(3)
	<u>794,531</u>	<u>1,123,565</u>

By geographical distribution determined based on where the credit risk resides

Malaysia	736,310	1,071,223
Singapore	21,230	20,629
Other ASEAN countries	1,014	1,645
Rest of the world	35,984	30,071
	<u>794,538</u>	<u>1,123,568</u>

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 30 JUNE 2024 (continued)

10 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS ("FVTPL")

	30 June 2024 RM'000	31 December 2023 RM'000
At fair value		
Islamic Corporate Sukuk	5,004	5,021

11 FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME ("FVOCI")

	30 June 2024 RM'000	31 December 2023 RM'000
At fair value		
Malaysian Government Investment Issues	2,586,821	2,176,959
Islamic Corporate Sukuk	586,598	720,103
Islamic Negotiable Instruments of Deposit	646,704	199,181
Cagamas Sukuk	315,153	335,164
	<u>4,135,276</u>	<u>3,431,407</u>

ECL allowance for financial investments at FVOCI is recognised in the ECL reserve.

	30 June 2024			31 December 2023		
	Stage 1 12 Months ECL RM'000	Stage 2 Lifetime ECL RM'000	Total ECL non credit- impaired RM'000	Stage 1 12 Months ECL RM'000	Stage 2 Lifetime ECL RM'000	Total ECL non credit- impaired RM'000
At 1 January	155	-	155	147	-	147
New financial assets originated or purchased	160	-	160	322	-	322
Financial assets derecognised	(77)	-	(77)	(191)	-	(191)
Net remeasurement during the period/year	(32)	-	(32)	(123)	-	(123)
At 30 June/31 December	<u>206</u>	<u>-</u>	<u>206</u>	<u>155</u>	<u>-</u>	<u>155</u>

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 30 JUNE 2024 (continued)

12 FINANCING AND ADVANCES

(i) By type and Shariah contract

30 June 2024	<i>Sale based contracts</i>					<i>Lease based contracts</i>			<i>Equity based contracts</i>			Total RM'000
	Bai'		Tawarruq RM'000	Murabahah RM'000	Bai' Dayn RM'000	Ijarah Thumma Al- Bai RM'000	Ijarah RM'000	Ijarah Muntahiah Bi Al-Tamlik RM'000	Musharakah Mutanaqisah RM'000	Mudharabah RM'000	Others RM'000	
	Bai' Inah RM'000	Bithaman Ajil RM'000										
At amortised cost and net of unearned income												
Cash line financing	322	1,283	-	-	-	-	587,160	-	-	-	14,131	602,896
Term Financing												
- House financing	-	3,006	132,603	-	-	-	-	1,409,316	45,820	-	-	1,590,745
- Syndicated term financing	-	-	2,687,101	-	-	-	-	-	-	66,110	-	2,753,211
- Hire purchase receivables	-	-	-	-	-	125,879	-	75,619	-	-	-	201,498
- Other term financing	28,083	21,027	5,287,595	-	-	-	-	671,128	61,504	-	-	6,069,337
Bills receivable	-	-	-	67,251	16,941	-	-	-	-	-	-	84,192
Trust receipts	-	-	-	461	-	-	-	-	-	-	-	461
Revolving credit	-	-	3,691,077	-	-	-	-	-	-	-	-	3,691,077
Claims on customers under acceptance credits	-	-	-	223,695	300	-	-	-	-	-	-	223,995
Other financing	-	-	108,020	-	-	-	-	-	-	-	-	108,020
Gross financing and advances	28,405	25,316	11,906,396	291,407	17,241	125,879	587,160	2,156,063	107,324	66,110	14,131	15,325,432
ECL allowance												(307,707)
Net financing and advances												15,017,725

Included in financing and advances are specific business ventures funded by the Restricted Profit Sharing Investment Account ("RPSIA") arrangements between the Bank and its immediate holding company, OCBC Bank (Malaysia) Berhad (Note 17). The immediate holding company, being the RPSIA investor, is exposed to the risks and rewards of the business venture and accounts for the impairment allowances arising thereon.

As at 30 June 2024, the gross exposure and ECL relating to RPSIA financing amounted to RM5,590 million (31 December 2023: RM4,964 million) and RM20 million (31 December 2023: RM29 million) respectively.

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 30 JUNE 2024 (continued)

12 FINANCING AND ADVANCES (continued)

(i) By type and Shariah contract (continued)

	<i>Sale based contracts</i>					<i>Lease based contracts</i>			<i>Equity based contracts</i>			Total RM'000	
	Bai'		Tawarruq RM'000	Murabahah RM'000	Bai' Dayn RM'000	Ijarah Thumma Al- Bai RM'000	Ijarah RM'000	Ijarah Muntahiah Bi Al-Tamlik RM'000	Musharakah				
	Bai' Inah RM'000	Bithaman Ajil RM'000							Mutanaqisah RM'000	Mudharabah RM'000	Others RM'000		
31 December 2023													
At amortised cost and net of unearned income													
Cash line financing	4,634	1,500	-	-	-	-	537,362	-	-	-	-	12,487	555,983
Term Financing													
- House financing	-	3,637	47,183	-	-	-	-	1,470,517	48,791	-	-	-	1,570,128
- Syndicated term financing	-	-	2,109,399	-	-	-	-	-	-	100,227	-	-	2,209,626
- Hire purchase receivables	-	-	-	-	-	143,272	-	77,925	-	-	-	-	221,197
- Other term financing	38,027	17,650	5,263,542	-	-	-	-	733,394	64,809	-	-	-	6,117,422
Bills receivable	-	-	-	69,146	10,464	-	-	-	-	-	-	-	79,610
Revolving credit	-	-	4,046,725	-	-	-	-	-	-	-	-	-	4,046,725
Claims on customers under acceptance credits	-	-	-	216,974	19,400	-	-	-	-	-	-	-	236,374
Other financing	-	-	96,872	-	-	-	-	-	-	-	-	-	96,872
Gross financing and advances	42,661	22,787	11,563,721	286,120	29,864	143,272	537,362	2,281,836	113,600	100,227	12,487		15,133,937
ECL allowance													(352,858)
Net financing and advances													14,781,079

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 30 JUNE 2024 (continued)

12 FINANCING AND ADVANCES (continued)

	30 June 2024 RM'000	31 December 2023 RM'000
(ii) By type of customer		
Domestic banking institutions	831,064	809,238
Domestic non-bank financial institutions	1,772,070	1,922,978
Domestic business enterprises		
- Small and medium enterprises	2,389,200	2,327,187
- Others	8,492,939	8,185,221
Individuals	1,689,455	1,683,530
Foreign entities	150,704	205,783
	<u>15,325,432</u>	<u>15,133,937</u>
(iii) By profit rate sensitivity		
Fixed rate		
- House financing	83,413	91,335
- Hire purchase receivables	125,879	143,272
- Other fixed rate financing	673,706	672,287
Variable rate		
- Base rate/Base financing rate plus/Standardised base rate	3,803,020	3,632,246
- Cost plus	10,558,325	10,514,696
- Other variable rate	81,089	80,101
	<u>15,325,432</u>	<u>15,133,937</u>
(iv) By sector		
Agriculture, hunting, forestry and fishing	612,404	825,150
Mining and quarrying	10,538	12,677
Manufacturing	1,001,439	1,026,851
Electricity, gas and water	226,589	219,995
Construction	586,669	539,005
Real estate	768,240	1,251,690
Wholesale & retail trade and restaurants & hotels	1,264,756	1,125,201
Transport, storage and communication	1,066,043	710,073
Finance, insurance and business services	7,280,278	6,923,951
Community, social and personal services	716,578	721,210
Household		
- Purchase of residential properties	1,598,293	1,577,827
- Purchase of non-residential properties	44,442	45,382
- Others	149,163	154,925
	<u>15,325,432</u>	<u>15,133,937</u>
(v) By geographical distribution determined based on where the credit risk resides		
Malaysia	15,179,034	14,943,930
Singapore	58,615	57,577
Other ASEAN countries	4,431	4,512
Rest of the world	83,352	127,918
	<u>15,325,432</u>	<u>15,133,937</u>

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 30 JUNE 2024 (continued)

12 FINANCING AND ADVANCES (continued)

	30 June 2024 RM'000	31 December 2023 RM'000
(vi) By residual contractual maturity		
Up to one year	2,930,069	3,461,839
Over one year to three years	4,689,804	2,976,205
Over three years to five years	2,738,432	4,100,173
Over five years	4,967,127	4,595,720
	<u>15,325,432</u>	<u>15,133,937</u>

13 IMPAIRED FINANCING AND ADVANCES

(a) Movements in credit-impaired financing and advances

	30 June 2024 RM'000	31 December 2023 RM'000
At 1 January	550,589	732,428
Impaired during the period/year	44,744	117,998
Reclassified as non credit-impaired	(47,095)	(84,814)
Amount recovered	(40,986)	(111,038)
Amount written off	(9,136)	(103,985)
At 30 June/31 December	<u>498,116</u>	<u>550,589</u>
Stage 3 ECL allowance	<u>(209,854)</u>	<u>(257,463)</u>
Net impaired financing and advances	<u>288,262</u>	<u>293,126</u>

Included in the credit-impaired financing and advances are specific business ventures funded by the RPSIA arrangements between the Bank and its immediate holding company, OCBC Bank (Malaysia) Berhad. The immediate holding company, as the RPSIA holder, is exposed to the risks and rewards of the business venture and accounts for the Stage 3 ECL allowance arising thereon. As at 30 June 2024, the credit-impaired RPSIA funded gross exposures and Stage 3 ECL recoverable from the RPSIA holder amounted to RM3 million (31 December 2023: RM15 million) and RM3 million (31 December 2023: RM15 million) respectively.

	30 June 2024 RM'000	31 December 2023 RM'000
(i) By sector		
Agriculture, hunting, forestry and fishing	463	184
Manufacturing	100,382	97,854
Electricity, gas and water	121	121
Construction	90,512	91,371
Real estate	1,564	1,624
Wholesale & retail trade and restaurants & hotels	177,176	184,182
Transport, storage and communication	8,640	19,237
Finance, insurance and business services	2,996	7,242
Community, social and personal services	490	490
Household		
- Purchase of residential properties	100,061	127,722
- Purchase of non-residential properties	3,533	3,549
- Others	12,178	17,013
	<u>498,116</u>	<u>550,589</u>

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 30 JUNE 2024 (continued)

13 IMPAIRED FINANCING AND ADVANCES (continued)

(a) Movements in credit-impaired financing and advances (continued)

	30 June 2024 RM'000	31 December 2023 RM'000
(ii) By geographical distribution determined based on where the credit risk resides		
Malaysia	488,231	538,805
Singapore	1,441	2,411
Other ASEAN country	1,253	1,404
Rest of the world	7,191	7,969
	<u>498,116</u>	<u>550,589</u>
(iii) By collateral type		
Property	257,101	297,763
Term deposits	1,500	-
Secured - others	14,529	23,277
Unsecured - corporate and other guarantees	172,177	178,892
Unsecured - clean	52,809	50,657
	<u>498,116</u>	<u>550,589</u>

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 30 JUNE 2024 (continued)

13 IMPAIRED FINANCING AND ADVANCES (continued)

(b) Movements in ECL allowance for financing and advances

	<i>Non credit-impaired</i>		<i>Credit-impaired</i>	30 June	<i>Non credit-impaired</i>		<i>Credit-impaired</i>	31 December
	Stage 1	Stage 2	Stage 3	2024	Stage 1	Stage 2	Stage 3	2023
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January	29,881	65,514	257,463	352,858	17,546	89,427	317,299	424,272
Transferred to Stage 1	14,438	(12,496)	(1,942)	-	62,365	(53,686)	(8,679)	-
Transferred to Stage 2	(3,699)	9,830	(6,131)	-	(5,285)	22,213	(16,928)	-
Transferred to Stage 3	(51)	(13,763)	13,814	-	(56)	(45,335)	45,391	-
New financial assets originated or purchased	9,618	6,379	-	15,997	18,341	27,495	-	45,836
Financial assets derecognised	(8,587)	(11,899)	(954)	(21,440)	(8,498)	(19,887)	(1,099)	(29,484)
Net remeasurement during the period/year	(12,137)	24,571	(41,848)	(29,414)	(54,573)	44,838	29,600	19,865
Written-off	-	-	(9,136)	(9,136)	-	-	(103,985)	(103,985)
Other movements	28	226	(1,412)	(1,158)	41	449	(4,136)	(3,646)
At 30 June/31 December	29,491	68,362	209,854	307,707	29,881	65,514	257,463	352,858

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 30 JUNE 2024 (continued)

13 IMPAIRED FINANCING AND ADVANCES (continued)

(b) Movements in ECL allowance for financing and advances (continued)

ECL allowance on financing and advances, including on financing commitments and financial guarantees (Note 19).

(i) By sector

	<i>Non credit- impaired</i>	<i>Credit- impaired</i>	Stage 3	
	Stage 1 and 2 ECL RM'000	Stage 3 ECL RM'000	Made during the period RM'000	Written off RM'000
30 June 2024				
Agriculture, hunting, forestry and fishing	10,508	87	69	-
Mining and quarrying	262	-	-	-
Manufacturing	19,044	91,633	9,158	131
Electricity, gas and water	1,339	4	-	-
Construction	33,077	62,682	488	492
Real estate	5,365	106	8	-
Wholesale & retail trade and restaurants & hotels	19,270	35,976	1,375	983
Transport, storage and communication	5,533	4,128	274	8
Finance, insurance and business services	25,127	731	224	66
Community, social and personal services	1,536	397	-	-
Household				
- Purchase of residential properties	5,231	21,555	6,450	6,668
- Purchase of non-residential properties	166	950	3	-
- Others	3,502	6,759	1,782	788
	129,960	225,008	19,831	9,136
31 December 2023				
Agriculture, hunting, forestry and fishing	10,120	18	-	-
Mining and quarrying	200	-	-	-
Manufacturing	18,321	84,161	39,857	134
Electricity, gas and water	820	4	-	-
Construction	35,338	95,265	46,607	13,637
Real estate	9,492	142	24	7
Wholesale & retail trade and restaurants & hotels	11,899	37,105	3,484	7,557
Transport, storage and communication	4,635	15,423	253	302
Finance, insurance and business services	27,959	855	479	63,474
Community, social and personal services	845	397	-	-
Household				
- Purchase of residential properties	3,602	29,864	18,050	15,064
- Purchase of non-residential properties	371	1,029	637	-
- Others	2,650	8,354	5,042	3,810
	126,252	272,617	114,433	103,985

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 30 JUNE 2024 (continued)

13 IMPAIRED FINANCING AND ADVANCES (continued)

(b) Movements in ECL allowance for financing and advances (continued)

(ii) By geographical distribution

	<i>Non credit- impaired</i>	<i>Credit- impaired</i>	30 June 2024	<i>Non credit- impaired</i>	<i>Credit- impaired</i>	31 December 2023
	Stage 1 and 2 ECL	Stage 3 ECL	Total ECL	Stage 1 and 2 ECL	Stage 3 ECL	Total ECL
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Malaysia	125,858	222,569	348,427	118,267	269,828	388,095
Singapore	402	450	852	273	496	769
Other ASEAN countries	5	-	5	9	-	9
Rest of the world	3,695	1,989	5,684	7,703	2,293	9,996
	129,960	225,008	354,968	126,252	272,617	398,869

14 DERIVATIVE FINANCIAL ASSETS AND LIABILITIES

	30 June 2024			31 December 2023		
	Contract or underlying principal amount	Fair value		Contract or underlying principal amount	Fair value	
	RM'000	Assets RM'000	Liabilities RM'000	RM'000	Assets RM'000	Liabilities RM'000
Trading						
Foreign exchange derivatives						
- Forwards	61,965	74	49	136,487	350	189
- Swaps	1,745,666	19,471	19,879	1,356,890	14,516	14,299
	1,807,631	19,545	19,928	1,493,377	14,866	14,488

15 OTHER ASSETS

	30 June 2024 RM'000	31 December 2023 RM'000
Profit receivable	32,514	28,283
Other receivables, deposits and prepayments	4,917	2,548
Amount due from immediate holding company	10	8,599
Amount due from ultimate holding company	3,351	180
	40,792	39,610

The amounts due from ultimate and immediate holding companies are unsecured, profit-free and repayable on demand.

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 30 JUNE 2024 (continued)

16 DEPOSITS FROM CUSTOMERS

	30 June 2024 RM'000	31 December 2023 RM'000
(a) By type of deposit		
Savings deposits		
- Tawarruq	561,953	553,927
- Qard	208,812	202,994
Demand deposits		
- Tawarruq	1,510,379	1,314,707
- Qard	4,324,611	4,428,925
Term deposits		
- Tawarruq	4,169,673	4,278,330
- Qard	11,965	1,445
Short-term deposits		
- Tawarruq	368,158	651,905
	<u>11,155,551</u>	<u>11,432,233</u>
(b) By type of customer		
Government and statutory bodies	103,284	98,621
Non-bank financial institutions	1,232,702	1,386,430
Business enterprises	5,977,904	6,072,023
Individuals	3,466,831	3,467,891
Foreign entities	309,747	343,088
Others	65,083	64,180
	<u>11,155,551</u>	<u>11,432,233</u>
(c) By residual maturity for term deposits and short-term deposits		
Up to six months	3,442,448	3,864,323
Over six months to one year	873,264	1,052,746
Over one year to three years	231,984	11,511
Over three years to five years	2,100	3,100
	<u>4,549,796</u>	<u>4,931,680</u>

17 INVESTMENT ACCOUNTS DUE TO DESIGNATED FINANCIAL INSTITUTION

	30 June 2024 RM'000	31 December 2023 RM'000
Mudharabah RPSIA		
Licensed bank	5,676,262	5,124,316
Amount receivable from immediate holding company under RPSIA	(3,336)	(14,796)
	<u>5,672,926</u>	<u>5,109,520</u>

The placements are from its immediate holding company, OCBC Bank (Malaysia) Berhad and are used to fund specific financing (Note 12). These deposits follow the principle of Mudharabah which states that profits will be shared with the Bank as mudarib and losses borne by depositors.

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 30 JUNE 2024 (continued)

18 DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	30 June 2024 RM'000	31 December 2023 RM'000
Non-Mudharabah		
Licensed banks	620,852	454,069
Other financial institutions	4,526	5,110
	<u>625,378</u>	<u>459,179</u>

Included in the above are deposits and placements of its immediate holding company of RM583 million (2023: RM433 million), which are unsecured and profit-bearing.

19 OTHER LIABILITIES

	30 June 2024 RM'000	31 December 2023 RM'000
Profit payable	51,239	52,744
Other payables and accruals	52,103	60,588
Amount due to immediate holding company (a)	188,153	176,468
Amount due to ultimate holding company (a)	766	587
Equity compensation benefits	871	705
Lease liabilities	2,754	3,504
ECL Allowances for financing commitments and financial guarantees (b)	47,261	46,011
	<u>343,147</u>	<u>340,607</u>

(a) The amount due to ultimate and immediate holding companies are unsecured, profit free and repayable on demand.

(b) The movements in ECL Stage 1, 2 and 3 allowances for financing commitments and financial guarantees are as follows:

30 June 2024	<i>Non credit-impaired</i>		<i>Credit-impaired</i>	Total RM'000
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	
At 1 January	13,028	17,829	15,154	46,011
Transferred to Stage 1	2,993	(2,993)	-	-
Transferred to Stage 2	(1,317)	1,317	-	-
Transferred to Stage 3	-	(381)	381	-
New financial assets originated or purchased	4,278	983	-	5,261
Financial assets derecognised	(1,069)	(3,974)	-	(5,043)
Net remeasurement during the period	(2,938)	4,311	(381)	992
Other movements	39	1	-	40
At 30 June	<u>15,014</u>	<u>17,093</u>	<u>15,154</u>	<u>47,261</u>

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 30 JUNE 2024 (continued)

19 OTHER LIABILITIES (continued)

31 December 2023	<i>Non credit-impaired</i>		<i>Credit-impaired</i>	Total RM'000
	Stage 1	Stage 2	Stage 3	
	RM'000	RM'000	RM'000	
At 1 January	3,257	41,042	27,742	72,041
Transferred to Stage 1	27,429	(27,429)	-	-
Transferred to Stage 2	(997)	997	-	-
Transferred to Stage 3	-	(1,162)	1,162	-
New financial assets originated or purchased	3,578	9,869	-	13,447
Financial assets derecognised	(1,225)	(15,001)	(12,745)	(28,971)
Net remeasurement during the year	(19,029)	9,350	(1,005)	(10,684)
Other movements	15	163	-	178
At 31 December	<u>13,028</u>	<u>17,829</u>	<u>15,154</u>	<u>46,011</u>

20 INCOME DERIVED FROM INVESTMENT OF DEPOSITORS' FUNDS AND OTHERS

	Quarter Ended		Year-To-Date Ended	
	30 June	30 June	30 June	30 June
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of:				
(i) Term deposits	47,667	45,860	97,716	95,653
(ii) Other deposits	86,622	90,467	173,249	173,374
	<u>134,289</u>	<u>136,327</u>	<u>270,965</u>	<u>269,027</u>

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 30 JUNE 2024 (continued)

20 INCOME DERIVED FROM INVESTMENT OF DEPOSITORS' FUNDS AND OTHERS (continued)

	Quarter Ended		Year-To-Date Ended	
	30 June 2024 RM'000	30 June 2023 RM'000	30 June 2024 RM'000	30 June 2023 RM'000
(i) Income derived from investment of term deposits				
Finance income and hibah				
Financing and advances				
- Finance income earned other than recoveries	35,591	33,540	72,894	69,770
- Recoveries from credit-impaired financing	937	1,117	1,907	3,318
- Discount unwind from credit-impaired financing	185	354	424	687
Financial assets at FVTPL	17	17	34	35
Financial investments at FVOCI	9,920	10,027	19,257	19,151
Deposits and placements with banks and other financial institutions	774	625	2,594	2,198
	<u>47,424</u>	<u>45,680</u>	<u>97,110</u>	<u>95,159</u>
Other trading income				
Unrealised loss on financial assets at FVTPL	(2)	(2)	(5)	-
Other operating income				
Net gain from sale of financial investments at FVOCI	32	-	179	127
Others	213	182	432	367
	<u>47,667</u>	<u>45,860</u>	<u>97,716</u>	<u>95,653</u>
(ii) Income derived from investment of other deposits				
Finance income and hibah				
Financing and advances				
- Finance income earned other than recoveries	64,680	66,169	129,244	126,494
- Recoveries from credit-impaired financing	1,702	2,204	3,381	5,869
- Discount unwind from credit-impaired financing	336	697	749	1,252
Financial assets at FVTPL	31	32	61	62
Financial investments at FVOCI	18,027	19,780	34,187	34,971
Deposits and placements with banks and other financial institutions	1,407	1,233	4,557	3,852
	<u>86,183</u>	<u>90,115</u>	<u>172,179</u>	<u>172,500</u>
Other trading income				
Unrealised loss on financial assets at FVTPL	(5)	(5)	(9)	(1)
Other operating income				
Net gain from sale of financial investments at FVOCI	58	-	313	212
Others	386	357	766	663
	<u>86,622</u>	<u>90,467</u>	<u>173,249</u>	<u>173,374</u>

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 30 JUNE 2024 (continued)

21 INCOME DERIVED FROM INVESTMENT OF INVESTMENT ACCOUNT FUNDS

	Quarter Ended		Year-To-Date Ended	
	30 June	30 June	30 June	30 June
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Finance income and hibah				
Financing and advances				
- Finance income earned other than recoveries	71,289	37,485	138,895	71,593
Deposits and placements with banks and other financial institutions	1,043	3,220	2,343	6,514
	<u>72,332</u>	<u>40,705</u>	<u>141,238</u>	<u>78,107</u>

22 INCOME DERIVED FROM INVESTMENT OF SHAREHOLDER'S FUND

	Quarter Ended		Year-To-Date Ended	
	30 June	30 June	30 June	30 June
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Finance income and hibah				
Financing and advances				
- Finance income earned other than recoveries	20,312	16,925	41,216	34,277
- Recoveries from credit-impaired financing	534	564	1,078	1,618
- Discount unwind from credit-impaired financing	105	178	239	338
Financial assets at FVTPL	10	8	20	17
Financial investments at FVOCI	5,661	5,059	10,893	9,430
Deposits and placements with banks and other financial institutions	442	315	1,462	1,068
	<u>27,064</u>	<u>23,049</u>	<u>54,908</u>	<u>46,748</u>
Other trading income				
Unrealised loss on financial assets at FVTPL	(2)	(1)	(3)	-
Other operating income				
Commission	7,205	7,071	11,085	13,648
Service charges and fees	4,966	4,558	8,873	7,193
Shared services income received from immediate holding company	987	1,211	2,074	2,317
Shared services income received from ultimate holding company	33	31	64	60
Net gain from sale of financial investments at FVOCI	18	-	101	61
Others	121	91	244	179
Other trading income				
Net trading (loss)/gain				
- Foreign currency	(25)	(7,773)	2,110	(8,473)
- Derivatives	6,143	22,732	10,639	28,885
- Revaluation of derivatives	684	(7,378)	(850)	(7,355)
	<u>47,194</u>	<u>43,591</u>	<u>89,245</u>	<u>83,263</u>

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 30 JUNE 2024 (continued)

23 IMPAIRMENT ALLOWANCE AND PROVISIONS

	Quarter Ended		Year-To-Date Ended	
	30 June 2024 RM'000	30 June 2023 RM'000	30 June 2024 RM'000	30 June 2023 RM'000
Financing, advances and commitments				
Stage 1 and Stage 2 ECL net charge/(writeback) during the period	8,364	2,152	3,708	(3,670)
Stage 3 ECL				
- Made during the period	13,194	6,269	19,831	14,148
- Written back	(39,809)	(16,133)	(56,892)	(27,936)
Credit-impaired financing recovered	(7,812)	(4,569)	(12,916)	(8,605)
Recovery from RPSIA holder*	3,093	1,921	11,459	5,070
Financial investments at FVOCI				
Stage 1 and Stage 2 ECL net charge during the period	13	88	51	62
Other assets				
Stage 1 ECL net charge/(write back) during the period	2	(1)	4	(7)
	<u>(22,955)</u>	<u>(10,273)</u>	<u>(34,755)</u>	<u>(20,938)</u>

* The RPSIA holder is the Bank's immediate holding company (Note 17).

24 INCOME ATTRIBUTABLE TO DEPOSITORS

	Quarter Ended		Year-To-Date Ended	
	30 June 2024 RM'000	30 June 2023 RM'000	30 June 2024 RM'000	30 June 2023 RM'000
Deposits from customers				
- Non-Mudharabah	60,537	55,713	122,388	106,272
Deposits and placements of banks and other financial institutions				
- Non-Mudharabah	3,246	4,580	7,544	8,356
Lease liabilities	25	15	50	27
	<u>63,808</u>	<u>60,308</u>	<u>129,982</u>	<u>114,655</u>

25 INCOME ATTRIBUTABLE TO INVESTMENT ACCOUNT HOLDER

	Quarter Ended		Year-To-Date Ended	
	30 June 2024 RM'000	30 June 2023 RM'000	30 June 2024 RM'000	30 June 2023 RM'000
Investment accounts due to designated financial institution				
- Mudharabah	50,632	28,492	98,866	54,674

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 30 JUNE 2024 (continued)

26 OPERATING EXPENSES

	Quarter Ended		Year-To-Date Ended	
	30 June 2024 RM'000	30 June 2023 RM'000	30 June 2024 RM'000	30 June 2023 RM'000
Personnel expenses				
Wages, salaries and bonus	4,564	4,997	8,081	9,515
Employees Provident Fund contributions	694	724	1,332	1,460
Share-based costs	90	94	172	183
Others	839	992	1,691	1,732
	<u>6,187</u>	<u>6,807</u>	<u>11,276</u>	<u>12,890</u>
Establishment expenses				
Depreciation of equipment	243	237	487	576
Depreciation of ROU assets	369	385	770	769
Rental of premises	15	3	1	6
Repair and maintenance	102	116	210	251
Information technology costs	112	126	252	250
Hire of equipment	23	21	43	32
Others	273	524	728	990
	<u>1,137</u>	<u>1,412</u>	<u>2,491</u>	<u>2,874</u>
Marketing expenses				
Advertising and business promotion	16	51	120	144
Transport and travelling	13	36	40	49
Others	4	43	4	61
	<u>33</u>	<u>130</u>	<u>164</u>	<u>254</u>
General administrative expenses				
Shared service fees to immediate holding company	34,966	33,154	70,444	63,243
IT and transaction processing fees to related companies	5,443	5,650	11,213	11,081
Others	3,851	3,422	6,861	6,340
	<u>44,260</u>	<u>42,226</u>	<u>88,518</u>	<u>80,664</u>
Total operating expenses	<u>51,617</u>	<u>50,575</u>	<u>102,449</u>	<u>96,682</u>

27 INCOME TAX EXPENSE

	Quarter Ended		Year-To-Date Ended	
	30 June 2024 RM'000	30 June 2023 RM'000	30 June 2024 RM'000	30 June 2023 RM'000
Malaysian income tax				
- Current period charge	27,759	22,780	48,646	44,163
- Prior periods	256	-	256	-
Deferred tax				
- Origination and reversal of temporary differences	(1,182)	(818)	532	324
	<u>26,833</u>	<u>21,962</u>	<u>49,434</u>	<u>44,487</u>

28 CAPITAL COMMITMENTS

	30 June 2024 RM'000	31 December 2023 RM'000
Capital expenditure in respect of equipment		
- Contracted but not provided for	37	37

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 30 JUNE 2024 (continued)

29 COMMITMENTS AND CONTINGENCIES

In the normal course of business, the Bank makes various commitments and incurs certain contingent liabilities with legal recourse to its customers. There were no material losses anticipated as a result of these transactions.

The credit equivalent and risk weighted amounts were computed using the credit conversion factors and risk weights as defined by BNM for regulatory capital adequacy purposes.

	30 June 2024			31 December 2023		
	Principal amount RM'000	Credit equivalent amount RM'000	Risk weighted amount RM'000	Principal amount RM'000	Credit equivalent amount RM'000	Risk weighted amount RM'000
Direct credit substitutes	249	249	191	2,886	2,886	700
Transaction-related contingent items	425,000	217,031	142,083	386,902	196,790	119,796
Short-term self-liquidating trade-related contingencies	22,320	4,464	2,649	34,068	6,814	3,311
Foreign exchange related contracts						
- Up to one year	698,516	1,339	218	399,199	2,392	689
- Over one year to five years	1,109,115	141,382	41,713	1,094,178	134,344	46,127
Formal standby facilities and credit lines						
- Original maturity up to one year	38,000	28,500	20,853	28,000	21,000	19,756
- Original maturity over one year	1,153,997	888,718	708,457	846,768	652,717	483,529
Other unconditionally cancellable commitments	2,936,899	177,293	22,258	3,135,229	192,739	24,165
	6,384,096	1,458,976	938,422	5,927,230	1,209,682	698,073

Note: The fair value of derivatives have been recognised as derivative financial assets and liabilities in Note 14.

30 CREDIT EXPOSURE ARISING FROM CREDIT TRANSACTIONS WITH CONNECTED PARTIES

The following disclosure is made pursuant to BNM's Guidelines on Credit Transactions and Exposures with Connected Parties:

	30 June 2024 RM'000	31 December 2023 RM'000
Aggregate value of outstanding credit exposures with connected parties[^]		
Credit facility and leasing (except guarantee)	89,881	89,389
Commitments and contingencies*	283,797	284,344
	373,678	373,733
Impaired or in default	-	-
Outstanding credit exposures to connected parties		
As a proportion of total credit exposures	2.15%	2.20%

[^] Comprises total outstanding balances and unutilised limits.

* Commitments and contingencies transactions that give rise to credit and/or counterparty risk.

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 30 JUNE 2024 (continued)

31 CREDIT RISK

Credit risk is the risk of a financial loss to the Bank if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Bank's maximum credit exposure on the financial assets without taking into account any collateral held or other credit enhancements of the Bank equals their carrying amount as reported in the statement of financial position. For contingent liabilities, the maximum exposure to credit risk is the maximum amount that the Bank would have to pay if the obligations of the instruments issued are called upon. For credit commitments, the maximum exposure to credit risk is the full amount of the undrawn credit facilities granted to customers.

	Note	30 June 2024 RM'000	31 December 2023 RM'000
Cash and cash equivalents *		767,118	1,100,104
Financial assets at FVTPL	10	5,004	5,021
Financial investments at FVOCI	11	4,135,276	3,431,407
Financing and advances	12	15,017,725	14,781,079
Derivative financial assets	14	19,545	14,866
Other assets^		38,164	38,573
Contingent liabilities and credit commitments		4,576,465	4,433,853
		<u>24,559,297</u>	<u>23,804,903</u>

* Excluding cash in hand

^ Excluding prepayments

Credit quality analysis

(i) By credit rating/internal grading and ECL stage

	30 June 2024				31 December 2023			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Cash and cash equivalents	767,118	-	-	767,118	1,100,104	-	-	1,100,104
Financial assets at FVTPL*								
Investment grade (AAA)	-	-	-	5,004	-	-	-	5,021

* ECL stage is not applicable for financial assets at FVTPL.

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 30 JUNE 2024 (continued)

31 CREDIT RISK (continued)

Credit quality analysis (continued)

(i) By credit rating/internal grading and ECL stage (continued)

	30 June 2024				31 December 2023			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Financial investments at FVOCI								
Government (AAA to BBB)	1,817,879	-	-	1,817,879	1,577,570	-	-	1,577,570
Government and Central Bank (unrated)	768,942	-	-	768,942	599,389	-	-	599,389
Investment grade (AAA to BBB)	429,468	5,000	-	434,468	488,843	-	-	488,843
Unrated	1,113,987	-	-	1,113,987	765,605	-	-	765,605
	4,130,276	5,000	-	4,135,276	3,431,407	-	-	3,431,407
Contingent liabilities and credit commitments (excluding derivative financial assets)								
Pass	3,960,649	565,953	-	4,526,602	3,874,806	489,506	-	4,364,312
Special mention	-	17,998	-	17,998	-	40,048	-	40,048
Credit-impaired	-	-	31,865	31,865	-	-	29,493	29,493
	3,960,649	583,951	31,865	4,576,465	3,874,806	529,554	29,493	4,433,853

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 30 JUNE 2024 (continued)

31 CREDIT RISK (continued)

Credit quality analysis (continued)

(i) By credit rating/internal grading and ECL stage (continued)

Financing and advances

Financing and advances are categorised according to the Bank's customer classification grades as Pass, Special Mention, Substandard, Doubtful and Loss.

Financing and advances classified as Pass and Special Mention are not credit-impaired whereas Substandard, Doubtful and Loss are credit-impaired.

Past due but not credit-impaired are financing and advances where the customer has failed to make a principal or profit payment when contractually due, and includes financing which are past due one or more days after the contractual due date but less than 3 months past due.

Credit quality and ECL stages

	30 June 2024				31 December 2023			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Neither past due nor credit-impaired								
By internal grading								
Pass	13,067,022	1,523,729	-	14,590,751	12,775,062	1,589,156	-	14,364,218
Special mention	-	189,572	-	189,572	-	168,730	-	168,730
	<u>13,067,022</u>	<u>1,713,301</u>	<u>-</u>	<u>14,780,323</u>	<u>12,775,062</u>	<u>1,757,886</u>	<u>-</u>	<u>14,532,948</u>
Past due but not credit-impaired								
By period overdue								
Less than 2 months	-	39,553	-	39,553	-	40,825	-	40,825
2 months to less than 3 months	-	7,440	-	7,440	-	9,575	-	9,575
	<u>-</u>	<u>46,993</u>	<u>-</u>	<u>46,993</u>	<u>-</u>	<u>50,400</u>	<u>-</u>	<u>50,400</u>
Credit-impaired								
Past due	-	-	386,704	386,704	-	-	376,809	376,809
Not past due	-	-	111,412	111,412	-	-	173,780	173,780
	<u>-</u>	<u>-</u>	<u>498,116</u>	<u>498,116</u>	<u>-</u>	<u>-</u>	<u>550,589</u>	<u>550,589</u>
Total	13,067,022	1,760,294	498,116	15,325,432	12,775,062	1,808,286	550,589	15,133,937
ECL	(29,491)	(68,362)	(209,854)	(307,707)	(29,881)	(65,514)	(257,463)	(352,858)
Net financing and advances	<u>13,037,531</u>	<u>1,691,932</u>	<u>288,262</u>	<u>15,017,725</u>	<u>12,745,181</u>	<u>1,742,772</u>	<u>293,126</u>	<u>14,781,079</u>

Past due but not credit-impaired financing are classified as part of Special Mention.

The analysis of impaired financing and advances is detailed in Note 13(a) to the financial statements.

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 30 JUNE 2024 (continued)

31 CREDIT RISK (continued)

Credit quality analysis (continued)

(i) By credit rating/internal grading and ECL stage (continued)

Financing and advances (continued)

Collateral

(i) The main types of collateral obtained by the Bank are as follows:

- For personal house financing, mortgages over residential properties;
- For commercial property financing, charges over properties being financed; and
- For other financing, charges over business assets such as premises, inventories, trade receivables, equipment or deposits.

As at 30 June 2024 and 31 December 2023, there were no assets repossessed by the Bank as a result of taking possession of collateral held as security, or by calling upon other credit enhancements.

(ii) The quantification of the extent to which collateral and other credit enhancements mitigate credit risk and that best represents the maximum exposure to credit risk for credit-impaired financing is as follows:

	30 June 2024 RM'000	31 December 2023 RM'000
Fair value of collateral held against the covered portion of credit-impaired financing and advances	390,171	424,648
Covered portion of credit-impaired financing and advances	273,130	321,040
Uncovered portion of credit-impaired financing and advances	224,986	229,549
	<u>498,116</u>	<u>550,589</u>

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 30 JUNE 2024 (continued)

31 CREDIT RISK (continued)

Credit quality analysis (continued)

	30 June 2024					31 December 2023				
	Financial assets at FVTPL RM'000	Financial investments at FVOCI RM'000	Financing and advances* RM'000	Derivative financial assets RM'000	Contingent liabilities and credit commitments** RM'000	Financial assets at FVTPL RM'000	Financial investments at FVOCI RM'000	Financing and advances* RM'000	Derivative financial assets RM'000	Contingent liabilities and credit commitments** RM'000
(ii) By issuer/counterparty										
Government and Central Bank	-	2,586,821	-	-	-	-	2,176,959	-	-	-
Public sector	-	557,218	-	-	-	-	670,754	-	-	-
Banking institutions	-	297,528	-	19,475	150,000	-	99,935	-	8,759	-
Non-bank financial institutions	-	664,329	-	6	77,691	-	434,410	-	1	75,395
Business enterprises	5,004	29,380	20,634	64	4,241,770	5,021	49,349	19,844	6,106	4,257,204
Individuals	-	-	26,359	-	107,004	-	-	25,888	-	101,254
	5,004	4,135,276	46,993	19,545	4,576,465	5,021	3,431,407	45,732	14,866	4,433,853
(iii) By geographical distribution										
Malaysia	5,004	4,135,276	44,243	19,540	4,436,441	5,021	3,431,407	44,854	14,866	4,297,059
Other ASEAN countries	-	-	2,173	5	69,088	-	-	878	-	66,261
Rest of the world	-	-	577	-	70,936	-	-	-	-	70,533
	5,004	4,135,276	46,993	19,545	4,576,465	5,021	3,431,407	45,732	14,866	4,433,853

* Past due but not credit-impaired. Financing and advances by geographical distribution is detailed in Note 12(v) to the financial statements.

** Excluding derivative financial assets.

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 30 JUNE 2024 (continued)

31 CREDIT RISK (continued)

Credit quality analysis (continued)

	30 June 2024					31 December 2023				
	Financial assets at FVTPL RM'000	Financial investments at FVOCI RM'000	Financing and advances* RM'000	Derivative financial assets RM'000	Contingent liabilities and credit commitments** RM'000	Financial assets at FVTPL RM'000	Financial investments at FVOCI RM'000	Financing and advances* RM'000	Derivative financial assets RM'000	Contingent liabilities and credit commitments** RM'000
(iv) By sector										
Agriculture, hunting, forestry and fishing	-	-	-	-	82,875	-	-	-	-	79,844
Mining and quarrying	-	-	-	-	12,952	-	-	42	-	9,918
Manufacturing	-	-	4,621	15	1,132,799	-	-	4,115	56	1,108,327
Electricity, gas and water	-	49,882	-	-	59,718	-	49,577	-	2	56,409
Construction	-	298,866	5,546	-	837,446	-	398,479	1,726	-	880,497
Real estate	-	-	-	-	361,979	-	-	349	-	430,220
Wholesale & retail trade and restaurants & hotels	-	-	5,711	41	446,423	-	-	8,976	231	411,028
Transport, storage and communication	-	5,004	-	4	308,114	-	5,001	950	-	420,016
Finance, insurance and business services	5,004	976,236	3,177	19,482	1,206,434	-	534,345	1,455	14,575	905,734
Community, social and personal services	-	218,467	1,579	3	20,721	5,021	232,781	2,231	2	30,605
Household										
- Purchase of residential properties	-	-	23,731	-	104,737	-	-	22,784	-	99,462
- Purchase of non-residential properties	-	-	-	-	2,267	-	-	582	-	1,793
- Others	-	-	2,628	-	-	-	-	2,522	-	-
Others	-	2,586,821	-	-	-	-	2,211,224	-	-	-
	5,004	4,135,276	46,993	19,545	4,576,465	5,021	3,431,407	45,732	14,866	4,433,853
(v) By residual contractual maturity										
Up to one year	5,004	1,651,116	3,509	228	3,231,945	5,021	1,179,064	6,748	1,105	3,254,239
Over one year to five years	-	2,479,164	5,075	19,317	807,793	-	2,217,426	4,231	13,761	875,841
Over five years	-	4,996	38,409	-	536,727	-	34,917	34,753	-	303,773
	5,004	4,135,276	46,993	19,545	4,576,465	5,021	3,431,407	45,732	14,866	4,433,853

* Past due but not credit-impaired. Financing and advances by sector and residual contractual maturity are detailed in Note 12(iv) and Note 12(vi) respectively.

** Excluding derivative financial assets.

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 30 JUNE 2024 (continued)

32 FAIR VALUE OF FINANCIAL INSTRUMENTS

(a) Fair value hierarchy of financial instruments

The Bank measures the fair value of financial assets and liabilities using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable market data either directly (ie as prices) or indirectly (ie derived from observable market data). The valuation techniques that use market parameters as inputs include, but are not limited to, yield curves, volatilities and foreign exchange rates; and
- Level 3: Inputs for the valuation that are not based on observable market data.

(b) Financial instruments carried at fair value

	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000
30 June 2024				
Financial assets at fair value				
Financial assets at FVTPL	5,004	-	-	5,004
Financial investments at FVOCI	3,488,572	646,704	-	4,135,276
Derivative financial assets	50	19,493	2	19,545
	<u>3,493,626</u>	<u>666,197</u>	<u>2</u>	<u>4,159,825</u>
Financial liabilities at fair value				
Derivative financial liabilities	2	19,926	-	19,928
	<u>2</u>	<u>19,926</u>	<u>-</u>	<u>19,928</u>
31 December 2023				
Financial assets at fair value				
Financial assets at FVTPL	5,021	-	-	5,021
Financial investments at FVOCI	3,232,226	199,181	-	3,431,407
Derivative financial assets	93	14,770	3	14,866
	<u>3,237,340</u>	<u>213,951</u>	<u>3</u>	<u>3,451,294</u>
Financial liabilities at fair value				
Derivative financial liabilities	166	14,322	-	14,488
	<u>166</u>	<u>14,322</u>	<u>-</u>	<u>14,488</u>

Movements in the Bank's Level 3 financial assets and liabilities are as follows:

	30 June 2024 RM'000	31 December 2023 RM'000
Financial assets at fair value		
At 1 January	3	47
Unrealised loss recognised in profit or loss	(1)	(44)
At 30 June/31 December	<u>2</u>	<u>3</u>
Financial liabilities at fair value		
At 1 January	-	1
Unrealised gain recognised in profit or loss	-	(1)
At 30 June/31 December	<u>-</u>	<u>-</u>

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 30 JUNE 2024 (continued)

32 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy of financial assets and liabilities (continued)

The following table shows the valuation techniques used in the determination of fair value within Level 3, as well as the unobservable inputs used in the valuation model:

Bank	Fair value		Classification	Valuation technique	Unobservable input
	30 June 2024	31 December 2023			
Asset	RM'000	RM'000			
Derivative financial assets	2	3	Hedge for trading	Option pricing model	Standard deviation
Liability					
Derivative financial liabilities	-	-	Hedge for trading	Option pricing model	Standard deviation

The Bank considers that any reasonably possible changes to the unobservable input will not result in a significant financial impact.

33 CAPITAL ADEQUACY

The capital ratios are computed in accordance with the requirements of BNM's Capital Adequacy Framework for Islamic Banks (Capital Components).

	30 June 2024	31 December 2023
	RM'000	RM'000
Common Equity Tier 1 ("CET 1") capital		
Paid-up ordinary share capital	555,000	555,000
Retained earnings	1,743,617	1,588,170
Other reserves	87,623	84,241
Regulatory adjustment	(121,779)	(118,010)
	<u>2,264,461</u>	<u>2,109,401</u>

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 30 JUNE 2024 (continued)

33 CAPITAL ADEQUACY (continued)

	30 June 2024 RM'000	31 December 2023 RM'000
Tier 2 capital		
Stage 1 and 2 ECL and qualifying regulatory reserves under the Standardised Approach	1,698	2,111
Surplus eligible provisions over expected losses	44,659	46,165
	<u>46,357</u>	<u>48,276</u>
Capital base	<u>2,310,818</u>	<u>2,157,677</u>
	30 June 2024	31 December 2023
Before the effects of PSIA		
CET 1/Tier 1 capital ratio	19.527%	18.129%
Total capital ratio	<u>19.926%</u>	<u>18.544%</u>
After the effects of PSIA		
CET 1/Tier 1 capital ratio	26.536%	24.025%
Total capital ratio	<u>27.079%</u>	<u>24.575%</u>

In accordance with BNM's Guidelines on the Recognition and Measurement of Profit Sharing Investment Account ("PSIA") as Risk Absorbent, the credit and market risks of the assets funded by the RPSIA which qualify as risk absorbent are excluded from the total capital ratio calculation. As at 30 June 2024, credit risks relating to RPSIA assets excluded from the total capital ratio calculation amounted to RM3,063 million (31 December 2023: RM2,856 million).

Breakdown of risk-weighted assets ("RWA") in the various categories of risk-weights:

	30 June 2024 RM'000	31 December 2023 RM'000
Total RWA for credit risk	7,578,920	7,863,015
Total RWA for market risk	16,430	9,428
Total RWA for operational risk	938,220	907,506
	<u>8,533,570</u>	<u>8,779,949</u>