

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 2025

Domiciled in Malaysia
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50050 Kuala Lumpur

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UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2025

		30 June 2025	31 December 2024
	Note	RM'000	RM'000
ASSETS			
Cash and cash equivalents	9	705,717	940,484
Financial investments at fair value through other comprehensive income ("FVOCI")	10	4,888,247	4,396,524
Financing and advances	11	17,606,877	16,873,602
Derivative financial assets	13	47,098	12,550
Other assets	14	84,458	90,480
Statutory deposits with BNM		102,000	196,500
Property and equipment		1,514	1,980
Right-of-use ("ROU") assets		1,989	2,734
Deferred tax assets		24,637	29,166
Total assets		23,462,537	22,544,020
LIABILITIES			
Deposits from customers	15	11,518,618	11,382,006
Investment accounts due to designated financial institution	16	8,378,856	7,736,685
Deposits and placements of banks and other financial institutions	17	123,067	289,190
Obligations on securities sold under repurchase agreements		473,934	393,729
Bills and acceptances payable		17,799	10,895
Derivative financial liabilities	13	47,828	13,195
Other liabilities	18	188,528	182,649
Provision for taxation and zakat		28,680	21,775
Total liabilities		20,777,310	20,030,124
EQUITY			
Share capital		555,000	555,000
Reserves		2,130,227	1,958,896
Total equity		2,685,227	2,513,896
Total liabilities and equity		23,462,537	22,544,020
Commitments and contingencies	28	7,626,753	5,781,997

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 2024 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 2025

		Quarter Ended		Year-To-Date Ended	
		30 June	30 June	30 June	30 June
		2025	2024	2025	2024
Note		RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds and others	19	144,628	134,289	282,599	270,965
Income derived from investment of investment account funds	20	91,287	72,332	179,388	141,238
Income derived from investment of shareholder's funds	21	50,657	47,194	95,746	89,245
Impairment allowance and provisions writeback	22	1,887	22,955	20,319	34,755
Total distributable income		288,459	276,770	578,052	536,203
Income attributable to depositors	23	(68,372)	(63,808)	(133,280)	(129,982)
Income attributable to investment account holder	24	(64,392)	(50,632)	(126,064)	(98,866)
Total net income		155,695	162,330	318,708	307,355
Operating expenses	25	(58,946)	(51,617)	(114,916)	(102,449)
Profit before taxation and zakat		96,749	110,713	203,792	204,906
Income tax expense	26	(23,329)	(26,833)	(49,098)	(49,434)
Zakat		(13)	(13)	(25)	(25)
Profit for the period		73,407	83,867	154,669	155,447
Items that may be subsequently reclassified to profit or loss					
Fair value reserve (debt instruments)					
- Change in fair value		21,700	2,618	24,251	5,043
- Transferred to profit or loss		(2,230)	(108)	(2,230)	(593)
- Related tax		(4,673)	(603)	(5,285)	(1,068)
Change in expected credit loss ("ECL") reserve on debt instruments at FVOCI		(12)	13	(74)	51
Other comprehensive income for the period, net of income tax		14,785	1,920	16,662	3,433
Total comprehensive income for the period		88,192	85,787	171,331	158,880
Profit attributable to the owner of the Bank		73,407	83,867	154,669	155,447
Total comprehensive income attributable to the owner of the Bank		88,192	85,787	171,331	158,880
Basic earnings per ordinary share (sen)		39.68	45.33	83.60	84.03

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 2024 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 2025

	<i>Non-distributable</i>			<i>Distributable</i>	
	Share Capital RM'000	Regulatory Reserve RM'000	ECL Reserve RM'000	Fair Value Reserve RM'000	Retained Earnings RM'000
2025					Total Equity RM'000
At 1 January 2025	555,000	91,000	251	1,328	1,866,317
Fair value reserve					
- Change in fair value	-	-	-	24,251	-
- Transferred to profit or loss	-	-	-	(2,230)	-
- Related tax	-	-	-	(5,285)	-
Change in ECL reserve	-	-	(74)	-	-
Total other comprehensive income for the period	-	-	(74)	16,736	-
Profit for the period	-	-	-	-	154,669
Total comprehensive income for the period	-	-	(74)	16,736	154,669
At 30 June 2025	555,000	91,000	177	18,064	2,020,986
2024					
At 1 January 2024	555,000	91,000	155	(6,759)	1,588,170
Fair value reserve					
- Change in fair value	-	-	-	5,043	-
- Transferred to profit or loss	-	-	-	(593)	-
- Related tax	-	-	-	(1,068)	-
Change in ECL reserve	-	-	51	-	-
Total other comprehensive income for the period	-	-	51	3,382	-
Profit for the period	-	-	-	-	155,447
Total comprehensive income for the period	-	-	51	3,382	155,447
At 30 June 2024	555,000	91,000	206	(3,377)	1,743,617

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 2024 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 2025

	30 June 2025 RM'000	30 June 2024 RM'000
Cash flows from operating activities		
Profit before taxation and zakat	203,792	204,906
<i>Adjustments for:</i>		
Net (gain) from disposal of:		
- Financial investments at FVOCI	(2,230)	(593)
Depreciation of equipment	486	487
Depreciation of ROU assets	745	770
Impairment allowance and provisions	(9,768)	(21,839)
Finance expense on lease liabilities	40	50
Share-based costs	119	172
Unrealised loss on:		
- Financial assets at FVTPL	-	17
- Derivatives	(83)	850
Operating profit before changes in working capital	193,101	184,820
<i>Changes in operating assets and operating liabilities:</i>		
Financing and advances	(723,585)	(203,293)
Derivative financial assets	(34,465)	(5,529)
Other assets	6,025	(1,186)
Statutory deposits with BNM	94,500	(19,500)
Deposits from customers	136,612	(276,682)
Investment accounts due to designated financial institution	642,171	551,947
Deposits and placements of banks and other financial institutions	(166,123)	166,199
Bills and acceptances payable	6,904	(4,520)
Derivative financial liabilities	34,633	5,440
Obligations on securities sold under repurchase agreements	80,205	-
Other liabilities	6,509	3,118
Cash generated from operations	276,487	400,814
Income tax and zakat paid	(42,973)	(30,192)
Net cash generated from operating activities	233,514	370,622
Cash flows from investing activities		
Acquisition of financial investments at FVOCI	(3,940,000)	(2,265,000)
Proceeds from disposal of financial investments at FVOCI	3,472,528	1,566,174
Acquisition of equipment	(20)	(30)
Net cash used in investing activities	(467,492)	(698,856)
Cash flows from financing activity		
Payment of lease liabilities	(789)	(800)
Net cash used in financing activity	(789)	(800)
Net decrease in cash and cash equivalents	(234,767)	(329,034)
Cash and cash equivalents at 1 January	940,484	1,123,565
Cash and cash equivalents at 30 June	705,717	794,531
Change in liabilities arising from financing activity		
	2025 RM'000	2024 RM'000
At 1 January	2,787	3,504
Payment of lease liabilities	(789)	(800)
Finance expense on lease liabilities	40	50
At 30 June	2,038	2,754

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 2024 and the accompanying explanatory notes to the unaudited condensed interim financial statements.

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 30 JUNE 2025

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 RM154.7million for the financial period ended 30 June 2025, marginally decreasing by RM0.8 million year-on-year mainly due to lower net writeback in allowances of RM14.4 million, higher operating expenses of RM12.5 million and profit attributable to depositors of RM3.3 million; partially offset by higher income derived from investment of depositors' funds and others of RM11.6 million, net income from investment account funds of RM11.0 million, income from shareholder's funds of RM6.5 million and lower tax of RM0.3 million.

Higher income derived from investment of depositors' funds and others of RM11.6 million mainly due higher finance income from FVOCI RM14.1 million, profit income from financing RM2.6 million, net gain from sale of financial investments at FVOCI RM1.3 million; partly offset by deposits and placements with banks and other institutions of RM5.5 million and other finance income of RM0.9 million.

Lower allowances writeback by RM14.4million mainly due to lower net writeback in Stage 3 expected credit losses ("ECL") of RM29.4million partly offset by higher other recoveries of RM9.1 million and Stage 1 & 2 ECL net writeback of RM5.9 million.

Gross financing and advances increased by RM0.7 billion or 4% to RM17.8 billion in the first half of 2025 mainly from household for purchase of residential properties RM0.4 billion and transport, storage & communication of RM0.3 billion. Customer deposits was flatish, increasing by RM0.1 billion.

Shareholder's funds strengthened by RM171.3 million to RM2.7 billion. The Bank is well capitalised, after taking into account the effects of RPSIA, with Common Equity Tier 1/Tier 1 capital ratios of 28.844% and Total capital ratio of 29.399%.

ECONOMIC PERFORMANCE AND PROSPECTS

Malaysia's economy expanded by 4.4% in the first quarter of 2025 driven by resilient domestic demand as well as stronger electrical and electronics exports and tourism activity. Bank Negara Malaysia reduced the Overnight Policy Rate ("OPR") by 25 basis points to 2.75% on 9 July 2025, a pre-emptive measure to support Malaysia's steady growth amid moderate inflation prospects.

Growth outlook is impeded by downside risks, stemming from slower global trade, uncertainties surrounding tariff developments as well as geopolitical tensions leading to greater volatility in the global financial markets and commodity prices. Despite these external headwinds, domestic demand is expected to remain resilient, supported by infrastructure investments, fiscal reforms, and trade diversification efforts including new agreements with the European Free Trade Association and renewed negotiations with the European Union. Inflation is expected to stay moderate, enabling continued accommodative monetary policy. Banks in Malaysia remain well-positioned to support the domestic economy's financing needs due to the banks' strong position with robust capital and liquidity buffers, supported by prudent loan affordability assessments and provisioning practices.

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.

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 30 JUNE 2025 (continued)

1 BASIS OF PREPARATION (continued)

(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 121, The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability

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 2026

- Amendments to MFRS 9, Financial Instruments and MFRS 7, Financial Instruments: Disclosures - *The Classification and Measurement of Financial Instruments*
- Amendments to MFRS Accounting Standards which are part of Annual Improvements - Volume 11
- Amendments to MFRS 9, Financial Instruments and MFRS 7, Financial Instruments: Disclosures - *Contracts Referencing Nature-dependent Electricity*

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 except for MFRS 18 which is a new accounting standard for presentation and disclosure of information in the financial statements that replaces MFRS 101, Presentation of Financial Statements.

The new standard introduces a defined structure for the statement of profit or loss, which comprises new categories and subtotals. Income and expenses included in the statement of profit or loss are to be classified into three new distinct categories i.e., operating, investing and financing, based on the main business activities of the entity; and two new required subtotals to enable analysis, i.e., operating profit or loss and profit or loss before financing and income taxes. It also sets out new disclosure requirements of management-defined performance measures. Furthermore, MFRS 18 also provides enhanced guidance for aggregation and disaggregation of information in the financial statements.

The Bank plans to apply MFRS 18 effective from 1 January 2027, and will be applied retrospectively, whereby the comparative information for the financial year ending 31 December 2026 will be restated in accordance with requirements of MFRS 18. The Bank is currently assessing the impact of MFRS 18 on presentation and disclosures in the Bank's financial statements.

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 30 JUNE 2025 (continued)

1 BASIS OF PREPARATION (continued)

(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 2024.

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 2024 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 2024 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 2025.

6 DIVIDEND

No dividend was proposed in respect of the financial period ended 30 June 2025.

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 2025.

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 30 JUNE 2025 (continued)

9 CASH AND CASH EQUIVALENTS

	30 June 2025 RM'000	31 December 2024 RM'000
Cash and balances with banks and other financial institutions	68,795	79,471
Deposits and placements with BNM	636,926	861,021
	<u>705,721</u>	<u>940,492</u>
Stage 1 ECL allowance	(4)	(8)
	<u>705,717</u>	<u>940,484</u>
By geographical distribution determined based on where the credit risk resides		
Malaysia	656,890	889,188
Singapore	17,979	19,098
Other ASEAN countries	2,250	784
Rest of the world	28,602	31,422
	<u>705,721</u>	<u>940,492</u>

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

	30 June 2025 RM'000	31 December 2024 RM'000
At fair value		
Malaysian Government Investment Issues	2,327,713	2,251,627
Islamic Corporate Sukuk	574,261	602,859
Islamic Negotiable Instruments of Deposit	1,690,911	1,192,004
Cagamas Sukuk	295,362	350,034
	<u>4,888,247</u>	<u>4,396,524</u>

Included in the financial investments at FVOCI of the Bank, are Malaysian Government Investment issues which are pledged as collateral for obligations on securities sold under repurchase agreements with nominal value amounting to RM480 million (2024: RM400 million).

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

	30 June 2025			31 December 2024		
	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	251	-	251	155	-	155
Transferred to Stage 1	22	(22)	-	-	-	-
Transferred to Stage 2	(32)	32	-	(1)	1	-
New financial assets						
originated or purchased	198	-	198	441	-	441
Financial assets derecognised	(58)	-	(58)	(177)	-	(177)
Net remeasurement during						
the period/year	(219)	5	(214)	(167)	(1)	(168)
At 30 June/31 December	<u>162</u>	<u>15</u>	<u>177</u>	<u>251</u>	<u>-</u>	<u>251</u>

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 30 JUNE 2025 (continued)

11 FINANCING AND ADVANCES

(i) By type and Shariah contract

	<i>Sale based contracts</i>					<i>Lease based contracts</i>			<i>Equity based contracts</i>			Total RM'000
	Bai' Inah RM'000	Bithaman Ajil RM'000	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	
30 June 2025												
At amortised cost and net of unearned income												
Cash line financing	55	-	-	-	-	-	648,017	-	-	-	3,189	651,261
Term Financing												
- House financing	-	1,949	826,603	-	-	-	-	1,276,219	42,295	-	-	2,147,066
- Syndicated term financing	-	-	4,066,827	-	-	-	-	-	-	33,062	-	4,099,889
- Hire purchase receivables	-	-	-	-	-	77,974	-	51,086	-	-	-	129,060
- Other term financing	15,166	18,656	6,218,080	-	-	-	-	565,071	52,059	-	-	6,869,032
Bills receivable	-	-	-	3,412	35,139	-	-	-	-	-	-	38,551
Trust receipts	-	-	-	378	-	-	-	-	-	-	-	378
Revolving credit	-	-	3,550,034	-	-	-	-	-	-	-	-	3,550,034
Claims on customers under acceptance credits	-	-	-	56,204	14,400	-	-	-	-	-	-	70,604
Other financing	-	-	245,412	-	-	-	-	-	-	-	-	245,412
Gross financing and advances	15,221	20,605	14,906,956	59,994	49,539	77,974	648,017	1,892,376	94,354	33,062	3,189	17,801,287
ECL allowance												(194,410)
Net financing and advances												17,606,877

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 16). 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 2025, the gross exposure and ECL relating to RPSIA financing amounted to RM7,454 million (31 December 2024: RM7,151 million) and RM20 million (31 December 2024: RM15 million) respectively.

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 30 JUNE 2025 (continued)

11 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' Inah RM'000	Bai' Bithaman Ajil RM'000	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	
31 December 2024												
At amortised cost and net of unearned income												
Cash line financing	98	1,492	-	-	-	-	628,913	-	-	-	3,318	633,821
Term Financing												
- House financing	-	2,379	382,024	-	-	-	-	1,338,039	43,576	-	-	1,766,018
- Syndicated term financing	-	-	3,237,374	-	-	-	-	-	-	66,139	-	3,303,513
- Hire purchase receivables	-	-	-	-	-	100,142	-	63,802	-	-	-	163,944
- Other term financing	20,297	23,120	6,073,843	-	-	-	-	615,137	54,798	-	-	6,787,195
Bills receivable	-	-	-	18,470	29,185	-	-	-	-	-	-	47,655
Trust receipts	-	-	-	306	-	-	-	-	-	-	-	306
Revolving credit	-	-	3,981,991	-	-	-	-	-	-	-	-	3,981,991
Claims on customers under acceptance credits	-	-	-	140,049	23,500	-	-	-	-	-	-	163,549
Other financing	-	-	237,215	-	-	-	-	-	-	-	-	237,215
Gross financing and advances	20,395	26,991	13,912,447	158,825	52,685	100,142	628,913	2,016,978	98,374	66,139	3,318	17,085,207
ECL allowance												(211,605)
Net financing and advances												16,873,602

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 30 JUNE 2025 (continued)

11 FINANCING AND ADVANCES (continued)

	30 June 2025 RM'000	31 December 2024 RM'000
(ii) By type of customer		
Domestic banking institutions	740,928	786,133
Domestic non-bank financial institutions	1,794,150	1,924,441
Domestic business enterprises		
- Small and medium enterprises	3,232,242	2,883,480
- Others	9,690,553	9,534,138
Individuals	2,176,256	1,828,626
Foreign entities	167,158	128,389
	<u>17,801,287</u>	<u>17,085,207</u>
(iii) By profit rate sensitivity		
Fixed rate		
- House financing	41,464	64,987
- Hire purchase receivables	77,974	100,142
- Other fixed rate financing	732,620	772,065
Variable rate		
- Base rate/Base financing rate plus/Standardised base rate	4,994,188	4,236,058
- Cost plus	11,943,103	11,884,723
- Other variable rate	11,938	27,232
	<u>17,801,287</u>	<u>17,085,207</u>
(iv) By sector		
Agriculture, hunting, forestry and fishing	547,798	586,549
Mining and quarrying	13,408	9,697
Manufacturing	1,156,445	1,030,136
Electricity, gas and water	278,241	225,945
Construction	571,711	597,419
Real estate	724,285	858,476
Wholesale & retail trade and restaurants & hotels	1,672,647	1,474,662
Transport, storage and communication	1,279,879	1,018,358
Finance, insurance and business services	8,555,010	8,611,395
Community, social and personal services	658,449	715,554
Household		
- Purchase of residential properties	2,152,971	1,772,065
- Purchase of non-residential properties	52,831	46,257
- Others	137,612	138,694
	<u>17,801,287</u>	<u>17,085,207</u>
(v) By geographical distribution determined based on where the credit risk resides		
Malaysia	17,634,338	16,957,772
Singapore	101,163	82,467
Other ASEAN countries	3,999	4,098
Rest of the world	61,787	40,870
	<u>17,801,287</u>	<u>17,085,207</u>

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 30 JUNE 2025 (continued)

11 FINANCING AND ADVANCES (continued)

	30 June 2025 RM'000	31 December 2024 RM'000
(vi) By residual contractual maturity		
Up to one year	4,064,372	4,280,864
Over one year to three years	4,575,325	4,910,028
Over three years to five years	3,297,885	2,917,995
Over five years	5,863,705	4,976,320
	<u>17,801,287</u>	<u>17,085,207</u>

12 IMPAIRED FINANCING AND ADVANCES

(a) Movements in credit-impaired financing and advances

	30 June 2025 RM'000	31 December 2024 RM'000
At 1 January	329,227	550,589
Impaired during the period/year	46,359	91,747
Reclassified as non credit-impaired	(34,772)	(83,958)
Amount recovered	(64,379)	(103,855)
Amount written off	(14,464)	(125,296)
At 30 June/31 December	<u>261,971</u>	<u>329,227</u>
Stage 3 ECL allowance	<u>(85,293)</u>	<u>(108,153)</u>
Net impaired financing and advances	<u>176,678</u>	<u>221,074</u>

(i) By sector

Agriculture, hunting, forestry and fishing	1,540	1,568
Mining and quarrying	9	-
Manufacturing	19,576	36,200
Electricity, gas and water	121	121
Construction	7,229	7,158
Real estate	1,306	3,890
Wholesale & retail trade and restaurants & hotels	138,073	174,698
Transport, storage and communication	4,807	5,408
Finance, insurance and business services	1,579	1,505
Community, social and personal services	341	104
Household		
- Purchase of residential properties	74,512	82,517
- Purchase of non-residential properties	3,357	3,526
- Others	9,521	12,532
	<u>261,971</u>	<u>329,227</u>

(ii) By geographical distribution determined based on where the credit risk resides

Malaysia	254,723	319,201
Singapore	3,023	2,821
Rest of the world	4,225	7,205
	<u>261,971</u>	<u>329,227</u>

(iii) By collateral type

Property	185,251	233,080
Secured - others	16,080	13,326
Unsecured - corporate and other guarantees	5,863	27,688
Unsecured - clean	54,777	55,133
	<u>261,971</u>	<u>329,227</u>

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 30 JUNE 2025 (continued)

12 IMPAIRED FINANCING AND ADVANCES (continued)

(b) Movements in ECL allowance for financing and advances

	<i>Non credit-impaired</i>			30 June 2025	<i>Non credit-impaired</i>			31 December 2024
	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
At 1 January	34,728	68,724	108,153	211,605	29,881	65,514	257,463	352,858
Transferred to Stage 1	31,641	(30,954)	(687)	-	38,381	(34,753)	(3,628)	-
Transferred to Stage 2	(4,047)	7,126	(3,079)	-	(8,653)	19,354	(10,701)	-
Transferred to Stage 3	(25)	(8,379)	8,404	-	(83)	(21,867)	21,950	-
New financial assets originated or purchased	18,138	13,366	-	31,504	24,081	22,102	-	46,183
Financial assets derecognised	(9,092)	(13,621)	(14,059)	(36,772)	(17,232)	(27,020)	(2,122)	(46,374)
Net remeasurement during the period/year	(22,523)	24,117	1,775	3,369	(31,576)	45,457	(26,900)	(13,019)
Written-off	-	-	(14,464)	(14,464)	-	-	(125,296)	(125,296)
Other movements	(74)	(8)	(750)	(832)	(71)	(63)	(2,613)	(2,747)
At 30 June/31 December	<u>48,746</u>	<u>60,371</u>	<u>85,293</u>	<u>194,410</u>	<u>34,728</u>	<u>68,724</u>	<u>108,153</u>	<u>211,605</u>

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 30 JUNE 2025 (continued)

12 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 18).

(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 2025				
Agriculture, hunting, forestry and fishing	10,264	97	6	-
Mining and quarrying	175	9	9	-
Manufacturing	25,048	12,499	1,164	4,853
Electricity, gas and water	1,462	4	-	-
Construction	24,701	18,441	760	139
Real estate	5,276	139	15	-
Wholesale & retail trade and restaurants & hotels	26,593	47,381	2,726	3,552
Transport, storage and communication	12,447	1,277	798	170
Finance, insurance and business services	17,816	346	82	-
Community, social and personal services	1,716	60	48	-
Household				
- Purchase of residential properties	5,535	16,084	7,281	4,917
- Purchase of non-residential properties	305	621	76	-
- Others	2,525	4,501	1,420	833
	133,863	101,459	14,385	14,464
31 December 2024				
Agriculture, hunting, forestry and fishing	10,109	118	116	-
Mining and quarrying	227	-	-	-
Manufacturing	22,914	29,189	10,242	62,528
Electricity, gas and water	1,028	4	-	-
Construction	40,674	18,300	5,047	46,126
Real estate	6,153	140	57	-
Wholesale & retail trade and restaurants & hotels	20,328	49,451	18,611	3,681
Transport, storage and communication	6,426	2,225	2,454	8
Finance, insurance and business services	18,933	441	228	279
Community, social and personal services	1,470	13	-	384
Household				
- Purchase of residential properties	5,187	17,995	13,013	10,033
- Purchase of non-residential properties	186	856	14	-
- Others	2,272	5,648	3,898	2,257
	135,907	124,380	53,680	125,296

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 30 JUNE 2025 (continued)

12 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 2025	<i>Non credit- impaired</i>	<i>Credit- impaired</i>	31 December 2024
	Stage 1 and 2 ECL RM'000	Stage 3 ECL RM'000	Total ECL RM'000	Stage 1 and 2 ECL RM'000	Stage 3 ECL RM'000	Total ECL RM'000
Malaysia	131,067	98,322	229,389	135,531	120,034	255,565
Singapore	335	1,327	1,662	208	1,353	1,561
Other ASEAN countries	9	1,011	1,020	9	1,073	1,082
Rest of the world	2,452	799	3,251	159	1,920	2,079
	133,863	101,459	235,322	135,907	124,380	260,287

13 DERIVATIVE FINANCIAL ASSETS AND LIABILITIES

	30 June 2025			31 December 2024		
	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
Trading						
Foreign exchange derivatives						
- Forwards	99,109	409	163	66,948	87	375
- Swaps	1,469,332	46,689	47,665	1,246,781	12,463	12,820
	1,568,441	47,098	47,828	1,313,729	12,550	13,195

14 OTHER ASSETS

	30 June 2025 RM'000	31 December 2024 RM'000
Profit receivable	34,231	33,947
Other receivables, deposits and prepayments	3,658	3,111
Amount due from immediate holding company	46,200	53,193
Amount due from ultimate holding company	365	226
Amount due from related company	4	3
	84,458	90,480

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

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 30 JUNE 2025 (continued)

15 DEPOSITS FROM CUSTOMERS

	30 June 2025 RM'000	31 December 2024 RM'000
(a) By type of deposit		
Savings deposits		
- Tawarruq	573,854	558,421
- Qard	192,095	201,447
Demand deposits		
- Tawarruq	1,379,548	1,606,984
- Qard	4,048,738	4,154,768
Term deposits		
- Tawarruq	4,817,330	4,713,115
- Qard	49,489	1,311
Negotiable instruments of deposit		
- Tawarruq	158,391	-
Short-term deposits		
- Tawarruq	299,173	145,960
	<u>11,518,618</u>	<u>11,382,006</u>
(b) By type of customer		
Government and statutory bodies	10,770	89,255
Non-bank financial institutions	900,307	1,122,859
Business enterprises	5,825,358	5,783,129
Individuals	3,986,287	3,879,471
Foreign entities	731,055	439,262
Others	64,841	68,030
	<u>11,518,618</u>	<u>11,382,006</u>
(c) By residual maturity for term deposits, negotiable instruments of deposit and short-term deposits		
Up to six months	4,847,301	3,912,294
Over six months to one year	432,639	941,299
Over one year to three years	42,243	4,093
Over three years to five years	2,200	2,700
	<u>5,324,383</u>	<u>4,860,386</u>

16 INVESTMENT ACCOUNTS DUE TO DESIGNATED FINANCIAL INSTITUTION

	30 June 2025 RM'000	31 December 2024 RM'000
Mudharabah RPSIA		
Licensed bank	<u>8,378,856</u>	<u>7,736,685</u>

The placements are from its immediate holding company, OCBC Bank (Malaysia) Berhad and are used to fund specific financing (Note 11). 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 2025 (continued)

17 DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	30 June 2025 RM'000	31 December 2024 RM'000
Non-Mudharabah		
Licensed banks	105,516	283,925
Other financial institutions	17,551	5,265
	<u>123,067</u>	<u>289,190</u>

Included in the above are deposits and placements of its immediate holding company of RM55 million (2024: RM241 million), which are unsecured and profit-bearing.

18 OTHER LIABILITIES

	30 June 2025 RM'000	31 December 2024 RM'000
Profit payable	54,610	56,187
Other payables and accruals	72,852	52,461
Amount due to immediate holding company (a)	16,161	20,749
Amount due to ultimate holding company (a)	1,148	1,097
Equity compensation benefits	808	686
Lease liabilities	2,038	2,787
ECL Allowances for financing commitments and financial guarantees (b)	40,911	48,682
	<u>188,528</u>	<u>182,649</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 2025	<i>Non credit-impaired</i>		<i>Credit-impaired</i>	
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
At 1 January	17,432	15,023	16,227	48,682
Transferred to Stage 1	6,980	(6,980)	-	-
Transferred to Stage 2	(251)	251	-	-
New financial assets originated or purchased	2,873	535	-	3,408
Financial assets derecognised	(1,791)	(9,457)	-	(11,248)
Net remeasurement during the period	(7,155)	7,510	-	355
Other movements	(102)	(122)	(62)	(286)
At 30 June	<u>17,986</u>	<u>6,760</u>	<u>16,165</u>	<u>40,911</u>

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 30 JUNE 2025 (continued)

18 OTHER LIABILITIES (continued)

31 December 2024	<i>Non credit-impaired</i>		<i>Credit-impaired</i>	Total
	Stage 1	Stage 2	Stage 3	
	RM'000	RM'000	RM'000	RM'000
At 1 January	13,028	17,829	15,154	46,011
Transferred to Stage 1	7,149	(7,149)	-	-
Transferred to Stage 2	(2,330)	2,330	-	-
Transferred to Stage 3	(2)	(385)	387	-
New financial assets originated or purchased	10,816	2,217	-	13,033
Financial assets derecognised	(5,435)	(7,349)	-	(12,784)
Net remeasurement during the year	(5,674)	7,545	611	2,482
Other movements	(120)	(15)	75	(60)
At 31 December	<u>17,432</u>	<u>15,023</u>	<u>16,227</u>	<u>48,682</u>

19 INCOME DERIVED FROM INVESTMENT OF DEPOSITORS' FUNDS AND OTHERS

	Quarter Ended		Year-To-Date Ended	
	30 June	30 June	30 June	30 June
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of:				
(i) Term deposits	60,461	47,667	118,685	97,716
(ii) Other deposits	84,167	86,622	163,914	173,249
	<u>144,628</u>	<u>134,289</u>	<u>282,599</u>	<u>270,965</u>

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 30 JUNE 2025 (continued)

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

	Quarter Ended		Year-To-Date Ended	
	30 June	30 June	30 June	30 June
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
(i) Income derived from investment of term deposits				
Finance income and hibah				
Financing and advances				
- Finance income earned other than recoveries	44,323	35,591	86,749	72,894
- Recoveries from credit-impaired financing	778	937	1,717	1,907
- Discount unwind from credit-impaired financing	99	185	257	424
Financial assets at FVTPL	-	17	-	34
Financial investments at FVOCI	14,069	9,920	28,395	19,257
Deposits and placements with banks and other financial institutions	389	774	682	2,594
	<u>59,658</u>	<u>47,424</u>	<u>117,800</u>	<u>97,110</u>
Other trading income				
Unrealised loss on financial assets at FVTPL	-	(2)	-	(5)
Other operating income				
Net gain from sale of financial investments at FVOCI	757	32	757	179
Others	46	213	128	432
	<u>60,461</u>	<u>47,667</u>	<u>118,685</u>	<u>97,716</u>
(ii) Income derived from investment of other deposits				
Finance income and hibah				
Financing and advances				
- Finance income earned other than recoveries	61,701	64,680	119,813	129,244
- Recoveries from credit-impaired financing	1,083	1,702	2,369	3,381
- Discount unwind from credit-impaired financing	138	336	354	749
Financial assets at FVTPL	-	31	-	61
Financial investments at FVOCI	19,586	18,027	39,207	34,187
Deposits and placements with banks and other financial institutions	540	1,407	941	4,557
	<u>83,048</u>	<u>86,183</u>	<u>162,684</u>	<u>172,179</u>
Other trading income				
Unrealised loss on financial assets at FVTPL	-	(5)	-	(9)
Other operating income				
Net gain from sale of financial investments at FVOCI	1,055	58	1,055	313
Others	64	386	175	766
	<u>84,167</u>	<u>86,622</u>	<u>163,914</u>	<u>173,249</u>

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 30 JUNE 2025 (continued)

20 INCOME DERIVED FROM INVESTMENT OF INVESTMENT ACCOUNT FUNDS

	Quarter Ended		Year-To-Date Ended	
	30 June	30 June	30 June	30 June
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Finance income and hibah				
Financing and advances				
- Finance income earned other than recoveries	85,707	71,289	169,336	138,895
Deposits and placements with banks and other financial institutions	2,981	1,043	5,938	2,343
Financial investments at FVOCI	2,599	-	4,114	-
	<u>91,287</u>	<u>72,332</u>	<u>179,388</u>	<u>141,238</u>

21 INCOME DERIVED FROM INVESTMENT OF SHAREHOLDER'S FUND

	Quarter Ended		Year-To-Date Ended	
	30 June	30 June	30 June	30 June
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Finance income and hibah				
Financing and advances				
- Finance income earned other than recoveries	24,456	20,312	47,079	41,216
- Recoveries from credit-impaired financing	429	534	930	1,078
- Discount unwind from credit-impaired financing	55	105	139	239
Financial assets at FVTPL	-	10	-	20
Financial investments at FVOCI	7,763	5,661	15,402	10,893
Deposits and placements with banks and other financial institutions	214	442	370	1,462
	<u>32,917</u>	<u>27,064</u>	<u>63,920</u>	<u>54,908</u>
Other trading income				
Unrealised loss on financial assets at FVTPL	-	(2)	-	(3)
Other operating income				
Commission	6,703	7,205	10,157	11,085
Service charges and fees	2,782	4,966	5,467	8,873
Shared services income received from immediate holding company	870	987	1,743	2,074
Shared services income received from ultimate holding company	(2)	33	26	64
Net gain from sale of financial investments at FVOCI	418	18	418	101
Others	25	121	68	244
Other trading income				
Net trading (loss)/gain				
- Foreign currency	(6,010)	(25)	(9,757)	2,110
- Derivatives	13,153	6,143	23,621	10,639
- Revaluation of derivatives	(199)	684	83	(850)
	<u>50,657</u>	<u>47,194</u>	<u>95,746</u>	<u>89,245</u>

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 30 JUNE 2025 (continued)

22 IMPAIRMENT ALLOWANCE AND PROVISIONS

	Quarter Ended		Year-To-Date Ended	
	30 June 2025 RM'000	30 June 2024 RM'000	30 June 2025 RM'000	30 June 2024 RM'000
Financing, advances and commitments				
Stage 1 and Stage 2 ECL net charge/(writeback) during the period	10,231	8,364	(2,044)	3,708
Stage 3 ECL				
- Made during the period	8,078	13,194	14,385	19,831
- Written back	(16,227)	(39,809)	(22,031)	(56,892)
Credit-impaired financing recovered	(3,957)	(7,812)	(10,551)	(12,916)
Recovery from RPSIA holder*	-	3,093	-	11,459
Financial investments at FVOCI				
Stage 1 and Stage 2 ECL (writeback)/net charge during the period	(12)	13	(74)	51
Other assets				
Stage 1 ECL net charge/(writeback) during the period	-	2	(4)	4
	<u>(1,887)</u>	<u>(22,955)</u>	<u>(20,319)</u>	<u>(34,755)</u>

* The RPSIA holder is the Bank's immediate holding company (Note 16).

23 INCOME ATTRIBUTABLE TO DEPOSITORS

	Quarter Ended		Year-To-Date Ended	
	30 June 2025 RM'000	30 June 2024 RM'000	30 June 2025 RM'000	30 June 2024 RM'000
Deposits from customers				
- Non-Mudharabah	62,551	60,537	121,913	122,388
Deposits and placements of banks and other financial institutions				
- Non-Mudharabah	5,803	3,246	11,327	7,544
Lease liabilities	18	25	40	50
	<u>68,372</u>	<u>63,808</u>	<u>133,280</u>	<u>129,982</u>

24 INCOME ATTRIBUTABLE TO INVESTMENT ACCOUNT HOLDER

	Quarter Ended		Year-To-Date Ended	
	30 June 2025 RM'000	30 June 2024 RM'000	30 June 2025 RM'000	30 June 2024 RM'000
Investment accounts due to designated financial institution				
- Mudharabah	64,392	50,632	126,064	98,866

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 30 JUNE 2025 (continued)

25 OPERATING EXPENSES

	Quarter Ended		Year-To-Date Ended	
	30 June 2025 RM'000	30 June 2024 RM'000	30 June 2025 RM'000	30 June 2024 RM'000
Personnel expenses				
Wages, salaries and bonus	4,361	4,564	7,758	8,081
Employees Provident Fund contributions	640	694	1,293	1,332
Share-based costs	47	90	119	172
Others	843	839	1,612	1,691
	<u>5,891</u>	<u>6,187</u>	<u>10,782</u>	<u>11,276</u>
Establishment expenses				
Depreciation of equipment	238	243	486	487
Depreciation of ROU assets	373	369	745	770
Rental of premises	21	15	39	1
Repair and maintenance	175	102	288	210
Information technology costs	131	112	257	252
Hire of equipment	22	23	43	43
Others	517	273	1,038	728
	<u>1,477</u>	<u>1,137</u>	<u>2,896</u>	<u>2,491</u>
Marketing expenses				
Advertising and business promotion	82	16	117	120
Transport and travelling	13	13	29	40
Others	84	4	87	4
	<u>179</u>	<u>33</u>	<u>233</u>	<u>164</u>
General administrative expenses				
Shared service fees to immediate holding company	41,592	34,966	82,544	70,444
IT and transaction processing fees to related companies	6,001	5,443	10,746	11,213
Others	3,806	3,851	7,715	6,861
	<u>51,399</u>	<u>44,260</u>	<u>101,005</u>	<u>88,518</u>
Total operating expenses	<u>58,946</u>	<u>51,617</u>	<u>114,916</u>	<u>102,449</u>

26 INCOME TAX EXPENSE

	Quarter Ended		Year-To-Date Ended	
	30 June 2025 RM'000	30 June 2024 RM'000	30 June 2025 RM'000	30 June 2024 RM'000
Malaysian income tax				
- Current period charge	25,710	27,759	49,853	48,646
- Prior periods	-	256	-	256
Deferred tax				
- Origination and reversal of temporary differences	(2,381)	(1,182)	(755)	532
	<u>23,329</u>	<u>26,833</u>	<u>49,098</u>	<u>49,434</u>

27 CAPITAL COMMITMENTS

	30 June 2025 RM'000	31 December 2024 RM'000
Capital expenditure in respect of equipment		
- Contracted but not provided for	<u>37</u>	<u>43</u>

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 30 JUNE 2025 (continued)

28 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 2025			31 December 2024		
	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
Transaction-related contingent items	444,114	229,151	156,945	408,254	208,789	146,611
Short-term self-liquidating trade-related contingencies	16,389	3,278	2,068	74,170	15,241	8,202
Forward asset purchases	200,000	200,000	-	-	-	-
Lending of bank's securities or the posting of securities as collateral by banks	491,952	491,952	-	410,284	410,284	-
Foreign exchange related contracts						
- Up to one year	520,319	4,617	594	234,735	289	161
- Over one year to five years	1,048,122	140,707	40,580	1,078,994	109,766	32,523
Formal standby facilities and credit lines						
- Original maturity up to one year	2,441	1,831	1,976	819	614	270
- Original maturity over one year	1,326,461	1,078,272	779,553	833,361	671,809	434,905
Other unconditionally cancellable commitments	3,576,955	314,676	55,699	2,741,380	256,328	36,993
	7,626,753	2,464,484	1,037,415	5,781,997	1,673,120	659,665

Note: The fair value of derivatives have been recognised as derivative financial assets and liabilities in Note 13.

29 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 2025 RM'000	31 December 2024 RM'000
Aggregate value of outstanding credit exposures with connected parties^		
Credit facility and leasing (except guarantee)	88,990	88,197
Commitments and contingencies*	269,767	268,167
	358,757	356,364
Credit-impaired or in default	-	-
Outstanding credit exposures to connected parties		
As a proportion of total credit exposures	1.94%	1.83%

^ 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 2025 (continued)

30 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.

		30 June 2025	31 December 2024
	Note	RM'000	RM'000
Cash and cash equivalents *		685,753	912,317
Financial investments at FVOCI	10	4,888,247	4,396,524
Financing and advances	11	17,606,877	16,873,602
Derivative financial assets	13	47,098	12,550
Other assets^		81,836	89,310
Contingent liabilities and credit commitments		6,058,312	4,468,268
		<u>29,368,123</u>	<u>26,752,571</u>

* Excluding cash in hand

^ Excluding prepayments

Credit quality analysis

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

	30 June 2025				31 December 2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Cash and cash equivalents	685,753	-	-	685,753	912,317	-	-	912,317

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 30 JUNE 2025 (continued)

30 CREDIT RISK (continued)

Credit quality analysis (continued)

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

	30 June 2025				31 December 2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Financial investments at FVOCI								
Government (AAA to BBB)	1,274,996	-	-	1,274,996	1,471,222	-	-	1,471,222
Government and Central Bank (unrated)	1,052,716	-	-	1,052,716	780,405	-	-	780,405
Investment grade (AAA to BBB)	400,907	-	-	400,907	484,516	-	-	484,516
Unrated	2,159,628	-	-	2,159,628	1,660,381	-	-	1,660,381
	<u>4,888,247</u>	<u>-</u>	<u>-</u>	<u>4,888,247</u>	<u>4,396,524</u>	<u>-</u>	<u>-</u>	<u>4,396,524</u>
Contingent liabilities and credit commitments (excluding derivative financial assets)								
Pass	5,870,545	145,606	-	6,016,151	4,063,935	371,248	-	4,435,183
Special mention	-	13,298	-	13,298	-	1,228	-	1,228
Credit-impaired	-	-	28,863	28,863	-	-	31,857	31,857
	<u>5,870,545</u>	<u>158,904</u>	<u>28,863</u>	<u>6,058,312</u>	<u>4,063,935</u>	<u>372,476</u>	<u>31,857</u>	<u>4,468,268</u>

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 30 JUNE 2025 (continued)

30 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 2025				31 December 2024			
	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	16,311,790	967,047	-	17,278,837	14,974,326	1,534,818	-	16,509,144
Special mention	-	180,275	-	180,275	-	197,672	-	197,672
	16,311,790	1,147,322	-	17,459,112	14,974,326	1,732,490	-	16,706,816
Past due but not credit-impaired								
By period overdue								
Less than 2 months	-	75,026	-	75,026	-	40,482	-	40,482
2 months to less than 3 months	-	5,178	-	5,178	-	8,682	-	8,682
	-	80,204	-	80,204	-	49,164	-	49,164
Credit-impaired								
Past due	-	-	178,414	178,414	-	-	210,795	210,795
Not past due	-	-	83,557	83,557	-	-	118,432	118,432
	-	-	261,971	261,971	-	-	329,227	329,227
Total	16,311,790	1,227,526	261,971	17,801,287	14,974,326	1,781,654	329,227	17,085,207
ECL	(48,746)	(60,371)	(85,293)	(194,410)	(34,728)	(68,724)	(108,153)	(211,605)
Net financing and advances	16,263,044	1,167,155	176,678	17,606,877	14,939,598	1,712,930	221,074	16,873,602

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 12(a) to the financial statements.

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 30 JUNE 2025 (continued)

30 CREDIT RISK (continued)

Credit quality analysis (continued)

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

Financing and advances (continued)

Past due financing

	2025	2024
	RM'000	RM'000
(i) By sector		
Manufacturing	5,206	7,057
Electricity, gas and water	479	-
Construction	34,537	4,097
Wholesale & retail trade and restaurants & hotels	9,697	6,096
Transport, storage and communication	701	249
Finance, insurance and business services	2,785	3,201
Community, social and personal services	2,145	1,425
Household		
- Purchase of residential properties	17,236	20,193
- Others	1,212	1,325
	<u>73,998</u>	<u>43,643</u>
(ii) By geographical distribution		
Malaysia	73,998	43,329
Rest of the world	-	314
	<u>73,998</u>	<u>43,643</u>

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 2025 and 31 December 2024, 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:

	2025	2024
	RM'000	RM'000
Fair value of collateral held against the covered portion of credit-impaired financing and advances	248,230	370,663
Covered portion of credit-impaired financing and advances	201,331	246,406
Uncovered portion of credit-impaired financing and advances	60,640	82,821
	<u>261,971</u>	<u>329,227</u>

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 30 JUNE 2025 (continued)

30 CREDIT RISK (continued)

Credit quality analysis (continued)

	30 June 2025			31 December 2024		
	Financial investments at FVOCI RM'000	Derivative financial assets RM'000	Contingent liabilities and credit commitments** RM'000	Financial investments at FVOCI RM'000	Derivative financial assets RM'000	Contingent liabilities and credit commitments** RM'000
(ii) By issuer/counterparty						
Government and Central Bank	2,327,713	-	691,952	2,251,627	-	410,284
Public sector	559,673	-	-	588,408	-	-
Banking institutions	1,144,839	717	150,000	694,674	44	-
Non-bank financial institutions	841,434	-	30,535	847,364	1	20,084
Business enterprises	14,588	46,381	4,824,450	14,451	12,505	3,840,213
Individuals	-	-	361,375	-	-	197,687
	4,888,247	47,098	6,058,312	4,396,524	12,550	4,468,268
(iii) By geographical distribution						
Malaysia	4,888,247	47,098	6,001,612	4,396,524	12,549	4,374,275
Other ASEAN countries	-	-	31,084	-	1	26,147
Rest of the world	-	-	25,616	-	-	67,846
	4,888,247	47,098	6,058,312	4,396,524	12,550	4,468,268

* Past due but not credit-impaired. Financing and advances by geographical distribution is detailed in Note 11(v) to the financial statements.

** Excluding derivative financial assets.

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 30 JUNE 2025 (continued)

30 CREDIT RISK (continued)

Credit quality analysis (continued)

	30 June 2025			31 December 2024		
	Financial investments at FVOCI RM'000	Derivative financial assets RM'000	Contingent liabilities and credit commitments** RM'000	Financial investments at FVOCI RM'000	Derivative financial assets RM'000	Contingent liabilities and credit commitments** RM'000
(iv) By sector						
Agriculture, hunting, forestry and fishing	-	-	123,428	-	-	48,692
Mining and quarrying	-	-	8,708	-	-	13,711
Manufacturing	-	-	1,021,338	-	36	1,084,043
Electricity, gas and water	35,115	140	112,236	34,940	-	57,854
Construction	298,800	1	881,488	299,058	5	812,626
Real estate	-	-	585,398	-	-	219,163
Wholesale & retail trade and restaurants & hotels	-	218	670,328	-	18	517,797
Transport, storage and communication	5,002	4	382,602	5,003	1	420,016
Finance, insurance and business services	2,026,159	46,735	1,070,976	1,581,597	12,490	657,545
Community, social and personal services	195,459	-	148,483	224,299	-	28,850
Household						
- Purchase of residential properties	-	-	361,375	-	-	192,674
- Purchase of non-residential properties	-	-	-	-	-	5,013
Others	2,327,712	-	691,952	2,251,627	-	410,284
	4,888,247	47,098	6,058,312	4,396,524	12,550	4,468,268
(v) By residual contractual maturity						
Up to one year	2,554,987	1,088	4,183,506	2,236,429	109	3,519,399
Over one year to five years	2,215,972	46,010	913,805	2,155,090	12,441	370,822
Over five years	117,288	-	961,001	5,005	-	578,047
	4,888,247	47,098	6,058,312	4,396,524	12,550	4,468,268

* Past due but not credit-impaired. Financing and advances by sector and residual contractual maturity are detailed in Note 11(iv) and Note 11(vi) respectively.

** Excluding derivative financial assets.

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 30 JUNE 2025 (continued)

31 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 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
30 June 2025				
Financial assets at fair value				
Financial investments at FVOCI	3,197,336	1,690,911	-	4,888,247
Derivative financial assets	108	46,868	122	47,098
	<u>3,197,444</u>	<u>1,737,779</u>	<u>122</u>	<u>4,935,345</u>
Financial liabilities at fair value				
Derivative financial liabilities	142	47,667	19	47,828
	<u>142</u>	<u>47,667</u>	<u>19</u>	<u>47,828</u>
31 December 2024				
Financial assets at fair value				
Financial investments at FVOCI	3,204,520	1,192,004	-	4,396,524
Derivative financial assets	44	12,474	32	12,550
	<u>3,204,564</u>	<u>1,204,478</u>	<u>32</u>	<u>4,409,074</u>
Financial liabilities at fair value				
Derivative financial liabilities	9	12,927	259	13,195
	<u>9</u>	<u>12,927</u>	<u>259</u>	<u>13,195</u>

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

	30 June 2025 RM'000	31 December 2024 RM'000
Financial assets at fair value		
At 1 January	32	3
Net unrealised gain recognised in profit or loss	90	29
At 30 June/31 December	<u>122</u>	<u>32</u>
Financial liabilities at fair value		
At 1 January	259	-
Net unrealised (gain)/loss recognised in profit or loss	(240)	259
At 30 June/31 December	<u>19</u>	<u>259</u>

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 30 JUNE 2025 (continued)

31 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	31 December			
	2025	2024			
Asset	RM'000	RM'000			
Derivative financial assets	122	32	Non-hedging	Option pricing model	Standard deviation
Liability					
Derivative financial liabilities	19	259	Non-hedging	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.

32 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 2025 RM'000	31 December 2024 RM'000
Common Equity Tier 1 ("CET 1") capital		
Paid-up ordinary share capital	555,000	555,000
Retained earnings	2,020,986	1,866,317
Other reserves	109,064	92,328
Regulatory adjustment	(127,366)	(124,245)
	<u>2,557,684</u>	<u>2,389,400</u>

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 30 JUNE 2025 (continued)

32 CAPITAL ADEQUACY (continued)

	30 June 2025 RM'000	31 December 2024 RM'000
Tier 2 capital		
Stage 1 and 2 ECL and qualifying regulatory reserves under the Standardised Approach	1,460	1,884
Surplus eligible provisions over expected losses	47,747	43,400
	<u>49,207</u>	<u>45,284</u>
Capital base	<u>2,606,891</u>	<u>2,434,684</u>
	30 June 2025	31 December 2024
Before the effects of PSIA		
CET 1/Tier 1 capital ratio	19.402%	19.559%
Total capital ratio	<u>19.775%</u>	<u>19.929%</u>
After the effects of PSIA		
CET 1/Tier 1 capital ratio	28.844%	28.540%
Total capital ratio	<u>29.399%</u>	<u>29.081%</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 2025, credit risks relating to RPSIA assets excluded from the total capital ratio calculation amounted to RM4,315 million (31 December 2024: RM3,844 million).

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

	30 June 2025 RM'000	31 December 2024 RM'000
Total RWA for credit risk	8,074,663	7,384,084
Total RWA for market risk	19,329	4,349
Total RWA for operational risk	773,380	983,595
	<u>8,867,372</u>	<u>8,372,028</u>