

**OCBC AL-AMIN BANK BERHAD**

Registration No. 200801017151 (818444-T)

(Incorporated in Malaysia)

**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS**

**FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2024**

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

OCBC AL-AMIN BANK BERHAD  
Registration No. 200801017151 (818444-T)  
(Incorporated in Malaysia)

**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2024**

<b>CONTENTS</b>	<b>PAGE</b>
STATEMENT OF FINANCIAL POSITION	1
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	2
STATEMENT OF CHANGES IN EQUITY	3
STATEMENT OF CASH FLOWS	4
NOTES TO THE FINANCIAL STATEMENTS	5 - 24

**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS  
STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2024**

		31 March 2024	31 December 2023
	Note	RM'000	RM'000
<b>ASSETS</b>			
Cash and cash equivalents	9	453,644	1,123,565
Financial assets at fair value through profit or loss ("FVTPL")	10	5,013	5,021
Financial investments at fair value through other comprehensive income ("FVOCI")	11	3,793,284	3,431,407
Financing and advances	12	14,644,362	14,781,079
Derivative financial assets	14	21,491	14,866
Other assets	15	45,894	39,610
Statutory deposits with BNM		201,000	185,000
Property and equipment		2,500	2,714
Right-of-use ("ROU") assets		3,077	3,478
Deferred tax assets		27,251	29,430
<b>Total assets</b>		<u>19,197,516</u>	<u>19,616,170</u>
<b>LIABILITIES</b>			
Deposits from customers	16	10,911,063	11,432,233
Investment accounts due to designated financial institution	17	5,420,422	5,109,520
Deposits and placements of banks and other financial institutions	18	299,787	459,179
Bills and acceptances payable		12,976	18,478
Derivative financial liabilities	14	22,460	14,488
Other liabilities	19	210,547	340,607
Provision for taxation and zakat		19,602	14,099
<b>Total liabilities</b>		<u>16,896,857</u>	<u>17,388,604</u>
<b>EQUITY</b>			
Share capital		555,000	555,000
Reserves		1,745,659	1,672,566
<b>Total equity</b>		<u>2,300,659</u>	<u>2,227,566</u>
<b>Total liabilities and equity</b>		<u>19,197,516</u>	<u>19,616,170</u>
<b>Commitments and contingencies</b>	29	<u>6,192,290</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.*

**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2024**

	Note	Year-To-Date Ended	
		31 March 2024 RM'000	31 March 2023 RM'000
Income derived from investment of depositors' funds and others	20	136,676	132,700
Income derived from investment of investment account funds	21	68,906	37,402
Income derived from investment of shareholder's funds	22	42,051	39,672
Impairment allowances writeback and provisions	23	11,800	10,665
Total distributable income		259,433	220,439
Income attributable to depositors	24	(66,174)	(54,347)
Income attributable to investment account holder	25	(48,234)	(26,182)
Total net income		145,025	139,910
Operating expenses	26	(50,832)	(46,107)
<b>Profit before taxation and zakat</b>		94,193	93,803
Income tax expense	27	(22,601)	(22,525)
Zakat		(12)	(13)
<b>Profit for the period</b>		<b>71,580</b>	<b>71,265</b>
<b>Items that may be subsequently reclassified to profit or loss</b>			
Fair value reserve (debt instruments)			
- Change in fair value		2,425	21,893
- Transferred to profit or loss		(485)	(400)
- Related tax		(465)	(5,158)
Change in expected credit loss ("ECL") reserve on debt instruments at FVOCI		38	(26)
<b>Other comprehensive income for the period, net of income tax</b>		<b>1,513</b>	<b>16,309</b>
<b>Total comprehensive income for the period</b>		<b>73,093</b>	<b>87,574</b>
Profit attributable to the owner of the Bank		71,580	71,265
Total comprehensive income attributable to the owner of the Bank		73,093	87,574
<b>Basic earnings per ordinary share (sen)</b>		<b>38.69</b>	<b>38.52</b>

*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.*

**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS**  
**STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2024**

	<i>Non-distributable</i>			<i>Distributable</i>		<b>Total Equity RM'000</b>
	<b>Share Capital RM'000</b>	<b>Regulatory Reserve RM'000</b>	<b>ECL Reserve RM'000</b>	<b>Fair Value Reserve RM'000</b>	<b>Retained Earnings RM'000</b>	
<b>2024</b>						
At 1 January 2024	555,000	91,000	155	(6,759)	1,588,170	2,227,566
Fair value reserve						
- Change in fair value	-	-	-	2,425	-	2,425
- Transferred to profit or loss	-	-	-	(485)	-	(485)
- Related tax	-	-	-	(465)	-	(465)
Change in ECL reserve	-	-	38	-	-	38
<b>Total other comprehensive income for the period</b>	-	-	38	1,475	-	1,513
Profit for the period	-	-	-	-	71,580	71,580
<b>Total comprehensive income for the period</b>	-	-	38	1,475	71,580	73,093
At 31 March 2024	555,000	91,000	193	(5,284)	1,659,750	2,300,659
<b>2023</b>						
At 1 January 2023	555,000	91,000	147	(27,157)	1,339,873	1,958,863
Fair value reserve						
- Change in fair value	-	-	-	21,893	-	21,893
- Transferred to profit or loss	-	-	-	(400)	-	(400)
- Related tax	-	-	-	(5,158)	-	(5,158)
Change in ECL reserve	-	-	(26)	-	-	(26)
<b>Total other comprehensive (expense)/income for the period</b>	-	-	(26)	16,335	-	16,309
Profit for the period	-	-	-	-	71,265	71,265
<b>Total comprehensive (expense)/income for the period</b>	-	-	(26)	16,335	71,265	87,574
At 31 March 2023	555,000	91,000	121	(10,822)	1,411,138	2,046,437

*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.*

**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS**  
**STATEMENT OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2024**

	<b>31 March 2024 RM'000</b>	<b>31 March 2023 RM'000</b>
<b>Cash flows from operating activities</b>		
Profit before taxation and zakat	94,193	93,803
<i>Adjustments for:</i>		
Net gain from disposal of:		
- Financial investments at FVOCI	(485)	(400)
Depreciation of equipment	244	339
Depreciation of ROU assets	401	384
Impairment allowances writeback	(6,696)	(6,629)
Finance expense on lease liabilities	25	12
Share-based costs	82	89
Unrealised loss/(gain) on:		
- Financial assets at FVTPL	8	(7)
- Derivatives	1,534	(23)
Operating profit before changes in working capital	<u>89,306</u>	<u>87,568</u>
<i>Changes in operating assets and operating liabilities:</i>		
Financing and advances	151,819	426,195
Derivative financial assets	(8,159)	(1,756)
Other assets	(6,286)	(3,133)
Statutory deposits with BNM	(16,000)	(9,000)
Deposits from customers	(521,170)	(837,423)
Investment accounts due to designated financial institution	302,536	414,884
Deposits and placements of banks and other financial institutions	(159,392)	(335,071)
Bills and acceptances payable	(5,502)	8,809
Derivative financial liabilities	7,972	1,990
Other liabilities	(129,747)	(3,781)
<b>Cash generated used in operations</b>	<u>(294,623)</u>	<u>(250,718)</u>
Income tax and zakat paid	(15,396)	(25,721)
<b>Net cash used in operating activities</b>	<u>(310,019)</u>	<u>(276,439)</u>
<b>Cash flows from investing activities</b>		
Acquisition of financial investments at FVOCI	(1,315,000)	(1,240,380)
Proceeds from disposal of financial investments at FVOCI	955,548	637,398
Acquisition of equipment	(30)	(27)
Proceeds from disposal of equipment	-	18
<b>Net cash used in investing activities</b>	<u>(359,482)</u>	<u>(602,991)</u>
<b>Cash flows from financing activities</b>		
Payment of lease liabilities	(420)	(402)
<b>Net cash used in financing activities</b>	<u>(420)</u>	<u>(402)</u>
<b>Net decrease in cash and cash equivalents</b>	(669,921)	(879,832)
<b>Cash and cash equivalents at 1 January</b>	1,123,565	1,653,270
<b>Cash and cash equivalents at 31 March</b>	<u>453,644</u>	<u>773,438</u>
<b>Change in liabilities arising from financing activity</b>		
	<b>2024 RM'000</b>	<b>2023 RM'000</b>
At 1 January	3,504	1,986
Payment of lease liabilities	(420)	(402)
Acquisition of new leases and changes in lease terms	-	1,064
Finance expense on lease liabilities	25	12
At 31 March	<u>3,109</u>	<u>2,660</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 - 31 MARCH 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 marginally increased its profit after tax to RM71.6 million for the financial period ended 31 March 2024, mainly due to higher net income from investment account funds of RM9.4 million, income derived from investment of depositors' funds and others of RM4.0 million and income from shareholder's funds of RM2.4 million and writeback of allowances RM1.1 million, partly offset by higher income attributable to depositors of RM11.8 million, operating expenses of RM4.7 million and tax expense of RM0.1 million.

Higher net income from investment account funds of RM9.4 million mainly due to higher financing income of RM31.5 million partly offset by higher profit attributable to investor of RM22.1 million.

Gross financing and advances decreased by RM0.2 billion or 1% to RM15 billion in the first quarter of 2024 mainly from real estate and finance, insurance and business services sectors partly offset by transport, storage and communication and wholesale retail trade sectors. Customer deposits decreased by RM0.5 billion mainly from non-bank financial institutions and business enterprises.

Shareholder's funds strengthened by RM73.1 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 25.078% and Total capital ratio of 25.625%.

### ECONOMIC PERFORMANCE AND PROSPECTS

Malaysia's economy is projected to grow between 4% and 5% in 2024, driven by household spending, investment activities, recovery in global trade and higher tourist arrivals and spending. However, the growth outlook remains subject to downside risks stemming from weaker-than-expected external demand, further escalation of geopolitical conflicts and a decline in commodity production.

Bank Negara Malaysia ("BNM") is of the view that, given Malaysia's strong fundamentals and positive growth prospects, the current ringgit level is undervalued. Looking forward, financial markets expect the ringgit to appreciate further into 2024 as the pressure on the ringgit eases and external uncertainties abate. Growth in regional economies is expected to improve, increasing inflows to the region, benefitting Malaysia and the ringgit. Domestically, the favourable economic outlook and the implementation of structural reforms to enhance growth potential and resilience is expected to provide support to the ringgit.

Banks in Malaysia remain resilient, with healthy levels of capital and liquidity to support credit intermediation in the economy. The latest stress tests conducted by BNM affirm the resilience of financial institutions against unexpected losses from severe macroeconomic and financial shocks. This will continue to support financial institutions' ability to fulfil the financing and protection needs of households and businesses.

## 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.

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.

## NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 31 MARCH 2024 (continued)

### 1 BASIS OF PREPARATION (continued)

#### (a) Statement of compliance (continued)

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*

The Bank plans to apply the abovementioned amendment to accounting standard, which is relevant to the Bank when they become effective in the respective financial periods. The initial application of the abovementioned amendment to accounting standard is 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.

### 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.



**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 31 MARCH 2024 (continued)**

**4 SEASONALITY OF OPERATIONS**

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

**5 DEBT SECURITIES**

There were no issuances, cancellations, repurchases and repayments of debt securities by the Bank during the financial period ended 31 March 2024.

**6 DIVIDEND**

No dividend was proposed in respect of the financial period ended 31 March 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 31 March 2024.

**9 CASH AND CASH EQUIVALENTS**

	<b>31 March 2024 RM'000</b>	<b>31 December 2023 RM'000</b>
Cash and balances with banks and other financial institutions	97,598	75,806
Deposits and placements with BNM	356,051	1,047,762
	<u>453,649</u>	<u>1,123,568</u>
Stage 1 ECL allowance	(5)	(3)
	<u>453,644</u>	<u>1,123,565</u>

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

	<b>31 March 2024 RM'000</b>	<b>31 December 2023 RM'000</b>
<b>At fair value</b>		
Islamic Corporate Sukuk	5,013	5,021
	<u>5,013</u>	<u>5,021</u>

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 31 MARCH 2024 (continued)**

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

	<b>31 March 2024 RM'000</b>	<b>31 December 2023 RM'000</b>
<b>At fair value</b>		
Malaysian Government Investment Issues	2,416,798	2,176,959
Islamic Corporate Sukuk	603,575	720,103
Islamic Negotiable Instruments of Deposit	498,073	199,181
Cagamas Sukuk	274,838	335,164
	<u>3,793,284</u>	<u>3,431,407</u>

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

	<b>31 March 2024</b>			<b>31 December 2023</b>		
	<b>Stage 1 12 Months ECL RM'000</b>	<b>Stage 2 Lifetime ECL RM'000</b>	<b>Total ECL non credit- impaired RM'000</b>	<b>Stage 1 12 Months ECL RM'000</b>	<b>Stage 2 Lifetime ECL RM'000</b>	<b>Total ECL non credit- impaired RM'000</b>
At 1 January	155	-	155	147	-	147
New financial assets originated or purchased	76	-	76	322	-	322
Financial assets derecognised	(35)	-	(35)	(191)	-	(191)
Net remeasurement during the period/year	(3)	-	(3)	(123)	-	(123)
At 31 March/31 December	<u>193</u>	<u>-</u>	<u>193</u>	<u>155</u>	<u>-</u>	<u>155</u>

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 31 MARCH 2024 (continued)**

**12 FINANCING AND ADVANCES**

(i) By type and Shariah contract

	<i>Sale based contracts</i>					<i>Lease based contracts</i>			<i>Equity based contracts</i>			<b>Total</b>
	<b>Bai' Inah</b>	<b>Bai' Bithaman Ajil</b>	<b>Tawarruq</b>	<b>Murabahah</b>	<b>Bai' Dayn</b>	<b>Ijarah Thumma Al- Bai</b>	<b>Ijarah</b>	<b>Ijarah Muntahiah Bi Al-Tamlik</b>	<b>Musharakah Mutanaqisah</b>	<b>Mudharabah</b>	<b>Others</b>	
<b>31 March 2024</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>At amortised cost and net of unearned income</b>												
Cash line financing	1,324	1,462	-	-	-	-	557,847	-	-	-	12,900	573,533
Term Financing												
- House financing	-	3,374	87,041	-	-	-	-	1,441,945	46,647	-	-	1,579,007
- Syndicated term financing	-	-	2,358,105	-	-	-	-	-	-	100,218	-	2,458,323
- Hire purchase receivables	-	-	-	-	-	139,142	-	78,956	-	-	-	218,098
- Other term financing	32,046	23,593	5,286,830	-	-	-	-	698,395	63,281	-	-	6,104,145
Bills receivable	-	-	-	69,146	9,634	-	-	-	-	-	-	78,780
Trust receipts	-	-	-	304	-	-	-	-	-	-	-	304
Revolving credit	-	-	3,621,545	-	-	-	-	-	-	-	-	3,621,545
Claims on customers under acceptance credits	-	-	-	248,267	9,200	-	-	-	-	-	-	257,467
Other financing	-	-	84,492	-	-	-	-	-	-	-	-	84,492
<b>Gross financing and advances</b>	<b>33,370</b>	<b>28,429</b>	<b>11,438,013</b>	<b>317,717</b>	<b>18,834</b>	<b>139,142</b>	<b>557,847</b>	<b>2,219,296</b>	<b>109,928</b>	<b>100,218</b>	<b>12,900</b>	<b>14,975,694</b>
ECL allowance												(331,332)
<b>Net financing and advances</b>												<b>14,644,362</b>

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 31 March 2024, the gross exposure and ECL relating to RPSIA financing amounted to RM5,306 million (2023: RM4,964 million) and RM20 million (2023: RM29 million) respectively.

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 31 MARCH 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>			<b>Total</b>
	<b>Bai' Inah</b>	<b>Bai' Bithaman Ajil</b>	<b>Tawarruq</b>	<b>Murabahah</b>	<b>Bai' Dayn</b>	<b>Ijarah Thumma Al- Bai</b>	<b>Ijarah</b>	<b>Ijarah Muntahiah Bi Al-Tamlik</b>	<b>Musharakah Mutanaqisah</b>	<b>Mudharabah</b>	<b>Others</b>	
<b>31 December 2023</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>At amortised cost and net of unearned income</b>												
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
<b>Gross financing and advances</b>	<b>42,661</b>	<b>22,787</b>	<b>11,563,721</b>	<b>286,120</b>	<b>29,864</b>	<b>143,272</b>	<b>537,362</b>	<b>2,281,836</b>	<b>113,600</b>	<b>100,227</b>	<b>12,487</b>	<b>15,133,937</b>
ECL allowance												(352,858)
<b>Net financing and advances</b>												<b>14,781,079</b>

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 31 MARCH 2024 (continued)**

**12 FINANCING AND ADVANCES (continued)**

	<b>31 March 2024 RM'000</b>	<b>31 December 2023 RM'000</b>
(ii) By type of customer		
Domestic banking institutions	831,762	809,238
Domestic non-bank financial institutions	1,621,938	1,922,978
Domestic business enterprises		
- Small and medium enterprises	2,341,000	2,327,187
- Others	8,325,371	8,185,221
Individuals	1,687,692	1,683,530
Foreign entities	167,931	205,783
	<u>14,975,694</u>	<u>15,133,937</u>
(iii) By profit rate sensitivity		
Fixed rate		
- House financing	84,722	91,335
- Hire purchase receivables	139,142	143,272
- Other fixed rate financing	892,905	672,287
Variable rate		
- Base rate/Base financing rate plus/Standardised base rate	3,699,407	3,632,246
- Cost plus	10,079,417	10,514,696
- Other variable rates	80,101	80,101
	<u>14,975,694</u>	<u>15,133,937</u>
(iv) By sector		
Agriculture, hunting, forestry and fishing	838,386	825,150
Mining and quarrying	11,934	12,677
Manufacturing	1,008,163	1,026,851
Electricity, gas and water	220,133	219,995
Construction	569,191	539,005
Real estate	784,409	1,251,690
Wholesale & retail trade and restaurants & hotels	1,259,580	1,125,201
Transport, storage and communication	988,244	710,073
Finance, insurance and business services	6,788,259	6,923,951
Community, social and personal services	723,352	721,210
Household		
- Purchase of residential properties	1,586,631	1,577,827
- Purchase of non-residential properties	45,081	45,382
- Others	152,331	154,925
	<u>14,975,694</u>	<u>15,133,937</u>
(v) By geographical distribution determined based on where the credit risk resides		
Malaysia	14,815,167	14,943,930
Singapore	57,796	57,577
Other ASEAN countries	4,534	4,512
Rest of the world	98,197	127,918
	<u>14,975,694</u>	<u>15,133,937</u>
(vi) By residual contractual maturity		
Up to one year	4,706,318	5,102,560
Over one year to three years	2,942,409	2,976,205
Over three years to five years	3,122,326	2,599,452
Over five years	4,204,641	4,455,720
	<u>14,975,694</u>	<u>15,133,937</u>

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 31 MARCH 2024 (continued)**

**13 IMPAIRED FINANCING AND ADVANCES**

(a) Movements in credit-impaired financing and advances

	<b>31 March 2024 RM'000</b>	<b>31 December 2023 RM'000</b>
At 1 January	550,589	732,428
Impaired during the period/year	19,580	117,998
Reclassified as non credit-impaired	(25,723)	(84,814)
Amount recovered	(21,893)	(111,038)
Amount written off	(4,795)	(103,985)
At 31 March/31 December	<u>517,758</u>	<u>550,589</u>
Stage 3 ECL allowance	<u>(241,436)</u>	<u>(257,463)</u>
Net impaired financing and advances	<u>276,322</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 arising thereon. As at 31 March 2024, the credit-impaired RPSIA funded gross exposures and Stage 3 ECL recoverable from the RPSIA holder amounted to RM6 million (2023: RM15 million) and RM6 million (2023: RM15 million) respectively.

	<b>31 March 2024 RM'000</b>	<b>31 December 2023 RM'000</b>
(i) By sector		
Agriculture, hunting, forestry and fishing	184	184
Manufacturing	97,198	97,854
Electricity, gas and water	121	121
Construction	90,306	91,371
Real estate	1,620	1,624
Wholesale & retail trade and restaurants & hotels	182,423	184,182
Transport, storage and communication	12,674	19,237
Finance, insurance and business services	5,568	7,242
Community, social and personal services	490	490
Household		
- Purchase of residential properties	106,786	127,722
- Purchase of non-residential properties	3,541	3,549
- Others	16,847	17,013
	<u>517,758</u>	<u>550,589</u>
(ii) By geographical distribution determined based on where the credit risk resides		
Malaysia	506,849	538,805
Singapore	1,926	2,411
Other ASEAN country	1,327	1,404
Rest of the world	7,656	7,969
	<u>517,758</u>	<u>550,589</u>

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 31 MARCH 2024 (continued)**

**13 IMPAIRED FINANCING AND ADVANCES (continued)**

(b) Movements in ECL allowance for financing and advances

	<i>Non credit-impaired</i>			<b>31 March</b>	<i>Non credit-impaired</i>			<b>31 December</b>
	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>2024</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
At 1 January	29,881	65,514	257,463	352,858	17,546	89,427	317,299	424,272
Transferred to Stage 1	7,267	(5,689)	(1,578)	-	62,365	(53,686)	(8,679)	-
Transferred to Stage 2	(1,450)	6,013	(4,563)	-	(5,285)	22,213	(16,928)	-
Transferred to Stage 3	(12)	(2,699)	2,711	-	(56)	(45,335)	45,391	-
New financial assets originated or purchased	4,774	2,476	-	7,250	18,341	27,495	-	45,836
Financial assets derecognised	(5,619)	(6,568)	(344)	(12,531)	(8,498)	(19,887)	(1,099)	(29,484)
Net remeasurement during the period/year	(6,164)	1,923	(6,672)	(10,913)	(54,573)	44,838	29,600	19,865
Written-off	-	-	(4,795)	(4,795)	-	-	(103,985)	(103,985)
Other movements	35	214	(786)	(537)	41	449	(4,136)	(3,646)
At 31 March/31 December	<b>28,712</b>	<b>61,184</b>	<b>241,436</b>	<b>331,332</b>	<b>29,881</b>	<b>65,514</b>	<b>257,463</b>	<b>352,858</b>

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 31 MARCH 2024 (continued)**

**14 DERIVATIVE FINANCIAL ASSETS AND LIABILITIES**

	31 March 2024			31 December 2023		
	Contract or underlying principal amount RM'000	Fair value		Contract or underlying principal amount RM'000	Fair value	
		Assets RM'000	Liabilities RM'000		Assets RM'000	Liabilities RM'000
	<b>Trading</b>					
Foreign exchange derivatives						
- Forwards	156,583	271	325	136,487	350	189
- Swaps	1,258,920	21,220	22,135	1,356,890	14,516	14,299
	<u>1,415,503</u>	<u>21,491</u>	<u>22,460</u>	<u>1,493,377</u>	<u>14,866</u>	<u>14,488</u>

**15 OTHER ASSETS**

	31 March 2024 RM'000	31 December 2023 RM'000
Profit receivable	42,403	28,283
Other receivables, deposits and prepayments	2,879	2,548
Amount due from immediate holding company	512	8,599
Amount due from ultimate holding company	100	180
	<u>45,894</u>	<u>39,610</u>

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

**16 DEPOSITS FROM CUSTOMERS**

	31 March 2024 RM'000	31 December 2023 RM'000
(a) By type of deposit		
Savings deposits		
- Tawarruq	556,999	553,927
- Qard	206,775	202,994
Demand deposits		
- Tawarruq	1,276,491	1,314,707
- Qard	4,437,863	4,428,925
Term deposits		
- Tawarruq	4,103,495	4,278,330
- Qard	1,854	1,445
Short-term deposits		
- Tawarruq	327,586	651,905
	<u>10,911,063</u>	<u>11,432,233</u>



**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 31 MARCH 2024 (continued)**

**16 DEPOSITS FROM CUSTOMERS (continued)**

	<b>31 March 2024 RM'000</b>	<b>31 December 2023 RM'000</b>
(b) By type of customer		
Government and statutory bodies	173,658	98,621
Non-bank financial institutions	1,119,497	1,386,430
Business enterprises	5,815,816	6,072,023
Individuals	3,452,384	3,467,891
Foreign entities	279,994	343,088
Others	69,714	64,180
	<u>10,911,063</u>	<u>11,432,233</u>
(c) By residual maturity for term deposits and short-term deposits		
Up to six months	3,783,768	3,864,323
Over six months to one year	593,549	1,052,746
Over one year to three years	53,518	11,511
Over three years to five years	2,100	3,100
	<u>4,432,935</u>	<u>4,931,680</u>

**17 INVESTMENT ACCOUNTS DUE TO DESIGNATED FINANCIAL INSTITUTION**

	<b>31 March 2024 RM'000</b>	<b>31 December 2023 RM'000</b>
<b>Mudharabah RPSIA</b>		
Licensed bank	5,426,852	5,124,316
Amount receivable from immediate holding company under RPSIA	(6,430)	(14,796)
	<u>5,420,422</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.

**18 DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS**

	<b>31 March 2024 RM'000</b>	<b>31 December 2023 RM'000</b>
<b>Non-Mudharabah</b>		
Licensed banks	294,947	454,069
Other financial institutions	4,840	5,110
	<u>299,787</u>	<u>459,179</u>

Included in the above are deposits and placements of its immediate holding company of RM219 million (2023: RM433 million), which are unsecured and profit-bearing.

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 31 MARCH 2024 (continued)**

**19 OTHER LIABILITIES**

		<b>31 March 2024 RM'000</b>	<b>31 December 2023 RM'000</b>
Profit payable		56,133	52,744
Other payables and accruals		53,745	60,588
Amount due to immediate holding company	(a)	49,219	176,468
Amount due to ultimate holding company	(a)	699	587
Equity compensation benefits		788	705
Lease liabilities		3,109	3,504
ECL Allowances for financing commitments and financial guarantees	(b)	46,854	46,011
		<u>210,547</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:

	<i>Non credit-impaired</i>		<i>Credit-impaired</i>	<b>Total RM'000</b>
	<b>Stage 1 RM'000</b>	<b>Stage 2 RM'000</b>	<b>Stage 3 RM'000</b>	
<b>31 March 2024</b>				
At 1 January	13,028	17,829	15,154	46,011
Transferred to Stage 1	1,053	(1,053)	-	-
Transferred to Stage 2	(1,073)	1,073	-	-
Transferred to Stage 3	-	(8)	8	-
New financial assets originated or purchased	2,369	378	-	2,747
Financial assets derecognised	(735)	(3,903)	-	(4,638)
Net remeasurement during the period	1,084	1,603	(8)	2,679
Other movements	55	-	-	55
At 31 March	<u>15,781</u>	<u>15,919</u>	<u>15,154</u>	<u>46,854</u>
<b>31 December 2023</b>				
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>

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 31 MARCH 2024 (continued)**

**20 INCOME DERIVED FROM INVESTMENT OF DEPOSITORS' FUNDS AND OTHERS**

	<b>31 March 2024 RM'000</b>	<b>31 March 2023 RM'000</b>
Income derived from investment of:		
(i) Term deposits	50,049	49,793
(ii) Other deposits	<u>86,627</u>	<u>82,907</u>
	<u>136,676</u>	<u>132,700</u>
 (i) Income derived from investment of term deposits		
<b>Finance income and hibah</b>		
Financing and advance		
- Finance income earned other than recoveries	37,303	36,230
- Recoveries from credit-impaired financing	970	2,201
- Discount unwind from credit-impaired financing	239	333
Financial assets at FVTPL	17	18
Financial investments at FVOCI	9,337	9,124
Deposits and placements with banks and other financial institutions	<u>1,820</u>	<u>1,573</u>
	49,686	49,479
<b>Other trading income</b>		
Unrealised (loss)/gain on financial assets at FVTPL	(3)	2
<b>Other operating income</b>		
Net gain from sale of financial investments at FVOCI	147	127
Others	219	185
	<u>50,049</u>	<u>49,793</u>
 (ii) Income derived from investment of other deposits		
<b>Finance income and hibah</b>		
Financing and advance		
- Finance income earned other than recoveries	64,564	60,325
- Recoveries from credit-impaired financing	1,679	3,665
- Discount unwind from credit-impaired financing	413	555
Financial assets at FVTPL	30	30
Financial investments at FVOCI	16,160	15,191
Deposits and placements with banks and other financial institutions	<u>3,150</u>	<u>2,619</u>
	85,996	82,385
<b>Other trading income</b>		
Unrealised (loss)/gain on financial assets at FVTPL	(4)	4
<b>Other operating income</b>		
Net gain from sale of financial investments at FVOCI	255	212
Others	380	306
	<u>86,627</u>	<u>82,907</u>

**21 INCOME DERIVED FROM INVESTMENT OF INVESTMENT ACCOUNT FUNDS**

	<b>31 March 2024 RM'000</b>	<b>31 March 2023 RM'000</b>
<b>Finance income and hibah</b>		
Financing and advance		
- Finance income earned other than recoveries	67,606	34,108
Deposits and placements with banks and other financial institutions	<u>1,300</u>	<u>3,294</u>
	<u>68,906</u>	<u>37,402</u>

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 31 MARCH 2024 (continued)**

**22 INCOME DERIVED FROM INVESTMENT OF SHAREHOLDER'S FUNDS**

	<b>31 March 2024 RM'000</b>	<b>31 March 2023 RM'000</b>
<b>Finance income and hibah</b>		
Financing and advance		
- Finance income earned other than recoveries	20,904	17,352
- Recoveries from credit-impaired financing	544	1,054
- Discount unwind from credit-impaired financing	134	160
Financial assets at FVTPL	10	9
Financial investments at FVOCI	5,232	4,371
Deposits and placements with banks and other financial institutions	1,020	753
	<u>27,844</u>	<u>23,699</u>
<b>Other trading income</b>		
Unrealised (loss)/gain on financial assets at FVTPL	(1)	1
<b>Other operating income</b>		
Commission	3,917	6,577
Service charges and fees	3,870	2,635
Shared services income received from immediate holding company	1,087	1,106
Shared services income received from ultimate holding company	31	29
Net gain from sale of financial investments at FVOCI	83	61
Others	123	88
<b>Other trading income</b>		
Net trading gain/(loss)		
- Foreign currency	2,135	(700)
- Trading derivatives	4,496	6,153
- Revaluation of derivatives	(1,534)	23
	<u>42,051</u>	<u>39,672</u>

**23 IMPAIRMENT ALLOWANCES WRITEBACK AND PROVISIONS**

	<b>31 March 2024 RM'000</b>	<b>31 March 2023 RM'000</b>
<b>Financing, advances and commitments</b>		
Stage 1 and Stage 2 ECL net writeback during the period	(4,656)	(5,822)
Stage 3 ECL		
- Made during the period	6,637	7,879
- Written back	(17,083)	(11,803)
Credit-impaired financing recovered	(5,104)	(4,036)
Recovery from RPSIA holder*	8,366	3,149
<b>Financial investments at FVOCI</b>		
Stage 1 and Stage 2 ECL net charge/(writeback) during the period	38	(26)
<b>Other assets</b>		
Stage 1 and Stage 2 ECL net charge/(writeback) during the period	2	(6)
	<u>(11,800)</u>	<u>(10,665)</u>

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

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 31 MARCH 2024 (continued)**

**24 INCOME ATTRIBUTABLE TO DEPOSITORS**

	<b>31 March 2024 RM'000</b>	<b>31 March 2023 RM'000</b>
Deposits from customers		
- Non-Mudharabah	61,851	50,559
Deposits and placements of banks and other financial institutions		
- Non-Mudharabah	4,298	3,776
Lease liabilities	25	12
	<u>66,174</u>	<u>54,347</u>

**25 INCOME ATTRIBUTABLE TO INVESTMENT ACCOUNT HOLDER**

	<b>31 March 2024 RM'000</b>	<b>31 March 2023 RM'000</b>
Investment accounts due to designated financial institution		
- Mudharabah	48,234	26,182
	<u>48,234</u>	<u>26,182</u>

**26 OPERATING EXPENSES**

	<b>31 March 2024 RM'000</b>	<b>31 March 2023 RM'000</b>
<b>Personnel expenses</b>		
Wages, salaries and bonus	3,517	4,518
Employees Provident Fund contributions	638	736
Share-based costs	82	89
Others	852	740
	<u>5,089</u>	<u>6,083</u>
<b>Establishment expenses</b>		
Depreciation of equipment	244	339
Depreciation of ROU assets	401	384
Rental of premises	(14)	3
Repair and maintenance	108	135
Information technology costs	140	124
Hire of equipment	20	11
Others	455	466
	<u>1,354</u>	<u>1,462</u>
<b>Marketing expenses</b>		
Advertising and business promotion	104	93
Transport and travelling	27	13
Others	-	18
	<u>131</u>	<u>124</u>
<b>General administrative expenses</b>		
Shared service fees to immediate holding company	35,478	30,089
IT and transaction processing fees to related companies	5,770	5,431
Others	3,010	2,918
	<u>44,258</u>	<u>38,438</u>
<b>Total operating expenses</b>	<u>50,832</u>	<u>46,107</u>

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 31 MARCH 2024 (continued)**

**27 INCOME TAX EXPENSE**

	<b>31 March 2024 RM'000</b>	<b>31 March 2023 RM'000</b>
Malaysian income tax		
- Current period	20,887	21,383
Deferred tax		
- Origination and reversal of temporary differences	1,714	1,142
	<u>22,601</u>	<u>22,525</u>

**28 CAPITAL COMMITMENTS**

	<b>31 March 2024 RM'000</b>	<b>31 December 2023 RM'000</b>
Capital commitments in respect of equipment		
- Contracted but not provided for	37	37
	<u>37</u>	<u>37</u>

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 31 MARCH 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.

	31 March 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	3,970	3,970	852	2,886	2,886	700
Transaction-related contingent items	371,204	188,831	112,275	386,902	196,790	119,796
Short-term self-liquidating trade-related contingencies	26,338	6,764	4,153	34,068	6,814	3,311
Forward asset purchases	90,000	90,000	16,803	-	-	-
Foreign exchange related contracts						
- Up to one year	305,901	579	506	399,199	2,392	689
- Over one year to five years	1,109,602	143,380	44,272	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	863,569	670,117	471,566	846,768	652,717	483,529
Other unconditionally cancellable commitments	3,383,706	182,820	21,960	3,135,229	192,739	24,165
	<b>6,192,290</b>	<b>1,314,961</b>	<b>693,240</b>	<b>5,927,230</b>	<b>1,209,682</b>	<b>698,073</b>

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

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 31 MARCH 2024 (continued)**

**30 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.

The valuation hierarchy and the types of instruments classified into each level within that hierarchy, are set out below:

- 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**

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>31 March 2024</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Financial assets at fair value</b>				
Financial assets at FVTPL	5,013	-	-	5,013
Financial investments at FVOCI	3,295,211	498,073	-	3,793,284
Derivative financial assets	227	21,249	15	21,491
	<u>3,300,451</u>	<u>519,322</u>	<u>15</u>	<u>3,819,788</u>
<b>Financial liabilities at fair value</b>				
Derivative financial liabilities	77	22,383	-	22,460
	<u>77</u>	<u>22,383</u>	<u>-</u>	<u>22,460</u>
<b>31 December 2023</b>				
<b>Financial assets at fair value</b>				
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>
<b>Financial liabilities at fair value</b>				
Transferred into Level 3	166	14,322	-	14,488
	<u>166</u>	<u>14,322</u>	<u>-</u>	<u>14,488</u>



**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 31 MARCH 2024 (continued)**

**30 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)**

**(b) Financial instruments carried at fair value (continued)**

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

	<b>31 March 2024 RM'000</b>	<b>31 December 2023 RM'000</b>
<b>Financial assets at fair value</b>		
At 1 January	3	47
Unrealised gain/(loss) recognised in profit or loss	12	(44)
At 31 March/31 December	<u>15</u>	<u>3</u>
<b>Financial liabilities at fair value</b>		
	<u>-</u>	<u>-</u>

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:

	<b>Fair value</b>				
	<b>31 March 2024</b>	<b>31 December 2023</b>	<b>Classification</b>	<b>Valuation technique</b>	<b>Unobservable input</b>
<b>Asset</b>					
Derivative financial assets	<u>15</u>	<u>3</u>	Hedge for trading	Option pricing model	Standard deviation
<b>Liability</b>					
Derivative financial liabilities	<u>-</u>	<u>-</u>	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.

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 31 MARCH 2024 (continued)**

**31 CAPITAL ADEQUACY**

	<b>31 March 2024 RM'000</b>	<b>31 December 2023 RM'000</b>
<b>Common Equity Tier 1 ("CET 1") capital</b>		
Paid-up ordinary share capital	555,000	555,000
Retained earnings	1,588,170	1,588,170
Other reserves	85,716	84,241
Regulatory adjustment	(121,871)	(118,010)
	<u>2,107,015</u>	<u>2,109,401</u>
<b>Tier 2 capital</b>		
Stage 1 and 2 ECL and qualifying regulatory reserves under the Standardised Approach	2,155	2,111
Surplus eligible provisions over expected losses	43,822	46,165
	<u>45,977</u>	<u>48,276</u>
<b>Capital base</b>	<u>2,152,992</u>	<u>2,157,677</u>
	<b>31 March 2024</b>	<b>31 December 2023</b>
<b>Before the effects of PSIA</b>		
CET 1/Tier 1 capital ratio	18.483%	18.129%
Total capital ratio	<u>18.886%</u>	<u>18.544%</u>
<b>After the effects of PSIA</b>		
CET 1/Tier 1 capital ratio	25.078%	24.025%
Total capital ratio	<u>25.625%</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 31 March 2024, credit risks relating to RPSIA assets excluded from the total capital ratio calculation amounted to RM2,998 million (31 December 2023: RM2,856 million).

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

	<b>31 March 2024 RM'000</b>	<b>31 December 2023 RM'000</b>
Total RWA for credit risk	7,476,171	7,863,015
Total RWA for market risk	6,627	9,428
Total RWA for operational risk	919,168	907,506
	<u>8,401,966</u>	<u>8,779,949</u>