

Registration No.199401009721 (295400-W)

**OCBC BANK (MALAYSIA) BERHAD  
AND ITS SUBSIDIARY COMPANIES**  
(Incorporated in Malaysia)

**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS**

**FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024**

Domiciled in Malaysia  
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OCBC BANK (MALAYSIA) BERHAD  
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**FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024**

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OCBC BANK (MALAYSIA) BERHAD  
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**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS**  
**STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2024**

	Note	Group		Bank	
		30 June 2024 RM'000	31 December 2023 RM'000	30 June 2024 RM'000	31 December 2023 RM'000
<b>ASSETS</b>					
Cash and cash equivalents	10	1,903,022	3,626,979	1,241,649	2,525,095
Deposits and placements with banks and other financial institutions	11	762,477	352,077	1,212,477	762,957
Investment account placements	12	-	-	5,658,716	5,095,182
Financial assets at fair value through profit or loss ("FVTPL")	13	2,925,428	1,879,059	2,920,424	1,874,038
Financial investments at fair value through other comprehensive income ("FVOCI")	14	25,209,671	22,355,331	21,074,395	18,923,924
Loans, advances and financing	15	66,448,431	66,811,358	51,444,916	52,044,617
Derivative financial assets	17	954,995	1,030,620	955,360	1,031,011
Other assets	18	490,911	475,752	648,421	630,343
Statutory deposits with Bank Negara Malaysia		1,018,095	1,054,595	813,595	869,595
Investments in subsidiaries		-	-	557,051	557,051
Property and equipment		131,324	134,250	129,067	131,536
Right-of-use ("ROU") assets		27,421	26,585	24,497	22,933
Tax recoverable		431	546	-	-
Deferred tax assets		201,700	203,940	173,844	174,440
<b>Total assets</b>		<b>100,073,906</b>	<b>97,951,092</b>	<b>86,854,412</b>	<b>84,642,722</b>
<b>LIABILITIES</b>					
Deposits from customers	19	72,890,031	75,501,096	61,745,345	64,078,587
Deposits and placements of banks and other financial institutions	20	10,327,097	4,713,152	10,284,877	4,686,535
Obligations on securities sold under repurchase agreements		601,826	1,408,500	601,826	1,408,500
Bills and acceptances payable		98,856	78,461	84,898	59,983
Derivative financial liabilities	17	754,685	894,368	754,667	895,137
Other liabilities	21	4,286,672	4,662,671	4,143,083	4,517,361
Tax payable and zakat		48,890	21,528	16,056	7,429
Subordinated bonds	22	1,050,000	1,050,000	1,050,000	1,050,000
<b>Total liabilities</b>		<b>90,058,057</b>	<b>88,329,776</b>	<b>78,680,752</b>	<b>76,703,532</b>
<b>EQUITY</b>					
Share capital		754,000	754,000	754,000	754,000
Reserves		9,261,849	8,867,316	7,419,660	7,185,190
<b>Total equity</b>		<b>10,015,849</b>	<b>9,621,316</b>	<b>8,173,660</b>	<b>7,939,190</b>
<b>Total liabilities and equity</b>		<b>100,073,906</b>	<b>97,951,092</b>	<b>86,854,412</b>	<b>84,642,722</b>
<b>Commitments and contingencies</b>	31	<b>125,849,474</b>	<b>124,427,505</b>	<b>121,707,198</b>	<b>120,296,960</b>

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

OCBC BANK (MALAYSIA) BERHAD  
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**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS**  
**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024**

<b>Group</b>	<b>Note</b>	<b>Quarter ended</b>		<b>Year to date ended</b>	
		<b>30 June 2024 RM'000</b>	<b>30 June 2023 RM'000</b>	<b>30 June 2024 RM'000</b>	<b>30 June 2023 RM'000</b>
Interest income		898,285	860,921	1,773,754	1,692,395
Interest income for financial assets at FVTPL		24,286	20,714	48,796	33,853
Interest expense		(459,748)	(430,251)	(906,163)	(826,146)
Net interest income	23	462,823	451,384	916,387	900,102
Income from Islamic banking operations	24	141,634	135,191	278,069	267,103
Net fee and commission income	25	98,545	86,110	175,946	167,373
Net trading income	26	108,534	112,232	191,995	228,047
Other operating income	27	3,393	13,468	19,611	28,627
<b>Operating income</b>		<b>814,929</b>	<b>798,385</b>	<b>1,582,008</b>	<b>1,591,252</b>
Operating expenses	28	(362,485)	(363,061)	(717,248)	(717,527)
<b>Operating profit before impairment allowances and provisions</b>		<b>452,444</b>	<b>435,324</b>	<b>864,760</b>	<b>873,725</b>
Impairment allowances and provisions (charge)/writeback	29	(11,790)	29,720	(758)	85,249
<b>Profit before income tax and zakat</b>		<b>440,654</b>	<b>465,044</b>	<b>864,002</b>	<b>958,974</b>
Income tax expense	30	(108,498)	(131,407)	(210,858)	(251,098)
Zakat		(13)	(12)	(25)	(25)
<b>Profit for the period</b>		<b>332,143</b>	<b>333,625</b>	<b>653,119</b>	<b>707,851</b>
<b>Other comprehensive income, net of income tax</b>					
<b>Items that will not be reclassified to profit or loss</b>					
Change in fair value reserve (equity instruments)		844	3,078	844	3,078
<b>Items that are or may be reclassified subsequently to profit or loss</b>					
FVOCI reserve (debt instruments)					
- Change in fair value		(362,485)	(20,404)	4,588	114,908
- Amount transferred to profit or loss		5,001	(14,616)	(3,222)	(23,016)
- Related tax		(873)	8,404	(328)	(22,054)
Change in expected credit losses ("ECL") reserve on debt instruments at FVOCI		627	261	1,157	388
<b>Other comprehensive (expense)/income for the period</b>		<b>(356,886)</b>	<b>(23,277)</b>	<b>3,039</b>	<b>73,304</b>
<b>Total comprehensive (expense)/income for the period</b>		<b>(24,743)</b>	<b>310,348</b>	<b>656,158</b>	<b>781,155</b>
<b>Profit attributable to owner of the Bank</b>		<b>332,143</b>	<b>333,625</b>	<b>653,119</b>	<b>707,851</b>
<b>Total comprehensive income attributable to owner of the Bank</b>		<b>336,374</b>	<b>310,348</b>	<b>656,158</b>	<b>781,155</b>
<b>Basic earnings per ordinary share (sen)</b>		<b>115.6</b>	<b>116.0</b>	<b>227.2</b>	<b>246.2</b>

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

OCBC BANK (MALAYSIA) BERHAD  
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**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024**

	Note	Quarter ended		Year to date ended	
		30 June 2024 RM'000	30 June 2023 RM'000	30 June 2024 RM'000	30 June 2023 RM'000
<b>Bank</b>					
Interest income		952,162	893,992	1,880,162	1,755,422
Interest income for financial assets at FVTPL		24,286	20,714	48,796	33,853
Interest expense		(510,582)	(458,687)	(1,005,166)	(880,712)
Net interest income	23	465,866	456,019	923,792	908,563
Net fee and commission income	25	96,989	83,936	173,600	164,661
Net trading income	26	108,534	112,232	191,995	228,047
Other operating income	27	38,536	46,548	90,151	91,736
<b>Operating income</b>		709,925	698,735	1,379,538	1,393,007
Operating expenses	28	(346,458)	(346,480)	(686,489)	(685,803)
<b>Operating profit before impairment allowances and provisions</b>		363,467	352,255	693,049	707,204
Impairment allowances and provisions (charge)/writeback	29	(34,745)	19,447	(35,513)	64,311
<b>Profit before income tax</b>		328,722	371,702	657,536	771,515
Income tax expense	30	(81,372)	(109,007)	(161,047)	(206,097)
<b>Profit for the period</b>		247,350	262,695	496,489	565,418
<b>Other comprehensive income, net of income tax</b>					
<i>Items that will not be reclassified to profit or loss</i>					
Change in fair value reserve (equity instruments)		844	3,078	844	3,078
<i>Items that are or may be reclassified subsequently to profit or loss</i>					
FVOCI reserve (debt instruments)					
- Change in fair value		(3,986)	(18,457)	(455)	94,962
- Amount transferred to profit or loss		5,109	(14,616)	(2,629)	(22,616)
- Related tax		(270)	7,937	740	(17,363)
Change in ECL reserve on debt instruments at FVOCI		614	173	1,106	326
<b>Other comprehensive income/(expense) for the period</b>		2,311	(21,885)	(394)	58,387
<b>Total comprehensive income for the period</b>		249,661	240,810	496,095	623,805
<b>Profit attributable to owner of the Bank</b>		247,350	262,695	496,489	565,418
<b>Total comprehensive income attributable to owner of the Bank</b>		249,661	240,810	496,095	623,805
<b>Basic earnings per ordinary share (sen)</b>		86.0	91.4	172.7	196.7

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

OCBC BANK (MALAYSIA) BERHAD  
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**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024**

<u>Group</u>	<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>	
At 1 January 2024	754,000	600,000	1,544	76,360	8,189,412	9,621,316
Fair value reserve						
- Change in fair value	-	-	-	5,432	-	5,432
- Transferred to profit or loss	-	-	-	(3,222)	-	(3,222)
- Related tax	-	-	-	(328)	-	(328)
Change in ECL reserve	-	-	1,157	-	-	1,157
<b>Total other comprehensive income for the period</b>	-	-	1,157	1,882	-	3,039
Profit for the period	-	-	-	-	653,119	653,119
<b>Total comprehensive income for the period</b>	-	-	1,157	1,882	653,119	656,158
<b>Contributions by and distributions to owner of the Bank</b>						
Final 2023 ordinary dividend paid	-	-	-	-	(261,625)	(261,625)
At 30 June 2024	754,000	600,000	2,701	78,242	8,580,906	10,015,849
At 1 January 2023	754,000	600,000	671	(52,598)	7,974,906	9,276,979
Fair value reserve						
- Change in fair value	-	-	-	117,986	-	117,986
- Transferred to profit or loss	-	-	-	(23,016)	-	(23,016)
- Related tax	-	-	-	(22,054)	-	(22,054)
Change in ECL reserve	-	-	388	-	-	388
<b>Total other comprehensive income for the period</b>	-	-	388	72,916	-	73,304
Profit for the period	-	-	-	-	707,851	707,851
<b>Total comprehensive income for the period</b>	-	-	388	72,916	707,851	781,155
<b>Contributions by and distributions to owner of the Bank</b>						
Final 2022 ordinary dividend paid	-	-	-	-	(434,125)	(434,125)
At 30 June 2023	754,000	600,000	1,059	20,318	8,248,632	9,624,009

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**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS**  
**STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024**

<b>Bank</b>	<b>Share capital RM'000</b>	<i>Non-distributable</i>			<i>Distributable</i>	<b>Total equity 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>	
At 1 January 2024	754,000	509,000	1,389	83,119	6,591,682	7,939,190
Fair value reserve						
- Change in fair value	-	-	-	389	-	389
- Transferred to profit or loss	-	-	-	(2,629)	-	(2,629)
- Related tax	-	-	-	740	-	740
Change in ECL reserve	-	-	1,106	-	-	1,106
<b>Total other comprehensive income/(expense) for the period</b>	-	-	1,106	(1,500)	-	(394)
Profit for the period	-	-	-	-	496,489	496,489
<b>Total comprehensive income/(expense) for the period</b>	-	-	1,106	(1,500)	496,489	496,095
<b>Contributions by and distributions to owner of the Bank</b>						
Final 2023 ordinary dividend paid	-	-	-	-	(261,625)	(261,625)
At 30 June 2024	754,000	509,000	2,495	81,619	6,826,546	8,173,660
At 1 January 2023	754,000	509,000	524	(25,441)	6,627,798	7,865,881
Fair value reserve						
- Change in fair value	-	-	-	98,040	-	98,040
- Transferred to profit or loss	-	-	-	(22,616)	-	(22,616)
- Related tax	-	-	-	(17,363)	-	(17,363)
Change in ECL reserve	-	-	326	-	-	326
<b>Total other comprehensive income for the period</b>	-	-	326	58,061	-	58,387
Profit for the period	-	-	-	-	565,418	565,418
<b>Total comprehensive income for the period</b>	-	-	326	58,061	565,418	623,805
<b>Contributions by and distributions to owner of the Bank</b>						
Final 2022 ordinary dividend paid	-	-	-	-	(434,125)	(434,125)
At 30 June 2023	754,000	509,000	850	32,620	6,759,091	8,055,561

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**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS**  
**STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024**

	Group		Bank	
	Year to date ended		Year to date ended	
	30 June	30 June	30 June	30 June
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
<b>Cash flows from operating activities</b>				
Profit before income tax and zakat	864,002	958,974	657,536	771,515
<i>Adjustments for:</i>				
Depreciation of property and equipment	9,024	9,975	8,537	9,399
Depreciation of right-of-use assets	6,356	6,124	5,586	5,376
Dividends received from financial investments at FVOCI	(450)	(450)	(450)	(450)
Impairment allowances and provisions charge/(write-back)	44,960	(49,878)	66,798	(37,545)
Finance expense on lease liabilities	422	154	372	127
Net (gain)/loss on disposal of:				
- Financial investments at FVOCI	(3,222)	(23,016)	(2,629)	(22,616)
- Property and equipment	13	(3)	13	(3)
Share-based costs	6,007	6,869	5,835	6,686
Unrealised loss/(gain) on:				
- Financial assets at FVPTL	5,025	5,429	5,008	5,429
- Hedging derivatives	7	5,808	7	5,808
- Trading derivatives	(55,223)	(512,543)	(56,073)	(512,543)
Operating profit before changes in working capital	876,921	407,443	690,541	231,183
<i>Changes in operating assets and operating liabilities:</i>				
Deposits and placements with banks and other financial institutions	(410,587)	1,031,647	(449,707)	1,025,650
Investment account placements	-	-	(551,946)	(458,193)
Financial assets at FVTPL	(1,051,394)	(1,886,533)	(1,051,394)	(1,886,534)
Loans, advances and financing	296,236	546,460	498,279	302,188
Other assets	(15,169)	(35,801)	(18,085)	8,195
Statutory deposits with Bank Negara Malaysia	36,500	(26,355)	56,000	(20,355)
Derivative financial assets and liabilities	(7,575)	66,602	(7,486)	59,384
Deposits from customers	(2,611,065)	(6,926,072)	(2,333,242)	(6,662,220)
Deposits and placements of banks and other financial institutions	5,613,945	1,656,394	5,598,342	1,678,427
Obligations on securities sold under repurchase agreements	(806,674)	-	(806,674)	-
Bills and acceptances payable	20,395	(28,301)	24,915	(35,072)
Other liabilities	(359,620)	281,997	(357,185)	291,451
<b>Cash generated from/(used in) operations</b>	1,581,913	(4,912,519)	1,292,357	(5,465,896)
Income tax and zakat paid	(181,494)	(252,370)	(151,083)	(208,986)
<b>Net cash generated from/(used in) operating activities</b>	1,400,419	(5,164,889)	1,141,274	(5,674,882)
<b>Cash flows from investing activities</b>				
Acquisition of financial investments at FVOCI	(12,574,586)	(14,940,119)	(10,309,586)	(12,452,669)
Acquisition of property and equipment	(6,122)	(3,594)	(6,092)	(3,527)
Dividends received from financial investments at FVOCI	450	450	450	450
Proceeds from disposal of financial investments at FVOCI	9,724,411	16,498,602	8,158,237	15,398,976
Proceeds from disposal of property and equipment	11	19	11	-
<b>Net cash (used in)/generated from investing activities</b>	(2,855,836)	1,555,358	(2,156,980)	2,943,230



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**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS**  
**STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024 (continued)**

	<b>Group</b>		<b>Bank</b>	
	<b>Year to date ended</b>		<b>Year to date ended</b>	
	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from financing activities</b>				
Dividends paid to owner of the Bank	(261,625)	(434,125)	(261,625)	(434,125)
Payment of lease liabilities	(6,915)	(6,695)	(6,115)	(5,908)
<b>Net cash used in financing activities</b>	<b>(268,540)</b>	<b>(440,820)</b>	<b>(267,740)</b>	<b>(440,033)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(1,723,957)</b>	<b>(4,050,351)</b>	<b>(1,283,446)</b>	<b>(3,171,685)</b>
<b>Cash and cash equivalents at 1 January</b>	<b>3,626,979</b>	<b>6,952,345</b>	<b>2,525,095</b>	<b>5,591,793</b>
<b>Cash and cash equivalents at 30 June</b>	<b>1,903,022</b>	<b>2,901,994</b>	<b>1,241,649</b>	<b>2,420,108</b>

Details of cash and cash equivalents are disclosed in Note 10 to the unaudited condensed interim financial statements.

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

OCBC BANK (MALAYSIA) BERHAD  
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**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS**  
**STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024 (continued)**

**Changes in liabilities arising from financing activities**

<b>Group</b>	<b>At 1 January RM'000</b>	<b>Net Cash outflows RM'000</b>	<b>Acquisition of new leases* RM'000</b>	<b>Finance cost RM'000</b>	<b>At 30 June RM'000</b>
<b>2024</b>					
Subordinated bonds	1,050,000	-	-	-	1,050,000
Lease liabilities	22,580	(6,915)	7,192	422	23,279
Total liabilities from financing activities	<u>1,072,580</u>	<u>(6,915)</u>	<u>7,192</u>	<u>422</u>	<u>1,073,279</u>
<b>2023</b>					
Subordinated bonds	1,050,000	-	-	-	1,050,000
Lease liabilities	13,286	(6,695)	15,465	154	22,210
Total liabilities from financing activities	<u>1,063,286</u>	<u>(6,695)</u>	<u>15,465</u>	<u>154</u>	<u>1,072,210</u>
<b>Bank</b>					
<b>2024</b>					
Subordinated bonds	1,050,000	-	-	-	1,050,000
Lease liabilities	18,898	(6,115)	7,150	372	20,305
Total liabilities from financing activities	<u>1,068,898</u>	<u>(6,115)</u>	<u>7,150</u>	<u>372</u>	<u>1,070,305</u>
<b>2023</b>					
Subordinated bonds	1,050,000	-	-	-	1,050,000
Lease liabilities	11,205	(5,908)	14,359	127	19,783
Total liabilities from financing activities	<u>1,061,205</u>	<u>(5,908)</u>	<u>14,359</u>	<u>127</u>	<u>1,069,783</u>

\* Acquisition of new leases includes changes in lease terms.

*The accompanying notes form an integral part of the financial statements.*

OCBC BANK (MALAYSIA) BERHAD  
AND ITS SUBSIDIARY COMPANIES  
(Incorporated in Malaysia)

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

### GENERAL INFORMATION

The Bank is principally engaged in banking and related financial services, whilst its subsidiaries are principally engaged in the businesses of Islamic Banking, corporate finance and related advisory services, and the provision of nominee services. The Bank and its subsidiaries are collectively referred to as the "Group". There has been no significant change in the nature of these activities during the financial period.

### FINANCIAL PERFORMANCE

The Group recorded net profit of RM653 million for the financial period ended 30 June 2024; RM55 million or 8% lower compared to the corresponding period last year. This was mainly contributed by lower net writeback in credit loss allowances by RM86 million and lower trading income by RM36 million, partly offset by better net interest income and income from Islamic Banking operations by RM16 million and RM11 million respectively.

After deducting proposed dividends, the Group and the Bank remain well capitalised with Common Equity Tier 1/Tier 1 capital ratios of 15.680% and 13.656% and Total capital ratios of 18.109% and 16.424%, respectively.

### ECONOMIC PERFORMANCE AND PROSPECTS

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

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

## 1 BASIS OF PREPARATION

The accounting policies set out below have been applied consistently to the periods presented in these unaudited condensed interim financial statements and have been applied consistently, unless otherwise stated.

The unaudited condensed interim financial statements of the Group and the Bank have been prepared under the historical cost convention except for the assets and liabilities which are stated at fair values 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 Standards 34 and Shariah requirements (operations of Islamic Banking).

The unaudited condensed interim financial statements incorporate all activities relating to Islamic Banking which have been undertaken by the Group in compliance with Shariah principles. Islamic Banking refers generally to the acceptance of deposits and granting of financing under Shariah principles.

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

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

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

### 1 BASIS OF PREPARATION (continued)

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

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

The Group and the Bank have 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' - *Lack of Exchangeability*

#### Effective for annual periods commencing on or after 1 January 2026

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

#### Effective for annual periods commencing on or after 1 January 2027

- Amendments to MFRS 18 'Presentation and Disclosure in Financial Statements'

#### Effective date to be announced by MASB

- Amendments to MFRS 10 'Consolidated Financial Statements' and MFRS 128 'Investments in Associates and Joint Ventures' - *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

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

#### (b) Use of estimates and judgements

The preparation of the unaudited condensed interim financial statements in conformity with MFRS 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 these unaudited condensed interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those 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 Group and the Bank in these unaudited condensed interim financial statements are the same as those applied by the Group and the Bank in its audited financial statements as at 31 December 2023 and for the financial year then ended, except as disclosed in Note 1(a).

### 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 - 30 JUNE 2024 (continued)****4 SEASONALITY OF OPERATIONS**

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

**5 DEBT AND EQUITY SECURITIES**

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

**6 CHANGES IN COMPOSITION OF THE GROUP**

There were no changes in the composition of the Group during the financial period ended 30 June 2024.

**7 DIVIDENDS**

Final dividend of 91 sen per ordinary share amounting to RM261,625,000 in respect of the financial year ended 31 December 2023 was paid on 3 May 2024.

The Directors recommend an interim dividend of 148 sen per ordinary share in respect of the financial period ended 30 June 2024 totalling RM425,500,000.

**8 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.

**9 UNUSUAL ITEMS DUE TO THEIR NATURE, SIZE OR INCIDENCE**

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

**10 CASH AND CASH EQUIVALENTS**

	<b>Group</b>		<b>Bank</b>	
	<b>30 June 2024</b>	<b>31 December 2023</b>	<b>30 June 2024</b>	<b>31 December 2023</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Cash and balances with banks and other financial institutions	834,981	492,187	749,339	416,380
Money at call and deposit placements with financial institutions maturing within one month	359,216	177,099	492,374	198,781
Deposit placements with Bank Negara Malaysia	708,896	2,957,762	-	1,910,000
	1,903,093	3,627,048	1,241,713	2,525,161
Stage 1 ECL allowance	(71)	(69)	(64)	(66)
	<b>1,903,022</b>	<b>3,626,979</b>	<b>1,241,649</b>	<b>2,525,095</b>

(a) By geography determined based on where the credit risk resides

Malaysia	1,255,289	3,231,825	652,137	2,182,283
Singapore	128,909	227,694	107,679	207,065
Other ASEAN countries	8,127	10,975	7,113	9,330
Rest of the world	510,768	156,554	474,784	126,483
	<b>1,903,093</b>	<b>3,627,048</b>	<b>1,241,713</b>	<b>2,525,161</b>

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 30 JUNE 2024 (continued)****10 CASH AND CASH EQUIVALENTS (continued)**

(b) Included in the Bank's cash and cash equivalents are deposits and placements with its Islamic Banking subsidiary, OCBC Al-Amin Bank Berhad ("OABB"), amounting to RM133 million (31 December 2023: RM22 million), which are unsecured and profit bearing.

(c) Movements in ECL allowance

	Group		Bank	
	30 June 2024 RM'000	31 December 2023 RM'000	30 June 2024 RM'000	31 December 2023 RM'000
<b>Stage 1 ECL</b>				
At 1 January	69	58	66	47
New financial assets originated or purchased	149	6	149	6
Financial assets derecognised	(41)	(3)	(41)	(3)
Net remeasurement during the period/year	(106)	8	(110)	16
At 30 June/31 December	71	69	64	66

**11 DEPOSITS AND PLACEMENTS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS**

	Group		Bank	
	30 June 2024 RM'000	31 December 2023 RM'000	30 June 2024 RM'000	31 December 2023 RM'000
Licensed banks	762,681	352,094	1,212,681	762,974
Stage 1 ECL allowance	(204)	(17)	(204)	(17)
	762,477	352,077	1,212,477	762,957

(a) By geography determined based on where the credit risk resides

	Group		Bank	
	30 June 2024 RM'000	31 December 2023 RM'000	30 June 2024 RM'000	31 December 2023 RM'000
Malaysia	762,681	313,345	1,212,681	724,225
Rest of the world	-	38,749	-	38,749
	762,681	352,094	1,212,681	762,974

(b) By residual contractual maturity

Maturity within one year	762,681	352,094	1,212,681	762,974
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(c) Included in the Bank's deposits and placements with licensed banks are deposits and placements with its Islamic Banking subsidiary, OABB, amounting to RM450 million (31 December 2023: RM411 million), which are unsecured and profit bearing.

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 30 JUNE 2024 (continued)****11 DEPOSITS AND PLACEMENTS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS (continued)**

(d) Movements in ECL allowance

<b>Group and Bank</b>	<b>30 June 2024</b>			<b>31 December 2023</b>		
	<b>Stage 1</b>	<b>Stage 2</b>	<b>Total ECL</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Total ECL</b>
	<b>12 months</b>	<b>Lifetime</b>	<b>non credit-</b>	<b>12 months</b>	<b>Lifetime</b>	<b>non credit-</b>
	<b>ECL</b>	<b>ECL</b>	<b>impaired</b>	<b>ECL</b>	<b>ECL</b>	<b>impaired</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	17	-	17	60	-	60
Transferred to Stage 2	-	-	-	(30)	30	-
New financial assets originated or purchased	57	-	57	73	-	73
Financial assets derecognised	(5)	-	(5)	(30)	-	(30)
Net remeasurement during the period/year	133	-	133	(56)	(30)	(86)
Other movements	2	-	2	-	-	-
At 30 June/31 December	<u>204</u>	<u>-</u>	<u>204</u>	<u>17</u>	<u>-</u>	<u>17</u>

**12 INVESTMENT ACCOUNT PLACEMENTS**

<b>Bank</b>	<b>30 June 2024</b>	<b>31 December 2023</b>
	<b>RM'000</b>	<b>RM'000</b>
Restricted Profit Sharing Investment Accounts	5,676,262	5,124,316
ECL allowance	(17,546)	(29,134)
	<u>5,658,716</u>	<u>5,095,182</u>

(a) By geography determined based on where the credit risk resides

Malaysia	<u>5,676,262</u>	<u>5,124,316</u>
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(b) By residual contractual maturity

Within one year	5,672,926	5,109,520
Over five years	3,336	14,796
	<u>5,676,262</u>	<u>5,124,316</u>

The exposure to Restricted Profit Sharing Investment Accounts ("RPSIA") is an arrangement with its Islamic banking subsidiary, OABB, which contract is based on Mudharabah principle to fund a specific business venture where the Bank solely provides capital and the business venture is managed solely by OABB. The profit of the business venture arrangement is shared between the Bank and OABB based on a pre-agreed ratio with losses, if any, borne by the Bank.

(c) Movements in ECL allowance

<b>Bank</b>	<i>Non credit-impaired</i>		<i>Credit-impaired</i>	<b>Total</b>
	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	
	<b>12 months</b>	<b>Lifetime</b>	<b>Lifetime</b>	
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>2024</b>				
At 1 January	13,251	1,087	14,796	29,134
New financial assets originated or purchased	2,878	-	-	2,878
Financial assets derecognised	(97)	-	-	(97)
Net remeasurement during the period	(2,336)	(633)	(11,460)	(14,429)
Other Movements	60	-	-	60
At 30 June	<u>13,756</u>	<u>454</u>	<u>3,336</u>	<u>17,546</u>

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 30 JUNE 2024 (continued)****12 INVESTMENT ACCOUNT PLACEMENTS (continued)**

(c) Movements in ECL allowance (continued)

<b>Bank</b>	<i>Non credit-impaired</i>		<i>Credit-</i>	<b>Total</b>
	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	
	<b>12 months</b>	<b>Lifetime</b>	<b>Lifetime</b>	
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>2023</b>				
At 1 January	3,326	12,378	25,006	40,710
Transferred to Stage 1	7,419	(7,419)	-	-
New financial assets originated or purchased	4,984	-	-	4,984
Net remeasurement during the year	(2,519)	(4,116)	(10,210)	(16,845)
Other Movements	41	244	-	285
At 31 December	<b>13,251</b>	<b>1,087</b>	<b>14,796</b>	<b>29,134</b>

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

	<b>Group</b>		<b>Bank</b>	
	<b>30 June</b>	<b>31 December</b>	<b>30 June</b>	<b>31 December</b>
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>At fair value</b>				
Malaysian Government Investment Issues	502,396	394,268	502,396	394,268
Malaysian Government Securities	1,115,250	893,295	1,115,250	893,295
Malaysian Government Treasury Bills	887,721	293,943	887,721	293,943
Foreign Government Debt Securities	260	1	260	1
Corporate Bonds and Sukuk	419,801	297,552	414,797	292,531
	<b>2,925,428</b>	<b>1,879,059</b>	<b>2,920,424</b>	<b>1,874,038</b>

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

	<b>Group</b>		<b>Bank</b>	
	<b>30 June</b>	<b>31 December</b>	<b>30 June</b>	<b>31 December</b>
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>At fair value</b>				
Malaysian Government Investment Issues	6,689,725	7,989,390	4,102,904	5,812,431
Malaysian Government Securities	7,566,865	6,436,483	7,566,865	6,436,483
Malaysian Treasury Bills and Islamic Treasury Bills	436,155	673,760	436,155	673,760
Malaysian Government Debt Securities and Sukuk	26,442	-	26,442	-
Foreign Government Debt Securities and Sukuk	345,309	281,136	345,309	281,136
Negotiable Instruments of Deposit and Islamic				
Negotiable Instruments of Deposit	5,580,754	3,628,272	4,934,050	3,429,091
Corporate and Islamic Corporate Bonds, Sukuk and Sanadat Mudharabah Cagamas	4,450,960	3,233,673	3,549,209	2,178,406
Unquoted shares in Malaysia				
- Cagamas Holdings Berhad	85,595	85,595	85,595	85,595
- Others	27,866	27,022	27,866	27,022
	<b>25,209,671</b>	<b>22,355,331</b>	<b>21,074,395</b>	<b>18,923,924</b>

Included in financial investments at FVOCI of the Group and the Bank are Malaysian Government Investment Issues, Malaysian Government Securities and corporate bonds, which are pledged as collateral for obligations on securities sold under repurchase agreements amounting to RM616,000,000 (31 December 2023: RM1,431,000,000).



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

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

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

	30 June 2024			31 December 2023		
	Stage 1 12 months ECL RM'000	Stage 2 Lifetime ECL RM'000	Total ECL non credit- impaired RM'000	Stage 1 12 months ECL RM'000	Stage 2 Lifetime ECL RM'000	Total ECL non credit- impaired RM'000
<b>Group</b>						
At 1 January	1,483	61	1,544	632	39	671
Transferred to Stage 1	-	-	-	1	(1)	-
Transferred to Stage 2	(23)	23	-	(100)	100	-
New financial assets originated or purchased	1,589	-	1,589	1,932	1	1,933
Financial assets derecognised	(255)	(1)	(256)	(676)	(42)	(718)
Net remeasurement during the period/year	(549)	366	(183)	(319)	(37)	(356)
Other movements	5	2	7	13	1	14
At 30 June/31 December	2,250	451	2,701	1,483	61	1,544
<b>Bank</b>						
At 1 January	1,328	61	1,389	485	39	524
Transferred to Stage 1	-	-	-	1	(1)	-
Transferred to Stage 2	(23)	23	-	(100)	100	-
New financial assets originated or purchased	1,429	-	1,429	1,610	1	1,611
Financial assets derecognised	(178)	(1)	(179)	(485)	(42)	(527)
Net remeasurement during the period/year	(517)	366	(151)	(196)	(37)	(233)
Other movements	5	2	7	13	1	14
At 30 June/31 December	2,044	451	2,495	1,328	61	1,389

**15 LOANS, ADVANCES AND FINANCING**

	Group		Bank	
	30 June 2024 RM'000	31 December 2023 RM'000	30 June 2024 RM'000	31 December 2023 RM'000
<b>At amortised cost</b>				
Overdrafts	2,729,797	2,732,509	2,126,901	2,176,526
Term loans/financing:				
- Housing loans/financing	17,393,806	18,027,917	15,803,061	16,457,789
- Syndicated term loans/financing	9,847,862	8,465,591	7,094,651	6,255,965
- Hire purchase receivables	259,469	286,187	57,971	64,990
- Other term loans/financing	20,943,685	21,250,227	14,874,348	15,132,805
Credit cards	488,869	527,068	488,869	527,068
Bills receivable	207,912	159,989	123,720	80,379
Trust receipts	13,619	14,693	13,158	14,693
Claims on customers under acceptance credits	2,197,084	2,973,662	2,197,084	2,737,288
Revolving credit	10,847,255	11,276,397	7,156,178	7,229,672
Staff loans/financing	40,841	40,375	40,841	40,375
Other loans/financing	2,754,835	2,321,091	2,422,820	2,224,219
Gross loans, advances and financing	67,725,034	68,075,706	52,399,602	52,941,769
ECL allowance	(1,276,603)	(1,264,348)	(954,686)	(897,152)
Net loans, advances and financing	66,448,431	66,811,358	51,444,916	52,044,617

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 30 JUNE 2024 (continued)****15 LOANS, ADVANCES AND FINANCING (continued)**

	Group		Bank	
	30 June 2024 RM'000	31 December 2023 RM'000	30 June 2024 RM'000	31 December 2023 RM'000
(a) By type of customer				
Domestic banking institutions	831,064	809,238	-	-
Domestic non-bank financial institutions	3,615,449	3,687,975	1,843,379	1,764,997
Domestic business enterprises				
- Small and medium enterprises	12,460,743	12,374,218	10,071,543	10,047,031
- Others	29,584,065	29,191,212	21,091,126	21,005,991
Individuals	19,332,860	20,079,531	17,643,405	18,396,001
Foreign entities	1,900,853	1,933,532	1,750,149	1,727,749
	<u>67,725,034</u>	<u>68,075,706</u>	<u>52,399,602</u>	<u>52,941,769</u>
(b) By interest/profit rate sensitivity				
Fixed rate				
- Housing loans/financing	141,364	122,545	57,951	31,210
- Hire purchase receivables	176,006	193,092	50,127	49,820
- Other fixed rate loans/financing	6,894,938	7,294,341	6,221,232	6,622,054
Variable rate				
- Base rate/base lending rate/base financing rate plus/standardised base rate	29,030,922	29,652,872	25,227,902	26,020,626
- Cost plus	30,766,283	30,098,368	20,207,958	19,583,672
- Other variable rates	715,521	714,488	634,432	634,387
	<u>67,725,034</u>	<u>68,075,706</u>	<u>52,399,602</u>	<u>52,941,769</u>
(c) By sector				
Agriculture, hunting, forestry and fishing	2,054,036	2,292,288	1,441,632	1,467,138
Mining and quarrying	66,511	78,524	55,973	65,847
Manufacturing	7,665,603	7,464,231	6,664,164	6,437,380
Electricity, gas and water	707,165	641,161	480,576	421,166
Construction	2,148,671	1,848,178	1,562,002	1,309,173
Real estate	6,375,468	7,608,552	5,607,228	6,356,862
Wholesale & retail trade and restaurants & hotels	7,238,046	7,357,040	5,973,290	6,231,839
Transport, storage and communication	2,777,216	1,539,988	1,711,173	829,915
Finance, insurance and business services	15,752,015	15,630,741	8,471,737	8,706,790
Community, social and personal services	2,229,644	2,111,007	1,513,066	1,389,797
Household				
- Purchase of residential properties	18,052,534	18,731,989	16,454,241	17,154,162
- Purchase of non-residential properties	590,442	621,174	546,000	575,792
- Others	2,067,683	2,150,833	1,918,520	1,995,908
	<u>67,725,034</u>	<u>68,075,706</u>	<u>52,399,602</u>	<u>52,941,769</u>
(d) By geography determined based on where the credit risk resides				
Malaysia	65,966,813	66,310,484	50,787,779	51,366,554
Singapore	1,028,117	1,079,284	969,502	1,021,707
Other ASEAN countries	321,407	233,523	316,976	229,011
Rest of the world	408,697	452,415	325,345	324,497
	<u>67,725,034</u>	<u>68,075,706</u>	<u>52,399,602</u>	<u>52,941,769</u>

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 30 JUNE 2024 (continued)****15 LOANS, ADVANCES AND FINANCING (continued)**

	<b>Group</b>		<b>Bank</b>	
	<b>30 June</b>	<b>31 December</b>	<b>30 June</b>	<b>31 December</b>
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
(e) By residual contractual maturity				
Up to one year	18,461,394	21,276,108	15,531,325	16,173,548
Over one year to three years	10,315,084	7,424,922	5,625,280	4,448,717
Over three years to five years	7,697,783	8,377,943	4,959,351	5,778,491
Over five years	31,250,773	30,996,733	26,283,646	26,541,013
	<b>67,725,034</b>	<b>68,075,706</b>	<b>52,399,602</b>	<b>52,941,769</b>

**16 IMPAIRED LOANS, ADVANCES AND FINANCING**

## (i) Movements in impaired loans, advances and financing

	<b>Group</b>		<b>Bank</b>	
	<b>30 June</b>	<b>31 December</b>	<b>30 June</b>	<b>31 December</b>
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
At 1 January	2,253,431	2,960,361	1,702,842	2,227,933
Impaired during the period/year	535,728	894,067	490,984	776,069
Reclassified as unimpaired	(467,205)	(557,926)	(420,110)	(473,112)
Amount recovered	(274,985)	(832,677)	(233,999)	(721,639)
Amount written off	(43,761)	(210,394)	(34,625)	(106,409)
At 30 June/31 December	2,003,208	2,253,431	1,505,092	1,702,842
Stage 3 ECL allowance	(674,591)	(755,192)	(464,737)	(497,729)
Net impaired loans, advances and financing	<b>1,328,617</b>	<b>1,498,239</b>	<b>1,040,355</b>	<b>1,205,113</b>

## a) By sector

Agriculture, hunting, forestry and fishing	822	1,473	359	1,289
Mining and quarrying	9,121	10,277	9,121	10,277
Manufacturing	353,151	361,607	252,769	263,753
Electricity, gas and water	41,555	41,521	41,434	41,400
Construction	183,657	167,902	93,145	76,531
Real estate	74,276	95,988	72,712	94,364
Wholesale & retail trade and restaurants & hotels	455,656	499,603	278,480	315,421
Transport, storage and communication	13,281	24,738	4,641	5,501
Finance, insurance and business services	63,713	75,883	60,717	68,641
Community, social and personal services	6,494	8,049	6,004	7,559
Household				
- Purchase of residential properties	719,358	858,936	619,297	731,214
- Purchase of non-residential properties	14,257	22,823	10,724	19,274
- Others	67,867	84,631	55,689	67,618
	<b>2,003,208</b>	<b>2,253,431</b>	<b>1,505,092</b>	<b>1,702,842</b>

## b) By geography based on where the credit risk resides

Malaysia	1,937,634	2,175,779	1,449,403	1,636,974
Singapore	42,453	48,911	41,012	46,500
Other ASEAN countries	2,681	2,826	1,428	1,422
Rest of the world	20,440	25,915	13,249	17,946
	<b>2,003,208</b>	<b>2,253,431</b>	<b>1,505,092</b>	<b>1,702,842</b>

## c) By collateral type

Property	1,352,679	1,560,715	1,095,578	1,262,952
Fixed deposits	3,301	1,909	1,801	1,909
Secured - others	45,183	47,295	30,654	24,018
Unsecured - corporate and other guarantees	354,070	381,167	181,893	202,275
Unsecured - corporate clean	247,975	262,345	195,166	211,688
	<b>2,003,208</b>	<b>2,253,431</b>	<b>1,505,092</b>	<b>1,702,842</b>

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

**16 IMPAIRED LOANS, ADVANCES AND FINANCING (continued)**

(ii) Movements in ECL allowance on loans, advances and financing

Group	<i>Non credit-impaired</i>			<i>Credit-</i>	<b>30 June</b>	<i>Non credit-impaired</i>		<i>Credit-</i>	<b>31 December</b>
	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<i>impaired</i>	<b>2024</b>	<b>Stage 1</b>	<b>Stage 2</b>	<i>impaired</i>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>Total</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>Total</b>
At 1 January	188,322	320,834	755,192		1,264,348	112,411	339,817	816,365	1,268,593
Transferred to Stage 1	76,910	(64,147)	(12,763)		-	236,957	(206,389)	(30,568)	-
Transferred to Stage 2	(19,586)	51,196	(31,610)		-	(38,732)	122,034	(83,302)	-
Transferred to Stage 3	(1,905)	(50,578)	52,483		-	(366)	(185,242)	185,608	-
New financial assets originated or purchased	111,005	72,645	-		183,650	138,769	135,413	-	274,182
Financial assets derecognised	(81,935)	(76,349)	(9,849)		(168,133)	(85,195)	(144,785)	(64,645)	(294,625)
Net remeasurement during the period/year	(61,791)	135,584	(24,426)		49,367	(176,152)	259,018	173,584	256,450
Written off	-	-	(43,761)		(43,761)	-	-	(210,394)	(210,394)
Other movements	342	1,465	(10,675)		(8,868)	630	968	(31,456)	(29,858)
At 30 June/31 December	<b>211,362</b>	<b>390,650</b>	<b>674,591</b>		<b>1,276,603</b>	<b>188,322</b>	<b>320,834</b>	<b>755,192</b>	<b>1,264,348</b>
<b>Bank</b>									
At 1 January	145,190	254,233	497,729		897,152	91,539	238,012	499,066	828,617
Transferred to Stage 1	62,472	(51,651)	(10,821)		-	167,173	(145,284)	(21,889)	-
Transferred to Stage 2	(15,887)	41,366	(25,479)		-	(33,447)	99,821	(66,374)	-
Transferred to Stage 3	(1,854)	(36,815)	38,669		-	(310)	(139,907)	140,217	-
New financial assets originated or purchased	98,509	66,266	-		164,775	115,444	107,918	-	223,362
Financial asset derecognised	(73,251)	(64,450)	(8,895)		(146,596)	(76,697)	(124,898)	(63,546)	(265,141)
Net remeasurement during the period/year	(47,319)	111,647	17,422		81,750	(119,060)	218,296	143,985	243,221
Written off	-	-	(34,625)		(34,625)	-	-	(106,409)	(106,409)
Other movements	254	1,239	(9,263)		(7,770)	548	275	(27,321)	(26,498)
At 30 June/31 December	<b>168,114</b>	<b>321,835</b>	<b>464,737</b>		<b>954,686</b>	<b>145,190</b>	<b>254,233</b>	<b>497,729</b>	<b>897,152</b>

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**16 IMPAIRED LOANS, ADVANCES AND FINANCING (continued)**

(ii) Movements in ECL allowance on loans, advances and financing (continued)

(a) By sector

ECL allowance on loans, advances and financing, including on loan commitments and financial guarantees (Note 21)

	Group				Bank			
	<i>Non credit- impaired</i>	<i>Credit- impaired</i>	Stage 3		<i>Non credit- impaired</i>	<i>Credit- impaired</i>	Stage 3	
	Stage 1 and 2	Stage 3	Made during the period (Note 29)	Written off	Stage 1 and 2	Stage 3	Made during the period (Note 29)	Written off
30 June 2024	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Agriculture, hunting, forestry and fishing	40,077	98	191	-	29,023	11	122	-
Mining and quarrying	5,451	-	-	-	5,189	-	-	-
Manufacturing	170,785	174,437	12,042	836	151,741	82,804	2,884	705
Electricity, gas and water	10,612	38,476	-	-	7,788	38,472	-	-
Construction	99,165	128,054	3,916	1,352	66,088	65,372	3,428	860
Real estate	61,521	17,310	96	1	56,156	17,204	88	1
Wholesale & retail trade and restaurants & hotels	128,622	152,981	9,511	5,608	109,352	117,005	8,136	4,625
Transport, storage and communication	50,142	5,223	1,541	152	38,620	1,095	1,267	144
Finance, insurance and business services	94,281	35,021	2,136	983	63,363	34,290	1,912	917
Community, social and personal services	21,038	1,513	105	-	19,103	1,116	105	-
Household								
- Purchase of residential properties	44,055	121,905	48,846	23,633	38,824	100,350	42,396	16,965
- Purchase of non-residential properties	2,488	2,308	3,453	2,700	2,322	1,358	3,450	2,700
- Others	85,521	22,688	13,817	8,496	82,019	15,929	12,035	7,708
	<b>813,758</b>	<b>700,014</b>	<b>95,654</b>	<b>43,761</b>	<b>669,588</b>	<b>475,006</b>	<b>75,823</b>	<b>34,625</b>

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

**16 IMPAIRED LOANS, ADVANCES AND FINANCING (continued)**

(ii) Movements in ECL allowance on loans, advances and financing (continued)

(a) By sector (continued)

ECL allowance on loans, advances and financing, including on loan commitments and financial guarantees (Note 21) (continued)

	Group				Bank			
	<i>Non credit- impaired</i>	<i>Credit- impaired</i>	Stage 3		<i>Non credit- impaired</i>	<i>Credit- impaired</i>	Stage 3	
	Stage 1 and 2	Stage 3	Made during the period (Note 29)	Written off	Stage 1 and 2	Stage 3	Made during the period (Note 29)	Written off
31 December 2023	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Agriculture, hunting, forestry and fishing	34,163	484	29	-	23,547	466	29	-
Mining and quarrying	6,483	-	-	-	6,283	-	-	-
Manufacturing	136,537	167,305	73,970	3,617	118,216	83,144	34,113	3,483
Electricity, gas and water	7,797	38,476	9,638	435	5,800	38,472	9,638	435
Construction	114,670	159,157	110,149	24,718	79,332	63,892	63,542	11,081
Real estate	79,301	37,127	37,604	15,931	65,065	36,985	37,580	15,924
Wholesale & retail trade and restaurants & hotels	94,920	160,020	102,001	17,674	83,021	122,915	98,517	10,117
Transport, storage and communication	32,064	16,578	1,594	1,777	27,429	1,155	1,341	1,475
Finance, insurance and business services	87,404	36,774	32,933	67,262	51,897	35,919	32,454	3,788
Community, social and personal services	9,857	1,763	750	314	8,639	1,366	750	314
Household								
- Purchase of residential properties	32,241	150,917	78,105	56,184	28,639	121,053	60,055	41,120
- Purchase of non-residential properties	1,763	4,127	4,839	3,889	1,392	3,098	4,202	3,889
- Others	88,105	26,569	29,884	18,593	85,455	18,215	24,841	14,783
	<b>725,305</b>	<b>799,297</b>	<b>481,496</b>	<b>210,394</b>	<b>584,715</b>	<b>526,680</b>	<b>367,062</b>	<b>106,409</b>

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

**16 IMPAIRED LOANS, ADVANCES AND FINANCING (continued)**

(ii) Movements in ECL allowance on loans, advances and financing (continued)

(b) By geographical distribution

ECL allowance on loans, advances and financing, including on loan commitments and financial guarantees (Note 21) (continued)

	<b>Group</b>			<b>Bank</b>		
	<i>Non credit-impaired</i>	<i>Credit-impaired</i>		<i>Non credit-impaired</i>	<i>Credit-impaired</i>	
	<b>Stage 1 and 2</b>	<b>Stage 3</b>	<b>Total</b>	<b>Stage 1 and 2</b>	<b>Stage 3</b>	<b>Total</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>30 June 2024</b>						
Malaysia	799,299	679,105	1,478,404	659,231	456,536	1,115,767
Singapore	5,541	15,918	21,459	5,139	15,468	20,607
Other ASEAN countries	1,979	610	2,589	1,974	610	2,584
Rest of the world	6,939	4,381	11,320	3,244	2,392	5,636
	<b>813,758</b>	<b>700,014</b>	<b>1,513,772</b>	<b>669,588</b>	<b>475,006</b>	<b>1,144,594</b>
<b>31 December 2023</b>						
Malaysia	707,771	775,045	1,482,816	575,166	505,217	1,080,383
Singapore	4,871	17,710	22,581	4,598	17,214	21,812
Other ASEAN countries	1,760	622	2,382	1,751	622	2,373
Rest of the world	10,903	5,920	16,823	3,200	3,627	6,827
	<b>725,305</b>	<b>799,297</b>	<b>1,524,602</b>	<b>584,715</b>	<b>526,680</b>	<b>1,111,395</b>

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

## 17 DERIVATIVE FINANCIAL ASSETS AND LIABILITIES

Group	30 June 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	8,915,435	32,021	15,758	6,787,110	38,555	62,493
- Swaps	31,354,898	563,977	387,181	27,298,182	583,620	406,768
- Options	1,212,106	3,490	1,007	903,885	6,911	737
- Others	23	-	2	-	-	-
Interest rate derivatives						
- Forwards	-	-	-	294,248	186	1,671
- Swaps	42,405,519	285,985	281,282	47,656,928	301,022	321,560
- Futures	621,761	380	132	114,914	43	11
- Others	23,184	41	6	-	-	-
Equity and other derivatives						
- Swaps	1,198,643	36,884	36,884	1,312,674	87,436	87,436
- Exchange traded futures	32,882	-	112	-	-	-
- Options	1,335,517	8,236	8,236	1,105,850	8,311	8,311
- Credit linked notes	1,224,030	21,987	21,987	1,316,208	2,246	2,246
- Credit default swaps	-	-	-	386,810	245	245
	88,323,998	953,001	752,587	87,176,809	1,028,575	891,478
<b>Hedging</b>						
Interest rate derivatives						
- Swaps	460,000	1,994	2,098	410,000	2,045	2,890
	88,783,998	954,995	754,685	87,586,809	1,030,620	894,368
<b>Bank</b>						
<b>Trading</b>						
Foreign exchange derivatives						
- Forwards	8,924,694	31,971	15,733	6,837,235	38,446	62,545
- Swaps	31,779,828	564,392	387,188	27,551,366	584,120	407,485
- Options	1,212,106	3,490	1,007	903,885	6,911	737
- Others	23	-	2	-	-	-
Interest rate derivatives						
- Forwards	-	-	-	294,248	186	1,671
- Swaps	42,405,519	285,985	281,282	47,656,928	301,022	321,560
- Futures	621,761	380	132	114,914	43	11
- Others	23,184	41	6	-	-	-
Equity and other derivatives						
- Swaps	1,198,643	36,884	36,884	1,312,674	87,436	87,436
- Exchange traded futures	32,882	-	112	-	-	-
- Options	1,335,517	8,236	8,236	1,105,850	8,311	8,311
- Credit linked notes	1,224,030	21,987	21,987	1,316,208	2,246	2,246
- Credit default swaps	-	-	-	386,810	245	245
	88,758,187	953,366	752,569	87,480,118	1,028,966	892,247
<b>Hedging</b>						
Interest rate derivatives						
- Swaps	460,000	1,994	2,098	410,000	2,045	2,890
	89,218,187	955,360	754,667	87,890,118	1,031,011	895,137

## 18 OTHER ASSETS

	Note	Group		Bank	
		30 June 2024	31 December 2023	30 June 2024	31 December 2023
		RM'000	RM'000	RM'000	RM'000
Amount due from subsidiaries	(a)	-	-	188,153	176,477
Interest/Profit receivable		198,855	179,276	178,164	161,776
Other receivables, deposits and prepayments		290,784	293,133	280,922	288,916
Amount due from holding company		1,272	3,343	1,182	3,174
		490,911	475,752	648,421	630,343

(a) The amount due from subsidiaries is unsecured, interest/profit free and repayable on demand.



**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 30 JUNE 2024 (continued)****19 DEPOSITS FROM CUSTOMERS**

	Group		Bank	
	30 June 2024 RM'000	31 December 2023 RM'000	30 June 2024 RM'000	31 December 2023 RM'000
a) By type of deposit				
Demand deposits	24,859,307	24,646,027	19,024,462	18,902,599
Saving deposits	11,753,554	11,694,921	10,982,789	10,938,000
Fixed/General investment deposits	33,403,961	34,570,501	29,233,043	30,300,246
Negotiable instruments of deposit	708,156	1,378,970	708,156	1,378,970
Short-term money market deposits	2,165,053	3,210,677	1,796,895	2,558,772
	<u>72,890,031</u>	<u>75,501,096</u>	<u>61,745,345</u>	<u>64,078,587</u>
b) By type of customer				
Government and statutory bodies	176,134	193,860	72,850	95,239
Non-bank financial institutions	2,877,768	3,064,093	1,655,931	1,687,387
Business enterprises	28,370,709	29,887,058	22,392,805	23,815,035
Individuals	36,078,867	36,136,805	32,612,036	32,668,914
Foreign entities	4,659,570	5,535,832	4,349,823	5,192,744
Others	726,983	683,448	661,900	619,268
	<u>72,890,031</u>	<u>75,501,096</u>	<u>61,745,345</u>	<u>64,078,587</u>
c) By residual maturity for fixed/term/general investment deposits, negotiable instruments of deposit and short-term money market deposits				
Up to six months	28,610,114	29,992,937	25,178,386	26,138,134
Over six months to one year	6,255,951	8,989,764	5,382,687	7,937,018
Over one year to three years	1,407,939	173,606	1,175,955	162,095
Over three years to five years	3,166	3,841	1,066	741
	<u>36,277,170</u>	<u>39,160,148</u>	<u>31,738,094</u>	<u>34,237,988</u>

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

	Group		Bank	
	30 June 2024 RM'000	31 December 2023 RM'000	30 June 2024 RM'000	31 December 2023 RM'000
Licensed banks and other financial institutions	10,327,097	4,713,152	10,284,877	4,686,535

**21 OTHER LIABILITIES**

	Note	Group		Bank	
		30 June 2024 RM'000	31 December 2023 RM'000	30 June 2024 RM'000	31 December 2023 RM'000
Amount due to subsidiaries	(a)	-	-	10	8,599
Equity compensation benefits		33,868	27,835	32,997	27,130
Interest/Profit payable		428,457	427,905	389,071	385,966
Structured investments		2,986,573	3,271,959	2,986,573	3,271,959
Lease liabilities		23,279	22,580	20,305	18,898
Other payables and accruals		577,326	652,138	524,219	590,566
ECL allowance for loan commitments and financial guarantees	(b)	237,169	260,254	189,908	214,243
		<u>4,286,672</u>	<u>4,662,671</u>	<u>4,143,083</u>	<u>4,517,361</u>

(a) The amount due to subsidiaries is unsecured, interest/profit free and repayable on demand.

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 30 JUNE 2024 (continued)****21 OTHER LIABILITIES (continued)**

(b) ECL allowance for loan commitments and financial guarantees

The movements in ECL allowance for loan commitments and financial guarantees are as follows:

<b>Group</b>	<i>Non credit-impaired</i>		<i>Credit-impaired</i>	<b>Total</b>
	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>2024</b>				
At 1 January	108,478	107,671	44,105	260,254
Transferred to Stage 1	32,844	(32,844)	-	-
Transferred to Stage 2	(6,199)	6,199	-	-
Transferred to Stage 3	(22)	(949)	971	-
New financial assets originated or purchased	30,640	9,128	-	39,768
Financial assets derecognised	(15,075)	(14,237)	-	(29,312)
Net remeasurement during the year	(41,479)	26,640	(19,653)	(34,492)
Other movements	893	58	-	951
At 30 June	110,080	101,666	25,423	237,169
<b>2023</b>				
At 1 January	40,145	177,094	44,919	262,158
Transferred to Stage 1	150,639	(150,639)	-	-
Transferred to Stage 2	(9,588)	9,588	-	-
Transferred to Stage 3	(18)	(15,131)	15,149	-
New financial assets originated or purchased	45,970	30,942	28,951	105,863
Financial assets derecognised	(10,736)	(43,300)	(12,745)	(66,781)
Net remeasurement during the year	(108,094)	98,907	(32,169)	(41,356)
Other movements	160	210	-	370
At 31 December	108,478	107,671	44,105	260,254
<b>Bank</b>				
<b>2024</b>				
At 1 January	95,450	89,842	28,951	214,243
Transferred to Stage 1	29,851	(29,851)	-	-
Transferred to Stage 2	(4,882)	4,882	-	-
Transferred to Stage 3	(22)	(568)	590	-
New financial assets originated or purchased	26,362	8,145	-	34,507
Financial assets derecognised	(14,006)	(10,263)	-	(24,269)
Net remeasurement during the year	(38,541)	22,329	(19,272)	(35,484)
Other movements	854	57	-	911
At 30 June	95,066	84,573	10,269	189,908
<b>2023</b>				
At 1 January	36,888	136,052	17,177	190,117
Transferred to Stage 1	123,210	(123,210)	-	-
Transferred to Stage 2	(8,591)	8,591	-	-
Transferred to Stage 3	(18)	(13,969)	13,987	-
New financial assets originated or purchased	42,392	21,073	28,951	92,416
Financial assets derecognised	(9,511)	(28,299)	-	(37,810)
Net remeasurement during the year	(89,065)	89,557	(31,164)	(30,672)
Other movements	145	47	-	192
At 31 December	95,450	89,842	28,951	214,243

**22 SUBORDINATED BONDS**

	<b>Group and Bank</b>	
	<b>30 June</b>	<b>31 December</b>
	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>
RM550 million Redeemable Subordinated Bond 2020/2030	550,000	550,000
RM500 million Redeemable Subordinated Bond 2022/2032	500,000	500,000
	<b>1,050,000</b>	<b>1,050,000</b>

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**23 NET INTEREST INCOME**

	Quarter ended		Year to date ended	
	30 June 2024 RM'000	30 June 2023 RM'000	30 June 2024 RM'000	30 June 2023 RM'000
<b>Group</b>				
<b>Interest income</b>				
Loans, advances and financing				
- Interest income other than recoveries	665,317	622,814	1,330,589	1,220,000
- Recoveries from impaired loans, advances and financing	23,532	40,378	42,538	67,545
- Discount unwind from impaired loans, advances and financing	3,701	6,799	9,328	14,966
Money at call and deposit placements with banks and other financial institutions	21,905	29,144	35,166	58,097
Financial investments at FVOCI	179,565	160,619	346,943	321,056
Others	4,265	1,167	9,190	10,731
	<u>898,285</u>	<u>860,921</u>	<u>1,773,754</u>	<u>1,692,395</u>
Financial assets at FVTPL	24,286	20,714	48,796	33,853
	<u>922,571</u>	<u>881,635</u>	<u>1,822,550</u>	<u>1,726,248</u>
<b>Interest expense</b>				
Deposits from customers	(373,303)	(309,852)	(752,074)	(624,498)
Deposits and placements of banks and other financial institutions	(69,973)	(98,656)	(111,897)	(152,903)
Subordinated bonds	(10,098)	(10,098)	(20,195)	(20,084)
Lease liabilities	(206)	(149)	(372)	(251)
Others	(6,168)	(11,496)	(21,625)	(28,410)
	<u>(459,748)</u>	<u>(430,251)</u>	<u>(906,163)</u>	<u>(826,146)</u>
<b>Net interest income</b>	<u>462,823</u>	<u>451,384</u>	<u>916,387</u>	<u>900,102</u>
<b>Bank</b>				
<b>Interest income</b>				
Loans, advances and financing				
- Interest income other than recoveries	665,317	622,814	1,330,589	1,220,000
- Recoveries from impaired loans, advances and financing	23,532	40,378	42,538	67,545
- Discount unwind from impaired loans, advances and financing	3,701	6,799	9,328	14,966
Money at call and deposit placements with banks and other financial institutions	75,782	62,215	141,574	121,124
Financial investments at FVOCI	179,565	160,619	346,943	321,056
Others	4,265	1,167	9,190	10,731
	<u>952,162</u>	<u>893,992</u>	<u>1,880,162</u>	<u>1,755,422</u>
Financial assets at FVTPL	24,286	20,714	48,796	33,853
	<u>976,448</u>	<u>914,706</u>	<u>1,928,958</u>	<u>1,789,275</u>
<b>Interest expense</b>				
Deposits from customers	(373,505)	(309,795)	(752,211)	(624,389)
Deposits and placements of banks and other financial institutions	(87,694)	(108,628)	(146,500)	(172,039)
Subordinated bonds	(10,098)	(10,098)	(20,195)	(20,084)
Lease liabilities	(206)	(150)	(372)	(252)
Others	(39,079)	(30,016)	(85,888)	(63,948)
	<u>(510,582)</u>	<u>(458,687)</u>	<u>(1,005,166)</u>	<u>(880,712)</u>
<b>Net interest income</b>	<u>465,866</u>	<u>456,019</u>	<u>923,792</u>	<u>908,563</u>

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**24 INCOME FROM ISLAMIC BANKING OPERATIONS**

<u>Group</u>	Quarter ended		Year to date ended	
	30 June	30 June	30 June	30 June
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds and others	134,289	136,327	270,965	269,027
Income derived from investment of specific investment account funds	72,332	40,705	141,238	78,107
Income derived from investment of shareholder's funds	46,208	42,381	87,172	80,946
Income attributable to depositors	(60,563)	(55,730)	(122,440)	(106,303)
Income attributable to investment account holder	(50,632)	(28,492)	(98,866)	(54,674)
	<u>141,634</u>	<u>135,191</u>	<u>278,069</u>	<u>267,103</u>

**25 NET FEE AND COMMISSION INCOME**

<u>Group</u>	Quarter ended		Year to date ended	
	30 June	30 June	30 June	30 June
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Commission	66,583	47,150	107,184	94,243
Service charges and fees	30,004	36,963	65,076	69,421
Guarantee fees	-	-	-	6
Other fee income	1,958	1,997	3,686	3,703
	<u>98,545</u>	<u>86,110</u>	<u>175,946</u>	<u>167,373</u>
<u>Bank</u>				
Commission	65,027	44,976	104,838	91,531
Service charges and fees	30,004	36,963	65,076	69,421
Guarantee fees	-	-	-	6
Other fee income	1,958	1,997	3,686	3,703
	<u>96,989</u>	<u>83,936</u>	<u>173,600</u>	<u>164,661</u>

**26 NET TRADING INCOME**

<u>Group and Bank</u>	Quarter ended		Year to date ended	
	30 June	30 June	30 June	30 June
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Foreign exchange gain/(loss)	4,682	(419,629)	(55,994)	(470,642)
Realised gain on financial assets at FVTPL	10,643	15,946	20,657	24,590
Realised gain on trading derivatives	102,076	388,153	176,267	166,985
Unrealised gain/(loss) on financial assets at FVTPL	1,623	(9,049)	(5,008)	(5,429)
Unrealised (loss)/gain on trading derivatives	(10,490)	136,811	56,073	512,543
	<u>108,534</u>	<u>112,232</u>	<u>191,995</u>	<u>228,047</u>

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**27 OTHER OPERATING INCOME**

<u>Group</u>	Quarter ended		Year to date ended	
	30 June	30 June	30 June	30 June
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
(Loss)/gain on disposal from:				
- Financial investments at FVOCI	(5,109)	14,616	2,629	22,616
- Property and equipment	(12)	-	(13)	(3)
Gross dividends from financial investments at FVOCI in Malaysia	450	450	450	450
Rental of premises	1,079	978	2,097	1,963
Rental of safe deposit boxes	1,975	1,536	4,134	3,230
Shared services income received from related company	5,092	6,633	10,903	11,782
Unrealised gain/(loss) on hedging derivatives	41	(4,910)	(7)	(5,808)
Others	(123)	(5,835)	(582)	(5,603)
	<u>3,393</u>	<u>13,468</u>	<u>19,611</u>	<u>28,627</u>

**Bank**

(Loss)/gain on disposal from:				
- Financial investments at FVOCI	(5,109)	14,616	2,629	22,616
- Property and equipment	(12)	-	(13)	(3)
Gross dividends from financial investments at FVOCI in Malaysia	450	450	450	450
Rental of premises	1,094	992	2,128	1,990
Rental of safe deposit boxes	1,975	1,536	4,134	3,230
Shared services income received from subsidiary	34,999	33,178	70,510	63,300
Shared services income received from related company	5,092	6,633	10,903	11,782
Unrealised gain/(loss) on hedging derivatives	41	(4,910)	(7)	(5,808)
Others	6	(5,947)	(583)	(5,821)
	<u>38,536</u>	<u>46,548</u>	<u>90,151</u>	<u>91,736</u>

**28 OPERATING EXPENSES**

<u>Group</u>	Quarter ended		Year to date ended	
	30 June	30 June	30 June	30 June
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
<b>Personnel expenses</b>				
Wages, salaries and bonus	149,391	147,493	288,678	289,697
Employees Provident Fund contributions	22,665	21,900	43,493	43,753
Share-based expenses	3,317	3,105	6,007	6,869
Others	16,295	17,851	31,753	34,389
	<u>191,668</u>	<u>190,349</u>	<u>369,931</u>	<u>374,708</u>

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**28 OPERATING EXPENSES (continued)**

<b>Group (continued)</b>	Note	<b>Quarter ended</b>		<b>Year to date ended</b>	
		<b>30 June 2024 RM'000</b>	<b>30 June 2023 RM'000</b>	<b>30 June 2024 RM'000</b>	<b>30 June 2023 RM'000</b>
<b>Establishment expenses</b>					
Depreciation of property and equipment		4,493	4,917	9,024	9,975
Depreciation of ROU assets		3,221	3,187	6,356	6,124
Rental of premises	(a)	81	30	190	31
Repair and maintenance		2,242	2,772	5,681	5,472
Information technology costs		8,594	11,256	17,762	19,513
Hire of equipment	(a)	262	(9)	485	440
Others		2,823	4,402	6,856	8,776
		<u>21,716</u>	<u>26,555</u>	<u>46,354</u>	<u>50,331</u>
<b>Marketing expenses</b>					
Advertisement and business promotion		3,050	4,361	7,037	7,112
Transport and travelling		970	1,443	2,252	2,427
Others		766	383	1,310	1,343
		<u>4,786</u>	<u>6,187</u>	<u>10,599</u>	<u>10,882</u>
<b>General administrative expenses</b>					
Transaction processing fees		96,942	108,548	206,974	210,531
Others		47,373	31,422	83,390	71,075
		<u>144,315</u>	<u>139,970</u>	<u>290,364</u>	<u>281,606</u>
<b>Total operating expenses</b>		<u>362,485</u>	<u>363,061</u>	<u>717,248</u>	<u>717,527</u>
<b>Bank</b>					
<b>Personnel expenses</b>					
Wages, salaries and bonus		144,521	142,187	279,906	279,682
Employees Provident Fund contributions		21,921	21,127	42,050	42,213
Equity settled share-based payment transactions		3,227	3,011	5,835	6,686
Others		15,453	16,852	30,039	32,642
		<u>185,122</u>	<u>183,177</u>	<u>357,830</u>	<u>361,223</u>
<b>Establishment expenses</b>					
Depreciation of property and equipment		4,250	4,680	8,537	9,399
Depreciation of ROU assets		2,852	2,812	5,586	5,376
Rental of premises		81	29	220	29
Repair and maintenance	(a)	2,140	2,656	5,471	5,221
Information technology costs		8,482	11,130	17,510	19,263
Hire of equipment	(a)	239	(30)	442	408
Others		2,550	3,878	6,128	7,786
		<u>20,594</u>	<u>25,155</u>	<u>43,894</u>	<u>47,482</u>
<b>Marketing expenses</b>					
Advertisement and business promotion		3,034	4,310	6,917	6,968
Transport and travelling		956	1,405	2,209	2,375
Others		762	339	1,305	1,277
		<u>4,752</u>	<u>6,054</u>	<u>10,431</u>	<u>10,620</u>

(a) These expenses are in respect of short-term and/or leases of low-value items which the Group and the Bank elected not to recognise as ROU assets and lease liabilities under MFRS 16.

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**28 OPERATING EXPENSES (continued)**

	Quarter ended		Year to date ended	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
<b>Bank (continued)</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>General administrative expenses</b>				
Transaction processing fees	91,489	102,890	195,743	199,434
Others	44,501	29,204	78,591	67,044
	<u>135,990</u>	<u>132,094</u>	<u>274,334</u>	<u>266,478</u>
<b>Total operating expenses</b>	<b>346,458</b>	<b>346,480</b>	<b>686,489</b>	<b>685,803</b>

**29 IMPAIRMENT ALLOWANCES AND PROVISIONS CHARGE/(WRITEBACK)**

	Quarter ended		Year to date ended	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
<b>Group</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Loans, advances, financing and commitments</b>				
Stage 1 and 2 ECL net charge during the period	74,726	67,201	88,453	8,144
Stage 3 ECL				
- Made during the period	49,779	23,239	95,654	103,004
- Writeback during the period	(90,006)	(103,407)	(140,501)	(161,423)
- Recovered during the period	(23,435)	(17,008)	(44,202)	(35,371)
<b>Financial investments at FVOCI</b>				
Stage 1 and 2 ECL net charge during the period	627	261	1,157	388
<b>Other financial assets</b>				
Stage 1 and 2 ECL net charge/(writeback) during the period	94	(31)	188	(23)
Stage 3 ECL net charge during the period	5	25	9	32
	<u>11,790</u>	<u>(29,720)</u>	<u>758</u>	<u>(85,249)</u>

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**29 IMPAIRMENT ALLOWANCES AND PROVISIONS CHARGE/(WRITEBACK) (continued)**

	Quarter ended		Year to date ended	
	30 June 2024 RM'000	30 June 2023 RM'000	30 June 2024 RM'000	30 June 2023 RM'000
<b><u>Bank</u></b>				
<b>Loans, advances, financing and commitments</b>				
Stage 1 and 2 ECL net charge during the period	65,553	59,351	84,873	4,943
Stage 3 ECL				
- Made during the period	36,585	16,970	75,823	88,856
- Writeback during the period	(50,197)	(87,274)	(83,609)	(133,487)
- Recovered during the period	(15,622)	(12,439)	(31,285)	(26,766)
<b>Investment account placements</b>				
Stage 1 and 2 ECL net charge/(writeback) during the period	809	5,701	(128)	6,874
Stage 3 ECL net writeback during the period	(3,094)	(1,921)	(11,460)	(5,070)
<b>Financial investments at FVOCI</b>				
Stage 1 and 2 ECL net charge during the period	614	173	1,106	326
<b>Other financial assets</b>				
Stage 1 and 2 ECL net charge/(writeback) during the period	92	(33)	184	(19)
Stage 3 ECL net charge during the period	5	25	9	32
	<b>34,745</b>	<b>(19,447)</b>	<b>35,513</b>	<b>(64,311)</b>

**30 INCOME TAX EXPENSE**

	Quarter ended		Year to date ended	
	30 June 2024 RM'000	30 June 2023 RM'000	30 June 2024 RM'000	30 June 2023 RM'000
<b><u>Group</u></b>				
Malaysian income tax				
- Current period	125,672	128,718	208,215	225,839
- Prior years under provision	731	-	731	-
Deferred Tax				
- Origination and reversal of temporary differences	(17,905)	(16,110)	1,912	6,460
- Prior years under provision	-	18,799	-	18,799
	<b>108,498</b>	<b>131,407</b>	<b>210,858</b>	<b>251,098</b>
<b><u>Bank</u></b>				
Malaysian income tax				
- Current period	97,606	105,500	159,235	181,238
- Prior years under provision	475	-	475	-
Deferred Tax				
- Origination and reversal of temporary differences	(16,709)	(15,292)	1,337	6,060
- Prior years under provision	-	18,799	-	18,799
	<b>81,372</b>	<b>109,007</b>	<b>161,047</b>	<b>206,097</b>



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### 31 COMMITMENTS AND CONTINGENCIES

- (a) In the normal course of business, the Group and the Bank make various commitments and incur certain contingent liabilities with legal recourse to their customers. No material losses are 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 in BNM's Capital Adequacy Framework (Basel II) - Internal Ratings Approach.

<u>Group</u>	<u>Principal amount</u>	<u>Credit equivalent amount</u>	<u>Risk weighted amount</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
<b>30 June 2024</b>			
Direct credit substitutes	16,411	16,411	11,902
Transaction-related contingent items	3,399,606	1,738,256	913,329
Short-term self-liquidating trade-related contingencies	216,820	46,642	29,699
Forward asset purchases, forward deposits, partly paid shares and securities	99,421	99,421	27,501
Lending of securities or the posting of securities as collateral, including instances where these arise out of repo-style transactions	222,214	222,214	236
Foreign exchange related contracts			
- One year or less	36,954,063	345,233	203,022
- Over one year to five years	4,170,244	777,645	115,217
- Over five years	358,155	46,714	42,905
Interest rate contracts			
- One year or less	11,557,901	8,742	660
- Over one year to five years	30,230,027	443,778	74,394
- Over five years	1,722,536	65,508	47,152
Equity and commodity related contracts	2,567,042	102,203	36,864
Credit derivative contracts	1,224,030	-	-
Formal standby facilities and credit lines			
- Maturity not exceeding one year	124,575	93,431	64,210
- Original maturity exceeding one year	5,672,987	4,641,453	3,075,062
Other unconditionally cancellable commitments	27,313,442	2,013,542	241,270
Total	<u>125,849,474</u>	<u>10,661,193</u>	<u>4,883,423</u>
<b>31 December 2023</b>			
Direct credit substitutes	20,973	20,973	3,388
Transaction-related contingent items	3,526,968	1,801,535	876,698
Short-term self-liquidating trade-related contingencies	214,020	46,461	24,016
Lending of securities or the posting of securities as collateral, including instances where these arise out of repo-style transactions	93,038	93,038	28
Foreign exchange related contracts			
- One year or less	30,402,524	251,800	126,014
- Over one year to five years	4,566,068	778,695	122,667
- Over five years	20,585	2,835	3,620
Interest rate contracts			
- One year or less	15,634,700	1,319	86
- Over one year to five years	31,088,450	420,932	63,323
- Over five years	1,752,940	66,796	43,414
Equity and commodity related contracts	2,418,524	24,223	13,497
Credit derivative contracts	1,703,018	-	-
Formal standby facilities and credit lines			
- Maturity not exceeding one year	665,635	499,226	208,379
- Original maturity exceeding one year	7,011,891	5,618,963	4,113,604
Other unconditionally cancellable commitments	25,308,171	2,146,639	265,244
Total	<u>124,427,505</u>	<u>11,773,434</u>	<u>5,863,978</u>

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**31 COMMITMENTS AND CONTINGENCIES (continued)**

<u>Bank</u>	<b>Principal amount</b>	<b>Credit equivalent amount</b>	<b>Risk weighted amount</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>30 June 2024</b>			
Direct credit substitutes	16,161	16,161	11,711
Transaction-related contingent items	2,974,606	1,521,568	773,182
Short-term self-liquidating trade-related contingencies	194,501	42,178	27,050
Forward asset purchases, forward deposits, partly paid shares and securities	99,421	99,421	27,501
Lending of securities or the posting of securities as collateral, including instances where these arise out of repo-style transactions	222,214	222,214	236
Foreign exchange related contracts			
- One year or less	37,412,187	346,413	202,886
- Over one year to five years	4,146,309	777,645	100,226
- Over five years	358,155	46,714	42,905
Interest rate contracts			
- One year or less	11,557,901	8,742	660
- Over one year to five years	30,230,027	443,778	74,394
- Over five years	1,722,536	65,508	47,152
Equity and commodity related contracts	2,567,042	102,203	36,864
Credit derivative contracts	1,224,030	-	-
Formal standby facilities and credit lines			
- Maturity not exceeding one year	86,575	64,931	43,357
- Original maturity over one year	4,518,990	3,752,842	2,368,344
Other unconditionally cancellable commitments	24,376,543	1,843,973	219,685
<b>Total</b>	<b>121,707,198</b>	<b>9,354,291</b>	<b>3,976,153</b>
<b>31 December 2023</b>			
Direct credit substitutes	18,257	18,257	2,686
Transaction-related contingent items	3,139,895	1,604,831	756,906
Short-term self-liquidating trade-related contingencies	179,951	39,647	20,705
Lending of securities or the posting of securities as collateral, including instances where these arise out of repo-style transactions	93,038	93,038	28
Foreign exchange related contracts			
- One year or less	30,714,831	252,552	125,423
- Over one year to five years	4,557,070	778,695	104,980
- Over five years	20,585	2,835	3,620
Interest rate contracts			
- One year or less	15,634,700	1,319	86
- Over one year to five years	31,088,450	420,932	63,323
- Over five years	1,752,940	66,796	43,414
Equity and commodity related contracts	2,418,524	24,223	13,497
Credit derivative contracts	1,703,018	-	-
Formal standby facilities and credit lines			
- Maturity not exceeding one year	637,635	478,226	188,623
- Original maturity exceeding one year	6,165,123	4,966,246	3,632,149
Other unconditionally cancellable commitments	20,172,943	1,960,596	241,590
<b>Total</b>	<b>118,296,960</b>	<b>10,708,192</b>	<b>5,197,030</b>

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### 31 COMMITMENTS AND CONTINGENCIES (continued)

#### (b) Litigation

On 25 January 2019, a Borrower of the Bank, with outstanding credit facilities comprising loans of RM6.7 million and banker's acceptances of RM11.6 million including accrued interest at the time, filed a suit against the Bank alleging, inter alia, that the Bank had breached its contract and duty of care towards the Borrower. On 22 January 2021, the High Court awarded the Borrower with RM289 million as damages together with statutory interest as well as aggravated and exemplary damages which amounts were to be assessed. On 30 January 2023, the Court of Appeal ("CA") set aside the High Court decision dated 22 January 2021 and dismissed the Borrower's suit with a cost of RM80,000 in favour of the Bank. On 27 June 2023, the CA dismissed the Borrower's application to set aside the CA's decision and on 3 July 2023, the Federal Court ("FC") dismissed the Borrower's application to appeal against the CA decision and awarded cost of RM30,000 (subject to allocator) to the Bank. The Borrower then filed an application to review the FC's decision to not grant leave for the Borrower to appeal against the CA decision ("Review Motion") and an application for leave to appeal to the FC against the CA's dismissal decision ("Leave Motion"). On 12 December 2023, the hearing date for the Leave Motion, the Borrower filed a Notice of Discontinuance. The FC ordered the Leave Motion to be struck out with costs of RM5,000 (subject to allocator) to the Bank. The hearing for the Review Motion is fixed on 19 September 2024.

### 32 CAPITAL COMMITMENTS

	Group		Bank	
	30 June 2024 RM'000	31 December 2023 RM'000	30 June 2024 RM'000	31 December 2023 RM'000
Capital expenditure commitments in respect of property and equipment contracted but not provided for	11,649	12,892	11,612	12,855

### 33 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:

	Group		Bank	
	30 June 2024 RM'000	31 December 2023 RM'000	30 June 2024 RM'000	31 December 2023 RM'000
<b>Aggregate value of outstanding credit exposure to connected parties<sup>^</sup>:</b>				
Credit facility and leasing (except guarantee)	600,637	1,051,441	604,659	667,360
Commitments and contingencies <sup>*</sup>	615,797	835,199	778,458	845,549
	<b>1,216,434</b>	<b>1,886,640</b>	<b>1,383,117</b>	<b>1,512,909</b>
<b>Credit-impaired or in default</b>	-	-	-	-
<b>Outstanding credit exposures to connected parties:</b>				
As a proportion of total credit exposures	1.47%	2.26%	2.10%	2.28%

<sup>^</sup> Comprises total outstanding balances and unutilised limits

<sup>\*</sup> Commitments and contingencies transactions that give rise to credit and/or counterparty risk.

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### 34 CREDIT RISK

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

	Note	Group		Bank	
		30 June 2024	31 December 2023	30 June 2024	31 December 2023
		RM'000	RM'000	RM'000	RM'000
Cash and cash equivalents*	10	1,738,201	3,477,356	1,104,241	2,395,048
Deposits and placements with banks and other financial institutions	11	762,477	352,077	1,212,477	762,957
Investment account placements	12	-	-	5,658,716	5,095,182
Financial assets at FVTPL		2,925,428	1,879,059	2,920,424	1,874,038
Financial investments at FVOCI**		25,096,210	22,242,714	20,960,934	18,811,307
Loans, advances and financing	15	66,448,431	66,811,358	51,444,916	52,044,617
Derivative financial assets		954,995	1,030,620	955,360	1,031,011
Other assets***		465,479	462,987	625,617	618,615
Contingent liabilities and commitments		37,065,476	36,840,696	32,489,011	32,406,842
		<u>135,456,697</u>	<u>133,096,867</u>	<u>117,371,696</u>	<u>115,039,617</u>

\* Excluding cash in hand

\*\* Excluding unquoted shares

\*\*\* Excluding prepayments

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## 34 CREDIT RISK (continued)

## (a) Credit quality analysis

Group	30 June 2024					31 December 2023				
	Financial assets at FVTPL RM'000	Financial investments at FVOCI RM'000	Loans, advances and financing* RM'000	Derivative financial assets RM'000	Contingent liabilities and loan commitments RM'000	Financial assets at FVTPL RM'000	Financial investments at FVOCI RM'000	Loans, advances and financing* RM'000	Derivative financial assets RM'000	Contingent liabilities and loan commitments RM'000
(i) By issuer/counterparty										
Government and Central Bank	2,505,367	14,719,187	-	-	20,867	1,581,506	15,099,633	-	-	80,476
Foreign government	260	345,309	-	-	-	1	281,136	-	-	-
Public sector	49,811	1,000,961	-	-	-	10,110	1,107,568	-	-	-
Banks	5,704	6,174,028	-	623,468	658,565	12,210	3,538,451	-	679,562	251,602
Non-bank financial institutions	254,406	1,560,079	-	76,398	602,691	269,447	1,071,803	-	62,810	223,395
Business enterprise	109,880	1,296,646	20,764	147,845	25,086,011	5,785	1,144,123	19,984	143,935	25,998,586
Small and medium enterprises	-	-	53,642	-	6,052,968	-	-	49,548	-	5,498,875
Individuals	-	-	243,461	107,284	4,644,374	-	-	222,102	144,313	4,787,762
	<u>2,925,428</u>	<u>25,096,210</u>	<u>317,867</u>	<u>954,995</u>	<u>37,065,476</u>	<u>1,879,059</u>	<u>22,242,714</u>	<u>291,634</u>	<u>1,030,620</u>	<u>36,840,696</u>
(ii) By geographical distribution										
Malaysia	2,924,379	22,662,182	299,005	735,939	35,802,304	1,866,049	20,848,449	273,938	828,087	35,724,126
Singapore	2	-	8,033	83,880	394,023	-	-	13,227	79,514	226,080
Other ASEAN countries	-	294,570	2,173	10	179,110	-	293,559	878	-	327,436
Rest of the world	1,047	2,139,458	8,656	135,166	690,039	13,010	1,100,706	3,591	123,019	563,054
	<u>2,925,428</u>	<u>25,096,210</u>	<u>317,867</u>	<u>954,995</u>	<u>37,065,476</u>	<u>1,879,059</u>	<u>22,242,714</u>	<u>291,634</u>	<u>1,030,620</u>	<u>36,840,696</u>

\* Past due but not credit-impaired. The loans, advances and financing by geographical distribution is detailed in Note 15(d).

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## 34 CREDIT RISK (continued)

## (a) Credit quality analysis (continued)

Group (continued)	30 June 2024					31 December 2023				
	Financial assets at FVTPL RM'000	Financial investments at FVOCI RM'000	Loans, advances and financing* RM'000	Derivative financial assets RM'000	Contingent liabilities and loan commitments RM'000	Financial assets at FVTPL RM'000	Financial investments at FVOCI RM'000	Loans, advances and financing* RM'000	Derivative financial assets RM'000	Contingent liabilities and loan commitments RM'000
(iii) By sector										
Agriculture, hunting, forestry and fishing	-	-	138	-	583,758	-	-	2,349	54	625,277
Mining and quarrying	-	129,893	-	125,170	320,731	-	119,523	42	108,509	350,244
Manufacturing	-	182,675	7,928	4,942	8,806,689	-	94,910	8,852	9,776	8,608,388
Electricity, gas and water	25	703,254	-	3	188,357	10,870	657,687	-	4	189,692
Construction	49,811	387,339	11,553	132	4,577,604	-	398,479	7,170	716	4,973,116
Real estate	-	23,719	2,838	9,117	2,284,053	-	-	777	6,822	3,109,092
Wholesale & retail trade and restaurants & hotels	2	98,314	32,802	6,452	5,057,247	1	142,451	34,662	7,536	4,786,485
Transport, storage and communication	22	221,550	2,177	531	3,438,513	2	193,364	4,092	13	2,605,822
Finance, insurance and business services	265,116	7,915,683	13,577	701,304	6,196,267	281,659	4,808,238	8,162	752,875	5,808,867
Community, social and personal services	104,824	452,695	3,393	60	599,256	5,021	484,861	3,426	2	641,095
Household										
- Purchase of residential properties	-	-	219,430	-	1,582,125	-	-	196,961	-	1,622,637
- Purchase of non-residential properties	-	-	8,278	-	2,267	-	-	6,201	-	1,793
- Others	-	-	15,753	107,284	3,428,609	-	-	18,940	144,313	3,518,187
Others	2,505,628	14,981,088	-	-	-	1,581,506	15,343,201	-	-	1
	<u>2,925,428</u>	<u>25,096,210</u>	<u>317,867</u>	<u>954,995</u>	<u>37,065,476</u>	<u>1,879,059</u>	<u>22,242,714</u>	<u>291,634</u>	<u>1,030,620</u>	<u>36,840,696</u>

\* Past due but not credit-impaired. The loans, advances and financing by sector is detailed in Note 15(c).

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## 34 CREDIT RISK (continued)

## (a) Credit quality analysis (continued)

Group (continued)	30 June 2024					31 December 2023				
	Financial assets at FVTPL	Financial investments at FVOCI	Loans, advances and financing*	Derivative financial assets	Contingent liabilities and credit commitments	Financial assets at FVTPL	Financial investments at FVOCI	Loans, advances and financing*	Derivative financial assets	Contingent liabilities and credit commitments
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
(iv) By residual maturity										
Within one year	1,317,754	9,000,876	15,385	393,270	27,252,922	582,337	7,975,058	28,817	505,855	27,036,799
One to five years	265,756	13,285,589	24,682	526,237	4,093,211	722,385	11,933,926	21,327	504,259	3,575,288
Over five years	1,341,918	2,809,745	277,800	35,488	5,719,343	574,337	2,333,730	241,490	20,506	6,228,609
	<u>2,925,428</u>	<u>25,096,210</u>	<u>317,867</u>	<u>954,995</u>	<u>37,065,476</u>	<u>1,879,059</u>	<u>22,242,714</u>	<u>291,634</u>	<u>1,030,620</u>	<u>36,840,696</u>
<b>Bank</b>										
(i) By issuer/counterparty										
Government and central bank	2,505,367	12,132,366	-	-	20,867	1,581,506	12,922,674	-	-	80,476
Foreign government	260	345,309	-	-	-	1	281,136	-	-	-
Public sector	49,811	443,743	-	-	-	10,110	436,814	-	-	-
Banks	5,704	5,876,500	-	623,903	508,565	12,210	3,438,516	-	686,060	251,602
Non-bank financial institutions	254,406	895,750	-	76,392	525,000	269,447	637,393	-	62,809	148,000
Business enterprises	104,876	1,267,266	130	147,781	20,844,241	764	1,094,774	140	137,829	21,741,382
Small and medium enterprises	-	-	53,642	-	6,052,968	-	-	49,548	-	5,498,875
Individuals	-	-	217,102	107,284	4,537,370	-	-	196,214	144,313	4,686,507
	<u>2,920,424</u>	<u>20,960,934</u>	<u>270,874</u>	<u>955,360</u>	<u>32,489,011</u>	<u>1,874,038</u>	<u>18,811,307</u>	<u>245,902</u>	<u>1,031,011</u>	<u>32,406,842</u>
(ii) By geographical distribution										
Malaysia	2,919,375	18,526,906	254,762	736,309	31,365,863	1,861,028	17,417,042	229,084	828,478	31,427,067
Singapore	2	-	8,033	83,880	394,023	-	-	13,227	79,514	226,080
Other ASEAN countries	-	294,570	-	5	110,022	-	293,559	-	-	261,175
Rest of the world	1,047	2,139,458	8,079	135,166	619,103	13,010	1,100,706	3,591	123,019	492,520
	<u>2,920,424</u>	<u>20,960,934</u>	<u>270,874</u>	<u>955,360</u>	<u>32,489,011</u>	<u>1,874,038</u>	<u>18,811,307</u>	<u>245,902</u>	<u>1,031,011</u>	<u>32,406,842</u>

\* Past due but not credit-impaired. The loans, advances and financing by geographical distribution and residual contractual maturity are detailed in Note 15(d) and Note 15(e) respectively.

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## 34 CREDIT RISK (continued)

## (a) Credit quality analysis (continued)

	30 June 2024					31 December 2023				
	Financial assets at FVTPL RM'000	Financial investments at FVOCI RM'000	Loans, advances and financing* RM'000	Derivative financial assets RM'000	Contingent liabilities and credit commitments RM'000	Financial assets at FVTPL RM'000	Financial investments at FVOCI RM'000	Loans, advances and financing* RM'000	Derivative financial assets RM'000	Contingent liabilities and credit commitments RM'000
<b>Bank (continued)</b>										
(iii) By sector										
Agriculture, hunting, forestry and fishing	-	-	138	-	500,883	-	-	2,349	54	545,433
Mining and quarrying	-	129,893	-	125,170	307,779	-	119,523	-	108,509	340,326
Manufacturing	-	182,675	3,307	4,927	7,673,890	-	94,910	4,737	9,720	7,500,061
Electricity, gas and water	25	653,372	-	3	128,639	10,870	608,110	-	2	133,283
Construction	49,811	88,473	6,007	132	3,740,158	-	-	5,444	716	4,092,619
Real estate	-	23,719	2,838	9,117	1,922,074	-	-	428	6,822	2,678,872
Wholesale & retail trade and restaurants & hotels	2	98,314	27,091	6,411	4,610,824	1	142,451	25,686	7,305	4,375,457
Transport, storage and communication	22	216,546	2,177	527	3,130,399	2	188,363	3,142	13	2,185,806
Finance, insurance and business services	260,112	6,939,447	10,400	701,732	4,989,833	281,659	4,273,893	6,707	753,557	4,903,133
Community, social and personal services	104,824	234,228	1,814	57	578,535	-	252,080	1,195	-	610,490
Household										
- Purchase of residential properties	-	-	195,699	-	1,477,388	-	-	174,177	-	1,523,175
- Purchase of non-residential properties	-	-	8,278	-	-	-	-	5,619	-	-
- Others	-	-	13,125	107,284	3,428,609	-	-	16,418	144,313	3,518,187
Others	2,505,628	12,394,267	-	-	-	1,581,506	13,131,977	-	-	-
	<b>2,920,424</b>	<b>20,960,934</b>	<b>270,874</b>	<b>955,360</b>	<b>32,489,011</b>	<b>1,874,038</b>	<b>18,811,307</b>	<b>245,902</b>	<b>1,031,011</b>	<b>32,406,842</b>

\* Past due but not credit-impaired. The loans, advances and financing by sector is detailed in Note 15(c).



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## 34 CREDIT RISK (continued)

## (a) Credit quality analysis (continued)

	30 June 2024					31 December 2023				
	Financial assets at FVTPL	Financial investments at FVOCI	Loans, advances and financing*	Derivative financial assets	Contingent liabilities and credit commitments	Financial assets at FVTPL	Financial investments at FVOCI	Loans, advances and financing*	Derivative financial assets	Contingent liabilities and credit commitments
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Bank (continued)</b>										
(iv) By residual maturity										
Within one year	1,312,750	7,349,760	11,876	393,634	24,020,977	577,316	6,795,994	22,069	506,196	23,782,560
One to five years	265,756	10,806,425	19,607	526,238	3,285,418	722,385	9,716,500	17,096	504,309	2,699,447
Over five years	1,341,918	2,804,749	239,391	35,488	5,182,616	574,337	2,298,813	206,737	20,506	5,924,835
	<u>2,920,424</u>	<u>20,960,934</u>	<u>270,874</u>	<u>955,360</u>	<u>32,489,011</u>	<u>1,874,038</u>	<u>18,811,307</u>	<u>245,902</u>	<u>1,031,011</u>	<u>32,406,842</u>

\* Past due but not credit-impaired. The loans, advances and financing by residual contractual maturity is detailed in Note 15(e).

## (v) By credit rating/internal grading and ECL stage

	30 June 2024				31 December 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
<b>Group</b>	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Cash and cash equivalents				1,738,201				3,477,356
Deposits and placements with banks and other financial institutions				762,477				352,077

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**34 CREDIT RISK (continued)**

**(a) Credit quality analysis (continued)**

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

<u>Group</u> (continued)	30 June 2024				31 December 2023			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Financial assets at FVTPL*								
Government and central bank (unrated)	-	-	-	2,105,665	-	-	-	1,451,861
Government (AAA to BBB)	-	-	-	399,702	-	-	-	129,646
Foreign government (AAA to BBB)	-	-	-	-	-	-	-	1
Foreign government (unrated)	-	-	-	260	-	-	-	-
Investment grade (AAA to BBB)	-	-	-	255,611	-	-	-	188,109
Unrated	-	-	-	164,190	-	-	-	109,442
	-	-	-	2,925,428	-	-	-	1,879,059
Financial investments at FVOCI								
Government (AAA to BBB)	10,178,943	-	-	10,178,943	10,534,053	-	-	10,534,053
Government and central bank (unrated)	4,540,244	-	-	4,540,244	4,565,580	-	-	4,565,580
Foreign government (AAA to BBB)	345,309	-	-	345,309	281,136	-	-	281,136
Investment grade (AAA to BBB)	3,512,559	312,922	-	3,825,481	2,358,035	259,294	-	2,617,329
Unrated	6,206,233	-	-	6,206,233	4,244,616	-	-	4,244,616
	24,783,288	312,922	-	25,096,210	21,983,420	259,294	-	22,242,714
Contingent liabilities and commitments (excluding derivative assets)								
Pass	35,483,473	1,386,729	-	36,870,202	35,318,238	1,287,482	-	36,605,720
Special Mention	-	85,116	-	85,116	-	121,862	-	121,862
Credit-impaired	-	-	110,158	110,158	-	-	113,114	113,114
	35,483,473	1,471,845	110,158	37,065,476	35,318,238	1,409,344	113,114	36,840,696

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

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

34 CREDIT RISK (continued)

(a) Credit quality analysis (continued)

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

<u>Bank</u>	30 June 2024				31 December 2023			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Cash and cash equivalents	1,104,241	-	-	1,104,241	2,395,048	-	-	2,395,048
Deposits and placements with banks and other financial institutions	1,212,477	-	-	1,212,477	762,957	-	-	762,957
Investment account placements	5,592,367	66,349	-	5,658,716	5,010,066	85,116	-	5,095,182
Financial assets at FVTPL*								
Government and central bank (unrated)	-	-	-	2,105,665	-	-	-	1,451,861
Government (AAA to BBB)	-	-	-	399,702	-	-	-	129,646
Foreign government (AAA to BBB)	-	-	-	-	-	-	-	1
Foreign government (unrated)	-	-	-	260	-	-	-	-
Investment grade (AAA to BBB)	-	-	-	250,607	-	-	-	183,088
Unrated	-	-	-	164,190	-	-	-	109,442
	-	-	-	2,920,424	-	-	-	1,874,038
Financial investments at FVOCI								
Government (AAA to BBB)	8,361,064	-	-	8,361,064	8,956,483	-	-	8,956,483
Government and central bank (unrated)	3,771,302	-	-	3,771,302	3,966,191	-	-	3,966,191
Foreign government (AAA to BBB)	345,309	-	-	345,309	281,136	-	-	281,136
Investment grade (AAA to BBB)	3,083,091	307,922	-	3,391,013	1,869,192	259,294	-	2,128,486
Unrated	5,092,246	-	-	5,092,246	3,479,011	-	-	3,479,011
	20,653,012	307,922	-	20,960,934	18,552,013	259,294	-	18,811,307

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

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 30 JUNE 2024 (continued)****34 CREDIT RISK (continued)****(a) Credit quality analysis (continued)**

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

	30 June 2024				31 December 2023			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
<b>Bank (continued)</b>								
Contingent liabilities and commitments (excluding derivative assets)								
Pass	31,522,824	820,776	-	32,343,600	31,443,431	797,976	-	32,241,407
Special Mention	-	67,118	-	67,118	-	81,814	-	81,814
Credit-impaired	-	-	78,293	78,293	-	-	83,621	83,621
	<b>31,522,824</b>	<b>887,894</b>	<b>78,293</b>	<b>32,489,011</b>	<b>31,443,431</b>	<b>879,790</b>	<b>83,621</b>	<b>32,406,842</b>

**(b) Credit quality of loans, advances and financing*****Credit quality***

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

Loans, advances and financing 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 loans, advances and financing where the customer has failed to make a principal or interest/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.

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

## 34 CREDIT RISK (continued)

## (b) Credit quality of loans, advances and financing (continued)

*Credit quality and ECL stage*

<u>Group</u>	30 June 2024				31 December 2023			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
<b>Neither past due nor credit-impaired</b>								
(i) By internal grading								
Pass	55,799,074	8,399,379	-	64,198,453	55,707,112	8,739,700	-	64,446,812
Special Mention	-	1,182,226	-	1,182,226	-	1,061,685	-	1,061,685
	<u>55,799,074</u>	<u>9,581,605</u>	<u>-</u>	<u>65,380,679</u>	<u>55,707,112</u>	<u>9,801,385</u>	<u>-</u>	<u>65,508,497</u>
<b>Past due but not credit-impaired</b>								
(i) By period overdue								
Less than 2 months	-	280,596	-	280,596	-	260,329	-	260,329
2 months to less than 3 months	-	60,551	-	60,551	-	53,449	-	53,449
	<u>-</u>	<u>341,147</u>	<u>-</u>	<u>341,147</u>	<u>-</u>	<u>313,778</u>	<u>-</u>	<u>313,778</u>
<b>Credit-impaired</b>								
Past due	-	-	1,385,291	1,385,291	-	-	1,450,707	1,450,707
Not past due	-	-	617,917	617,917	-	-	802,724	802,724
	<u>-</u>	<u>-</u>	<u>2,003,208</u>	<u>2,003,208</u>	<u>-</u>	<u>-</u>	<u>2,253,431</u>	<u>2,253,431</u>
Gross Loans, Advances and Financing	55,799,074	9,922,752	2,003,208	67,725,034	55,707,112	10,115,163	2,253,431	68,075,706
ECL Allowance	(211,362)	(390,650)	(674,591)	(1,276,603)	(188,322)	(320,834)	(755,192)	(1,264,348)
Net Loans, Advances and Financing	<u>55,587,712</u>	<u>9,532,102</u>	<u>1,328,617</u>	<u>66,448,431</u>	<u>55,518,790</u>	<u>9,794,329</u>	<u>1,498,239</u>	<u>66,811,358</u>

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

The analysis of credit-impaired loans, advances and financing are disclosed in Note 16(i) to the financial statements.

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

## 34 CREDIT RISK (continued)

## (b) Credit quality of loans, advances and financing (continued)

*Credit quality and ECL stage (continued)*

<u>Bank</u>	30 June 2024				31 December 2023			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
<b>Neither past due nor credit-impaired</b>								
(i) By internal grading								
Pass	42,732,052	6,875,650	-	49,607,702	42,932,050	7,150,544	-	50,082,594
Special Mention	-	992,654	-	992,654	-	892,955	-	892,955
	<u>42,732,052</u>	<u>7,868,304</u>	<u>-</u>	<u>50,600,356</u>	<u>42,932,050</u>	<u>8,043,499</u>	<u>-</u>	<u>50,975,549</u>
<b>Past due but not credit-impaired</b>								
(i) By period overdue								
Less than 2 months	-	241,043	-	241,043	-	219,504	-	219,504
2 months to less than 3 months	-	53,111	-	53,111	-	43,874	-	43,874
	<u>-</u>	<u>294,154</u>	<u>-</u>	<u>294,154</u>	<u>-</u>	<u>263,378</u>	<u>-</u>	<u>263,378</u>
<b>Credit-impaired</b>								
Past due	-	-	998,587	998,587	-	-	1,073,898	1,073,898
Not past due	-	-	506,505	506,505	-	-	628,944	628,944
	<u>-</u>	<u>-</u>	<u>1,505,092</u>	<u>1,505,092</u>	<u>-</u>	<u>-</u>	<u>1,702,842</u>	<u>1,702,842</u>
Gross Loans, Advances and Financing	42,732,052	8,162,458	1,505,092	52,399,602	42,932,050	8,306,877	1,702,842	52,941,769
ECL Allowance	(168,114)	(321,835)	(464,737)	(954,686)	(145,190)	(254,233)	(497,729)	(897,152)
Net Loans, Advances and Financing	<u>42,563,938</u>	<u>7,840,623</u>	<u>1,040,355</u>	<u>51,444,916</u>	<u>42,786,860</u>	<u>8,052,644</u>	<u>1,205,113</u>	<u>52,044,617</u>

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

The analysis of credit-impaired loans, advances and financing are disclosed in Note 16(i) to the financial statements.

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

## 34 CREDIT RISK (continued)

## (b) Credit quality of loans, advances and financing (continued)

*Collateral*

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

- For personal housing loans, mortgages over residential properties;
- For commercial property loans, charges over the properties being financed;
- For vehicle loans/financing, charges over the vehicles being financed; and
- For other loans, charges over business assets such as premises, inventories, trade receivables, shares, equipment or deposits.

(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 loans, advances and financing is as follows:

	Group		Bank	
	30 June 2024 RM'000	31 December 2023 RM'000	30 June 2024 RM'000	31 December 2023 RM'000
Fair value of collateral held against the covered portion of credit-impaired loans, advances and financing	2,080,751	2,302,333	1,690,580	1,877,685
Covered portion of credit-impaired loans, advances and financing	1,401,163	1,609,919	1,128,033	1,288,879
Uncovered portion of credit-impaired loans, advances and financing	602,045	643,512	377,059	413,963
	<u>2,003,208</u>	<u>2,253,431</u>	<u>1,505,092</u>	<u>1,702,842</u>

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

### 35 FAIR VALUE OF FINANCIAL INSTRUMENTS

#### Fair value hierarchy of financial instruments

The Group and the Bank determine the fair values of financial assets and liabilities using various measurement. The different levels of fair value measurements are as follows:

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 (i.e. as prices) or indirectly (i.e. 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.

#### Fair value hierarchy of financial instruments carried at fair value

<u>Group</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
<b>30 June 2024</b>				
<b>Financial assets at fair value</b>				
Financial assets at FVTPL	2,925,392	36	-	2,925,428
Financial investments at FVOCI	19,152,595	5,943,615	113,461	25,209,671
Derivative financial assets	1,052	891,136	62,807	954,995
	<u>22,079,039</u>	<u>6,834,787</u>	<u>176,268</u>	<u>29,090,094</u>
<b>Financial liabilities at fair value</b>				
Derivative financial liabilities	523	694,626	59,536	754,685
<b>31 December 2023</b>				
<b>Financial assets at fair value</b>				
Financial assets at FVTPL	1,879,059	-	-	1,879,059
Financial investments at FVOCI	18,614,442	3,628,272	112,617	22,355,331
Derivative financial assets	1,974	933,630	95,016	1,030,620
	<u>20,495,475</u>	<u>4,561,902</u>	<u>207,633</u>	<u>25,265,010</u>
<b>Financial liabilities at fair value</b>				
Derivative financial liabilities	1,277	797,454	95,637	894,368
<b>Bank</b>				
<b>30 June 2024</b>				
<b>Financial assets at fair value</b>				
Financial assets at FVTPL	2,920,388	36	-	2,920,424
Financial investments at FVOCI	15,664,023	5,296,911	113,461	21,074,395
Derivative financial assets	1,008	891,547	62,805	955,360
	<u>18,585,419</u>	<u>6,188,494</u>	<u>176,266</u>	<u>24,950,179</u>
<b>Financial liabilities at fair value</b>				
Derivative financial liabilities	527	694,604	59,536	754,667



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

**Fair value hierarchy of financial instruments carried at fair value (continued)**

<u>Bank</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
	RM'000	RM'000	RM'000	RM'000
<b>31 December 2023</b>				
<b>Financial assets at fair value</b>				
Financial assets at FVTPL	1,874,038	-	-	1,874,038
Financial investments at FVOCI	15,382,016	3,429,091	112,617	18,923,724
Derivative financial assets	2,098	933,900	95,013	1,031,011
	<u>17,258,152</u>	<u>4,362,991</u>	<u>207,630</u>	<u>21,828,773</u>
<b>Financial liabilities at fair value</b>				
Derivative financial liabilities	1,328	798,172	95,637	895,137

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

	<u>Group</u>		<u>Bank</u>	
	<u>30 June</u>	<u>31 December</u>	<u>30 June</u>	<u>31 December</u>
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
<b>Financial assets at fair value</b>				
At 1 January	207,633	143,005	207,630	142,958
Realised loss				
- Recognised in net trading income	(72,068)	(29,961)	(72,068)	(29,961)
Unrealised gain				
- Recognised in net trading income	39,859	91,511	39,860	91,555
- Recognised in other comprehensive income	844	3,078	844	3,078
At 30 June/31 December	<u>176,268</u>	<u>207,633</u>	<u>176,266</u>	<u>207,630</u>
<b>Financial liabilities at fair value</b>				
At 1 January	95,637	30,080	95,637	30,080
Realised gain				
- Recognised in net trading income	(72,690)	(26,623)	(72,690)	(26,623)
Unrealised loss				
- Recognised in net trading income	36,589	92,180	36,589	92,180
At 30 June/31 December	<u>59,536</u>	<u>95,637</u>	<u>59,536</u>	<u>95,637</u>

**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 30 JUNE 2024 (continued)****35 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)****Fair value hierarchy of financial instruments carried at fair value (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:

<b>Group</b>	<b>30 June</b>	<b>31 December</b>	<b>Classification</b>	<b>Valuation technique</b>	<b>Unobservable input</b>
	<b>2024</b>	<b>2023</b>			
	<b>Fair value</b>	<b>Fair value</b>			
	<b>RM'000</b>	<b>RM'000</b>			
<b>Assets</b>					
Financial investments at FVOCI	113,461	112,617	FVOCI	Net asset value approach	Net asset value
Derivative financial assets	62,807	95,016	Hedge for trading	Option pricing model	Standard deviation
	<u>176,268</u>	<u>207,633</u>			
<b>Liabilities</b>					
Derivative financial liabilities	59,536	95,637	Hedge for trading	Option pricing model	Standard deviation

<b>Bank</b>	<b>30 June</b>	<b>31 December</b>	<b>Classification</b>	<b>Valuation technique</b>	<b>Unobservable input</b>
	<b>2024</b>	<b>2023</b>			
	<b>Fair value</b>	<b>Fair value</b>			
	<b>RM'000</b>	<b>RM'000</b>			
<b>Assets</b>					
Financial investments at FVOCI	113,461	112,617	FVOCI	Net asset value approach	Net asset value
Derivative financial assets	62,805	95,013	Hedge for trading	Option pricing model	Standard deviation
	<u>176,266</u>	<u>207,630</u>			
<b>Liabilities</b>					
Derivative financial liabilities	59,536	95,637	Hedge for trading	Option pricing model	Standard deviation

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

**36 CAPITAL ADEQUACY**

The capital ratios are computed in accordance with BNM's Capital Adequacy Framework (Capital Components).

	<b>Group</b>		<b>Bank</b>	
	<b>30 June</b>	<b>31 December</b>	<b>30 June</b>	<b>31 December</b>
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>CET 1 capital</b>				
Paid-up ordinary share capital	754,000	754,000	754,000	754,000
Retained earnings	8,580,906	8,189,412	6,826,546	6,591,682
Other reserves	678,243	676,361	590,619	592,120
Regulatory adjustment for CET 1 capital	(873,549)	(815,090)	(1,309,666)	(1,255,868)
<b>Tier 1 capital</b>	<u>9,139,600</u>	<u>8,804,683</u>	<u>6,861,499</u>	<u>6,681,934</u>

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**36 CAPITAL ADEQUACY (continued)**

	<b>Group</b>		<b>Bank</b>	
	<b>30 June 2024 RM'000</b>	<b>31 December 2023 RM'000</b>	<b>30 June 2024 RM'000</b>	<b>31 December 2023 RM'000</b>
Stage 1 and Stage 2 ECL and qualifying regulatory reserves under the Standardised Approach	22,526	20,509	20,936	18,502
Surplus eligible provisions over expected losses	277,383	281,308	233,469	235,848
Subordinated bonds	1,050,000	1,050,000	1,050,000	1,050,000
<b>Tier 2 capital</b>	<b>1,349,909</b>	<b>1,351,817</b>	<b>1,304,405</b>	<b>1,304,350</b>
<b>Capital base</b>	<b>10,489,509</b>	<b>10,156,500</b>	<b>8,165,904</b>	<b>7,986,284</b>

	<b>Group</b>		<b>Bank</b>	
	<b>30 June 2024 RM'000</b>	<b>31 December 2023 RM'000</b>	<b>30 June 2024 RM'000</b>	<b>31 December 2023 RM'000</b>
<b>Before deducting proposed dividend</b>				
CET 1 capital ratio	16.446%	15.936%	14.559%	14.355%
Tier 1 capital ratio	16.446%	15.936%	14.559%	14.355%
Total capital ratio	18.875%	18.382%	17.327%	17.157%

<b>After deducting proposed dividend</b>				
CET 1 capital ratio	15.680%	15.462%	13.656%	13.793%
Tier 1 capital ratio	15.680%	15.462%	13.656%	13.793%
Total capital ratio	18.109%	17.909%	16.424%	16.595%

The Group elected to apply the transitional arrangements for regulatory capital treatment of accounting provisions for four financial years commencing in 2020, with the transitional benefits add-back starting at 100% in 2020, then reducing to 75% in 2022, 50% in 2023 and 0% in 2024.

Had the transitional arrangements not been applied, the capital adequacy ratios of the Group's and the Bank's would be as follows:

<b>After deducting proposed dividend</b>				
CET 1 capital ratio	15.680%	15.342%	13.656%	13.664%
Tier 1 capital ratio	15.680%	15.342%	13.656%	13.664%
Total capital ratio	18.109%	17.789%	16.424%	16.467%

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

	<b>Group</b>		<b>Bank</b>	
	<b>30 June 2024 RM'000</b>	<b>31 December 2023 RM'000</b>	<b>30 June 2024 RM'000</b>	<b>31 December 2023 RM'000</b>
Total RWA for credit risk	48,032,620	48,525,293	40,586,381	40,788,273
Total RWA for market risk	1,481,096	845,887	1,471,173	834,766
Total RWA for operational risk	6,060,552	5,879,771	5,071,998	4,924,278
	<b>55,574,268</b>	<b>55,250,951</b>	<b>47,129,552</b>	<b>46,547,317</b>

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**36 CAPITAL ADEQUACY (continued)**

The capital adequacy ratios of OCBC Al-Amin, OCBC Malaysia's Islamic Banking subsidiary, are computed in accordance with BNM's Capital Adequacy Framework for Islamic Banks (Capital Components), applying the transitional arrangements. OCBC Al-Amin adopted the Internal Ratings Based Approach for Credit Risk for its major credit portfolios, whilst the other credit portfolios are on the Standardised Approach. For market and operational risks, OCBC Al-Amin has adopted the Standardised Approach and the Basic Indicator Approach respectively.

The capital adequacy ratios of OCBC Al-Amin are as follows:

	<b>30 June 2024</b>	<b>31 December 2023</b>
CET 1/Tier 1 capital ratio	26.536%	24.025%
Total capital ratio	<u>27.079%</u>	<u>24.575%</u>

Had the transitional arrangements not been applied, OCBC Al-Amin Bank Berhad capital adequacy ratios would be as follows:

CET 1/Tier 1 capital ratio	26.536%	23.949%
Total capital ratio	<u>27.079%</u>	<u>24.499%</u>