

Registration No. 199401009721 (295400-W)

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

REPORTS AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

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

OCBC BANK (MALAYSIA) BERHAD
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DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Bank for the financial year ended 31 December 2025.

PRINCIPAL ACTIVITIES

The Group and the Bank are principally engaged in banking and related financial services. There has been no significant change in the nature of these activities during the financial year.

IMMEDIATE AND ULTIMATE HOLDING COMPANY

The Directors regard Oversea-Chinese Banking Corporation Limited ("OCBC Ltd"), a licensed commercial bank incorporated in Singapore, as the immediate and ultimate holding company of the Bank during the financial year and until the date of this report.

SUBSIDIARY COMPANIES

The details of the Bank's subsidiary companies are disclosed in Note 13 to the financial statements.

FINANCIAL RESULTS

	Group RM'000	Bank RM'000
Profit for the year attributable to the owner of the Bank	<u>1,506,516</u>	<u>1,143,681</u>

SHARE CAPITAL AND DEBENTURES

There were no changes in the issued and paid-up share capital nor debentures issued by the Bank during the financial year other than those disclosed in the financial statements.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves and provisions during the financial year under review other than those disclosed in the financial statements.

DIVIDENDS

Since the end of the previous financial year, the Bank paid:

- A final dividend of 152 sen per ordinary share amounting to RM437,000,000 in respect of the financial year ended 31 December 2024 as reported in the Directors' Report of that year, on 17 April 2025.
- An interim dividend of 169 sen per ordinary share amounting to RM485,875,000 in respect of the financial period ended 30 June 2025, on 11 September 2025.

The Directors recommend a final dividend of 173 sen per ordinary share in respect of the current financial year amounting to RM497,375,000. This dividend will be accounted for in shareholders' equity as an appropriation of retained earnings in the subsequent financial period upon approval by the Board of Directors and shareholder of the Bank.

FINANCIAL PERFORMANCE

The Group reported net profit of RM1,507 million for the financial year ended 31 December 2025; the 14% profit growth mainly arose from RM69 million writeback of impairment allowance and provisions due to higher repayments and recoveries as well as better economic outlook (2024: charge of RM46 million). Broad-based operating income growth was mainly attributable to better Islamic Banking income (+11%), net interest income (+2%), net trading income (+7%) and gains on disposal of financial investments held at fair value through other comprehensive income ("FVOCI").

The Group and the Bank remain well capitalised with Common Equity Tier 1 capital ratios of 15.293% and 13.123% and Total capital ratios of 17.469% and 15.616% respectively, after proposed dividends.

MARKET OUTLOOK

Malaysia's economy recorded gross domestic product ("GDP") growth of 5.2% in 2025 (2024: 5.1%), on the back of robust domestic demand, stable labour market conditions, sustained investment activity and stronger goods and services exports growth supported by technology upcycle and tourist arrivals. While external demand moderated in the second half of 2025 post implementation of U.S. reciprocal tariffs in April 2025, the impact was partially mitigated by Malaysia's diversified export base and continued regional trade flows.

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MARKET OUTLOOK (continued)

Bank Negara Malaysia's monetary policy remained supportive of growth throughout 2025. The Overnight Policy Rate ("OPR") stayed flat at 2.75%, following the 25 basis points OPR drop in July 2025, reflecting firm domestic demand and manageable inflation. Looking ahead to 2026, the economic outlook remains constructive, underpinned by resilient domestic drivers and supportive macroeconomic policies. While domestic fundamentals remain strong, the operating environment faces external uncertainties, including geopolitical tensions and evolving global trade tariffs, exacerbated by slower global trade amid the Middle East conflict. The ultimate impact of this conflict remains uncertain and will depend on its duration and severity.

The banking sector remains strong and well-capitalised with healthy funding and liquidity positions as well as prudent risk management, ensuring continued support of the domestic economy's financing needs.

ACTIVITIES AND ACHIEVEMENTS

During the year, OCBC Bank (Malaysia) Berhad ("OCBC Malaysia") garnered numerous industry accolades, underscoring our steadfast commitment to sustainability, excellence, and innovation across all aspects of our business. We set a national benchmark by becoming Malaysia's first data centre facility to achieve the highest-level Iridium Plus Tier under the Certified Green Computing Facility certification, reaffirming our leadership in green initiatives. Our dedication to sustainable finance was further recognised through prestigious honours, including the Islamic Financial Sustainability Award from Global Islamic Finance and multiple awards for landmark Islamic green financing transactions.

Our pursuit of banking excellence was validated by top distinctions from Euromoney, FinanceAsia, Alpha Southeast Asia, and Asian Banking & Finance, spanning areas such as small and medium sized enterprises ("SME") banking, retail banking innovation, treasury services and corporate responsibility. We also strengthened our reputation as an employer of choice, ranking among LinkedIn's Top 15 Best Workplaces to Grow Your Career in Malaysia. This achievement was complemented by winning GOLD for Employer of the Year 2025 from JobStreet; a testament to our people-first strategy and commitment to employee experience and growth. Additionally, OCBC Malaysia was honoured as one of the Top 10 recipients of the Malaysia Inland Revenue Board ("MIRB") Best Taxpayer Award.

In retail banking, we launched our flagship OCBC Premier Private Client Centre in Bangsar, an 18,000 sq ft space dedicated to high-net-worth individuals. It delivers a bespoke wealth management experience, complemented by exclusive events and curated lifestyle privileges, reinforcing our commitment to serving affluent clients. We also introduced the OCBC Stitch Debit Card in collaboration with Disney, bringing creativity and storytelling into banking. This initiative, tied to our five-year strategic partnership, has resonated strongly with customers and reinforces our brand differentiation in the retail segment. To safeguard our customers, we rolled out OCBC Money Lock, an innovative anti-scam feature that empowers clients to lock funds across accounts via digital channels, providing enhanced security and peace of mind. Additionally, we launched OCBC PartnerCare, Malaysia's first programme designed to support property agents, which offers exclusive privileges, personalised support, and training to help agents connect with high-net-worth clients and streamline home ownership journeys.

To support SMEs, we continued our mission to empower businesses through impactful programmes and digital innovation. The official launch of OCBC Serial Entrepreneur provided founders with support to scale multiple ventures, while OCBC Women Unlimited championed women-led enterprises, reinforcing inclusivity and diversity in the business ecosystem. To strengthen OCBC Malaysia's position as a trusted partner for businesses operating internationally, we introduced a multi-currency account, providing companies with flexibility to hold and transact in multiple currencies within a single account. We further enhanced customer experience and operational efficiency by implementing digital identity authentication via Singpass for online business account applications.

Regional connectivity remained a key focus, particularly in supporting the Johor-Singapore Special Economic Zone ("JS-SEZ"). During the year, our Group Chief Executive Officer ("CEO") and senior OCBC Group leaders paid a courtesy visit to the Chief Minister of Johor, reaffirming our commitment to the zone's success. This was further demonstrated through RM351 million financing to See Hong Chen Group and EXSIM for three strategic real estate developments in JS-SEZ. We also expanded collaboration with key partners such as the Malaysian Investment Development Authority ("MIDA") and Iskandar Regional Development Authority ("IRDA"), hosting industry-focused events including a data centre seminar with LexisNexis. Engagement with our China business segment also grew significantly, including a highlight visit from Bank of Ningbo, which brought along businesses from China.

To help our clients navigate the complexities arising from shifts in trade policies, we delivered a comprehensive suite of products, which won industry accolades such as Best FX Bank for Hedging, Best Trading Platform for our FX platform and Best for Sustainable Treasury Solutions. On the environmental, social and governance ("ESG") front, Global Markets assisted clients with SDG bonds and sustainability-linked structured investments for our institutional and wealth management clients.

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ACTIVITIES AND ACHIEVEMENTS (continued)

On sustainability, OCBC Malaysia advanced its initiatives in alignment with the OCBC Group Sustainability Framework and our net-zero commitments. We continued to align our sustainability strategy and risk management approach with Bank Negara Malaysia's Climate Risk Management and Scenario Analysis ("CRMSA") Policy Document and strengthened internal procedures for applying the Climate Change Principles-based Taxonomy ("CCPT") in financing transactions.

The Bank remains committed to achieving net zero in financed emissions by 2050 and actively monitors the net-zero trajectory of priority sectors in Malaysia, including steel, oil & gas, and power. We mobilised sustainable financing across wholesale banking, investment banking and emerging markets, supporting businesses in sectors such as data centres, retail distribution and real estate, while helping clients progress on their climate transition journeys.

Our leadership in investment banking and sustainable finance continued to strengthen, supporting domestic government-linked companies and leading conglomerates through award-winning transactions. We received the Sustainable Infrastructure Award – Malaysia from ESG Business Awards for the second consecutive year and the Sustainable Energy Financing (Foreign Bank category) award at the National Energy Awards, for the fourth consecutive year since its inception in 2020.

Our commitment to innovation and sustainability was further recognised at the Asian Banking & Finance Corporate & Investment Banking Awards, where we won Green Deal of the Year for arranging a landmark GBP210 million Islamic green financing facility for PNB Jersey Ltd, marking PNB's first-ever Islamic sustainable financing arrangement. We also secured the Debt Deal of the Year for Pantai Holdings Sdn Bhd's RM15 billion Sukuk Programme, where OCBC Al-Amin served as the Principal Adviser, Lead Arranger and Lead Manager.

Our comprehensive financing solutions continue to play a pivotal role in advancing Malaysia's sustainability ecosystem and promoting ESG best practices among our business partners. These efforts have earned us multiple "double green" accolades from The Asset and Euromoney, reinforcing our position as a trusted partner in sustainable finance.

To build internal capabilities, we rolled out ESG risk management training programmes to equip relationship managers and risk managers with enhanced ESG due diligence skills. In addition, we deepened our employees' ESG expertise by offering short courses and professional certifications, including Sustainability and Climate Risk by the Global Association of Risk Professionals and the Certificate in Climate Risk by the Chartered Banker Institute. Across all functions, these initiatives contributed to more than 15,000 training hours, underscoring our commitment to developing deep sustainability competencies. Operationally, OCBC Malaysia maintained its carbon-neutral status, supported by continued expansion of solar panel installations at our headquarters and branches nationwide.

For OCBC Malaysia, our people's growth and development remain a key priority. Through our Grow Your Way learning festival, we placed strong emphasis on building a skills-first culture and promoting internal mobility. To support the growth and development of our early to mid-career talents, we continued the "MentorMe" mentoring programme to foster meaningful, supportive relationships between mentees and experienced mentors, cultivating a learning culture that drives both personal and professional success. We also curated a comprehensive suite of wellness programmes designed to nurture all dimensions of our employees' well-being. These initiatives address Financial, Physical, Mental, Family, and Workplace Wellness, ensuring holistic care and support for our workforce.

Our corporate social responsibility ("CSR") efforts continued to thrive through our three-pronged approach at the corporate, divisional and branch levels, driven by the voluntary efforts of our employees. These initiatives, focusing on environment, education, healthcare, community and humanitarian work collectively impacted 522,065 individuals in need, with 36,126 community service hours contributed by staff.

RATINGS BY EXTERNAL AGENCY

RAM Rating Services Berhad ("RAM") affirmed OCBC Bank (Malaysia) Berhad's financial institution rating on 28 August 2025 at AAA/P1 with stable outlook, reflecting the Group's healthy credit metrics and established franchise.

DIRECTORS OF THE BANK

The Directors of the Bank who served during the financial year until the date of this report are:

George Lee Lap Wah (Chairman of the Board)
Ayesha Natchiar Binti Ally Maricar (Chairman of the Board Audit Committee and Risk Management Committee)
Dato' Shamsuddin Bin Mohd Mahayidin
Janet Yap Seong Yong (Chairman of the Nominating & Remuneration Committee)
Lian Wee Cheow (Appointed on 1 October 2025)
Tan Teck Long (Appointed on 1 January 2026)
Michael Lai Chin Tak (Appointed on 1 April 2026)
Helen Wong Pik Kuen (Resigned on 31 December 2025)

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DIRECTORS OF THE BANK (continued)

The Directors of the Bank's subsidiaries who served during the financial year until the date of this report are:

OCBC Al-Amin Bank Berhad

Ismail Bin Alowi
Mevin Nevis AF Nevis
Tan Fong Sang
Nik Mohamed Din Bin Nik Musa (Appointed on 1 April 2026)

OCBC Advisers (Malaysia) Sdn Bhd

Tan Ai Chin
Ho Wai Khee (Appointed on 24 September 2025)
Mohd Kamal Bin Abdul Karim (Appointed on 24 September 2025)
Gan Kok Kim (Resigned on 24 September 2025)
Syed Abdull Aziz Jailani Bin Syed Kechik (Resigned on 24 September 2025)

Malaysia Nominees (Tempatan) Sendirian Berhad and Malaysia Nominees (Asing) Sendirian Berhad

Chong Lee Ying
Lai Pai Leng
Tan Nee Nee
Khor Hei Ching (Appointed on 9 January 2025)
Lee Siew Ling (Resigned on 9 January 2025)

In accordance with clauses 112 and 113 of the Bank's Constitution, Puan Ayesha Natchiar Binti Ally Maricar and Dato' Shamsuddin Bin Mohd Mahayidin, shall retire at the forthcoming Annual General Meeting and being eligible, offer themselves for re-election.

In accordance with clause 115 of the Bank's Constitution, Mr Lian Wee Cheow, Mr Tan Teck Long and Mr Michael Lai Chin Tak, shall retire at the forthcoming Annual General Meeting and being eligible, offer themselves for re-election.

PROFILE OF THE BOARD OF DIRECTORS

Mr George Lee Lap Wah, Independent Non-Executive Chairman

Mr George Lee Lap Wah was appointed as Chairman of the Board on 1 October 2024, having already served as a Board member since 1 September 2021. He is also Chairman of the Board of OCBC Al-Amin Bank Berhad. An experienced banker with extensive knowledge of the Malaysian market, he was an advisor to the CEO and Management Committee of OCBC Bank (Malaysia) Berhad from April 2016 to July 2017. Prior to that, Mr Lee served as an Executive Vice President and Head of Global Corporate Banking at OCBC Ltd from February 2012 until his retirement in April 2016. Before this, he served as Executive Vice President and Head of Group Investment Banking of OCBC since 2002.

Mr Lee started his career as a Finance Officer in the Group Treasury Department of Keppel Shipyard in 1978 and joined Marine Midland Bank in 1982. Subsequently, he held managerial positions at various Singapore-based merchant banking units. In 1989, he was appointed Country Manager of Security Pacific Bank before joining Credit Suisse Singapore as Head of Corporate Banking for South East Asia in 1993. He left as Director, Corporate Lending of Credit Suisse First Boston in 1998 to join OCBC.

Mr Lee is an Independent Director of Wearnes Starchase Ltd and Great Eastern Holdings Ltd. He holds a Bachelor of Business Administration (Honours) from the University of Singapore and is a qualified Chartered Financial Analyst. He is also a member of the Singapore Exchange ("SGX") Disciplinary Committee.

Puan Ayesha Natchiar Binti Ally Maricar, Independent Non-Executive Director

Puan Ayesha Natchiar Binti Ally Maricar was appointed to the Board on 3 July 2023. She also serves on the Board of OCBC Al-Amin Bank Berhad. She was appointed Senior Independent Director on 1 October 2024, and currently serves as Chairman of the Board Audit Committee ("BAC") and the Risk Management Committee ("RMC"). She has over 40 years of experience in banking and financial services, having served as Senior Vice President and Chief Internal Auditor of OCBC Bank (Malaysia) Berhad from 1987 until her retirement in 2010. She has expertise in banking operations, risk management, credit and audit, along with a strong understanding of the regulatory environment governing the banking sector.

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PROFILE OF THE BOARD OF DIRECTORS (continued)

Puan Ayesha Natchiar Binti Ally Maricar, Independent Non-Executive Director (continued)

Puan Ayesha was an Independent Non-Executive Director of Bank of America Malaysia Berhad from 2012 to 2021, where she served as Chairman of the Board Risk Committee. She also served as a Director of Merrill Lynch Malaysian Advisory Sdn Bhd from 2015 to 2024.

Puan Ayesha holds double degrees from the University of Singapore in Bachelor of Arts and Bachelor of Social Science (Honours). She has also attended the Senior Executive Management Programme at Cornell University, USA and holds a Certification in Islamic Law from the International Islamic University, Malaysia. She is a Certified Risk Professional and Certified Fraud Examiner, and is accredited in Internal Quality Assessment and Validation by the Institute of Internal Auditors, Inc (USA). She was a past Chairman of the Chief Internal Auditors Networking Group ("CIANG") and was a member of the CIANG Examination Committee for internal audit examinations.

Dato' Shamsuddin Bin Mohd Mahayidin, Independent Non-Executive Director

Dato' Shamsuddin Bin Mohd Mahayidin was appointed to the Board on 15 March 2024. During his 38 years tenure at Bank Negara Malaysia ("BNM") before retiring in March 2023, he was involved in various roles including those related to the development of the financial market, international financial cooperation, policy formulation and investment operations. He has extensive experience in strategic management of support service operations, organisational governance, risk management related to operational support services, procurement and sourcing strategy, process improvement, organisational transformation and change management. Dato' Shamsuddin was also previously an Adjunct Professor at University Malaysia Kelantan and served on the Advisory Panel for its Master's Degree Programme in Islamic Finance at the Faculty of Entrepreneurship and Business.

Dato' Shamsuddin is currently the Chairman of Deartime Berhad, a Director of Perbadanan Nasional Berhad (including one of its subsidiaries, Malaysia International Franchise Sdn Bhd), and a Public Interest Director at the Federation of Investment Managers Malaysia.

Dato' Shamsuddin holds a Bachelor's degree in Business Administration (Management System) from Lakehead University, Canada, a Master's degree in Business Administration from Manchester Business School, United Kingdom and Professional Certificate in Islamic Finance from INCEIF University. He holds Adjunct Professorships at DRB-Hicom University of Automotive Malaysia and Universiti Putra Malaysia and Adjunct Lecturer at Taylor's University.

Ms Janet Yap Seong Yong, Independent Non-Executive Director

Ms Janet Yap Seong Yong was appointed to the Board on 1 April 2019. She currently serves as Chairman of the Nominating & Remuneration Committee ("NRC"). She was the Technology Managing Director and CSR Lead of Accenture Malaysia and has more than 32 years of experience in technology and management information consultancy covering various industries and geographies including Malaysia, Hong Kong, China, Thailand, Indonesia and Singapore, where she carved her niche in systems implementation and SAP consulting. From the time of her retirement from Accenture until June 2021, she was the CEO of Cancer Research Malaysia. She is presently a Director of PW PAC Sdn Bhd and Sun Life Malaysia Assurance Berhad; and a Board Trustee of World Vision Malaysia Berhad.

Ms Yap holds a Bachelor of Arts with Double Majors in Computing & Information Science and Economics from University of Guelph, Ontario, Canada.

Mr Lian Wee Cheow, Independent Non-Executive Director

Mr Lian Wee Cheow was appointed to the Board on 1 October 2025. He is also a Director of OCBC Ltd in Singapore.

Besides OCBC Ltd, Mr Lian is also the Vice Chairman and Chairman of the Audit Committee of the Singapore International Foundation. Mr Lian also chairs the Advisory Panel to the School of Accountancy at the Singapore University of Social Sciences. Previously, Mr Lian was a partner of PwC Singapore. He had 38 years of experience with PwC, in both assurance and the advisory business. At PwC, Mr Lian chairs the Singapore Governance Board and was a member of the highly prestigious 12 Member Combined Board of Partners of the China, Hong Kong, Taiwan and Singapore Firms. Mr Lian looked after Partners Affairs at PwC Singapore and was the Firm's Ethics and Business Conduct Leader. Besides working in Singapore, Mr Lian has worked at PwC Melbourne, Australia and PwC London, UK.

Mr Lian is a Fellow Chartered Accountant of Singapore as well as that of Australia and New Zealand. He was awarded the Public Service Medal by the Singapore President in 2021.

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PROFILE OF THE BOARD OF DIRECTORS (continued)

Mr Tan Teck Long, Non-Independent Executive Director

Mr Tan Teck Long was appointed to the Board on 1 January 2026. He is currently the Group CEO of OCBC Ltd. Mr Tan also serves as Director on the boards of Bank of Singapore, OCBC Bank (Hong Kong) Limited and Great Eastern Holdings Limited, and also a Board Commissioner of PT Bank OCBC NISP Tbk. He is currently Chairman of the Association of Banks in Singapore and ASEAN Bankers Association, as well as Vice Chairman of the Institute of Banking and Finance Singapore.

Mr Tan has more than 30 years of banking experience overseeing Corporate Banking, Investment Banking and Risk Management. He joined OCBC Ltd in 2022 as the Head of Global Wholesale Banking, with global responsibility for all banking relationships with SMEs, large corporates and financial institutions, global transaction banking as well as investment banking. Prior to joining OCBC Ltd, he held various senior roles in DBS Bank including Group Chief Risk Officer and Group Head of Corporate Banking.

Mr Tan is a Chartered Financial Analyst Charterholder and a Fellow Chartered Accountant of Singapore. He holds a Master of Business Administration from the University of Manchester and a Bachelor of Accountancy with First Class Honours from the National University of Singapore.

Mr Michael Lai Chin Tak, Independent Non-Executive Director

Mr Michael Lai Chin Tak was appointed to the Board on 1 April 2026. He has over 30 years of senior leadership experience as CEO, President Director and senior executive across technology, media, and telecommunications, multinationals, and government-linked corporations in Southeast Asia. He currently serves as Board Member of Great Eastern General Insurance (Malaysia) Berhad.

Mr Lai is currently a Member of FIDE FORUM Digitalisation Special Interest Group. He was previously a Director of G3 Global Berhad. He held various leadership roles in Malaysia and the region, moving from a marketing role with Oracle Malaysia before joining mobile telecommunications provider Celcom (now known as CelcomDigi) as its Senior Vice President from 2002 to 2005. Subsequently, he went on to head TM Net Sdn Bhd as its CEO from 2005 to 2006. He then assumed the post of CEO of Packet One Networks (Malaysia) Sdn Bhd (P1) from 2007 to 2013. From 2013 to 2015, he was the President Director/CEO of Innovate Indonesia (now known as MyRepublic Indonesia) and assumed the post of Group Director of Singapore-based MyRepublic Group from 2015 to 2017.

Mr Lai holds a Bachelor of Electrical Engineering from Queen's University, Canada and Master of Business Administration from the Oklahoma State University, USA.

DIRECTORS' INTERESTS IN SHARES AND OPTIONS

The interests and deemed interests in the shares of the Bank and its related corporations (other than wholly-owned subsidiaries) of those who were Directors at the end of financial year (including the interests of the spouses or children of the Directors who themselves are not Directors of the Company) as recorded in the Register of Directors' Shareholding are as follows:

Oversea-Chinese Banking Corporation Limited

Shareholdings registered in the name of Directors or in which Directors have a direct interest

Ordinary Shares

	At 1 January 2025	Acquired/ Awarded	Disposed	At 31 December 2025
George Lee Lap Wah	85,143	-	-	85,143
Ayesha Natchiar Binti Ally Maricar	2,308	-	-	2,308
Helen Wong Pik Kuen (Resigned on 31 December 2025)	618,702	263,235	-	881,937

OCBC Deferred Share Plan and OCBC Employee Share Purchase Plan

Ordinary Shares

	At 1 January 2025	Awarded/ Granted	Exercised/ Forfeited/ Lapsed	At 31 December 2025
Helen Wong Pik Kuen (Resigned on 31 December 2025)	770,742	308,053	(263,235)	815,560

Other than the above, no other Directors in office held any interest in shares and options over shares of the Bank and its related corporations during the financial year.

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DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director of the Bank has received nor become entitled to receive any benefit (other than the benefits included in the aggregate amount of remuneration received or due and receivable by the Directors as shown in the financial statements or the fixed salary of a full time employee of the Bank or of related corporations) by reason of a contract made by the Bank or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

There were no arrangements during and at the end of the financial year which had the object of enabling the Directors of the Bank to acquire benefits by means of the acquisition of shares in the Bank or any other body corporate except for the shares granted under the OCBC Deferred Share Plan which will vest three years from the grant date and will lapse when the Director ceases employment during the vesting period, and acquisition rights under the OCBC Employee Share Purchase Plan.

CORPORATE GOVERNANCE

Board Composition and Independence

The Board comprises six Independent Non-Executive Directors and one Non-Independent Executive Director.

The Bank has set a policy on the tenure limit for Independent Directors at 9 continuous years. The NRC shall assess the independence of the Directors who have served the Bank continuously for 9 years or more. The NRC can invite the Independent Director to serve his or her tenure beyond 9 years if the NRC is satisfied, after the assessment, that the relevant Director's independence is not compromised and it is in the interest of the Bank to retain the service of the relevant Director in the same capacity.

The roles of the Chairman and the CEO are separated, which is consistent with the principles of corporate governance, as set out in BNM's Policy Document on Corporate Governance, to institute an appropriate balance of power and authority. The Chairman's responsibilities, to name a few, include leading the Board to ensure its effectiveness on all aspects of its role; setting its meeting agendas; ensuring that Directors receive accurate, timely and clear information; encouraging constructive relations between the Board and management; facilitating the effective contribution of Non-Executive Directors; and promoting high standards of corporate governance.

The members of the Board, as a group, provide skills and competencies to ensure the effectiveness of the Board. These include banking, accounting, finance, legal, strategy formulation, business acumen, management experience, familiarity with regulatory requirements, knowledge of risk management, technology and sustainability.

As a principle of good corporate governance, all Directors are subject to re-election or re-appointment (by rotation) pursuant to the Bank's Constitution and BNM's approval.

Some of the Directors are also members of the BAC, the NRC and the RMC. The Board is satisfied that the Directors have been able to devote adequate time and attention to fulfil their duties as Directors of the Bank, in addition to their representation at Board Committees.

Board Conduct and Responsibilities

The Board is elected by the shareholder to supervise the management of business and affairs of the Bank. The prime stewardship responsibility of the Board is to ensure the viability of the Bank and to ensure that it is managed in the best interests of the shareholder and other stakeholders.

Broadly, the responsibilities of the Board include, but are not limited, to the following:

- Review and approve overall business strategy developed and recommended by management.
- Ensure that decisions and investments are consistent with long-term strategic goals.
- Ensure that the Bank is operated to preserve its financial integrity and in accordance with policies approved by the Board.
- Oversee, through the BAC, the quality and integrity of the accounting and financial reporting systems, disclosure controls and procedures and internal controls; and through the RMC, the quality of the risk management processes and systems.
- Review any transaction for the acquisition or disposal of assets that is material to the Bank.

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CORPORATE GOVERNANCE (continued)

Board Conduct and Responsibilities (continued)

Broadly, the responsibilities of the Board include, but are not limited, to the following: (continued)

- Provide oversight in ensuring that the Bank's risk appetite and activities are consistent with the strategic intent, operating environment, effective internal controls, capital sufficiency and regulatory standards.
- Promote sustainability through appropriate environmental, social and governance considerations in the Bank's business strategies.

Prior to each meeting, members are provided with timely and adequate information to enable them to fulfil their responsibilities. Information provided includes background information on matters to be addressed by the Board, copies of disclosure documents, periodic internal financial reports, risk management reports, budgets, forecasts and reports of variance from budgets and forecasts.

The Board and the Board Audit Committee have separate and independent access to the internal auditors, external auditors, the Bank's senior management and the Bank's Company Secretary. The Directors may, in addition, seek independent professional advice at the Bank's expense as may be deemed appropriate.

Training and development is provided to the Directors, on a continuing basis, to develop and refresh their skills and knowledge to enable them to effectively perform their roles on the Board and its Committees. This, among others, includes updates on regulatory developments, new business and products, accounting and finance, corporate governance, risk management, cybersecurity and technology, sustainability and ESG which are provided by subject matter experts from within and outside the Bank. A separate programme is established for new Directors which focuses on introductory information, briefings by senior executives on their respective areas and external courses, where relevant.

Board Audit Committee ("BAC")

The BAC comprises four Independent Non-Executive Directors; Puan Ayesha Natchiar Binti Ally Marica (Chairman of the BAC), Mr George Lee Lap Wah, Dato' Shamsuddin Bin Mohd Mahayidin and Mr Lian Wee Cheow.

The terms of reference of the BAC, approved by the Board, describe the responsibilities of its members. The BAC meets regularly, preferably not less than once in every three months or more often, as necessary. It has full access to and co-operation from management, and has the discretion to invite any Director and/or executive officer to attend its meetings. It has explicit authority to investigate any matter within its terms of reference.

In addition to the review of the Bank's financial statements, the BAC reviews, with the external and internal auditors, the adequacy of the system of internal controls including financial, operational and compliance controls. It reviews the audit scope and audit reports, assesses the effectiveness of external and internal audit functions as well as ensures the independence and objectivity of the external and internal auditors. When the external auditors provide non-audit services to the Bank, the BAC keeps the nature, extent and costs of such services under review. This is to balance the objectivity of the external auditors against their ability to provide value-for-money services. The BAC also reviews significant financial reporting issues and judgements to ensure the integrity of the financial statements.

The BAC meets at least once a year with the external and internal auditors in separate sessions and without the presence of management to consider any matters which might be raised privately. The BAC has received the requisite disclosures from the external auditors evidencing the latter's independence. It is satisfied that the financial, professional and business relationships between the Bank and the external auditors are compatible with maintaining the independence of the external auditors.

Internal Audit Function

The BAC approves the Audit Charter of Internal Audit and reviews the effectiveness of the internal audit function. In line with leading practice, Internal Audit's mission statement and charter require it to provide independent and objective assessments to help improve the quality and effectiveness of governance, risk management and internal control processes, and enable the Bank to accomplish its strategic objectives, using a risk-based, systematic and disciplined audit approach.

The scope of work of Internal Audit is to provide reasonable, but not absolute, assurance to the BAC and senior management that the Bank's governance, risk management and internal control processes, as designed and implemented by senior management, are adequate and effective.

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

DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (continued)

CORPORATE GOVERNANCE (continued)

Internal Audit Function (continued)

Internal Audit also provides consulting or advisory services where the objective is to add value and improve an organisation's governance, risk management and control processes without Internal Audit assuming management responsibility.

Internal Audit also performs investigations into alleged staff misconduct or suspected internal frauds (involving staff), that may arise from a whistle-blow complaint or referred by Business Units. The primary objectives of the investigation are to conduct fact finding, review and assess the facts, gather evidence to substantiate an individual's involvement in an allegation, and identify root causes, so as to facilitate decision making and remedial actions by the necessary stakeholders to protect the interest of the Bank.

Internal Controls

The Bank has established an internal control policy to provide a solid foundation for building an effective internal control system and to help strengthen the control culture of the Bank. The policy outlines the key control objectives that are essential for internal control activities to remain focused. The policy is reviewed at least every two years or as when required.

The Bank also has in place self-assessment processes for all business units to assess and manage the adequacy and effectiveness of their internal controls, and their level of compliance with applicable rules and regulations. Senior management attests annually to the CEO on the adequacy and effectiveness of the internal control system, as well as to report key control deficiencies and accompanying remedial plans.

The Bank also has in place a whistle blowing policy and an independent investigation process to investigate all whistleblowing reports based on investigation protocol which accords with the principles of fairness, independence and propriety.

Based on the internal controls established and maintained by the Bank, work performed by the internal and external auditors, and reviews performed by management and various Board Committees, the Board, with the concurrence of the BAC and the RMC, is of the opinion that the system of internal controls, including financial, operational, compliance and information technology controls, and risk management systems are adequate and effective to address the risks which the Bank considers relevant and material to its operations.

The system of internal controls provides reasonable, but not absolute, assurance that the Bank will not be adversely affected by any event that could be reasonably foreseen as it strives to achieve its business objectives. However, the Board also notes that no system of internal controls can provide absolute assurance in this regard, or absolute assurance against the occurrence of material errors, poor judgement in decision-making, human error, losses, fraud or other irregularities.

Nominating & Remuneration Committee ("NRC")

The NRC comprises Ms Janet Yap Seong Yong (Chairman of the NRC), Mr George Lee Lap Wah and Puan Ayesha Natchiar Binti Ally Maricar; all of whom are Independent Directors.

The terms of reference of the NRC are approved by the Board. The NRC shall meet at least once every year. The NRC is entitled to secure the attendance of any person with relevant experience and expertise at committee meetings if the Committee considers this appropriate.

The NRC shall assess and recommend nominees for directorship, Board Committee membership and for the CEO position, including reappointment of Directors before an application is submitted to BNM for approval. The actual decision as to who shall be nominated shall be the responsibility of the full Board. The Committee shall oversee the annual review of the overall composition of the Board and Board balance, Directors' independence, competency and skills as well as the assessment to ensure that the Directors and key senior management officers are not disqualified under Section 59 of the Financial Services Act 2013. The annual performance evaluation process of the Board as a whole, the Board Committees as well as of the individual Directors was established with the endorsement of the Committee. The Committee oversees the appointment, management succession planning and performance evaluation of key senior management officers, including recommending to the Board the removal of key senior management officers if they are ineffective, errant and negligent in discharging their responsibilities.

The NRC may review the human resource management policies and make recommendations to the Board on policies governing the remuneration of the Executive Directors, including the CEO, and the Non-Executive Directors. In considering its recommendations to the Board on the remuneration policies, the NRC shall take into consideration the feedback and inputs from the RMC. In addition, the NRC shall make recommendations to the Board on the remuneration, fee and benefits of the Directors as well as the compensation of the CEO. The NRC shall review and approve the compensation of executive officers of the Bank of any rank as may be delegated by the Board, including key senior management officers and Material Risk Takers.

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

DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (continued)

CORPORATE GOVERNANCE (continued)

Remuneration Policy

The objective of the Group's remuneration policy is to attract, motivate, reward and retain quality staff. The Board ensures that the remuneration policies are in line with the strategic objectives and corporate values of the Group, and do not give rise to conflicts between the objectives of the Group and the interests of individual Directors and key executives.

The total compensation packages for employees comprise basic salary, variable performance bonus, allowances and deferred share awards for eligible executives, as well as benefits. Compensation is significantly differentiated between performance levels. Executives are remunerated based on the achievements of their own performance measures, and the demonstration of core values and competencies, while taking into account market compensation data for their respective job roles. Compensation packages are linked to personal performance, the performance of organisational function as a whole and the overall performance of the Group. Compensation is tied to the achievement of business and performance objectives based on a balanced scorecard approach and adherence to core values. Where relevant, financial measures are adjusted as appropriate for the various types of risk (such as market, credit and operational risks) and include:

- Operating efficiency measures encompassing revenue, direct and allocated costs and operating profit, net profit as well as efficiency indicators such as unit costs.
- Economic efficiency measures such as cost of capital. Capital is attributed to each business based on the amount of risk-weighted assets used and the return on capital.
- Liquidity is factored into the performance measurement of each business through the application of liquidity premiums charged or credited according to the behavioural maturity of each type of asset and liability booked.

Each business unit has its own performance measures that match its functions and objectives that are consistent with the Group's risk appetite. In the determination of remuneration of senior executives, risk and control indicators as well as audit findings and compliance issues are taken into account when assessing business performance. The performance of risk and compliance functions is measured independently of the businesses they oversee. Employees in these functions are assessed based on the achievement related to their respective performance measures.

In determining the composition of compensation packages, the Group takes into account the time horizon of risk and includes, in the total compensation for executives, a portion of deferred payment in the form of deferred shares. For senior management and officers entrusted with the effective implementation of Shariah governance in the business and operations of OCBC Al-Amin Bank Berhad, the Group shall also take into account the reinforcement of a risk culture that is in line with Shariah governance objectives.

The Group has identified a group of senior executives whose authorities and actions are deemed to have a major influence on the long term performance of the Group. This group of Material Risk Takers ("MRTs") comprises certain members of senior management, employees of Managing Director 1 rank and above, senior control staff, employees who had been awarded high variable performance bonuses and supervisors of staff identified as MRT.

The Group's remuneration policy requires MRT to have 40% of their total variable compensation deferred as long term incentive, if the total variable compensation meets a minimum threshold. The long term incentive will be in the form of OCBC Bank deferred shares. Share awards under the OCBC Deferred Share Plan ("the Plan") are also granted annually to other eligible executives who are paid high variable performance bonuses. The share awards form 20% to 40% of their total variable performance bonus for the year.

Under the Plan, 50% of the share awards will vest after two years with the remaining 50% vesting at the end of the third year in accordance with the guidelines established under the Plan. Prior to the vesting date, the executives are not accorded voting rights on the shares.

The amount of remuneration received by Directors during the financial year ended 31 December 2025 are as follows :

	<u>Variable Cash Directors' Fees</u>	
	Group	Bank
	RM'000	RM'000
George Lee Lap Wah	1083	728
Ayesha Natchiar Binti Ally Maricar	446	344
Janet Yap Seong Yong	290	290
Dato' Shamsuddin Bin Mohd Mahayidin	292	292
Lian Wee Cheow (Appointed on 1 October 2025)	122	122

OCBC BANK (MALAYSIA) BERHAD
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DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (continued)

CORPORATE GOVERNANCE (continued)

Remuneration Policy (continued)

Quantitative disclosure of the Group's and the Bank's key management and other MRT remuneration is disclosed in Note 29 to the financial statements.

All variable cash compensation and share grants of MRTs are subject to cancellation and clawback if it is determined that they were made on the basis of materially inaccurate financial statements and/or the employee has engaged in conduct that results in financial loss, reputational harm, restatement of financial results and/or adverse changes of the Group's risk profile/rating and/or the employee has committed a gross misconduct, fraud or breach of trust in relation to the Group.

The Group's and the Bank's compensation practices are reviewed annually by an independent party to ensure that it meets the Financial Stability Forum principles and implementation standards for Sound Compensation Practices, as well as regulatory requirements.

Risk Management Committee ("RMC")

The RMC comprises Puan Ayesha Natchiar Binti Ally Maricar (Chairman of the RMC), Mr George Lee Lap Wah, Dato' Shamsuddin Bin Mohd Mahayidin, Ms Janet Yap Seong Yong and Mr Lian Wee Cheow; all of whom are Independent Directors.

BNM had, on 8 February 2007, approved the delegation of approving authority of the Board of Directors pertaining to risk management matters to the RMC. The terms of reference of the RMC are approved by the Board. The RMC shall meet at least once every quarter. The RMC shall be entitled to secure the attendance of any person with relevant experience and expertise at committee meetings if the RMC considers this appropriate.

The RMC shall review and approve risk management strategies, policies and risk tolerance; review and assess the adequacy of risk management policies and framework in identifying, measuring, monitoring and controlling risk including ESG risks, technology and cybersecurity risks. The RMC shall ensure the infrastructure, resources and systems are in place for risk management; review management's periodic reports on risk exposure, risk portfolio composition and risk management activities and ensure compliance with OCBC Group's risk management strategies, policies and tolerance.

Management Information

All Directors review the Board and Board Committee reports prior to the Board and Board Committee meetings. Information and materials, duly endorsed by the CEO and the relevant functional heads, that are important to the Directors' understanding of the agenda items and related topics are distributed in advance of the meeting. These are issued in sufficient time to enable the Directors to obtain further explanations, where necessary, in order to be briefed properly before the meeting. The Bank provides information on business, financials and risks to the Directors on a regular basis as well as on an ad-hoc basis.

The Board and Board Committee reports include, amongst others, the following:

- Financial Risks and Non-Financial Risk Reports;
- Compliance Update;
- ESG & Climate Risk Management Update;
- Shariah Risk Update;
- Internal Audit Report;
- Operating Plan and Business Update; and
- Shariah Committee Report.

The Board provides input on the Bank's policies from the country perspective, in line with the prevailing regulatory framework, economic and business environment.

OCBC BANK (MALAYSIA) BERHAD
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DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (continued)

CORPORATE GOVERNANCE (continued)

Directors' Attendance at Board and Board Committee Meetings held in 2025

	Board	BAC	NRC	RMC
George Lee Lap Wah	10 of 10	7 of 7	3 of 3	6 of 6
Ayesha Natchiar Binti Ally Maricar	10 of 10	7 of 7	3 of 3	6 of 6
Janet Yap Seong Yong	10 of 10	-	3 of 3	6 of 6
Dato' Shamsuddin Bin Mohd Mahayidin	10 of 10	7 of 7	-	6 of 6
Lian Wee Cheow (Appointed on 1 October 2025)	2 of 2	2 of 2	-	1 of 1
Helen Wong Pik Kuen (Resigned on 31 December 2025)	10 of 10	-	-	-

The Bank's Constitution provides for Directors to participate in the Board and Board Committee meetings by means of telephone conferencing, video conferencing or audio visual equipment.

COMPLIANCE WITH BNM'S EXPECTATIONS ON FINANCIAL REPORTING

In the preparation of the financial statements, the Directors have taken reasonable steps to ensure that BNM's expectations on financial reporting have been complied with, including those as set out in BNM's Guidelines and Policies on Financial Reporting, Capital Funds and Corporate Governance.

DIRECTORS' INDEMNITY

A Directors' and Officers' Liability Insurance has been entered into by the Group and the Bank for the financial year ended 31 December 2025. The policy provides appropriate cover for legal action brought against its Directors in accordance with qualifying third party indemnity provisions (as defined by Section 289 of the Companies Act 2016). During the financial year, the cost of this insurance effected for the Directors and Officers of the Group and the Bank amounted to RM204,640 and RM197,362 (2024: RM117,654 and RM112,901) respectively.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Bank were made out, the Directors took reasonable steps to ascertain that:

- all known bad debts and financing have been written off and adequate impairment allowance made for doubtful debts and financing, and
- any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected to realise.

At the date of this report, the Directors are not aware of any circumstances:

- that would render the amount written off for bad debts and financing or the amount of impairment allowance for doubtful debts and financing in the Group and the Bank inadequate to any substantial extent, or
- that would render the value attributed to the current assets in the financial statements of the Group and the Bank misleading, or
- which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and the Bank misleading or inappropriate, or
- not otherwise dealt with in this report or the financial statements that would render any amount stated in the financial statements of the Group and the Bank misleading.

OCBC BANK (MALAYSIA) BERHAD
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(Incorporated in Malaysia)

DIRECTORS' REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (continued)

OTHER STATUTORY INFORMATION (continued)

At the date of this report, there does not exist:

- any charge on the assets of the Group and the Bank that have arisen since the end of the financial year and which secures the liabilities of any other person, or
- any contingent liability in respect of the Group or the Bank that has arisen since the end of the financial year, other than in the ordinary course of banking business.

No contingent liability or other liability of the Group and the Bank, other than those arising from the transactions made in the ordinary course of business of the Group and the Bank have become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Bank to meet their obligations as and when they fall due.

In the opinion of the Directors, the financial performance of the Group and the Bank for the financial year ended 31 December 2025 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

AUDITORS

The auditors, PricewaterhouseCoopers PLT, has expressed its willingness to accept re-appointment.

Auditors' remuneration for the Group and the Bank for the financial year is RM1,450,000 and RM1,103,000 (2024: RM1,635,000 and RM1,296,000) respectively. Details of auditors' remuneration are set out in Note 28 to the financial statements.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors.

GEORGE LEE LAP WAH
Chairman

Kuala Lumpur, Malaysia
8 April 2026

AYESHA NATCHIAR BINTI ALLY MARICAR
Director

OCBC BANK (MALAYSIA) BERHAD
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STATEMENT BY DIRECTORS PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

In the opinion of the Directors, the financial statements set out on pages 21 to 147 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Bank as at 31 December 2025 and of their financial performance and cash flows for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:

GEORGE LEE LAP WAH
Chairman

AYESHA NATCHIAR BINTI ALLY MARICAR
Director

Kuala Lumpur, Malaysia
8 April 2026

STATUTORY DECLARATION PURSUANT TO SECTION 251(1)(b) OF THE COMPANIES ACT 2016

I, Teoh Yin Meng, the officer primarily responsible for the financial management of OCBC Bank (Malaysia) Berhad, do solemnly and sincerely declare that the financial statements set out on pages 21 to 147 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

TEOH YIN MENG

Subscribed and solemnly declared by the abovenamed, Teoh Yin Meng at Kuala Lumpur in Malaysia on 8 April 2026
before me:

Commissioner for Oaths

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF OCBC BANK (MALAYSIA) BERHAD

(Incorporated in Malaysia)
Registration No.199401009721 (295400-W)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of OCBC Bank (Malaysia) Berhad (“the Bank”) and its subsidiaries (“the Group”) give a true and fair view of the financial position of the Group and of the Bank as at 31 December 2025, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

What we have audited

We have audited the financial statements of the Group and of the Bank, which comprise the statements of financial position as at 31 December 2025 of the Group and of the Bank, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Bank for the financial year then ended, and notes to the financial statements, including material accounting policies, as set out on pages 21 to 147.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the “Auditors’ responsibilities for the audit of the financial statements” section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and other ethical responsibilities

We are independent of the Group and of the Bank in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants (“By-Laws”) and the International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (including International Independence Standards) (“IESBA Code”), as applicable to audits of financial statements of public interest entities and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Information other than the financial statements and auditors’ report thereon

The Directors of the Bank are responsible for the other information. The other information comprises the Directors’ Report, but does not include the financial statements of the Group and of the Bank and our auditors’ report thereon.

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

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBER OF OCBC BANK (MALAYSIA) BERHAD (CONTINUED)**

(Incorporated in Malaysia)

Registration No.199401009721 (295400-W)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (continued)

Our opinion on the financial statements of the Group and of the Bank does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Bank, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Bank or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial statements

The Directors of the Bank are responsible for the preparation of the financial statements of the Group and of the Bank that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Bank that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Bank, the Directors are responsible for assessing the Group's and the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Bank or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Bank as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBER OF OCBC BANK (MALAYSIA) BERHAD (CONTINUED)**

(Incorporated in Malaysia)

Registration No.199401009721 (295400-W)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (continued)

Auditors' responsibilities for the audit of the financial statements (continued)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Bank, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Bank's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- (d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Bank or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Bank to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Bank, including the disclosures, and whether the financial statements of the Group and of the Bank represent the underlying transactions and events in a manner that achieves fair presentation.
- (f) Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Registration No.199401009721 (295400-W)

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

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBER OF OCBC BANK (MALAYSIA) BERHAD (CONTINUED)**

(Incorporated in Malaysia)

Registration No.199401009721 (295400-W)

OTHER MATTERS

This report is made solely to the member of the Bank, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants

ONG CHING CHUAN
02907/11/2027 J
Chartered Accountant

Kuala Lumpur
8 April 2026

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

STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2025

	Note	Group		Bank	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
ASSETS					
Cash and cash equivalents	3	1,572,662	1,961,740	1,215,617	1,090,003
Deposits and placements with banks and other financial institutions	4	687,132	1,487,913	1,696,450	1,660,263
Investment account placements	5	-	-	6,460,137	7,721,835
Financial assets at fair value through profit or loss ("FVTPL")	6	2,283,340	2,269,618	2,283,340	2,269,618
Financial investments at fair value through other comprehensive income ("FVOCI")	7	32,646,385	26,848,944	27,487,241	22,452,420
Loans, advances and financing	8	69,756,173	68,291,628	51,447,138	51,432,876
Derivative financial assets	10	1,031,101	952,689	1,051,964	953,005
Other assets	11	594,945	476,952	671,680	475,896
Statutory deposits with Bank Negara Malaysia	12	508,595	915,095	390,595	718,595
Investments in subsidiaries	13	-	-	557,051	557,051
Property and equipment	14	177,425	136,771	174,902	134,791
Right-of-use ("ROU") assets	15	25,311	32,287	24,149	29,337
Tax recoverable		12,523	12,542	12,163	12,163
Deferred tax assets	16	192,576	234,546	166,389	205,315
Total assets		109,488,168	103,620,725	93,638,816	89,713,168
LIABILITIES					
Deposits from customers	17	76,789,275	76,772,644	64,133,636	65,405,360
Deposits and placements of banks and other financial institutions	18	12,345,669	9,569,743	12,307,074	9,521,649
Obligations on securities sold under repurchase agreements		2,112,223	479,675	1,472,812	85,946
Bills and acceptances payable		201,754	107,214	192,790	96,319
Derivative financial liabilities	10	1,336,863	909,559	1,337,160	909,230
Other liabilities	19	4,572,032	4,354,938	4,442,486	4,262,071
Tax payable and zakat		77,809	77,675	52,270	55,552
Subordinated bonds	20	1,050,000	1,050,000	1,050,000	1,050,000
Total liabilities		98,485,625	93,321,448	84,988,228	81,386,127
EQUITY					
Share capital	21	754,000	754,000	754,000	754,000
Reserves	22	10,248,543	9,545,277	7,896,588	7,573,041
Total equity		11,002,543	10,299,277	8,650,588	8,327,041
Total liabilities and equity		109,488,168	103,620,725	93,638,816	89,713,168
Commitments and contingencies	34	162,002,392	130,084,924	156,144,183	125,785,167

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

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

**STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025**

	Note	Group		Bank	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Interest income		3,712,013	3,614,243	3,969,090	3,837,404
Interest income for financial assets at FVTPL		98,400	103,196	98,400	103,196
Interest expense		(1,907,146)	(1,851,562)	(2,154,078)	(2,062,435)
Net interest income	23	1,903,267	1,865,877	1,913,412	1,878,165
Income from Islamic banking operations	24	638,833	576,253	-	-
Net fee and commission income	25	369,392	378,085	362,768	371,612
Net trading income	26	497,499	466,257	497,499	466,257
Other operating income	27	66,188	38,384	229,828	189,951
Operating income		3,475,179	3,324,856	3,003,507	2,905,985
Operating expenses	28	(1,548,954)	(1,525,637)	(1,486,829)	(1,458,842)
Operating profit before impairment allowances and provisions		1,926,225	1,799,219	1,516,678	1,447,143
Impairment allowances and provisions writeback/(charge)	30	68,434	(46,344)	337	(65,458)
Profit before income tax and zakat		1,994,659	1,752,875	1,517,015	1,381,685
Income tax expense	31	(488,093)	(426,018)	(373,334)	(336,805)
Zakat		(50)	(50)	-	-
Profit for the financial year		1,506,516	1,326,807	1,143,681	1,044,880
Items that will not be reclassified to profit or loss					
Change in fair value reserve (equity instruments)		461	844	461	844
Items that are or may be reclassified subsequently to profit or loss					
FVOCI reserve (debt instruments)					
- Change in fair value		183,338	52,275	159,067	39,795
- Amount transferred to profit or loss		(30,658)	(5,349)	(28,222)	(3,510)
- Related tax		(36,643)	(11,262)	(31,403)	(8,708)
Change in expected credit losses ("ECL") reserve on debt instruments at FVOCI		3,127	1,771	2,838	1,675
Other comprehensive income for the financial year		119,625	38,279	102,741	30,096
Total comprehensive income for the financial year		1,626,141	1,365,086	1,246,422	1,074,976
Profit attributable to owner of the Bank		1,506,516	1,326,807	1,143,681	1,044,880
Total comprehensive income attributable to owner of the Bank		1,626,141	1,365,086	1,246,422	1,074,976
Basic earnings per ordinary share (sen)	32	524.0	461.5	397.8	363.4

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

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

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025**

Group	<i>Non-distributable</i>			<i>Distributable</i>		Total equity RM'000
	Share capital RM'000	Regulatory reserve RM'000	ECL reserve RM'000	Fair value reserve RM'000	Retained earnings RM'000	
At 1 January 2025	754,000	600,000	3,315	112,868	8,829,094	10,299,277
Fair value reserve						
- Change in fair value	-	-	-	183,799	-	183,799
- Transferred to profit or loss	-	-	-	(30,658)	-	(30,658)
- Related tax	-	-	-	(36,643)	-	(36,643)
Change in ECL reserve	-	-	3,127	-	-	3,127
Total other comprehensive income for the financial year	-	-	3,127	116,498	-	119,625
Profit for the financial year	-	-	-	-	1,506,516	1,506,516
Total comprehensive income for the financial year	-	-	3,127	116,498	1,506,516	1,626,141
Transfer from regulatory reserve	-	(300,000)	-	-	300,000	-
Contributions by and distributions to owner of the Bank						
Final 2024 ordinary dividend paid	-	-	-	-	(437,000)	(437,000)
Interim 2025 ordinary dividend paid	-	-	-	-	(485,875)	(485,875)
At 31 December 2025	754,000	300,000	6,442	229,366	9,712,735	11,002,543
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	-	-	-	53,119	-	53,119
- Transferred to profit or loss	-	-	-	(5,349)	-	(5,349)
- Related tax	-	-	-	(11,262)	-	(11,262)
Change in ECL reserve	-	-	1,771	-	-	1,771
Total other comprehensive income for the financial year	-	-	1,771	36,508	-	38,279
Profit for the financial year	-	-	-	-	1,326,807	1,326,807
Total comprehensive income for the financial year	-	-	1,771	36,508	1,326,807	1,365,086
Contributions by and distributions to owner of the Bank						
Final 2023 ordinary dividend paid	-	-	-	-	(261,625)	(261,625)
Interim 2024 ordinary dividend paid	-	-	-	-	(425,500)	(425,500)
At 31 December 2024	754,000	600,000	3,315	112,868	8,829,094	10,299,277

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

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

**STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025**

	Share capital RM'000	Non-distributable		Distributable		Total equity RM'000
		Regulatory reserve RM'000	ECL reserve RM'000	Fair value reserve RM'000	Retained earnings RM'000	
Bank						
At 1 January 2025	754,000	509,000	3,064	111,540	6,949,437	8,327,041
Fair value reserve						
- Change in fair value	-	-	-	159,528	-	159,528
- Transferred to profit or loss	-	-	-	(28,222)	-	(28,222)
- Related tax	-	-	-	(31,403)	-	(31,403)
Change in ECL reserve	-	-	2,838	-	-	2,838
Total other comprehensive income for the financial year	-	-	2,838	99,903	-	102,741
Profit for the financial year	-	-	-	-	1,143,681	1,143,681
Total comprehensive income for the financial year	-	-	2,838	99,903	1,143,681	1,246,422
Transfer from regulatory reserve	-	(300,000)	-	-	300,000	-
Contributions by and distributions to owner of the Bank						
Final 2024 ordinary dividend paid	-	-	-	-	(437,000)	(437,000)
Interim 2025 ordinary dividend paid	-	-	-	-	(485,875)	(485,875)
At 31 December 2025	754,000	209,000	5,902	211,443	7,470,243	8,650,588
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	-	-	-	40,639	-	40,639
- Transferred to profit or loss	-	-	-	(3,510)	-	(3,510)
- Related tax	-	-	-	(8,708)	-	(8,708)
Change in ECL reserve	-	-	1,675	-	-	1,675
Total other comprehensive income for the financial year	-	-	1,675	28,421	-	30,096
Profit for the financial year	-	-	-	-	1,044,880	1,044,880
Total comprehensive income for the financial year	-	-	1,675	28,421	1,044,880	1,074,976
Contributions by and distributions to owner of the Bank						
Final 2023 ordinary dividend paid	-	-	-	-	(261,625)	(261,625)
Interim 2024 ordinary dividend paid	-	-	-	-	(425,500)	(425,500)
At 31 December 2024	754,000	509,000	3,064	111,540	6,949,437	8,327,041

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

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

STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Cash flows from operating activities				
Profit before income tax and zakat	1,994,659	1,752,875	1,517,015	1,381,685
<i>Adjustments for:</i>				
Depreciation of property and equipment	23,879	18,459	22,985	17,467
Depreciation of right-of-use assets	17,826	14,057	16,378	12,543
Dividends received from financial assets at FVTPL	(140)	-	(140)	-
Dividends received from financial investments at FVOCI	(599)	(599)	(599)	(599)
Impairment allowances and provisions	71,933	170,197	75,153	166,048
Interest/finance expense on lease liabilities	916	942	848	840
Interest expense on subordinated bonds	40,500	40,611	40,500	40,611
Net (gain)/loss on disposal of:				
- Financial investments at FVOCI	(30,658)	(5,349)	(28,222)	(3,510)
- Property and equipment	81	105	80	103
Share-based costs	13,285	13,009	12,945	12,574
Unrealised (gain)/loss on:				
- Financial assets at FVTPL	(7,033)	10,333	(7,033)	10,304
- Hedging derivatives	341	1,889	341	1,889
- Trading derivatives	273,763	112,661	253,932	111,668
Operating profit before changes in working capital	2,398,753	2,129,190	1,904,183	1,751,623
<i>Changes in operating assets and operating liabilities:</i>				
Deposits and placements with banks and other financial institutions	800,853	(1,135,999)	(36,115)	(897,469)
Investment account placements	-	-	1,260,000	(2,612,369)
Financial assets at FVTPL	(6,549)	(400,892)	(6,549)	(405,884)
Loans, advances and financing	(1,550,020)	(1,634,924)	(96,174)	444,255
Other assets	(118,205)	(1,256)	(196,000)	154,396
Statutory deposits with Bank Negara Malaysia	406,500	139,500	328,000	151,000
Derivative financial assets and liabilities	43,637	(2,903)	43,547	(2,933)
Deposits from customers	16,631	1,271,548	(1,271,724)	1,326,773
Deposits and placements of banks and other financial institutions	2,775,926	4,856,591	2,785,425	4,835,114
Obligations on securities sold under repurchase agreements	1,632,548	(928,825)	1,386,866	(1,322,554)
Bills and acceptances payable	94,540	28,753	96,471	36,336
Other liabilities	231,086	(340,072)	187,560	(285,273)
Cash generated from operations	6,725,700	3,980,711	6,385,490	3,173,015
Income tax and zakat paid	(482,663)	(423,785)	(369,093)	(340,428)
Net cash generated from operating activities	6,243,037	3,556,926	6,016,397	2,832,587
Cash flows from investing activities				
Acquisition of financial investments at FVOCI	(35,418,332)	(29,050,399)	(28,123,332)	(23,240,399)
Acquisition of property and equipment	(64,573)	(20,995)	(63,135)	(20,735)
Dividends received from financial investments at FVOCI	599	599	599	599
Proceeds from disposal of financial investments at FVOCI	29,835,841	24,591,380	23,279,190	19,734,017
Proceeds from disposal of property and equipment	(41)	(90)	(41)	(90)
Net cash used in investing activities	(5,646,506)	(4,479,505)	(4,906,719)	(3,526,608)

OCBC BANK (MALAYSIA) BERHAD
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STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (continued)

	Group		Bank	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Cash flows from financing activities				
Dividends paid to owner of the Bank	(922,875)	(687,125)	(922,875)	(687,125)
Interest paid on subordinated bonds	(40,500)	(40,611)	(40,500)	(40,611)
Payment of lease liabilities	(22,234)	(14,924)	(20,689)	(13,335)
Net cash used in financing activities	(985,609)	(742,660)	(984,064)	(741,071)
Net (decrease)/increase in cash and cash equivalents	(389,078)	(1,665,239)	125,614	(1,435,092)
Cash and cash equivalents at 1 January	1,961,740	3,626,979	1,090,003	2,525,095
Cash and cash equivalents at 31 December	1,572,662	1,961,740	1,215,617	1,090,003

Details of cash and cash equivalents are disclosed in Note 3 to the financial statements.

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STATEMENTS OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025 (continued)

Changes in liabilities arising from financing activities

<u>Group</u>	At 1 January RM'000	Net Cash outflows RM'000	Acquisition of new leases RM'000	Finance cost RM'000	At 31 December RM'000
2025					
Subordinated bonds	1,050,000	-	-	-	1,050,000
Other liabilities, of which:					
Interest payable of subordinated bonds	6,974	(40,500)	-	40,500	6,974
Lease liabilities	28,357	(22,234)	10,850	916	17,889
Total liabilities from financing activities	<u>1,085,331</u>	<u>(62,734)</u>	<u>10,850</u>	<u>41,416</u>	<u>1,074,863</u>
2024					
Subordinated bonds	1,050,000	-	-	-	1,050,000
Other liabilities, of which:					
Interest payable of subordinated bonds	6,974	(40,611)	-	40,611	6,974
Lease liabilities	22,580	(14,865)	19,759	883	28,357
Total liabilities from financing activities	<u>1,079,554</u>	<u>(55,476)</u>	<u>19,759</u>	<u>41,494</u>	<u>1,085,331</u>
Bank					
2025					
Subordinated bonds	1,050,000	-	-	-	1,050,000
Other liabilities, of which:					
Interest payable of subordinated bonds	6,974	(40,500)	-	40,500	6,974
Lease liabilities	25,350	(20,689)	11,190	848	16,699
Total liabilities from financing activities	<u>1,082,324</u>	<u>(61,189)</u>	<u>11,190</u>	<u>41,348</u>	<u>1,073,673</u>
2024					
Subordinated bonds	1,050,000	-	-	-	1,050,000
Other liabilities, of which:					
Interest payable of subordinated bonds	6,974	(40,611)	-	40,611	6,974
Lease liabilities	18,898	(13,276)	18,947	781	25,350
Total liabilities from financing activities	<u>1,075,872</u>	<u>(53,887)</u>	<u>18,947</u>	<u>41,392</u>	<u>1,082,324</u>

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

OCBC BANK (MALAYSIA) BERHAD
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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2025

GENERAL INFORMATION

The Bank is a limited liability company, incorporated and domiciled in Malaysia. The registered office of the Bank is located at 19th Floor, Menara OCBC, 18 Jalan Tun Perak, 50050 Kuala Lumpur.

The consolidated financial statements of the Bank as at and for the financial year ended 31 December 2025 comprise the Bank and its subsidiaries (together referred to as the "Group").

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. There has been no significant change in the nature of these activities during the financial year.

The immediate and ultimate holding company of the Bank is Oversea-Chinese Banking Corporation Limited ("OCBC Ltd"), a licensed commercial bank incorporated in Singapore.

The financial statements were approved and authorised for issue by the Board of Directors on 8 April 2026.

1 BASIS OF PREPARATION

The financial statements have been prepared on the historical cost basis, except for the assets and liabilities which are stated at fair value as disclosed in the notes to the financial statements: financial assets at FVTPL, financial investments at FVOCI and derivative financial instruments. The 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 financial statements of the Group and the Bank have been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards, International Accounting Standards 34, the requirements of the Companies Act 2016 in Malaysia and BNM's Shariah requirements (operations of Islamic Banking).

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

The following amendments to accounting standards have been adopted by the Group and the Bank during the financial year:

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

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

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

Effective for annual periods commencing on or after 1 January 2026

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

OCBC BANK (MALAYSIA) BERHAD
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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2025 (continued)

1 BASIS OF PREPARATION (continued)

(a) Statement of compliance (continued)

The Group and the Bank have not adopted the following amendments to accounting standards issued by the MASB as they are not yet effective: (continued)

Effective for annual periods commencing on or after 1 January 2027

- MFRS 18, *Presentation and Disclosure in Financial Statements*
- MFRS 19, *Subsidiaries without Public Accountability: Disclosures*

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 is not expected to have any material impact to the financial statements of the Group and the Bank except as described below:

MFRS 18 is a new accounting standard for presentation and disclosure of information in the financial statements that replaces MFRS 101, *Presentation of Financial Statements*. The new accounting standard introduces a defined structure for the statement of profit or loss, which comprises new categories and subtotals. Income and expenses included in the statement of profit or loss are to be classified into three new distinct categories ie. operating, investing and financing, based on the main business activities of the entity; and the two new required subtotals are to enable analysis, ie. operating profit or loss and profit or loss before financing and income taxes. It also sets out new disclosure requirements of management-defined performance measures. Furthermore, MFRS 18 also provides enhanced guidance for aggregation and disaggregation of information in the financial statements.

The Group and the Bank plan to apply MFRS 18 from its mandatory effective date of 1 January 2027 with the comparative information for the financial year ending 31 December 2026 restated in accordance with the requirements of MFRS 18. The Group and the Bank are currently assessing the impact of MFRS 18 on presentation and disclosures in the Group's consolidated financial statements.

(b) Use of estimates and judgements

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

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements used in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than the following:

- (i) For fair value estimation for financial assets at fair value through profit or loss ("FVTPL") (Note 6), financial investments at fair value through other comprehensive income ("FVOCI") (Note 7) and derivative financial assets and liabilities (Note 10), fair values of financial instruments that are traded in active markets are based on quoted market prices or dealer price quotations.

For financial instruments which are not traded in an active market (for example, over-the-counter derivatives), the fair value is determined using valuation techniques, which include the use of mathematical models, comparison to similar instruments for which market observable prices exist and other valuation techniques. Where possible, assumptions and inputs used on valuation techniques include observable data such as risk-free and benchmark discount rates and credit spreads.

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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2025 (continued)

1 BASIS OF PREPARATION (continued)

(b) Use of estimates and judgements (continued)

Where observable market data is not available, judgement is required in the determination of model input, which normally incorporates assumptions that other market participants would use in their valuations, including assumptions about interest/profit rate yield curves, exchange rates, volatilities and prepayment and default rates.

Judgement is also required in assessing the impairment of financial investments at FVOCI as the Group and the Bank evaluate, among other factors, the duration and extent to which the fair value of an investment is less than its cost, and the financial health and near-term business outlook of the investee, including factors such as industry and sector performance, changes in technology and operational and financial cash flows.

(ii) Impairment of financial assets

In determining whether the credit risk of the Group's and the Bank's financial exposures have increased significantly since initial recognition, the Group and the Bank will consider reasonable and supportable information that is readily available without undue cost or effort. This includes both quantitative and qualitative information such as the Group's historical credit assessment experience and available forward-looking information.

Expected credit losses ("ECL") estimates are produced for all relevant instruments based on probability-weighted forward-looking economic scenarios. The measurement of ECL is primarily calculated based on the probability of default ("PD"), loss given default ("LGD") and exposure at default ("EAD"). These are parameters derived from internal rating models after adjusting them to be unbiased and forward-looking. Where internal rating models are not available, such estimates are based on comparable internal rating models after adjusting for portfolio differences.

The PD, LGD and EAD models which support these determinations are reviewed regularly in light of differences between loss estimates and actual loss experience. The underlying models and their calibration, including how they react to forward-looking economic conditions, are subject to continuous review and refinement. The assumptions and judgements used by management may affect impairment allowances computed.

The significant accounting estimates impacted by these uncertainties relate mainly to impairment of financial assets, as follows:

Allowances for non-credit impaired loans to customers

The forward-looking scenarios used in the ECL model have been updated to reflect the latest available macroeconomic view. Additionally, post-model adjustment continue to be applied during the year to account for the estimated impact of continued economic uncertainties not reflected in the modelled outcome.

In respect of credit impaired exposures, management judgement and estimation are applied in, amongst others, identifying impaired exposures, estimating the related recoverable cash flows and where applicable, determining collateral values and timing of realisation. Judgements and assumptions in respect of these matters have been updated to reflect the potential impact from economic uncertainties, where applicable.

The Group's and the Bank's allowances for financial assets are disclosed in Note 9 and Note 30.

(iii) Management judgement is required for estimating the provision for income taxes, as there may be differing interpretations of tax law for which the final outcome is not determined until a later date. For deferred tax, management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

OCBC BANK (MALAYSIA) BERHAD
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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2025 (continued)

2 MATERIAL ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently by the Group to the periods presented in these financial statements.

A Basis of consolidation

(a) Subsidiaries

Subsidiaries are entities, including structured entities, controlled by the Group. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Investments in subsidiaries are measured in the Bank's statement of financial position at cost less any impairment allowances, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs.

(b) Business combinations

The Group applies the acquisition method to account for business combinations when the acquired sets of activities and assets meet the definition of a business. The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs.

Business combinations are recognised at the acquisition date, which is the date on which control is transferred to the Group.

For new acquisitions, the Group measures the cost of goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the difference above is negative, a bargain purchase gain is recognised immediately in profit or loss.

For each business combination, the Group elects whether it measures the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date. Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

(c) Acquisitions of non-controlling interests

The Group accounts for all changes in its ownership interest in a subsidiary that do not result in a loss of control as equity transactions between the Group and its non-controlling interest holders. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid, is adjusted to or against Group reserves.

(d) Acquisitions of entities under common control

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group is accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established; for this purpose, comparatives are restated.

OCBC BANK (MALAYSIA) BERHAD
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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2025 (continued)

2 MATERIAL ACCOUNTING POLICIES (continued)

A Basis of consolidation (continued)

(d) Acquisitions of entities under common control (continued)

The assets and liabilities acquired are recognised at the carrying amount recognised previously in the Group controlling shareholder's consolidated financial statements. The components of equity of the acquired entities are added to the same components within Group equity and any resulting gain or loss is recognised directly in equity.

(e) Loss of control

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the former subsidiary, any non-controlling interests and the other components of equity related to the former subsidiary from the consolidated statement of financial position. Any surplus or deficit arising on the loss of control is recognised in profit or loss.

If the Group retains any interest in the former subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity accounted investee or as a financial asset depending on the level of influence retained.

(f) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

B Foreign currency transactions

Transactions in foreign currencies are translated to Ringgit Malaysia ("RM"), which is the functional currency of the Group at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are retranslated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies are not retranslated at the end of the reporting date, except for those that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of equity instruments at fair value through other comprehensive income or a financial instrument designated as a cash flow hedge, which are recognised in other comprehensive income.

In the consolidated financial statements, when settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and are presented in the Foreign Currency Translation Reserve ("FCTR") in equity.

C Financial instruments

(a) Recognition and initial measurement

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the instrument.

A financial instrument is initially measured at fair value plus or minus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issuance.

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2 MATERIAL ACCOUNTING POLICIES (continued)

C Financial instruments (continued)

(a) Recognition and initial measurement (continued)

The Group accounts for an embedded derivative separately from the host contract when:

- the host contract is not an asset in the scope of MFRS 9.
- the host contract is not itself carried at FVTPL.
- the terms of the embedded derivative would meet the definition of a derivative if they were contained in a separate contract.
- the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host contract.

(b) Financial instrument categories and subsequent measurement

Categories of financial assets are determined on initial recognition and are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change of the business model.

Financial assets

(i) Amortised cost

Amortised cost category comprises financial assets that are held within a business model which objective is to hold assets to collect contractual cash flows and which contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, and are not designated as FVTPL.

Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest/profit method. The amortised cost is reduced by impairment allowances, if any. Interest/finance income, foreign exchange gains and losses and impairment allowances are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Interest/finance income is recognised by applying effective interest/profit rate to the gross carrying amount except for credit-impaired financial assets (see Note 2K(a)) where the effective interest/profit rate is applied to the amortised cost.

Financing and advances consist of sales based contracts (Bai' Inah, Bai' Bithaman Ajil, Tawarruq, Murabahah and Bai' Dayn), leased based contracts (Ijarah Thumma Al-Bai, Ijarah and Ijarah Muntahiah Bi Al-Tamlik), equity based contracts (Musharakah Mutanaqisah) and other contracts (Wakalah and Qard). The core business is in providing financing to customers and not leasing. Lease-based financing contracts are recognised accordingly as financial instruments under MFRS 9. Except for Ijarah financing, assets funded under Ijarah Thumma Al-Bai and Ijarah Muntahiah Bi Al-Tamlik contracts are owned by the Group throughout the tenure of the financing and ownership of the assets will be transferred to the customer at the end of the financing.

(ii) Fair value through other comprehensive income ("FVOCI")

Debt investments

FVOCI category comprises debt investments that are held within a business model which objective is achieved by both collecting contractual cash flows and selling the debt investments, and which contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, and are not designated as FVTPL.

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2 MATERIAL ACCOUNTING POLICIES (continued)

C Financial instruments (continued)

(b) Financial instrument categories and subsequent measurement (continued)

Financial assets (continued)

(ii) Fair value through other comprehensive income (“FVOCI”) (continued)

Debt investments (continued)

Interest/finance income calculated using the effective interest/profit rate method, foreign exchange gains and losses and impairment allowances are recognised in profit or loss. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

Debt instruments with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest/finance income.

Interest/finance income is recognised by applying effective interest/profit rate to the gross carrying amount except for credit-impaired financial assets (see Note 2K(a)) where the effective interest/profit rate is applied to the amortised cost.

Equity investments

This category comprises investments in equity that are not held for trading, and the Group irrevocably elects to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis.

Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of investment. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are not reclassified to profit or loss.

(iii) Fair value through profit or loss (“FVTPL”)

All financial assets not measured at amortised cost or FVOCI as described above are measured at FVTPL. These include derivative financial assets (except for derivatives that are designated as effective hedging instruments). On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI, as FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets categorised as FVTPL are subsequently measured at their fair value. Net gains or losses, including any interest/finance or dividend income, are recognised in profit or loss.

All financial assets, except for those measured at FVTPL and equity investments measured at FVOCI, are subject to impairment assessment (see Note 2G(a)).

Financial liabilities

At the end of the reporting year, there are no non-derivative financial liabilities categorised as FVTPL.

All financial liabilities are subsequently measured at amortised cost, other than those categorised as FVTPL.

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2025 (continued)

2 MATERIAL ACCOUNTING POLICIES (continued)

C Financial instruments (continued)

(b) Financial instrument categories and subsequent measurement (continued)

Financial liabilities (continued)

FVTPL category comprises financial liabilities that are derivatives (except for derivatives that are financial guarantee contracts or designated as effective hedging instruments) or that are specifically designated into this category upon initial recognition.

Derivatives that are linked to and must be settled by delivery of equity instruments that do not have a quoted price in an active market for identical instruments which fair values cannot otherwise be reliably measured are measured at cost.

Where derivatives are embedded in the host contract (eg. structured investments), the embedded derivatives are required to be separated and accounted as a derivative and the host contract at amortised cost (in Other Liabilities) if the economic risks and characteristics of the embedded derivatives are not closely related to the economic risks and characteristics of the host contract. Separate accounting is not required if the combined instrument is fair valued with changes in fair value recognised in profit or loss.

Financial liabilities categorised as FVTPL are measured at their fair values with the gain or loss recognised in profit or loss.

(c) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specific debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

In the ordinary course of business, the Group gives financial guarantees consisting of letters of credit, guarantees and acceptances.

Financial guarantees issued are initially measured at fair value. Subsequently, they are measured at the higher of:

- the amount of the loss allowance.
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance to the principles of MFRS 15, *Revenue from Contracts with Customers*.

Liabilities arising from financial guarantees are presented together with other allowances.

(d) Regular way purchase or sale of financial assets

A regular way purchase or sale is a purchase or sale of a financial asset under a contract which terms require delivery of the asset within the time frame established generally by regulation or convention in the market place concerned.

A regular way purchase or sale of financial assets is recognised and derecognised, as applicable, using settlement date accounting. Settlement date accounting refers to:

- the recognition of an asset to be received and the liability to pay for it on the settlement date.
- the derecognition of an asset that is sold, recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for a payment on the settlement date.

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2 MATERIAL ACCOUNTING POLICIES (continued)

C Financial instruments (continued)

(e) Hedge accounting

At inception of a designated hedging relationship, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

(i) Fair value hedge

A fair value hedge is a hedge of the exposure to changes in fair value of a recognised asset or liability or an unrecognised firm commitment, or an identified portion of such an asset, liability or firm commitment, that is attributable to a particular risk and could affect profit or loss.

In a fair value hedge, the gain or loss on the hedging instrument shall be recognised in profit or loss (or other comprehensive income, if the hedging instrument hedges an equity instrument which the Group has elected to present subsequent changes in fair value of the investment in equity in other comprehensive income).

The hedging gain or loss on the hedged item shall adjust the carrying amount of the hedged item and be recognised in profit or loss. If the hedged item is a financial asset (or a component thereof) that is measured at FVOCI, the hedging gain or loss on the hedged item shall be recognised in profit or loss. However, if the hedged item is an equity instrument for which an entity has elected to present changes in FVOCI, those amounts shall remain in other comprehensive income.

When a hedged item is an unrecognised firm commitment (or a component thereof), the cumulative change in the fair value of the hedged item subsequent to its designation is recognised as an asset or a liability with a corresponding gain or loss recognised in profit or loss.

If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest rate method is used is amortised to profit or loss over the period to maturity using a recalculated effective interest rate.

(ii) Cash flow hedge

A cash flow hedge is a hedge of the exposure to variability in cash flows that is attributable to a particular risk associated with all, or a component of, a recognised asset or liability or a highly probable forecast transaction and could affect the profit or loss. In cash flow hedge, the portion of the gain or loss on the hedging instruments that is determined to be an effective hedge is recognised in other comprehensive income and accumulated in equity and the ineffective portion is recognised in profit or loss. The effective portion of changes in the fair value of the derivative that is recognised in other comprehensive income is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge.

Subsequently, the cumulative gain or loss recognised in other comprehensive income is reclassified from equity into profit or loss in the same period or periods during which the hedged forecast cash flows affect profit or loss. If the hedge item is a non-financial asset or liability, the associated gain or loss recognised in other comprehensive income is removed from equity and included in the initial amount of the asset or liability. However, loss recognised in other comprehensive income that will not be recovered in one or more future periods is reclassified from equity into profit or loss immediately.

The Group designates only the change in fair value of the spot element of forward contracts as the hedging instrument in cash flow hedging relationships. The change in fair value of the forward element of forward exchange contracts ("forward points") and/or the foreign currency basis spread are separately accounted for as cost of hedging and recognised in a cost of hedging reserve within equity.

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2025 (continued)

2 MATERIAL ACCOUNTING POLICIES (continued)

C Financial instruments (continued)

(e) Hedge accounting (continued)

(ii) Cash flow hedge (continued)

Cash flow hedge accounting is discontinued prospectively when the hedging instrument expires or is sold, terminated or exercised, the hedge is no longer highly effective, the forecast transaction is no longer expected to occur or the hedge designation is revoked. If the hedge is for a forecast transaction, the cumulative gain or loss on the hedging instrument remains in equity until the forecast transaction occurs.

When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the hedging reserve and the cost of hedging reserve remains in equity until, for a hedge of a transaction resulting in recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve and the cost of hedging reserve are immediately reclassified to profit or loss.

(f) Derivatives

Derivatives are categorised as trading unless they are designated as hedging instruments.

Financial derivatives include forward contracts for the purchase and sale of foreign currencies, interest/profit rate and currency swaps, financial futures and option contracts. These instruments allow the Group and its customers to transfer, modify or reduce their foreign exchange and interest/rate of return risks.

All derivative financial instruments are recognised at inception on the statement of financial position (including transaction costs), which are normally zero or negligible at inception at fair value, and subsequent changes in fair value as a result of fluctuation in market interest/profit rates or foreign exchange rates are recorded as assets when fair value is positive and as liabilities when fair value is negative.

When the Group enters into derivatives for trading purposes, realised and unrealised gains and losses are recognised in trading income. Observable market data are used to determine the fair values of derivatives held-for-trading. Valuations are either based on quoted price or valuation technique. Where mid prices are used, a bid-offer spread adjustment will be made to ensure that all long positions are marked to bid prices and short positions to offer prices.

(g) Derecognition

A financial asset or part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or are transferred, or control of the financial asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in profit or loss.

A financial liability or part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expired. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2025 (continued)

2 MATERIAL ACCOUNTING POLICIES (continued)

C Financial instruments (continued)

(h) Modification

The original terms of a financial asset may be renegotiated or otherwise modified, resulting in changes to the contractual cash flows of the financial asset. Financial assets that are renegotiated or otherwise modified will be accounted based on the nature and extent of changes that is expected to arise as a result of the modification or renegotiation.

(i) Offsetting

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when there is a legally enforceable right to offset the amounts and the intention to settle on a net basis or realise the asset and settle the liability simultaneously. Income and expense are presented on a net basis only when permitted by the accounting standards. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy.

D Property and equipment

(a) Recognition and measurement

Items of property and equipment are measured at cost less any accumulated depreciation and any accumulated impairment allowance.

Costs include expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When significant parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

The gain or loss on disposal of an item of property and equipment is determined by comparing the proceeds from disposal with the carrying amount of property and equipment and is recognised net within "other operating income" in profit or loss.

(b) Subsequent costs

The cost of replacing a component of an item of property and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised to profit or loss. The costs of the day-to-day servicing of property and equipment are recognised in profit or loss as incurred.

(c) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

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2 MATERIAL ACCOUNTING POLICIES (continued)

D Property and equipment (continued)

(c) Depreciation (continued)

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property and equipment from the date that they are available for use. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Freehold land is not depreciated as it has indefinite life. Property and equipment under construction are not depreciated until the assets are ready for their intended use.

The estimated useful lives are as follows:

- Buildings on freehold land 50 years
- Leasehold land and buildings 50 years or remaining lease life, whichever shorter
on leasehold land
- Office equipment and furniture 3-5 years
- Computer equipment and software 3-8 years
- Motor vehicles 5 years
- Renovation 8 years or remaining lease term, whichever shorter

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted as appropriate.

E Leases

(a) Definition of a lease

A contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group evaluates whether:

- the contract involves the use of an identified asset - this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then there is no identified asset;
- the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Group has the right to direct the use of the asset, ie. when the Group has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either the Group has the right to operate the asset; or the Group designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which the Group is a lessee, the Group will account for the lease and non-lease components as a single lease component.

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2 MATERIAL ACCOUNTING POLICIES (continued)

E Leases (continued)

(b) Recognition and initial measurement

As a lessee

The Group recognises a right-of-use ("ROU") asset and a lease liability at the lease commencement date. The ROU asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Group's incremental borrowing rate.

Lease payment included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments less any incentives receivable.
- amounts expected to be payable under a residual value guarantee.
- the exercise price under a purchase option that the Group is reasonably certain to exercise.
- penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The Group has elected not to recognise ROU assets and lease liabilities for certain short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

As a lessor

When the Group acts as a lessor, it determines, at the lease inception, whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

If an arrangement contains lease and non-lease components, the Group applies MFRS 15 to allocate the consideration in the contract based on the stand-alone selling prices.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. It assesses the lease classification of a sublease with reference to the ROU asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sublease as an operating lease.

(c) Subsequent measurement

As a lessee

The ROU asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term. The estimated useful lives of ROU assets are determined on the same basis as property and equipment. In addition, the ROU is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is measured at amortised cost using the effective interest/profit rate method. It is remeasured when there is a change in future lease payments arising from a change in the index or rate, if there is a revision of in-substance fixed lease payments or a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2025 (continued)

2 MATERIAL ACCOUNTING POLICIES (continued)

E Leases (continued)

(c) Subsequent measurement (continued)

As a lessee (continued)

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the ROU asset, or is recorded in profit or loss if the carrying amount of the ROU asset has been reduced to zero.

Lease payments are allocated between principal and finance cost. The finance cost is charged in profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

As a lessor

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of "revenue".

F Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances with banks and central banks and highly liquid investments which have an insignificant risk of changes in fair value with original maturities of one month or less.

Cash and cash equivalents are categorised and measured as amortised cost in accordance with Note 2(C)(b)(i).

G Impairment

(a) Financial assets

The Group recognises impairment allowances for ECL on financial assets measured at amortised cost, financial investments measured at FVOCI and most off-balance sheet loan commitments and financial guarantees.

(i) ECL impairment model

Under MFRS 9, impairment allowances on the aforesaid financial assets are measured on each reporting date according to a three-stage ECL impairment model:

- Stage 1: On initial recognition, ECL will be that resulting from default events that are possible over the next 12 months (12-month ECL).
- Stage 2: Following a significant increase in credit risk of the financial assets since its initial recognition, the credit loss allowance will be that which results from all possible default events over the expected life of the asset (Lifetime ECL non credit-impaired). See details in Note 2G(a)(iii).
- Stage 3: When a financial asset exhibits objective evidence of impairment and is considered credit-impaired, its loss allowance will be the full lifetime ECL (credit-impaired).

Loans/Financing are written off against impairment allowances when all feasible recovery actions have been exhausted or when the recovery prospects are considered remote.

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2 MATERIAL ACCOUNTING POLICIES (continued)

G Impairment (continued)

(a) Financial assets (continued)

(ii) Measurement

ECL are a probability-weighted estimate of credit losses. They are measured as follows:

- Financial assets that are non credit-impaired at the reporting date: At the present value of all cash shortfalls, being the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive.
- Financial assets that are credit-impaired at the reporting date: At the difference between the gross carrying amount and the present value of estimated future cash flows.
- Undrawn loan commitments: At the present value of the difference between the contractual cash flows that are due to the Group if the commitment is drawn down and the cash flows that the Group expects to receive.
- Financial guarantee contracts: The expected payments to reimburse the holder less any amounts that the Group expects to recover.

Stage 1 and Stage 2 ECL computation is modelled and estimated based on four macroeconomic scenarios that are most closely correlated with credit losses in the relevant portfolio. The four macroeconomic scenarios comprise a most likely "Base" outcome and three other less likely scenarios consisting of one "Upside" and two "Downside" scenarios. These scenarios are probability-weighted and underlying key macroeconomic assumptions are based on a combination of independent external and in-house views. The assumptions are subject to regular management reviews to reflect current economic situations. Stage 3 ECL is quantified based on the recovery strategy adopted, where the Group takes into account other factors including forward looking scenarios, market conditions and credit risk mitigants.

(iii) Movement between stages

Movement between Stage 1 and Stage 2 classification is based on whether an instrument's credit risk as at the reporting date has increased significantly since its initial recognition.

In accordance with MFRS 9, financial assets are classified in Stage 2 when there is a significant increase in credit risk since initial recognition, and impairment allowance will be measured using lifetime ECL.

The Group considers both qualitative and quantitative parameters in the assessment of significant increase in credit risk. These include the following:

- The Group has established thresholds for significant increases in credit risk based on both relative and absolute changes in lifetime probability of default ("PD") relative to initial recognition.
- The Group conducts qualitative assessment to ascertain if there is a significant increase in credit risk.
- The Group uses days past due as a further indication of significant increase in credit risk.

Movement between Stage 2 and Stage 3 classification is based on whether financial assets are credit-impaired as at the reporting date. The determination of whether a financial asset is credit-impaired under MFRS 9 will be based on objective evidence of impairment.

The Group is also guided by BNM's policy document on Financial Reporting whereby a credit facility is classified as credit-impaired if it is past due for more than 3 months or where the amount is past due for less than 3 months but exhibits weakness in accordance with the Group's internal credit risk assessment. In addition, where repayments are scheduled on intervals of 3 months or longer, the credit facility is classified as credit-impaired as soon as default occurs.

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2 MATERIAL ACCOUNTING POLICIES (continued)

G Impairment (continued)

(a) Financial assets (continued)

(iii) Movement between stages (continued)

The assessments for significant increase in credit risk since initial recognition and credit-impairment are performed independently as at each reporting period. Assets can move in both directions through the stages of the impairment model. After a financial asset has migrated to Stage 2, if it is no longer considered that credit risk has significantly increased relative to initial recognition in a subsequent reporting period, it will move back to Stage 1. Similarly, an asset that is in Stage 3 will move back to Stage 2 if it is no longer considered to be credit-impaired. For credit-impaired portfolio, Stage 3 ECL is assessed individually and measured as described in Note 40 of the financial statements.

(iv) Regulatory framework

Under BNM's policy document on Financial Reporting, the Group must maintain, in aggregate, impairment allowance for non credit-impaired exposures and regulatory reserve of no less than 1% of total credit exposures, net of impairment allowance for credit impaired exposures.

(b) Other assets

The carrying amounts of other assets (except for deferred tax assets) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

Impairment allowance is recognised in profit or loss if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment allowance recognised in respect of cash-generating units is allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (group of cash-generating units) and then to reduce the carrying amounts of the other assets in the cash-generating unit (groups of cash-generating units) on a pro rata basis.

Impairment allowance recognised in prior periods is assessed at the end of each reporting date for any indication that the loss has decreased or no longer exists. An impairment allowance is reversed if there is a change in the estimates used to determine the recoverable amount since the last impairment allowance was recognised. An impairment allowance is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment allowance had been recognised. Reversals of impairment allowance are credited to profit or loss in the financial year in which the reversals are recognised.

H Equity instruments

Instruments classified as equity are measured at cost on initial recognition and are not remeasured subsequently. Costs directly attributable to the issue of instruments classified as equity are recognised as a deduction from equity.

Ordinary shares are classified as equity.

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2 MATERIAL ACCOUNTING POLICIES (continued)

H Equity instruments (continued)

Interim dividend on ordinary shares is recorded in the financial year in which it is declared payable by the Board of Directors. Final dividend is recorded in the financial year when the dividend is approved at the annual general meeting. Liability is recognised for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Group, on or before the end of the reporting period but not distributed at the end of the reporting period. Distributions to holders of an equity instrument are recognised directly in equity.

I Employee benefits

(a) Short-term employee benefits

Short-term employee benefit obligations in respect of salaries, paid annual leave and sick leave, variable cash performance bonus and non-monetary benefits are measured on an undiscounted basis and expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

The cost of accumulating compensated absences is recognised as an expense and measured based on the additional amount that the Group expects to pay as a result of the unused entitlement that has accumulated as at the end of the reporting period.

The Group's contributions to statutory pension funds are charged to profit or loss in the financial year to which they relate. Once contributions have been paid, the Group has no further payment obligations.

(b) Share-based payment transactions

(i) OCBC Deferred Share Plan ("DSP")

Under the DSP, shares of the immediate and ultimate holding company of the Bank, Oversea-Chinese Banking Corporation Limited ("OCBC Ltd"), are awarded to eligible executives. A trust is set up to administer the shares purchased under the DSP. 50% of the share awards will vest after two years with the remaining 50% vesting at the end of the third year in accordance with the guidelines established under the Plan. Prior to the vesting date, the executives will not be accorded voting rights on the shares. The awards will lapse immediately on the termination of employment, except in the event of retirement, redundancy, death, or where approved by the relevant approving authorities at OCBC Ltd whom may allow the awards to be retained and vested within the relevant vesting periods or such periods as may be determined.

(ii) OCBC Share Option Scheme 2001 ("ESOS")

Under the ESOS, shares of OCBC Ltd are offered to executives of the rank of Manager and above, including Non-Executive Directors. Options granted are exercisable for a period commencing after the 1st anniversary and expire on the 10th anniversary of the respective dates of grant except for options granted to Non-Executive Directors which are exercisable up to 5 years. One-third of the share options granted will vest each financial year after the 1st anniversary of the respective dates of grant and fully vested after the 3rd anniversary. OCBC Ltd ceased granting share options under the ESOS effective from financial year 2018 remuneration. Share options granted in prior years continue to be outstanding until the options lapse or are exercised by recipients.

(iii) OCBC Employee Share Purchase Plan ("ESPP")

The ESPP is a savings-based share ownership plan that allows eligible employees to participate in shares of OCBC Ltd by making monthly contributions to the ESPP and interest accrued at a preferential rate determined by OCBC Ltd's Remuneration Committee. The Committee will fix the offering period and acquisition price for the new ordinary shares to be issued under the ESPP.

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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2025 (continued)

2 MATERIAL ACCOUNTING POLICIES (continued)

I Employee benefits (continued)

(b) Share-based payment transactions (continued)

(iii) OCBC Employee Share Purchase Plan ("ESPP") (continued)

Equity instruments granted are recognised as expense in profit or loss based on the fair value of the equity instrument at the date of the grant. The expense is recognised over the vesting period of the grant, based on the recharge by the immediate and ultimate holding company. At each reporting date, the Group revises the estimates of the number of equity instruments expected to be vested, and the impact of the change to the original estimates, if any, is recognised in profit or loss over the remaining vesting period. A liability is recognised based on the recharge by the immediate and ultimate holding company of the Bank over the vesting period. The Group accrues for interest/profit on the monthly contributions made by employees to the savings-based ESPP. Further details of the equity compensation benefits are disclosed in Note 19(b) to the financial statements.

J Provisions

A provision is recognised if, as a result of past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Where the Group expects a provision to be reimbursed by another party, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

K Income and expenses

(a) Interest/finance income and interest/finance expense

Interest/finance income or expense is recognised using the effective interest/profit method.

The effective interest/finance rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset or amortised cost of the financial liability.

Finance income for sale-based contracts (Bai' Inah, Bai' Bithaman Ajil, Tawarruq, Murabahah and Bai' Dayn) are recognised on effective profit rate basis over the period of the contract based on the principal amounts outstanding.

Finance income for lease-based contracts (Ijarah Thumma Al-Bai, Ijarah and Ijarah Muntahiah Bi Al-Tamlik) are recognised on effective profit rate basis over the lease term.

Finance income for equity-based contracts (Musharakah Mutanaqisah and Mudharabah) are recognised on the basis of the reducing balance on a time-apportioned basis that reflects the effective yield on the asset.

(b) Fee and commission income

The Group earns fees and commissions from a range of services rendered to its customers. Fees and commissions are recognised when the Group has satisfied its performance obligations in providing the services to the customer. Transaction based fees and commissions are generally recognised upon the completion of a transaction. For services provided over a period of time or credit risk undertaken, fees and commissions are amortised over the relevant period. Expenses are offset against gross fees and commissions in the income statement only when they are directly related.

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2 MATERIAL ACCOUNTING POLICIES (continued)

K Income and expenses (continued)

(c) Net trading income

Net trading income comprises gains and losses from changes in financial assets at FVTPL and trading derivatives, gains and losses on foreign exchange trading and other trading activities.

(d) Dividend income

Dividend income is recognised in profit or loss on the date that the Group's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

(e) Rental income

Rental income is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

(f) Other income

Pursuant to BNM's Guidelines on Late Payment Charges for Islamic Banking Institutions, the Group recognises all late penalty income arising from Islamic banking under income from Islamic banking operations in profit or loss.

L Income tax

Income tax expense comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that it relates to items recognised directly in equity or other comprehensive income.

(a) Current tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

(b) Deferred tax

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for the initial recognition of assets or liabilities in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by end of the reporting period.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are not discounted.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax assets and liabilities on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2025 (continued)

2 MATERIAL ACCOUNTING POLICIES (continued)

M Earnings per ordinary share

Basic earnings per ordinary share is calculated by dividing the profit or loss attributable to the ordinary shareholder of the Bank less preference shares dividend by the weighted average number of ordinary shares outstanding during the period.

N Restricted profit sharing investment accounts (“RPSIA”)

The RPSIA used to fund specific financing follow the principle of Mudharabah which states that profits will be shared with the Group entity as mudarib and losses borne by depositors.

O Contingencies

(a) Contingent liabilities

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is not recognised in the statement of financial position and is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote.

Possible obligations, which existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(b) Contingent assets

When an inflow of economic benefit of an asset is probable where it arises from past events and where existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not being wholly within the control of the Group, the asset is not recognised in the statement of financial position but is disclosed as a contingent asset. When the inflow of economic benefit is virtually certain, then the related asset is recognised.

P Fair value measurements

Fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group recognises transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

Q Zakat contribution

Zakat represents business zakat payable by the Group to comply with the principles of Shariah and as approved by the Shariah Committee. The Group only pays zakat on its business and does not pay zakat on behalf of depositors or shareholder.

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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2025 (continued)**3 CASH AND CASH EQUIVALENTS**

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Cash and balances with banks and other financial institutions	1,103,354	676,688	1,028,826	597,218
Money at call and deposit placements with financial institutions maturing within one month	146,157	84,119	186,957	152,865
Deposit placements with Bank Negara Malaysia	323,321	1,201,021	-	340,000
	1,572,832	1,961,828	1,215,783	1,090,083
Stage 1 ECL allowance	(170)	(88)	(166)	(80)
	1,572,662	1,961,740	1,215,617	1,090,003

(a) By geographical distribution

Malaysia	977,567	1,681,960	678,877	861,520
Singapore	93,617	72,294	69,152	53,195
Other ASEAN countries	8,787	7,460	6,378	6,676
Rest of the world	492,861	200,114	461,376	168,692
	1,572,832	1,961,828	1,215,783	1,090,083

The analysis by geography is determined based on where the credit risk resides.

(b) Included in the Bank's cash and cash equivalents are deposits and placements with its Islamic Banking subsidiary, OCBC Al-Amin Bank Berhad ("OCBC Al-Amin"), amounting to RM41 million (2024: RM69 million), which are unsecured and profit bearing.

(c) Movements in ECL allowance

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Stage 1 ECL				
At 1 January	88	69	80	66
New financial assets originated or purchased	108	207	108	207
Financial assets derecognised	(58)	(157)	(58)	(157)
Net remeasurement during the financial year	38	(16)	42	(21)
Other movements	(6)	(15)	(6)	(15)
At 31 December	170	88	166	80

4 DEPOSITS AND PLACEMENTS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Bank Negara Malaysia	160	-	160	-
Licensed banks	687,080	1,488,093	1,696,398	1,660,443
	687,240	1,488,093	1,696,558	1,660,443
Stage 1 ECL allowance	(108)	(180)	(108)	(180)
	687,132	1,487,913	1,696,450	1,660,263

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

Malaysia	654,279	1,481,258	1,663,597	1,653,608
Singapore	4,785	1,963	4,785	1,963
Rest of the world	28,176	4,872	28,176	4,872
	687,240	1,488,093	1,696,558	1,660,443

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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2025 (continued)**4 DEPOSITS AND PLACEMENTS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS (continued)**

(b) By residual contractual maturity

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Maturity within one year	687,240	1,488,093	1,696,558	1,660,443

(c) Included in the Bank's deposits and placements with licensed banks are deposits and placements with its Islamic Banking subsidiary, OCBC Al-Amin, amounting to RM1,009 million (2024: RM172 million), which are unsecured and profit bearing.

(d) Movements in ECL allowance

	2025			2024		
	Stage 1 12 months ECL RM'000	Stage 2 Lifetime ECL RM'000	Total ECL non credit- impaired RM'000	Stage 1 12 months ECL RM'000	Stage 2 Lifetime ECL RM'000	Total ECL non credit- impaired RM'000
Group and Bank						
At 1 January	180	-	180	17	-	17
New financial assets originated or purchased	223	-	223	145	-	145
Financial assets derecognised	(125)	-	(125)	(68)	(1)	(69)
Net remeasurement during the financial year	(164)	-	(164)	87	4	91
Other movements	(6)	-	(6)	(1)	(3)	(4)
At 31 December	108	-	108	180	-	180

5 INVESTMENT ACCOUNT PLACEMENTS

Bank	2025 RM'000	2024 RM'000
Restricted Profit Sharing Investment Accounts ("RPSIA") ECL allowance	6,476,685 (16,548)	7,736,685 (14,850)
	<u>6,460,137</u>	<u>7,721,835</u>

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

Malaysia	<u>6,476,685</u>	<u>7,736,685</u>
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(b) By residual contractual maturity

Within one year	<u>6,476,685</u>	<u>7,736,685</u>
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The exposure to RPSIA are arrangement with its Islamic banking subsidiary, OCBC Al-Amin, which contract are based on Mudharabah principle to fund specific business ventures where the Bank solely provides capital and the business venture are managed solely by OCBC Al-Amin. The profit of the business venture arrangements are shared between the Bank and OCBC Al-Amin based on a pre-agreed ratio with losses, if any, borne by the Bank.

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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2025 (continued)**5 INVESTMENT ACCOUNT PLACEMENTS (continued)**

(c) Movements in ECL allowance

Bank	<i>Non credit-impaired</i>		<i>Credit-impaired</i>	Total
	Stage 1	Stage 2	Stage 3	
	12 months	Lifetime	Lifetime	
	ECL	ECL	ECL	
	RM'000	RM'000	RM'000	RM'000
2025				
At 1 January	14,728	122	-	14,850
Transferred to Stage 1	101	(101)	-	-
Transferred to Stage 2	(75)	75	-	-
New financial assets originated or purchased	9,062	-	-	9,062
Financial assets derecognised	(2,954)	(50)	-	(3,004)
Net remeasurement during the financial year	(4,086)	(46)	-	(4,132)
Other movements	(228)	-	-	(228)
At 31 December	16,548	-	-	16,548
2024				
At 1 January	13,251	1,087	14,796	29,134
Transferred to Stage 1	299	(299)	-	-
Transferred to Stage 2	(92)	92	-	-
New financial assets originated or purchased	6,122	-	-	6,122
Financial assets derecognised	(456)	-	-	(456)
Net remeasurement during the financial year	(4,330)	(758)	(14,796)	(19,884)
Other movements	(66)	-	-	(66)
At 31 December	14,728	122	-	14,850

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

	Group		Bank	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
At fair value				
Malaysian Government Investment Issues	844,364	512,384	844,364	512,384
Malaysian Government Securities	674,728	1,169,396	674,728	1,169,396
Malaysian Government Treasury Bills	49,358	-	49,358	-
Foreign Government Debt Securities	4,235	43	4,235	43
Corporate Bonds and Sukuk	586,997	586,865	586,997	586,865
Quoted shares outside Malaysia	123,658	930	123,658	930
	2,283,340	2,269,618	2,283,340	2,269,618

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

	Group		Bank	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
At fair value				
Malaysian Government Investment Issues	5,291,493	4,727,582	2,382,310	2,475,955
Malaysian Government Securities	10,932,014	10,753,229	10,932,014	10,753,229
Malaysian Treasury Bills and Islamic Treasury Bills	19,922	19,910	19,922	19,910
Foreign Government Debt Securities and Sukuk	1,247,061	886,575	1,247,061	886,575
Negotiable Instruments of Deposits ("NIDs") and Islamic NIDs	6,387,509	5,272,425	5,292,122	4,080,421
Corporate and Islamic Corporate Bonds, Sukuk and Sanadat Mudharabah Cagamas	8,654,464	5,075,762	7,499,890	4,122,869
Unquoted shares in Malaysia				
- Cagamas Holdings Berhad	85,596	85,595	85,596	85,595
- Others	28,326	27,866	28,326	27,866
	32,646,385	26,848,944	27,487,241	22,452,420

The above include the Group's and the Bank's Malaysian Government Investment Issues, Malaysian Government Securities and corporate bonds, which are pledged as collateral for obligations on securities sold under repurchase agreements with nominal value amounting to RM2,139 million and RM1,489 million (2024: RM496 million and RM96 million) respectively.

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2025 (continued)

7 FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (“FVOCI”) (continued)

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

	2025			2024		
	Stage 1 12 months ECL RM'000	Stage 2 Lifetime ECL RM'000	Total ECL non credit- impaired RM'000	Stage 1 12 months ECL RM'000	Stage 2 Lifetime ECL RM'000	Total ECL non credit- impaired RM'000
<u>Group</u>						
At 1 January	2,857	458	3,315	1,483	61	1,544
Transferred to Stage 1	202	(202)	-	36	(36)	-
Transferred to Stage 2	(373)	373	-	(73)	73	-
New financial assets originated or purchased	7,359	-	7,359	3,945	-	3,945
Financial assets derecognised	(943)	(1,096)	(2,039)	(888)	(5)	(893)
Net remeasurement during the financial year	(3,183)	1,072	(2,111)	(1,544)	399	(1,145)
Other movements	(84)	2	(82)	(102)	(34)	(136)
At 31 December	5,835	607	6,442	2,857	458	3,315
<u>Bank</u>						
At 1 January	2,606	458	3,064	1,328	61	1,389
Transferred to Stage 1	180	(180)	-	36	(36)	-
Transferred to Stage 2	(300)	300	-	(72)	72	-
New financial assets originated or purchased	6,180	-	6,180	3,504	-	3,504
Financial assets derecognised	(446)	(1,096)	(1,542)	(711)	(5)	(716)
Net remeasurement during the financial year	(2,799)	1,081	(1,718)	(1,377)	400	(977)
Other movements	(84)	2	(82)	(102)	(34)	(136)
At 31 December	5,337	565	5,902	2,606	458	3,064

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8 LOANS, ADVANCES AND FINANCING

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
At amortised cost				
Overdrafts	2,821,559	2,894,158	2,060,617	2,260,337
Term loans/financing				
- Housing loans/financing	16,661,248	16,998,380	14,105,831	15,232,362
- Syndicated term loans/financing	10,728,729	10,378,520	6,687,872	7,075,007
- Hire purchase receivables	151,638	215,407	33,699	51,463
- Other term loans/financing	20,863,404	21,080,645	14,258,213	14,293,450
Credit cards	493,352	513,093	493,352	513,093
Bills receivable	153,447	225,481	121,181	177,826
Trust receipts	14,900	16,919	12,192	16,613
Claims on customers under acceptance credits	85,417	1,920,350	72,025	1,756,801
Revolving credit	12,507,272	11,509,050	8,628,361	7,527,059
Staff loans/financing	37,443	39,461	37,443	39,461
Other loans/financing	6,094,683	3,562,478	5,626,145	3,325,263
Gross loans, advances and financing	70,613,092	69,353,942	52,136,931	52,268,735
ECL allowance	(856,919)	(1,062,314)	(689,793)	(835,859)
Net loans, advances and financing	69,756,173	68,291,628	51,447,138	51,432,876
(a) By type of customer				
Domestic banking institutions	-	786,133	-	-
Domestic non-bank financial institutions	5,413,693	4,074,085	3,342,235	2,149,644
Domestic business enterprises				
- Small and medium enterprises	13,588,619	12,896,419	9,700,945	10,012,939
- Others	31,314,982	31,065,516	21,543,730	21,531,378
Individuals	18,483,755	18,889,687	15,961,594	17,061,061
Foreign entities	1,812,043	1,642,102	1,588,427	1,513,713
	70,613,092	69,353,942	52,136,931	52,268,735
(b) By interest/profit rate sensitivity				
Fixed rate				
- Housing loans/financing	113,239	129,393	83,977	64,406
- Hire purchase receivables	84,135	145,361	26,681	45,219
- Other fixed rate loans/financing	9,136,507	6,838,094	8,138,364	6,066,029
Variable rate				
- Base rate/Base lending rate/Base financing rate plus/Standardised base rate	27,948,424	29,369,865	21,963,241	25,133,807
- Cost plus	32,992,025	32,354,952	21,594,756	20,470,229
- Other variable rates	338,762	516,277	329,912	489,045
	70,613,092	69,353,942	52,136,931	52,268,735

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8 LOANS, ADVANCES AND FINANCING (continued)

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
(c) By sector				
Agriculture, hunting, forestry and fishing	1,626,367	2,156,009	1,143,989	1,569,460
Mining and quarrying	102,150	57,272	90,718	47,575
Manufacturing	8,752,940	7,988,332	7,341,048	6,958,196
Electricity, gas and water	985,434	712,043	624,811	486,098
Construction	2,625,306	2,159,457	1,806,776	1,562,038
Real estate	6,414,074	6,211,864	5,485,339	5,353,388
Wholesale & retail trade and restaurants & hotels	8,225,430	7,631,245	6,163,386	6,156,583
Transport, storage and communication	3,319,423	2,960,285	1,956,141	1,941,927
Finance, insurance and business services	16,270,454	17,057,745	8,793,120	8,446,350
Community, social and personal services	2,474,926	2,187,298	1,660,793	1,471,744
Household				
- Purchase of residential properties	17,197,903	17,611,242	14,636,926	15,839,177
- Purchase of non-residential properties	522,443	558,358	469,066	512,101
- Others	2,096,242	2,062,792	1,964,818	1,924,098
	<u>70,613,092</u>	<u>69,353,942</u>	<u>52,136,931</u>	<u>52,268,735</u>
(d) By geography determined based on where the credit risk resides				
Malaysia	68,794,748	67,717,281	50,541,496	50,759,509
Singapore	921,477	985,079	802,836	902,612
Other ASEAN countries	298,303	297,792	293,260	293,694
Rest of the world	598,564	353,790	499,339	312,920
	<u>70,613,092</u>	<u>69,353,942</u>	<u>52,136,931</u>	<u>52,268,735</u>
(e) By residual contractual maturity				
Up to one year	22,438,712	21,086,624	18,133,668	16,805,760
Over one year to three years	8,924,902	9,613,472	4,777,096	4,703,444
Over three years to five years	8,503,340	8,298,834	5,295,899	5,380,839
Over five years	30,746,138	30,355,012	23,930,268	25,378,692
	<u>70,613,092</u>	<u>69,353,942</u>	<u>52,136,931</u>	<u>52,268,735</u>

9 IMPAIRED LOANS, ADVANCES AND FINANCING

(i) Movements in impaired loans, advances and financing

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
At 1 January	1,485,498	2,253,431	1,156,271	1,702,842
Impaired during the financial year	751,098	920,002	671,631	828,255
Reclassified as non-credit impaired	(508,002)	(789,221)	(391,850)	(685,366)
Amount recovered	(521,421)	(560,108)	(438,342)	(476,150)
Amount written off	(278,839)	(338,606)	(217,453)	(213,310)
At 31 December	928,334	1,485,498	780,257	1,156,271
Stage 3 ECL allowance	(206,827)	(432,069)	(167,358)	(323,916)
Net impaired loans, advances and financing	<u>721,507</u>	<u>1,053,429</u>	<u>612,899</u>	<u>832,355</u>

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9 IMPAIRED LOANS, ADVANCES AND FINANCING (continued)

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

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
(a) By sector				
Agriculture, hunting, forestry and fishing	1,492	2,411	1,022	843
Mining and quarrying	6,617	8,093	6,617	8,093
Manufacturing	162,174	241,729	147,586	205,529
Electricity, gas and water	4,304	4,515	4,035	4,394
Construction	24,264	77,235	17,535	70,077
Real estate	67,948	73,806	67,142	69,916
Wholesale & retail trade and restaurants & hotels	144,549	384,825	92,637	210,127
Transport, storage and communication	13,610	11,740	8,365	6,332
Finance, insurance and business services	20,039	26,310	17,494	24,805
Community, social and personal services	6,646	6,294	6,098	6,190
Household				
- Purchase of residential properties	429,430	576,393	372,024	493,876
- Purchase of non-residential properties	7,228	12,392	5,768	8,866
- Others	40,033	59,755	33,934	47,223
	<u>928,334</u>	<u>1,485,498</u>	<u>780,257</u>	<u>1,156,271</u>
(b) By geography based on where the credit risk resides				
Malaysia	899,334	1,444,403	756,546	1,125,202
Singapore	17,120	20,639	15,441	17,818
Other ASEAN countries	498	1,464	498	1,464
Rest of the world	11,382	18,992	7,772	11,787
	<u>928,334</u>	<u>1,485,498</u>	<u>780,257</u>	<u>1,156,271</u>
(c) By collateral type				
Property	660,863	1,124,728	566,676	891,648
Fixed deposits	450	3,794	450	3,794
Machinery	357	-	357	-
Secured - others	65,645	49,807	50,808	36,481
Unsecured - corporate and other guarantees	69,339	102,797	60,870	75,109
Unsecured - clean	131,680	204,372	101,096	149,239
	<u>928,334</u>	<u>1,485,498</u>	<u>780,257</u>	<u>1,156,271</u>

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2025 (continued)

9 IMPAIRED LOANS, ADVANCES AND FINANCING (continued)

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

Group	<i>Non credit-impaired</i>		<i>Credit-impaired</i>	2025	<i>Non credit-impaired</i>		<i>Credit-impaired</i>	2024
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January	231,833	398,412	432,069	1,062,314	188,322	320,834	755,192	1,264,348
Transferred to Stage 1	222,520	(211,060)	(11,460)	-	194,876	(167,567)	(27,309)	-
Transferred to Stage 2	(56,088)	111,806	(55,718)	-	(42,797)	104,908	(62,111)	-
Transferred to Stage 3	(285)	(132,294)	132,579	-	(2,034)	(107,738)	109,772	-
New financial assets originated or purchased	294,283	227,170	-	521,453	249,384	146,982	-	396,366
Financial assets derecognised	(204,670)	(244,295)	(42,339)	(491,304)	(175,554)	(164,838)	(29,512)	(369,904)
Net remeasurement during the financial year	(215,783)	239,075	42,566	65,858	(179,281)	266,000	42,725	129,444
Written off	-	-	(278,839)	(278,839)	-	-	(338,606)	(338,606)
Other movements	(3,314)	(7,218)	(12,031)	(22,563)	(1,083)	(169)	(18,082)	(19,334)
At 31 December	268,496	381,596	206,827	856,919	231,833	398,412	432,069	1,062,314

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9 IMPAIRED LOANS, ADVANCES AND FINANCING (continued)

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

	<i>Non credit-impaired</i>		<i>Credit-impaired</i>	2025	<i>Non credit-impaired</i>		<i>Credit-impaired</i>	2024
	Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3	
	RM'000	RM'000	RM'000		RM'000	RM'000	RM'000	
Bank				Total				Total
At 1 January	182,377	329,566	323,916	835,859	145,190	254,233	497,729	897,152
Transferred to Stage 1	165,020	(154,972)	(10,048)	-	156,196	(132,515)	(23,681)	-
Transferred to Stage 2	(44,232)	82,626	(38,394)	-	(34,052)	85,462	(51,410)	-
Transferred to Stage 3	(257)	(114,442)	114,699	-	(1,951)	(85,871)	87,822	-
New financial assets originated or purchased	247,537	201,355	-	448,892	219,181	124,880	-	344,061
Financial assets derecognised	(185,971)	(212,284)	(25,047)	(423,302)	(157,866)	(137,818)	(27,390)	(323,074)
Net remeasurement during the financial year	(160,688)	197,006	30,210	66,528	(143,375)	221,301	69,626	147,552
Written off	-	-	(217,453)	(217,453)	-	-	(213,310)	(213,310)
Other movements	(2,891)	(7,315)	(10,525)	(20,731)	(946)	(106)	(15,470)	(16,522)
At 31 December	<u>200,895</u>	<u>321,540</u>	<u>167,358</u>	<u>689,793</u>	<u>182,377</u>	<u>329,566</u>	<u>323,916</u>	<u>835,859</u>

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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2025 (continued)

9 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 19)

	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 financial year	Written off	Stage 1 and 2	Stage 3	Made during the financial year	Written off
	RM'000	RM'000	(Note 30) RM'000	RM'000	RM'000	RM'000	(Note 30) RM'000	RM'000
31 December 2025								
Agriculture, hunting, forestry and fishing	13,637	724	712	326	12,962	542	579	326
Mining and quarrying	1,610	-	9	-	1,259	-	-	-
Manufacturing	250,484	43,116	43,275	33,912	225,965	33,638	40,753	28,579
Electricity, gas and water	13,018	1,693	266	-	9,908	1,588	165	-
Construction	109,265	25,229	7,481	39,397	72,163	7,527	5,931	39,258
Real estate	53,159	16,825	1,722	1,369	45,901	16,666	1,672	1,369
Wholesale & retail trade and restaurants & hotels	162,530	38,307	62,440	130,533	131,746	28,184	44,773	95,430
Transport, storage and communication	45,045	5,299	5,561	1,277	31,807	3,451	3,934	915
Finance, insurance and business services	92,637	5,132	6,423	1,406	65,997	4,352	5,714	1,393
Community, social and personal services	16,086	1,791	1,178	-	13,510	1,461	831	-
Household								
- Purchase of residential properties	49,487	63,810	94,214	57,044	42,446	53,125	74,835	39,092
- Purchase of non-residential properties	2,757	1,383	2,008	963	2,053	1,086	1,868	963
- Others	82,200	18,840	22,762	12,612	80,283	16,063	19,898	10,128
	<u>891,915</u>	<u>222,149</u>	<u>248,051</u>	<u>278,839</u>	<u>736,000</u>	<u>167,683</u>	<u>200,953</u>	<u>217,453</u>

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9 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 loan commitments and financial guarantees (Note 19) (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 financial year (Note 30)	Written off	Stage 1 and 2	Stage 3	Made during the financial year (Note 30)	Written off
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
31 December 2024								
Agriculture, hunting, forestry and fishing	36,670	479	689	1	26,143	361	573	1
Mining and quarrying	3,575	-	-	-	3,348	-	-	-
Manufacturing	238,164	71,823	23,726	113,552	215,250	42,634	13,484	51,024
Electricity, gas and water	7,677	1,480	184	36,996	6,297	1,476	184	36,996
Construction	121,648	96,479	43,354	68,180	80,974	78,179	38,307	22,054
Real estate	48,797	17,479	331	1	42,644	17,339	274	1
Wholesale & retail trade and restaurants & hotels	126,212	157,384	38,566	14,978	105,884	107,933	19,955	11,297
Transport, storage and communication	42,461	3,509	4,475	443	29,936	1,284	2,021	435
Finance, insurance and business services	94,109	2,055	4,660	32,202	67,421	1,614	4,432	31,923
Community, social and personal services	18,887	1,144	458	384	17,191	1,131	458	-
Household								
- Purchase of residential properties	45,548	93,646	104,568	53,791	40,361	75,651	91,555	43,758
- Purchase of non-residential properties	3,061	1,658	4,066	3,571	2,875	802	4,052	3,571
- Others	81,264	21,333	26,386	14,507	78,992	15,685	22,488	12,250
	<u>868,073</u>	<u>468,469</u>	<u>251,463</u>	<u>338,606</u>	<u>717,316</u>	<u>344,089</u>	<u>197,783</u>	<u>213,310</u>

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9 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 loan commitments and financial guarantees (Note 19) (continued)

	Group			Bank		
	<i>Non credit- impaired</i>	<i>Credit- impaired</i>		<i>Non credit- impaired</i>	<i>Credit- impaired</i>	
	Stage 1 and 2	Stage 3	Total	Stage 1 and 2	Stage 3	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2025						
Malaysia	875,276	215,274	1,090,550	722,251	162,712	884,963
Singapore	4,747	4,404	9,151	4,265	3,377	7,642
Other ASEAN countries	3,188	147	3,335	3,155	147	3,302
Rest of the world	8,704	2,324	11,028	6,329	1,447	7,776
	<u>891,915</u>	<u>222,149</u>	<u>1,114,064</u>	<u>736,000</u>	<u>167,683</u>	<u>903,683</u>
2024						
Malaysia	856,889	456,875	1,313,764	706,508	336,841	1,043,349
Singapore	4,662	6,274	10,936	4,454	4,921	9,375
Other ASEAN countries	1,637	1,700	3,337	1,628	627	2,255
Rest of the world	4,885	3,620	8,505	4,726	1,700	6,426
	<u>868,073</u>	<u>468,469</u>	<u>1,336,542</u>	<u>717,316</u>	<u>344,089</u>	<u>1,061,405</u>

(c) Impact of movements in gross carrying amount on ECL allowance

Stage 1 ECL allowance for loans, advances and financing, including loan commitments and financial guarantees, increased by RM31 million for the Group and RM13 million for the Bank. The increase was mainly driven by net migration into Stage 1 following improvements in credit quality and new financial assets originated or purchased, partially offset by net remeasurement due to changes in credit risk and derecognition of financial assets.

Stage 2 ECL allowance for loans, advances and financing, including loan commitments and financial guarantees, decreased by RM7 million for the Group but increased by RM6 million for the Bank. The reduction for the Group was primarily attributable to net migration out of Stage 2 to Stage 1 and 3 and derecognition of financial assets, partially offset by new financial assets originated or purchased and net remeasurement due to changes in credit risk, while the increase for the Bank was mainly driven by higher new financial assets originated or purchased and net remeasurement due to changes in credit risk, partially offset by migration to Stage 1 and 3 following credit quality improvement or deterioration and derecognition of financial assets.

Stage 3 ECL allowance for loans, advances and financing, including loan commitments and financial guarantees, decreased by RM246 million for the Group and RM176 million for the Bank, primarily due to financial assets written-off, partially offset by net migration into Stage 3.

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10 DERIVATIVE FINANCIAL ASSETS AND LIABILITIES

Financial derivatives are instruments which value change in response to the change in one or more "underlying" such as foreign exchange rate, security price and credit index. They include forwards, swaps, futures, options and credit derivatives. In the normal course of business, the Group and the Bank customise derivatives to meet the specific needs of their customers. The Group and the Bank also transact in these derivatives for proprietary trading purposes as well as to manage its assets/liabilities and structural positions. While the Group and the Bank also enter into other foreign exchange forward contracts with the intention to reduce the foreign exchange risk of expected sales and purchases, these other contracts are not designated as hedge relationships and are measured at fair value through profit or loss.

The tables below analyse the principal amounts and the positive (assets) and negative (liabilities) fair values of the Group's and the Bank's financial derivatives. The notional amounts of these instruments indicate the volume of transactions outstanding at the reporting date for both trading and hedging instruments. They do not necessarily indicate the amount of future cash flows or the fair value of the derivatives and therefore, do not represent total amount of risk. The positive (assets) and negative (liabilities) fair values represent the favourable and unfavourable fair value respectively of hedging and trading derivatives as a result of fluctuations in the value of the underlying relative to their contractual terms as at reporting date.

	2025			2024		
	Contract or underlying principal amount RM'000	Fair value		Contract or underlying principal amount RM'000	Fair value	
		Assets RM'000	Liabilities RM'000		Assets RM'000	Liabilities RM'000
Group						
Trading						
Foreign exchange derivatives						
- Forwards	13,907,472	98,957	287,137	9,392,620	138,301	140,811
- Swaps	41,714,178	592,918	648,945	30,368,065	472,313	443,122
- Options	519,743	2,534	813	473,453	3,517	1,275
- Others	-	-	-	4	-	1
Interest rate derivatives						
- Forwards	271,583	1,641	-	68,627	105	-
- Swaps	54,780,516	195,550	221,355	45,960,370	242,786	243,931
- Options	170,645	2,048	2,048	53,480	1,212	1,212
- Futures	194,438	3	84	952,116	81	78
- Others	-	-	-	12,913	20	73
Equity and other derivatives						
- Swaps	2,007,468	63,465	63,465	1,284,117	43,813	43,813
- Options	2,826,340	47,127	79,716	1,285,201	10,427	10,401
- Commodity related contracts	4,495	51	47	-	-	-
- Credit linked notes	1,378,864	21,183	21,183	1,280,070	22,585	22,585
	117,775,742	1,025,477	1,324,793	91,131,036	935,160	907,302
Hedging						
Interest rate derivatives						
- Swaps	3,732,799	5,624	12,070	3,235,991	17,529	2,257
	121,508,541	1,031,101	1,336,863	94,367,027	952,689	909,559

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10 DERIVATIVE FINANCIAL ASSETS AND LIABILITIES (continued)

	2025			2024		
	Contract or underlying principal amount RM'000	Fair value		Contract or underlying principal amount RM'000	Fair value	
		Assets RM'000	Liabilities RM'000		Assets RM'000	Liabilities RM'000
Bank						
Trading						
Foreign exchange derivatives						
- Forwards	13,924,989	98,844	287,176	9,386,800	138,238	140,460
- Swaps	42,758,301	613,894	649,203	30,542,396	472,692	443,144
- Options	519,743	2,534	813	473,453	3,517	1,275
- Others	-	-	-	4	-	1
Interest rate derivatives						
- Forwards	271,583	1,641	-	68,627	105	-
- Swaps	54,780,516	195,550	221,355	45,960,370	242,786	243,931
- Options	170,645	2,048	2,048	53,480	1,212	1,212
- Futures	194,438	3	84	952,116	81	78
- Others	-	-	-	12,913	20	73
Equity and other derivatives						
- Swaps	2,007,468	63,465	63,465	1,284,117	43,813	43,813
- Options	2,826,340	47,127	79,716	1,285,201	10,427	10,401
- Commodity related contracts	4,495	51	47	-	-	-
- Credit linked notes	1,378,864	21,183	21,183	1,280,070	22,585	22,585
	118,837,382	1,046,340	1,325,090	91,299,547	935,476	906,973
Hedging						
Interest rate derivatives						
- Swaps	3,732,799	5,624	12,070	3,235,991	17,529	2,257
	122,570,181	1,051,964	1,337,160	94,535,538	953,005	909,230
Of which related to wholly-owned subsidiary	1,630,186	81,553	305	741,289	12,823	43

11 OTHER ASSETS

	Note	Group		Bank	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Amount due from subsidiaries	(a)	-	-	113,244	20,749
Interest/Profit receivable		259,387	251,647	227,527	234,083
Other receivables, deposits and prepayments		332,099	222,464	327,754	218,449
Amount due from holding company		3,459	2,841	3,155	2,615
		594,945	476,952	671,680	475,896

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

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12 STATUTORY DEPOSITS WITH BANK NEGARA MALAYSIA

The non-profit bearing statutory deposits are maintained with BNM in compliance with Section 26(2)(c) and Section 26(3) of the Central Bank of Malaysia Act 2009, the amounts of which are determined as set percentages of total eligible liabilities.

13 INVESTMENTS IN SUBSIDIARIES

<u>Bank</u>	2025 RM'000	2024 RM'000
Unquoted shares in Malaysia, at cost	557,051	557,051

Details of the subsidiaries of the Bank, all of which are incorporated in Malaysia, are as follows:

<u>Subsidiaries</u>	<u>Principal activities</u>	Effective ownership and voting interest	
		2025	2024
OCBC Al-Amin Bank Berhad	Islamic banking	100%	100%
Malaysia Nominees (Tempatan) Sdn Bhd	Nominee services	100%	100%
Malaysia Nominees (Asing) Sdn Bhd	Nominee services	100%	100%
OCBC Advisers (Malaysia) Sdn Bhd	Corporate finance and related advisory services	100%	100%

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14 PROPERTY AND EQUIPMENT

<u>Group</u>	Freehold land and buildings* RM'000	Buildings on leasehold land		Office equipment and furniture RM'000	Computer equipment/ software RM'000	Motor vehicles RM'000	Renovation RM'000	Total RM'000
		Less than 50 years RM'000	50 years or more RM'000					
2025								
Cost								
At 1 January	131,076	3,607	7,018	152,622	335,687	1,440	102,632	734,082
Additions	-	-	-	12,719	14,224	-	37,630	64,573
Disposals/Write-off	-	-	-	(4,244)	(2,169)	(4)	(3,065)	(9,482)
Reclassification	-	-	-	(61)	61	-	-	-
At 31 December	131,076	3,607	7,018	161,036	347,803	1,436	137,197	789,173
Accumulated depreciation								
At 1 January	(50,749)	(1,909)	(3,106)	(137,649)	(304,973)	(986)	(93,331)	(592,703)
Depreciation for the financial year	(2,062)	(53)	(89)	(6,743)	(11,201)	(111)	(3,620)	(23,879)
Disposals/Write-off	-	-	-	4,228	2,103	4	3,107	9,442
Reclassification	-	-	-	2	(2)	-	-	-
At 31 December	(52,811)	(1,962)	(3,195)	(140,162)	(314,073)	(1,093)	(93,844)	(607,140)
Impairment allowance								
At 1 January and 31 December	(1,623)	(1,085)	(1,900)	-	-	-	-	(4,608)
Carrying amount								
At 1 January	78,704	613	2,012	14,973	30,714	454	9,301	136,771
At 31 December	76,642	560	1,923	20,874	33,730	343	43,353	177,425

* Included in freehold land and buildings are buildings amounting to RM105 million (2024: RM105 million) and accumulated depreciation of RM53 million (2024: RM51 million).

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14 PROPERTY AND EQUIPMENT (continued)

Group (continued)	Freehold land and buildings*	Buildings on leasehold land		Office equipment and furniture	Computer equipment/ software	Motor vehicles	Renovation	Total
		Less than 50 years	50 years or more					
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2024								
Cost								
At 1 January	131,076	3,607	7,018	153,853	331,218	910	95,504	723,186
Additions	-	-	-	3,801	9,449	555	7,190	20,995
Disposals/Write-off	-	-	-	(5,032)	(4,980)	(25)	(62)	(10,099)
At 31 December	131,076	3,607	7,018	152,622	335,687	1,440	102,632	734,082
Accumulated depreciation								
At 1 January	(48,939)	(1,846)	(3,000)	(137,377)	(300,157)	(877)	(92,132)	(584,328)
Depreciation for the financial year	(1,810)	(63)	(106)	(5,290)	(9,795)	(134)	(1,261)	(18,459)
Disposals/Write-off	-	-	-	5,018	4,979	25	62	10,084
At 31 December	(50,749)	(1,909)	(3,106)	(137,649)	(304,973)	(986)	(93,331)	(592,703)
Impairment allowance								
At 1 January and 31 December	(1,623)	(1,085)	(1,900)	-	-	-	-	(4,608)
Carrying amount								
At 1 January	80,514	676	2,118	16,476	31,061	33	3,372	134,250
At 31 December	78,704	613	2,012	14,973	30,714	454	9,301	136,771

* Included in freehold land and buildings are buildings amounting to RM105 million (2023: RM105 million) and accumulated depreciation of RM51 million (2023: RM49 million).

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14 PROPERTY AND EQUIPMENT (continued)

Bank	Freehold land and buildings*	Building on leasehold land		Office equipment and furniture	Computer equipment/ software	Motor vehicles	Renovation	Total
		Less than 50 years	50 years or more					
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2025								
Cost								
At 1 January	130,944	3,607	7,018	142,734	319,330	1,351	92,689	697,673
Additions	-	-	-	12,485	14,137	-	36,513	63,135
Disposals/Write-off	-	-	-	(3,978)	(2,086)	(4)	(3,065)	(9,133)
Reclassification	-	-	-	(61)	61	-	-	-
At 31 December	130,944	3,607	7,018	151,180	331,442	1,347	126,137	751,675
Accumulated depreciation								
At 1 January	(50,712)	(1,909)	(3,106)	(129,505)	(288,828)	(897)	(83,317)	(558,274)
Depreciation for the financial year	(2,062)	(53)	(89)	(5,989)	(11,066)	(111)	(3,615)	(22,985)
Disposals/Write-off	-	-	-	3,963	2,020	4	3,107	9,094
Reclassification	-	-	-	2	(2)	-	-	-
At 31 December	(52,774)	(1,962)	(3,195)	(131,529)	(297,876)	(1,004)	(83,825)	(572,165)
Impairment allowance								
At 1 January and 31 December	(1,623)	(1,085)	(1,900)	-	-	-	-	(4,608)
Carrying amount								
At 1 January	78,609	613	2,012	13,229	30,502	454	9,372	134,791
At 31 December	76,547	560	1,923	19,651	33,566	343	42,312	174,902

* Included in freehold land and buildings are buildings amounting to RM105 million (2024: RM105 million) and accumulated depreciation of RM53 million (2024: RM51 million).

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14 PROPERTY AND EQUIPMENT (continued)

Bank (continued)	Freehold land and buildings*	Building on leasehold land		Office equipment and furniture	Computer equipment/ software	Motor vehicles	Renovation	Total
		Less than 50 years	50 years or more					
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2024								
Cost								
At 1 January	130,944	3,607	7,018	144,116	314,887	821	85,503	686,896
Additions	-	-	-	3,623	9,367	555	7,190	20,735
Disposals/Write-off	-	-	-	(5,005)	(4,924)	(25)	(4)	(9,958)
At 31 December	130,944	3,607	7,018	142,734	319,330	1,351	92,689	697,673
Accumulated depreciation								
At 1 January	(48,902)	(1,846)	(3,000)	(130,027)	(284,124)	(788)	(82,065)	(550,752)
Depreciation for the financial year	(1,810)	(63)	(106)	(4,471)	(9,627)	(134)	(1,256)	(17,467)
Disposals/Write-off	-	-	-	4,993	4,923	25	4	9,945
At 31 December	(50,712)	(1,909)	(3,106)	(129,505)	(288,828)	(897)	(83,317)	(558,274)
Impairment allowance								
At 1 January and 31 December	(1,623)	(1,085)	(1,900)	-	-	-	-	(4,608)
Carrying amount								
At 1 January	80,419	676	2,118	14,089	30,763	33	3,438	131,536
At 31 December	78,609	613	2,012	13,229	30,502	454	9,372	134,791

* Included in freehold land and buildings are buildings amounting to RM105 million (2023: RM105 million) and accumulated depreciation of RM51 million (2023: RM49 million).

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2025 (continued)**14 PROPERTY AND EQUIPMENT (continued)**

The Bank rents out space, primarily to its Islamic subsidiary and a related company, for the purpose of providing services to the Group. The rental income is disclosed in Note 27 and the operating lease payments to be received are as follows:

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Less than one year	128	171	128	171
Between one to five years	60	188	60	188
Total undiscounted lease payments	188	359	188	359

15 RIGHT-OF-USE ("ROU") ASSETS

	2025			2024		
	Leasehold land RM'000	Properties RM'000	Total RM'000	Leasehold land RM'000	Properties RM'000	Total RM'000
Group						
Cost						
At 1 January	6,792	48,446	55,238	6,792	48,538	55,330
Additions	-	11,231	11,231	-	20,840	20,840
Derecognised during the financial year	-	(6,432)	(6,432)	-	(20,932)	(20,932)
At 31 December	6,792	53,245	60,037	6,792	48,446	55,238
Accumulated depreciation						
At 1 January	(1,806)	(19,541)	(21,347)	(1,724)	(25,417)	(27,141)
Depreciation for the financial year	(71)	(17,755)	(17,826)	(82)	(13,975)	(14,057)
Derecognised during the financial year	-	6,051	6,051	-	19,851	19,851
At 31 December	(1,877)	(31,245)	(33,122)	(1,806)	(19,541)	(21,347)
Impairment allowance						
At 1 January and 31 December	(1,604)	-	(1,604)	(1,604)	-	(1,604)
Carrying amount						
At 1 January	3,382	28,905	32,287	3,464	23,121	26,585
At 31 December	3,311	22,000	25,311	3,382	28,905	32,287
Bank						
Cost						
At 1 January	6,792	43,962	50,754	6,792	42,026	48,818
Additions	-	11,231	11,231	-	20,070	20,070
Derecognised during the financial year	-	(5,042)	(5,042)	-	(18,134)	(18,134)
At 31 December	6,792	50,151	56,943	6,792	43,962	50,754
Accumulated depreciation						
At 1 January	(1,806)	(18,007)	(19,813)	(1,724)	(22,557)	(24,281)
Depreciation for the financial year	(71)	(16,307)	(16,378)	(82)	(12,461)	(12,543)
Derecognised during the financial year	-	5,001	5,001	-	17,011	17,011
At 31 December	(1,877)	(29,313)	(31,190)	(1,806)	(18,007)	(19,813)
Impairment allowance						
At 1 January and 31 December	(1,604)	-	(1,604)	(1,604)	-	(1,604)
Carrying amount						
At 1 January	3,382	25,955	29,337	3,464	19,469	22,933
At 31 December	3,311	20,838	24,149	3,382	25,955	29,337

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16 DEFERRED TAX ASSETS

<u>Group</u>	<u>Assets</u>		<u>Liabilities</u>		<u>Net</u>	
	<u>2025</u> <u>RM'000</u>	<u>2024</u> <u>RM'000</u>	<u>2025</u> <u>RM'000</u>	<u>2024</u> <u>RM'000</u>	<u>2025</u> <u>RM'000</u>	<u>2024</u> <u>RM'000</u>
Change in fair value of financial instruments	-	-	(40,491)	(3,848)	(40,491)	(3,848)
Capital allowance over depreciation	-	-	(4,818)	(2,304)	(4,818)	(2,304)
Stage 1 and 2 ECL allowance	151,262	143,988	-	-	151,262	143,988
Provision for expenses	65,873	71,382	-	-	65,873	71,382
Other temporary differences	20,750	25,328	-	-	20,750	25,328
Tax assets/(liabilities)	237,885	240,698	(45,309)	(6,152)	192,576	234,546
Set off of tax	(45,309)	(6,152)	45,309	6,152	-	-
Net tax assets	192,576	234,546	-	-	192,576	234,546
<u>Bank</u>						
Change in fair value of financial instruments	-	-	(34,833)	(3,430)	(34,833)	(3,430)
Capital allowance over depreciation	-	-	(4,674)	(2,052)	(4,674)	(2,052)
Stage 1 and 2 ECL allowance	126,048	121,202	-	-	126,048	121,202
Provision for expenses	64,160	69,269	-	-	64,160	69,269
Other temporary differences	15,688	20,326	-	-	15,688	20,326
Tax assets/(liabilities)	205,896	210,797	(39,507)	(5,482)	166,389	205,315
Set off of tax	(39,507)	(5,482)	39,507	5,482	-	-
Net tax assets	166,389	205,315	-	-	166,389	205,315

(i) Movement in deferred tax

<u>Group</u>	<u>At</u> <u>1 January</u> <u>RM'000</u>	<u>Recognised</u> <u>in profit</u> <u>or loss</u> <u>(Note 31)</u> <u>RM'000</u>	<u>Recognised</u> <u>in other</u> <u>comprehensive</u> <u>income</u> <u>RM'000</u>	<u>At</u> <u>31 December</u> <u>RM'000</u>
2025				
Change in fair value of financial instruments	(3,848)	-	(36,643)	(40,491)
Capital allowance over depreciation	(2,304)	(2,514)	-	(4,818)
Stage 1 and 2 ECL allowance	143,988	7,274	-	151,262
Provision for expenses	71,382	(5,509)	-	65,873
Other temporary differences	25,328	(4,578)	-	20,750
	234,546	(5,327)	(36,643)	192,576
2024				
Change in fair value of financial instruments	7,414	-	(11,262)	(3,848)
Capital allowance over depreciation	(1,733)	(571)	-	(2,304)
Stage 1 and 2 ECL allowance	118,599	25,389	-	143,988
Provision for expenses	63,691	7,691	-	71,382
Other temporary differences	15,969	9,359	-	25,328
	203,940	41,868	(11,262)	234,546

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2025 (continued)**16 DEFERRED TAX ASSETS (continued)**

(i) Movement in deferred tax (continued)

	At 1 January RM'000	Recognised in profit or loss (Note 31) RM'000	Recognised in other comprehensive income RM'000	At 31 December RM'000
Bank				
2025				
Change in fair value of financial instruments	(3,430)	-	(31,403)	(34,833)
Capital allowance over depreciation	(2,052)	(2,622)	-	(4,674)
Stage 1 and 2 ECL allowance	121,202	4,846	-	126,048
Provision for expenses	69,269	(5,109)	-	64,160
Other temporary differences	20,326	(4,638)	-	15,688
	<u>205,315</u>	<u>(7,523)</u>	<u>(31,403)</u>	<u>166,389</u>
2024				
Change in fair value of financial instruments	5,278	-	(8,708)	(3,430)
Capital allowance over depreciation	(1,359)	(693)	-	(2,052)
Stage 1 and 2 ECL allowance	97,773	23,429	-	121,202
Provision for expenses	61,300	7,969	-	69,269
Other temporary differences	11,448	8,878	-	20,326
	<u>174,440</u>	<u>39,583</u>	<u>(8,708)</u>	<u>205,315</u>

17 DEPOSITS FROM CUSTOMERS

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
(a) By type of deposit				
Demand deposits	28,687,381	25,504,250	22,725,602	19,745,700
Saving deposits	11,459,688	11,896,750	10,723,576	11,136,882
Fixed/General investment deposits	32,555,772	34,506,672	27,796,324	29,803,766
Negotiable instruments of deposit	2,793,869	2,905,520	1,989,366	2,905,520
Short-term money market deposits	1,292,565	1,959,452	898,768	1,813,492
	<u>76,789,275</u>	<u>76,772,644</u>	<u>64,133,636</u>	<u>65,405,360</u>
(b) By type of customer				
Government and statutory bodies	52,424	127,105	45,637	37,850
Non-bank financial institutions	2,722,622	2,991,004	1,507,754	1,882,867
Business enterprises	31,632,207	28,441,210	25,450,543	22,658,081
Individuals	33,774,153	36,962,724	29,994,621	33,083,253
Foreign entities	7,723,215	7,384,665	6,314,700	6,945,403
Others	884,654	865,936	820,381	797,906
	<u>76,789,275</u>	<u>76,772,644</u>	<u>64,133,636</u>	<u>65,405,360</u>
(c) By residual maturity for fixed/general investment deposits, negotiable instruments of deposit and short-term money market deposits				
Up to six months	32,629,180	33,101,449	27,262,837	29,200,675
Over six months to one year	3,953,909	6,187,282	3,366,291	5,245,983
Over one year to three years	52,319	76,370	49,233	72,277
Over three years to five years	6,798	6,543	6,097	3,843
	<u>36,642,206</u>	<u>39,371,644</u>	<u>30,684,458</u>	<u>34,522,778</u>

(d) Included in the Bank's deposits from customers are deposits from its corporate finance and related advisory services subsidiary, OCBC Advisers (Malaysia) Sdn Bhd, amounting to RM19 million (31 December 2024: RM15 million).

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2025 (continued)**18 DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS**

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Licensed banks and other financial institutions	12,345,669	9,569,743	12,307,074	9,521,649

19 OTHER LIABILITIES

	Note	Group		Bank	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Amount due to subsidiaries	(a)	-	-	2,244	53,193
Equity compensation benefits	(b)	21,518	26,233	20,926	25,547
Interest/Profit payable		352,215	409,578	318,939	369,805
Structured investments		3,288,369	2,842,002	3,288,369	2,842,002
Lease liabilities		17,889	28,357	16,699	25,350
Other payables and accruals		634,896	774,540	581,419	720,628
ECL allowance for loan commitments and financial guarantees	(c)	257,145	274,228	213,890	225,546
		<u>4,572,032</u>	<u>4,354,938</u>	<u>4,442,486</u>	<u>4,262,071</u>

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

(b) Equity compensation benefits

Equity compensation benefits which are granted by the ultimate holding company refer to the fair value for all goods and services received in respect of equity-settled share-based payment transactions recognised under MFRS 2, *Share-based Payment*. A liability is recognised based on the recharge by the immediate and ultimate holding company of the Bank over the vesting period. Included in equity compensation benefits are:

(i) OCBC Deferred Share Plan ("DSP")

Under the DSP, shares of OCBC Ltd are awarded to eligible executives where share awards form 20% to 40% of their total variable performance bonus for the year. A trust is set up to administer the shares purchased under the DSP. 50% of the share awards will vest after two years with the remaining 50% vesting at the end of the third year in accordance with the guidelines established under the DSP. Prior to the vesting date, the executives will not be accorded voting rights on the shares.

The awards will lapse immediately on the termination of employment, except in the event of retirement, redundancy, death, or where approved by the relevant approving authorities at OCBC Ltd which may allow the awards to be retained and vested within the relevant vesting periods or such periods as may be determined.

(ii) OCBC Share Option Scheme 2001 ("ESOS")

Under the ESOS, shares of OCBC Ltd are offered to eligible executives who are of Manager rank and above, including Non-Executive Directors. Options granted are exercisable for a period commencing after the 1st anniversary and expiring on the 10th anniversary of the respective dates of grant except for options granted to Non-Executive Directors which are exercisable up to 5 years. One-third of the share options granted will vest each financial year after the 1st anniversary of the respective dates of grant and options granted fully vested after the 3rd anniversary. OCBC Ltd has ceased granting share options under the ESOS effective from financial year 2018 remuneration. Share options granted in prior years continue to be outstanding until the options lapse or are exercised by recipients.

The options will lapse immediately on the termination of employment, except in the event of retirement, redundancy, death, or where approved by the relevant approving authorities at OCBC Ltd, in which case the relevant approving authorities may allow the options to be retained and exercisable within the relevant option periods or such option periods as may be determined.

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2025 (continued)**19 OTHER LIABILITIES (continued)**

(b) Equity compensation benefits (continued)

(ii) **OCBC Share Option Scheme 2001 (“ESOS”) (continued)**

Movements in the number of options and weighted average exercise prices, denominated in Singapore dollar (S\$), are as follows:

<u>Group</u>	2025		2024	
	Number of share options	Weighted average acquisition price (S\$)	Number of share options	Weighted average acquisition price (S\$)
At 1 January	68,597	13.340	132,847	12.855
Exercised	(43,274)	13.340	(64,250)	12.337
At 31 December	<u>25,323</u>	13.340	<u>68,597</u>	13.340
Exercisable at 31 December	<u>25,323</u>	13.340	<u>68,597</u>	13.340
Weighted average share price underlying the options exercised (S\$)		16.891		14.263

Details of the options outstanding and exercisable are as follows:

<u>Grant year</u>	<u>Grant date</u>	<u>Exercise period</u>	Acquisition price (S\$)	2025	2024
				Number of share options	Number of share options
2018	22/03/2018	22/03/2019 to 21/03/2028	13.340	25,323	68,597
				<u>25,323</u>	<u>68,597</u>

<u>Bank</u>	2025		2024	
	Number of share options	Weighted average acquisition price (S\$)	Number of share options	Weighted average acquisition price (S\$)
At 1 January	57,750	13.340	122,000	12.812
Exercised	(32,427)	13.340	(64,250)	12.337
At 31 December	<u>25,323</u>	13.340	<u>57,750</u>	13.340
Exercisable at 31 December	<u>25,323</u>	13.340	<u>57,750</u>	13.340
Weighted average share price underlying the options exercised (S\$)		16.891		14.263

Details of the options outstanding and exercisable are as follows:

<u>Grant year</u>	<u>Grant date</u>	<u>Exercise period</u>	Acquisition price (S\$)	2025	2024
				Number of share options	Number of share options
2018	22/03/2018	22/03/2019 to 21/03/2028	13.340	25,323	57,750
				<u>25,323</u>	<u>57,750</u>

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2025 (continued)**19 OTHER LIABILITIES (continued)**

(b) Equity compensation benefits (continued)

(iii) OCBC Employee Share Purchase Plan ("ESPP")

The ESPP was implemented for all employees of the participating companies in OCBC Group, including executive Directors.

The ESPP is a saving-based share ownership plan to help employees own ordinary shares in OCBC Ltd through their monthly contributions via deductions from payroll and/or from Employees' Provident Fund. The employees have the option to convert the contributions to ordinary shares after one year or to withdraw the contributions at any time. As a further incentive to employees to enrol in the ESPP, OCBC pays interest on the amounts saved at a preferential interest rate. The duration of the offering period is 24 months.

In July 2025, OCBC Ltd launched its twentieth offering of ESPP for its employees, which commenced on 1 September 2025 and will expire on 31 August 2027. Under the offering, OCBC Ltd granted the Group and the Bank employees 633,997 (2024: 723,105) and 629,065 (2024: 718,295) rights to acquire ordinary shares in OCBC Ltd. The fair value of the Group's and the Bank's employees' rights for OCBC Ltd shares, determined using the binomial valuation model, was S\$690,613 (2024: S\$445,577) and S\$685,241 (2024: S\$442,613) respectively. Significant inputs to the valuation model are set out below:

	<u>2025</u>	<u>2024</u>
Acquisition price (S\$)	16.73	14.45
Closing share price at valuation date (S\$)	16.79	14.80
Expected volatility based on historical volatility as of acceptance date (%)	19.42	13.19
Singapore government bond yields (%)	1.56	2.83
Expected dividend yield (%)	6.66	6.54

Movements in the number of acquisition rights of the ESPP are as follows:

	<u>2025</u>		<u>2024</u>	
	Number of share options	Weighted average acquisition price (S\$)	Number of share options	Weighted average acquisition price (S\$)
<u>Group</u>				
At 1 January	1,305,697	13.532	1,379,241	12.278
Acquired	633,997	16.730	723,105	14.450
Forfeited/Lapsed	(98,971)	14.776	(158,858)	12.571
Exercised and converted upon expiry	<u>(641,480)</u>	12.605	<u>(637,791)</u>	12.099
At 31 December	<u>1,199,243</u>	15.616	<u>1,305,697</u>	13.532
Weighted average share price underlying acquisition rights exercised/converted (S\$)		16.649		14.820
<u>Bank</u>				
At 1 January	1,296,169	13.533	1,366,133	12.278
Acquired	629,065	16.730	718,295	14.450
Forfeited/Lapsed	(97,629)	14.776	(156,335)	12.576
Exercised and converted upon expiry	<u>(636,761)</u>	12.605	<u>(631,924)</u>	12.099
At 31 December	<u>1,190,844</u>	15.615	<u>1,296,169</u>	13.533
Weighted average share price underlying acquisition rights exercised/converted (S\$)		16.649		14.820

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19 OTHER LIABILITIES (continued)

(c) ECL allowance for loan commitments and financial guarantees

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

Group	<i>Non credit-impaired</i>		<i>Credit-impaired</i>	Total RM'000
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	
2025				
At 1 January	132,997	104,831	36,400	274,228
Transferred to Stage 1	69,028	(69,028)	-	-
Transferred to Stage 2	(16,349)	16,349	-	-
Transferred to Stage 3	(157)	(3,088)	3,245	-
New financial assets originated or purchased	89,845	17,585	325	107,755
Financial assets derecognised	(41,554)	(25,207)	(1,173)	(67,934)
Net remeasurement during the financial year	(103,234)	75,182	(23,201)	(51,253)
Other movements	(3,565)	(1,812)	(274)	(5,651)
At 31 December	127,011	114,812	15,322	257,145
2024				
At 1 January	108,478	107,671	44,105	260,254
Transferred to Stage 1	79,282	(79,282)	-	-
Transferred to Stage 2	(15,858)	15,858	-	-
Transferred to Stage 3	(33)	(1,826)	1,859	-
New financial assets originated or purchased	85,099	19,886	-	104,985
Financial assets derecognised	(38,146)	(31,449)	-	(69,595)
Net remeasurement during the financial year	(83,558)	74,063	(9,985)	(19,480)
Other movements	(2,267)	(90)	421	(1,936)
At 31 December	132,997	104,831	36,400	274,228
Bank				
2025				
At 1 January	115,565	89,808	20,173	225,546
Transferred to Stage 1	58,122	(58,122)	-	-
Transferred to Stage 2	(15,317)	15,317	-	-
Transferred to Stage 3	(157)	(3,087)	3,244	-
New financial assets originated or purchased	82,428	16,876	325	99,629
Financial assets derecognised	(38,769)	(14,820)	-	(53,589)
Net remeasurement during the financial year	(88,935)	59,621	(23,200)	(52,514)
Other movements	(3,279)	(1,686)	(217)	(5,182)
At 31 December	109,658	103,907	325	213,890
2024				
At 1 January	95,450	89,842	28,951	214,243
Transferred to Stage 1	72,133	(72,133)	-	-
Transferred to Stage 2	(13,528)	13,528	-	-
Transferred to Stage 3	(31)	(1,441)	1,472	-
New financial assets originated or purchased	74,283	17,669	-	91,952
Financial assets derecognised	(32,711)	(24,100)	-	(56,811)
Net remeasurement during the financial year	(77,884)	66,518	(10,596)	(21,962)
Other movements	(2,147)	(75)	346	(1,876)
At 31 December	115,565	89,808	20,173	225,546

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20 SUBORDINATED BONDS

<u>Group and Bank</u>	Note	2025 RM'000	2024 RM'000
RM550 million Redeemable Subordinated Bond 2020/2030	(a)	550,000	550,000
RM500 million Redeemable Subordinated Bond 2022/2032	(b)	500,000	500,000
		<u>1,050,000</u>	<u>1,050,000</u>

- (a) On 4 November 2020 (the Issue Date), the Bank issued RM550 million Basel III-compliant redeemable 10 years non-callable 5 years subordinated bond, at a coupon rate of 2.90% per annum payable semi-annually from and including the Issue Date up to (but excluding) the maturity date or the date of early redemption of the subordinated bond, whichever is earlier. The 2.90% Subordinated Bonds may, subject to BNM approval, be redeemed in whole or in part, at the option of the Bank on or after 4 November 2025 (First Call Date). The subordinated bond may also be redeemed if a qualifying tax event or a change of qualification event occurs. The subordinated bond can be written off in whole or in part if the Bank is determined by BNM and/or Perbadanan Insurans Deposit Malaysia ("PIDM") to be non-viable. The subordinated bond is subscribed by OCBC Ltd and qualifies as Tier 2 capital for the purpose of determining the capital adequacy ratio of the Bank.
- (b) On 27 October 2022 (the Issue Date), the Bank issued RM500 million Basel III-compliant redeemable 10 years non-callable 5 years subordinated bond, at a coupon rate of 4.91% per annum payable semi-annually from and including the Issue Date up to (but excluding) the maturity date or the date of early redemption of the subordinated bond, whichever is earlier. The 4.91% Subordinated Bonds may, subject to BNM approval, be redeemed in whole or in part, at the option of the Bank on or after 27 October 2027 (First Call Date). The subordinated bond may also be redeemed if a qualifying tax event or a change of qualification event occurs. The subordinated bond can be written off in whole or in part if the Bank is determined by BNM and/or PIDM to be non-viable. The subordinated bond is subscribed by OCBC Ltd and qualifies as Tier 2 capital for the purpose of determining the capital adequacy ratio of the Bank.

21 SHARE CAPITAL

<u>Group and Bank</u>	2025		2024	
	Number of shares '000	Amount RM'000	Number of shares '000	Amount RM'000
Issued and fully paid				
Ordinary shares				
At 1 January and 31 December	287,500	754,000	287,500	754,000

The ordinary shareholder is entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Bank.

22 RESERVES

The detailed breakdown of the reserves are shown in the Consolidated Statement of Changes in Equity and Statement of Changes in Equity for the Group and the Bank respectively.

Regulatory reserve is maintained in compliance with the requirements under BNM's policy document on Financial Reporting and Financial Reporting for Islamic Banking Institutions to maintain, in aggregate, loss allowance for non credit-impaired exposures (Stage 1 and Stage 2 ECL) and regulatory reserve of no less than 1% of total credit exposures, net of loss allowance for credit-impaired exposures (Stage 3 ECL).

ECL reserve comprises ECL allowance for financial investments at FVOCI. The ECL allowance will be reversed to profit or loss upon disposal or derecognition of the financial instruments.

Fair value reserve comprises fair value of both debt and equity financial investments at FVOCI. The cumulative fair value adjustments for debt instruments at FVOCI will be reversed to profit or loss upon disposal or derecognition of the financial instruments. The cumulative fair value adjustments for equity instruments at FVOCI will be reversed from this reserve to retained earnings upon disposal or derecognition of the financial instruments.

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2025 (continued)**23 NET INTEREST INCOME**

	Group		Bank	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Interest income				
Loans, advances and financing				
- Interest income other than recoveries	2,554,839	2,646,930	2,554,839	2,646,930
- Recoveries from credit-impaired loans, advances and financing	49,625	84,419	49,625	84,419
- Discount unwind from credit-impaired loans, advances and financing	9,700	16,034	9,700	16,034
Money at call and deposit placements with banks and other financial institutions	54,375	78,437	311,452	301,598
Financial investments at FVOCI	908,720	733,341	908,720	733,341
Others	134,754	55,082	134,754	55,082
	<u>3,712,013</u>	<u>3,614,243</u>	<u>3,969,090</u>	<u>3,837,404</u>
Financial assets at FVTPL	98,400	103,196	98,400	103,196
	<u>3,810,413</u>	<u>3,717,439</u>	<u>4,067,490</u>	<u>3,940,600</u>
Interest expense				
Deposits from customers	(1,419,543)	(1,488,462)	(1,420,006)	(1,488,771)
Deposits and placements of banks and other financial institutions	(331,283)	(271,033)	(417,547)	(344,730)
Subordinated bonds	(40,500)	(40,611)	(40,500)	(40,611)
Lease liabilities	(848)	(840)	(848)	(840)
Others	(114,972)	(50,616)	(275,177)	(187,483)
	<u>(1,907,146)</u>	<u>(1,851,562)</u>	<u>(2,154,078)</u>	<u>(2,062,435)</u>
Net interest income	<u>1,903,267</u>	<u>1,865,877</u>	<u>1,913,412</u>	<u>1,878,165</u>

	Group		Bank	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
(a) By category of financial instruments				
Interest income				
- Financial assets at FVTPL	98,400	103,196	98,400	103,196
- Loans and receivables at amortised cost	2,803,293	2,880,902	3,060,370	3,104,063
- Financial investments at FVOCI	908,720	733,341	908,720	733,341
	<u>3,810,413</u>	<u>3,717,439</u>	<u>4,067,490</u>	<u>3,940,600</u>
Interest expense				
- Liabilities at amortised cost	(1,907,146)	(1,851,562)	(2,154,078)	(2,062,435)
	<u>1,903,267</u>	<u>1,865,877</u>	<u>1,913,412</u>	<u>1,878,165</u>

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2025 (continued)**24 INCOME FROM ISLAMIC BANKING OPERATIONS**

<u>Group</u>	2025 RM'000	2024 RM'000
Income derived from investment of depositors' funds and others	581,608	545,616
Income derived from investment of investment account funds	352,099	300,806
Income derived from investment of shareholder's funds	218,072	182,649
Income attributable to depositors and others	(265,974)	(242,254)
Income attributable to investment account holder	(246,972)	(210,564)
	<u>638,833</u>	<u>576,253</u>

25 NET FEE AND COMMISSION INCOME

	<u>Group</u>		<u>Bank</u>	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Commission	195,415	218,384	195,415	211,911
Service charges and fees	166,449	152,606	159,825	152,606
Other fee income	7,528	7,095	7,528	7,095
	<u>369,392</u>	<u>378,085</u>	<u>362,768</u>	<u>371,612</u>

Included in the Group's and the Bank's commission income are net fee income on loans, advances and financing from holding company and related companies amounting to RM96 million (2024: RM111 million).

26 NET TRADING INCOME

	<u>Group and Bank</u>	
	2025 RM'000	2024 RM'000
Foreign exchange gain	636,365	211,848
Realised gain on financial assets at FVTPL	73,725	53,458
Realised gain on trading derivatives	34,308	322,923
Unrealised gain/(loss) on financial assets at FVTPL	7,033	(10,304)
Unrealised loss on trading derivatives	(253,932)	(111,668)
	<u>497,499</u>	<u>466,257</u>

27 OTHER OPERATING INCOME

	<u>Group</u>		<u>Bank</u>	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Gain/(loss) on disposal:				
- Financial investments at FVOCI	28,222	3,510	28,222	3,510
- Property and equipment	(80)	(103)	(80)	(103)
Gross dividends from financial investments at FVOCI in Malaysia	599	599	599	599
Gross dividends from financial assets at FVTPL outside Malaysia	140	-	140	-
Rental of premises	4,447	4,324	4,569	4,386
Rental of safe deposit boxes	8,107	8,036	8,107	8,036
Shared services fee income received from subsidiaries (Note 36)	-	-	163,518	151,505
Shared services fee income received from holding company and related companies (Note 36)	25,311	24,389	25,311	24,389
Net unrealised loss on hedging derivatives	(341)	(1,889)	(341)	(1,889)
Others	(217)	(482)	(217)	(482)
	<u>66,188</u>	<u>38,384</u>	<u>229,828</u>	<u>189,951</u>

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2025 (continued)

28 OPERATING EXPENSES

	Note	Group		Bank	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Personnel expenses					
Wages, salaries and bonus		613,107	622,802	595,633	603,834
Employees Provident Fund contributions		91,474	93,672	88,722	90,748
Share-based costs		13,285	13,009	12,945	12,574
Others		70,879	62,329	67,454	59,012
		<u>788,745</u>	<u>791,812</u>	<u>764,754</u>	<u>766,168</u>
Establishment expenses					
Depreciation of property and equipment		23,879	18,459	22,985	17,467
Depreciation of ROU assets		17,826	14,057	16,378	12,543
Rental of premises	(a)	396	300	383	331
Repair and maintenance		16,114	13,284	15,471	12,757
Information technology costs		40,588	39,827	40,053	39,122
Hire of equipment	(a)	1,142	1,125	1,048	1,045
Others		17,768	17,332	15,719	15,347
		<u>117,713</u>	<u>104,384</u>	<u>112,037</u>	<u>98,612</u>
Marketing expenses					
Advertisement and business promotion		28,102	21,763	27,660	21,544
Transport and travelling		5,077	4,904	4,954	4,802
Others		3,008	2,539	2,796	2,349
		<u>36,187</u>	<u>29,206</u>	<u>35,410</u>	<u>28,695</u>
General administrative expenses					
Auditors' remuneration					
- Statutory audit fees		1,095	969	864	769
- Audit related fees		203	203	141	141
- Non-audit related		152	463	98	386
IT and transaction processing fees (Note 36)		441,985	425,140	420,721	401,756
Others		162,874	173,460	152,804	162,315
		<u>606,309</u>	<u>600,235</u>	<u>574,628</u>	<u>565,367</u>
Total operating expenses		<u>1,548,954</u>	<u>1,525,637</u>	<u>1,486,829</u>	<u>1,458,842</u>

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

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29 KEY MANAGEMENT AND OTHER MATERIAL RISK TAKERS REMUNERATION

(a) The remuneration of the CEO and the Directors during the year are as follows:

Group	Unrestricted					Deferred	2025	Unrestricted					Deferred	2024
	Salaries and fees* RM'000	Variable bonuses RM'000	Benefits-in-kind RM'000	Employees Provident Fund RM'000	Shares and options^ RM'000	Shares and options^ RM'000	Total RM'000	Salaries and fees* RM'000	Variable bonuses RM'000	Benefits-in-kind RM'000	Employees Provident Fund RM'000	Shares and share options^ RM'000	Total RM'000	
CEO of the Bank														
Christopher Tan Chor Sen	1,826	2,586	230	37	1,733	6,412	1,913	2,548	232	40	1,677	6,410		
CEO of OCBC Al-Amin														
Syed Abdull Aziz Jailani														
Bin Syed Kechik	983	474	19	233	316	2,025	983	462	19	231	308	2,003		
Non-Executive Directors														
George Lee Lap Wah	1,083	-	-	-	-	1,083	401	-	-	-	-	401		
Ayesha Natchiar Binti														
Ally Maricar	446	-	-	-	-	446	321	-	-	-	-	321		
Ismail bin Alowi	324	-	-	-	-	324	250	-	-	-	-	250		
Janet Yap Seong Yong	290	-	-	-	-	290	217	-	-	-	-	217		
Mevin Nevis a/l AF Nevis	330	-	-	-	-	330	232	-	-	-	-	232		
Dato' Shamsuddin Bin														
Mohd Mahayidin	292	-	-	-	-	292	158	-	-	-	-	158		
Tan Fong Sang	330	-	-	-	-	330	227	-	-	-	-	227		
Lian Wee Cheow														
(Appointed on 1 October 2025)	122	-	-	-	-	122	-	-	-	-	-	-		
Tan Ngiap Joo														
(Retired on 30 September 2024)	-	-	-	-	-	-	600	-	-	-	-	600		
Andrew Lee Kok Keng														
(Resigned on 29 February 2024)	-	-	-	-	-	-	54	-	-	-	-	54		
	6,026	3,060	249	270	2,049	11,654	5,356	3,010	251	271	1,985	10,873		

* Excluding Sales and Service Tax.

^ Deferred shares and share options are awarded/granted under the OCBC Share Plans as disclosed in Note 19(b) to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2025 (continued)

29 KEY MANAGEMENT AND OTHER MATERIAL RISK TAKERS REMUNERATION (continued)

(a) The remuneration of the CEO and the Directors during the year are as follows: (continued)

	<i>Unrestricted</i>					<i>2025</i>	<i>Unrestricted</i>					<i>2024</i>
	<i>Salaries and fees*</i>	<i>Variable bonuses</i>	<i>Benefits-in-kind</i>	<i>Employees Provident Fund</i>	<i>Shares and options^</i>		<i>Salaries and fees*</i>	<i>Variable bonuses</i>	<i>Benefits-in-kind</i>	<i>Employees Provident Fund</i>	<i>Shares and share options^</i>	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Bank												
CEO												
Christopher Tan Chor Sen	1,826	2,586	230	37	1,733	6,412	1,913	2,548	232	40	1,677	6,410
Non-Executive Directors												
George Lee Lap Wah	728	-	-	-	-	728	336	-	-	-	-	336
Ayesha Natchiar Binti												
Ally Maricar	344	-	-	-	-	344	235	-	-	-	-	235
Janet Yap Seong Yong	290	-	-	-	-	290	217	-	-	-	-	217
Dato' Shamsuddin Bin												
Mohd Mahayidin	292	-	-	-	-	292	158	-	-	-	-	158
Lian Wee Cheow												
(Appointed on												
1 October 2025)	122	-	-	-	-	122	-	-	-	-	-	-
Tan Ngiap Joo												
(Retired on												
30 September 2024)	-	-	-	-	-	-	394	-	-	-	-	394
	3,602	2,586	230	37	1,733	8,188	3,253	2,548	232	40	1,677	7,750

* Excluding Sales and Service Tax.

^ Deferred shares and share options are awarded/granted under the OCBC Share Plans as disclosed in Note 19(b) to the financial statements.

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29 KEY MANAGEMENT AND OTHER MATERIAL RISK TAKERS REMUNERATION (continued)

(b) The remuneration of senior management (including the CEO of the Bank and the CEO of the Islamic Banking subsidiary) and other material risk takers are as follows:

<u>Group</u>	2025				2024			
	Unrestricted RM'000	Deferred RM'000	Total RM'000	Number of officers	Unrestricted RM'000	Deferred RM'000	Total RM'000	Number of officers
Senior Management								
Fixed remuneration								
Cash-based								
Sign-on awards	100	-	100	1	54	-	54	1
Others	20,378	-	20,378		19,375	-	19,375	
Others	703	-	703		531	-	531	
	<u>21,181</u>	<u>-</u>	<u>21,181</u>		<u>19,960</u>	<u>-</u>	<u>19,960</u>	
Variable remuneration								
Cash-based	11,961	-	11,961	28	10,886	-	10,886	30
Shares and share options	-	6,554	6,554	16	-	5,615	5,615	16
	<u>11,961</u>	<u>6,554</u>	<u>18,515</u>		<u>10,886</u>	<u>5,615</u>	<u>16,501</u>	
Total	<u>33,142</u>	<u>6,554</u>	<u>39,696</u>		<u>30,846</u>	<u>5,615</u>	<u>36,461</u>	
Other material risk takers								
Fixed remuneration								
Cash-based								
Sign-on awards	96	-	96	1	-	-	-	-
Others	27,531	-	27,531		25,980	-	25,980	
Others	691	-	691		461	-	461	
	<u>28,318</u>	<u>-</u>	<u>28,318</u>		<u>26,441</u>	<u>-</u>	<u>26,441</u>	
Variable remuneration								
Cash-based	13,470	-	13,470	52	11,106	-	11,106	49
Shares and share options	-	5,757	5,757	26	-	4,334	4,334	23
	<u>13,470</u>	<u>5,757</u>	<u>19,227</u>		<u>11,106</u>	<u>4,334</u>	<u>15,440</u>	
Total	<u>41,788</u>	<u>5,757</u>	<u>47,545</u>		<u>37,547</u>	<u>4,334</u>	<u>41,881</u>	

Other than the above, no senior management nor other material risk takers received any guaranteed bonuses, sign-on awards and severance payments.

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2025 (continued)

29 KEY MANAGEMENT AND OTHER MATERIAL RISK TAKERS REMUNERATION (continued)

(b) The remuneration of senior management (including the CEO of the Bank and the CEO of the Islamic Banking subsidiary) and other material risk takers are as follows: (continued)

Bank	2025				2024			
	Unrestricted RM'000	Deferred RM'000	Total RM'000	Number of officers	Unrestricted RM'000	Deferred RM'000	Total RM'000	Number of officers
Senior Management								
<i>Fixed remuneration</i>								
Cash-based								
Sign-on awards	-	-	-	-	54	-	54	1
Others	17,319	-	17,319		16,577	-	16,577	
Others	660	-	660		455	-	455	
	<u>17,979</u>	<u>-</u>	<u>17,979</u>		<u>17,086</u>	<u>-</u>	<u>17,086</u>	
<i>Variable remuneration</i>								
Cash-based	10,745	-	10,745	22	9,821	-	9,821	23
Shares and share options	-	6,238	6,238	15	-	5,307	5,307	15
	<u>10,745</u>	<u>6,238</u>	<u>16,983</u>		<u>9,821</u>	<u>5,307</u>	<u>15,128</u>	
Total	<u>28,724</u>	<u>6,238</u>	<u>34,962</u>		<u>26,907</u>	<u>5,307</u>	<u>32,214</u>	
Other material risk takers								
<i>Fixed remuneration</i>								
Cash-based								
Sign-on awards	96	-	96	1	-	-	-	-
Others	27,531	-	27,531		25,980	-	25,980	
Others	691	-	691		461	-	461	
	<u>28,318</u>	<u>-</u>	<u>28,318</u>		<u>26,441</u>	<u>-</u>	<u>26,441</u>	
<i>Variable remuneration</i>								
Cash-based	13,470	-	13,470	52	11,106	-	11,106	49
Shares and share options	-	5,757	5,757	26	-	4,334	4,334	23
	<u>13,470</u>	<u>5,757</u>	<u>19,227</u>		<u>11,106</u>	<u>4,334</u>	<u>15,440</u>	
Total	<u>41,788</u>	<u>5,757</u>	<u>47,545</u>		<u>37,547</u>	<u>4,334</u>	<u>41,881</u>	

Other than the above, no senior management nor other material risk takers received any guaranteed bonuses, sign-on awards and severance payments.

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2025 (continued)**29 KEY MANAGEMENT AND OTHER MATERIAL RISK TAKERS REMUNERATION (continued)**

(c) Outstanding deferred remuneration

	2025			2024		
	Senior management RM'000	Other material risk takers RM'000	Total RM'000	Senior management RM'000	Other material risk takers RM'000	Total RM'000
Group						
Share and share options						
Exposed to ex-post explicit and implicit adjustments	23,152	17,146	40,298	18,188	11,443	29,631
Deferred remuneration paid out during the year	6,171	4,101	10,272	4,598	2,276	6,874
Reduction during the year due to:						
(i) Ex-post explicit adjustments (such as malus, clawbacks or similar reversals of downward revaluations of awards)	-	-	-	-	-	-
(ii) Ex-post implicit adjustments (such as fluctuations in the value of shares or performance units)	-	-	-	-	-	-
Bank						
Share and share options						
Exposed to ex-post explicit and implicit adjustments	21,741	17,146	38,887	17,049	11,443	28,492
Deferred remuneration paid out during the year	5,660	4,101	9,761	4,183	2,276	6,459
Reduction during the year due to:						
(i) Ex-post explicit adjustments (such as malus, clawbacks or similar reversals of downward revaluations of awards)	-	-	-	-	-	-
(ii) Ex-post implicit adjustments (such as fluctuations in the value of shares or performance units)	-	-	-	-	-	-

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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2025 (continued)**30 IMPAIRMENT ALLOWANCES AND PROVISIONS WRITEBACK/(CHARGE)**

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Loans, advances, financing and commitments				
Stage 1 and 2 ECL net charge during the financial year	(23,842)	(142,767)	(18,684)	(132,600)
Stage 3 ECL				
- Made during the financial year	(248,051)	(251,463)	(200,953)	(197,783)
- Write-back during the financial year	203,227	226,023	149,164	151,940
- Recovered during the financial year	140,367	123,853	75,490	100,590
Investment account placements				
Stage 1 and 2 ECL net charge during the financial year	-	-	(1,698)	(512)
Stage 3 ECL net writeback during the financial year	-	-	-	14,796
Financial investments at FVOCI				
Stage 1 and 2 ECL net charge during the financial year	(3,127)	(1,771)	(2,838)	(1,675)
Other financial assets				
Stage 1 and 2 ECL net charge during the financial year	(10)	(182)	(14)	(177)
Stage 3 ECL net charge during the financial year	(130)	(37)	(130)	(37)
	<u>68,434</u>	<u>(46,344)</u>	<u>337</u>	<u>(65,458)</u>

31 INCOME TAX EXPENSE

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Malaysian income tax				
- Current year	481,447	458,681	364,381	366,819
- Prior years	1,319	9,205	1,430	9,569
	<u>482,766</u>	<u>467,886</u>	<u>365,811</u>	<u>376,388</u>
Deferred tax (Note 16)				
- Origination and reversal of temporary differences	3,605	(33,093)	5,685	(30,497)
- Prior years	1,722	(8,775)	1,838	(9,086)
	<u>5,327</u>	<u>(41,868)</u>	<u>7,523</u>	<u>(39,583)</u>
	<u>488,093</u>	<u>426,018</u>	<u>373,334</u>	<u>336,805</u>

The reconciliation between the average effective tax rate and the applicable statutory tax rate is as follows:

	Note	Group		Bank	
		2025 %	2024 %	2025 %	2024 %
Malaysian prevailing corporate tax rate		24.00	24.00	24.00	24.00
Tax effect of:					
Expenses not deductible for tax purposes		0.32	0.30	0.40	0.36
Income not subject to tax		(0.01)	(0.02)	(0.01)	(0.01)
Under/(Over) provision in prior years:					
- Income tax		0.08	0.53	0.10	0.69
- Deferred tax		0.09	(0.51)	0.12	(0.66)
Average effective tax rate	(a)	<u>24.48</u>	<u>24.30</u>	<u>24.61</u>	<u>24.38</u>

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31 INCOME TAX EXPENSE (continued)

(a) The Group and the Bank are part of Oversea-Chinese Banking Corporation Limited and its subsidiaries, a multinational enterprise group that is within the scope of the Organisation for Economic Co-operation and Development (“OECD”) Pillar Two model rules. Pillar Two legislation was enacted in Malaysia, the jurisdiction in which the Group and the Bank are incorporated and came into effect from 1 January 2025.

The Group and the Bank apply the MFRS 112 exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

The Group and the bank have determined that it has either met the transitional country-by-country reporting safe harbour provisions or has effective tax rates exceeding 15%. Accordingly, The Group and the bank do not have any exposure to Pillar Two legislation as at 31 December 2025.

32 BASIC EARNINGS PER ORDINARY SHARE

The basic earnings per ordinary share of the Group and of the Bank are calculated by dividing profit attributable to ordinary equity holder of the Group and of the Bank by the weighted average number of ordinary shares in issue during the financial year. The Group and the Bank have no dilution in their earnings per ordinary share as there are no dilutive potential ordinary shares.

	Group		Bank	
	2025	2024	2025	2024
Profit attributable to ordinary equity holder of the Group (RM'000)	1,506,516	1,326,807	1,143,681	1,044,880
Weighted average number of ordinary shares in issue ('000)	287,500	287,500	287,500	287,500
Basic earnings per share (sen)	524.0	461.5	397.8	363.4

33 DIVIDENDS

	Sen per share	Total amount RM'000	Date of payment
2025			
Final 2024 ordinary	152.00	437,000	17/04/2025
Interim 2025 ordinary	169.00	<u>485,875</u>	11/09/2025
2024			
Final 2023 ordinary	91.00	261,625	03/05/2024
Interim 2024 ordinary	148.00	<u>425,500</u>	12/09/2024

The Directors recommend a final dividend of 173 sen per ordinary share in respect of the current financial year amounting to RM497,375,000. This dividend will be accounted for in the shareholders' equity as an appropriation of retained earnings in the subsequent financial period upon approval by the shareholder of the Bank.

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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2025 (continued)**34 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 are 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>	Principal amount RM'000	Credit equivalent amount RM'000	Risk weighted amount RM'000
2025			
Direct credit substitutes	14,670	14,670	1,125
Transaction-related contingent items	4,735,061	2,409,720	1,399,139
Short-term self-liquidating trade-related contingencies	213,469	44,693	26,985
Lending of securities or the posting of securities as collateral, including instances where these arise out of repo-style transactions	1,093,227	1,093,227	258
Foreign exchange related contracts			
- One year or less	51,764,598	686,742	177,852
- Over one year to five years	3,811,317	451,136	121,101
- Over five years	565,478	127,775	79,455
Interest rate related contracts			
- One year or less	14,185,648	14,997	5,442
- Over one year to five years	44,140,905	258,332	80,761
- Over five years	823,428	53,582	11,464
Equity and commodity related contracts	4,838,303	123,860	28,942
Credit derivative contracts	1,378,864	-	-
Formal standby facilities and credit lines			
- Maturity not exceeding one year	60,906	46,178	41,569
- Original maturity exceeding one year	6,512,583	5,332,118	3,657,357
Other unconditionally cancellable commitments	27,863,935	2,537,551	362,689
Total	162,002,392	13,194,581	5,994,139
2024			
Transaction-related contingent items	4,050,655	2,065,099	1,255,434
Short-term self-liquidating trade-related contingencies	297,976	62,476	36,608
Lending of securities or the posting of securities as collateral, including instances where these arise out of repo-style transactions	519,677	519,677	242
Foreign exchange related contracts			
- One year or less	36,856,417	548,208	225,231
- Over one year to five years	2,937,067	312,785	75,617
- Over five years	440,658	92,822	63,382
Interest rate related contracts			
- One year or less	9,178,215	4,722	3,263
- Over one year to five years	39,676,724	337,294	64,715
- Over five years	1,428,558	106,512	45,557
Equity and commodity related contracts	2,569,318	87,742	33,793
Credit derivative contracts	1,280,070	-	-
Formal standby facilities and credit lines			
- Maturity not exceeding one year	269,576	202,182	190,022
- Original maturity exceeding one year	4,819,986	4,026,381	2,591,996
Other unconditionally cancellable commitments	25,760,027	2,428,153	301,448
Total	130,084,924	10,794,053	4,887,308

The fair value of derivatives are recognised as derivative financial assets and liabilities in Note 10.

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34 COMMITMENTS AND CONTINGENCIES (continued)

<u>Bank</u>	Principal amount RM'000	Credit equivalent amount RM'000	Risk weighted amount RM'000
2025			
Direct credit substitutes	14,670	14,670	1,125
Transaction-related contingent items	4,297,735	2,184,219	1,245,765
Short-term self-liquidating trade-related contingencies	181,577	38,720	22,866
Lending of securities or the posting of securities as collateral, including instances where these arise out of repo-style transactions	421,617	421,617	257
Foreign exchange related contracts			
- One year or less	52,770,840	720,990	178,999
- Over one year to five years	3,866,715	451,136	102,791
- Over five years	565,478	127,775	79,455
Interest rate related contracts			
- One year or less	14,185,648	14,997	5,442
- Over one year to five years	44,140,905	258,332	80,761
- Over five years	823,428	53,582	11,465
Equity and commodity related contracts	4,838,303	123,860	28,942
Credit derivative contracts	1,378,864	-	-
Formal standby facilities and credit lines			
- Maturity not exceeding one year	59,988	45,489	41,086
- Original maturity exceeding one year	4,523,175	3,730,673	2,654,160
Other unconditionally cancellable commitments	24,075,240	2,196,361	293,945
Total	156,144,183	10,382,421	4,747,059
2024			
Transaction-related contingent items	3,642,401	1,856,576	1,111,126
Short-term self-liquidating trade-related contingencies	223,806	47,234	28,406
Lending of securities or the posting of securities as collateral, including instances where these arise out of repo-style transactions	109,393	109,393	242
Foreign exchange related contracts			
- One year or less	37,018,742	548,290	225,083
- Over one year to five years	2,943,253	312,785	61,308
- Over five years	440,658	92,822	63,382
Interest rate related contracts			
- One year or less	9,178,215	4,723	3,263
- Over one year to five years	39,676,724	337,294	64,715
- Over five years	1,428,558	106,512	45,557
Equity and commodity related contracts	2,569,318	87,742	33,793
Credit derivative contracts	1,280,070	-	-
Formal standby facilities and credit lines			
- Maturity not exceeding one year	268,757	201,568	189,751
- Original maturity exceeding one year	3,986,625	3,354,678	2,157,703
Other unconditionally cancellable commitments	23,018,647	2,180,062	265,273
Total	125,785,167	9,239,679	4,249,602

The fair value of derivatives are recognised as derivative financial assets and liabilities in Note 10.

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34 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 30 January 2023, the Court of Appeal ("CA") set aside the High Court's decision dated 22 January 2021 to award the Borrower with RM289 million as damages together with statutory interest as well as aggravated and exemplary damages and dismissed the Borrower's suit with a cost of RM80,000 in favour of the Bank. On 3 July 2023, the Federal Court ("FC") dismissed the Borrower's application to appeal against the CA's dismissal on 27 June 2023 of the Borrower's application to set aside the CA's decision on 30 January 2023, 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 initially fixed on 19 September 2024 was postponed to 6 November 2024 due to the Borrower's lawyer discharging herself from representing the Borrower because of her medical condition. A Winding up Order dated 25 September 2024 was subsequently made against the Borrower and the Borrower sought the Court's sanction to continue with the Review Motion ("the Sanction Application"). The hearing of the Sanction Application initially fixed on 16 January 2025 by the Winding-up Court was postponed to 4 February 2025 due to health reasons of the Borrower's lawyer. The Borrower obtained sanction from the Winding-up Court to proceed with the Review Motion on 4 February 2025. On 18 February 2025, the Federal Court unanimously dismissed the Review Motion with no order as to costs, given that the Borrower had been wound up. On 21 August 2025, the Borrower filed a Notice of Motion to review the CA's decision in allowing the Bank's appeal and setting aside the High Court's decision ("the 3rd Review Application"). Following the case management held on 4 September 2025, the CA directed the Borrower to re-file the 3rd Review Application under a new review application code number and to file a Notice of Discontinuance in respect of the earlier filing. The Borrower has subsequently refiled the application and at the case management held on 7 October 2025, directions for the filing of the affidavits were given with the hearing fixed for 11 February 2026. At the hearing on 11 February 2026, the CA unanimously dismissed the Borrower's 3rd Review Application and awarded costs of RM30,000 (subject to allocator) in favour of the Bank. The CA held that the Borrower had failed to obtain the required fresh leave from the Winding Up Court, rendering the application incompetent and further held that, even if leave had been granted, the Borrower's allegations did not establish any apparent or real bias.

35 CAPITAL COMMITMENTS

	Group		Bank	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Capital expenditure commitments in respect of property and equipment contracted but not provided for	38,958	30,582	37,978	30,539

36 SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES

For the purposes of these financial statements, parties are considered to be related to the Group and the Bank if:

- the Group and the Bank have the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions or vice versa; or
- where the Group and the party are subject to common control or common significant influence.

Related parties may be individuals or other entities. Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and of the Bank either directly or indirectly and entities that provide key management personnel services to the Group and the Bank. The key management personnel include all Directors and senior management of the Group and the Bank.

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36 SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (continued)

The Group and the Bank have related party relationship with the following:

- Holding company, Oversea-Chinese Banking Corporation Limited;
- Subsidiaries of the Bank as disclosed in Note 13 to the financial statements;
- Other related companies within the Oversea-Chinese Banking Corporation Limited Group; and
- Key management personnel, including close family members of key management personnel and entities that are controlled or jointly controlled by them.

(a) Credit exposure arising from credit transactions with connected parties

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

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Aggregate value of outstanding credit exposure with connected parties[^]:				
Credit facility and leasing (except guarantee)	671,370	590,584	668,928	591,117
Commitments and contingencies [*]	706,311	625,471	854,175	779,166
	<u>1,377,681</u>	<u>1,216,055</u>	<u>1,523,103</u>	<u>1,370,283</u>
Credit-impaired or in default	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Outstanding credit exposures to connected parties				
As a proportion of total credit exposures	<u>1.53%</u>	<u>1.42%</u>	<u>2.15%</u>	<u>2.06%</u>

[^] Comprises total outstanding balances and unutilised limits.

^{*} Commitment and contingencies transactions that give rise to credit and/or counterparty risk.

(b) Key management personnel remuneration of the Group and of the Bank are disclosed in Note 29 to the financial statements.

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36 SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (continued)

(c) Significant transactions and outstanding balances with related parties

<u>Group</u>	2025			2024		
	Holding Company RM'000	Other Related Companies RM'000	Key Management Personnel RM'000	Holding Company RM'000	Other Related Companies RM'000	Key Management Personnel RM'000
Income						
Interest on deposits and placements with banks and other financial institutions	1,562	-	-	1,612	-	-
Interest on loans, advances and financing	-	8,103	96	-	4,556	38
Interest on financial assets at FVTPL	-	1,267	-	-	1,671	-
Shared services fee income	3,756	21,608	-	4,015	20,505	-
Fee and commission income	55,624	40,028	-	69,522	41,145	-
Rental income	110	4,150	-	-	4,081	-
Other income	-	195	-	-	158	-
	<u>61,052</u>	<u>75,351</u>	<u>96</u>	<u>75,149</u>	<u>72,116</u>	<u>38</u>
Expenditure						
Interest on deposits from customers	151,604	24,293	661	86,314	17,737	260
Interest on deposits and placements of banks and other financial institutions	356,456	-	-	334,044	-	-
Interest on subordinated bonds	40,500	-	-	40,611	-	-
Fee and commission expense	12,812	300	-	6,554	763	-
IT and transaction processing fees	460	441,525	-	-	425,140	-
Other expenses	11,194	36,106	-	16,216	29,547	-
	<u>573,026</u>	<u>502,224</u>	<u>661</u>	<u>483,739</u>	<u>473,187</u>	<u>260</u>

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36 SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (continued)

(c) Significant transactions and outstanding balances with related parties (continued)

Group (continued)	2025				2024			
	Malaysia RM'000	Singapore RM'000	Others RM'000	Total RM'000	Malaysia RM'000	Singapore RM'000	Others RM'000	Total RM'000
Intercompany charges paid/payable to related parties								
IT and transaction processing fees	278,330	171,517	466	450,313	270,068	164,795	540	435,403
Other expenses	26,512	12,460	-	38,972	18,384	17,116	-	35,500
	304,842	183,977	466	489,285	288,452	181,911	540	470,903

	2025			2024		
	Holding Company RM'000	Other Related Companies RM'000	Key Management Personnel RM'000	Holding Company RM'000	Other Related Companies RM'000	Key Management Personnel RM'000
Amount due from						
Cash and cash equivalents		96,403	8,231		73,875	1,654
Deposits and placements with banks and other financial institutions		33	531		37	524
Financial assets at FVTPL		-	49,982		-	49,859
Interest receivables		13	498		-	318
Loans, advances and financing		-	263,000		-	160,000
Derivative financial assets		163,057	50,298		92,149	49,124
Other assets		7,767	23,240		4,258	68,080
Shared service fee receivable		477	1,726		572	62
		267,750	397,506		170,891	329,621
			5,119			758

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36 SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (continued)

(c) Significant transactions and outstanding balances with related parties (continued)

	2025			2024		
	Holding Company RM'000	Other Related Companies RM'000	Key Management Personnel RM'000	Holding Company RM'000	Other Related Companies RM'000	Key Management Personnel RM'000
Group (continued)						
Amount due to						
Deposits from customers	1,989,366	646,136	26,291	2,918,643	1,063,978	8,826
Deposits and placements of banks and other financial institutions	10,593,880	100	-	7,750,453	-	-
Other liabilities	828,807	444,455	-	33,658	12,530	-
Interest payables	95,400	1,704	-	68,539	61	-
Derivative financial liabilities	107,731	17,825	-	75,611	10,200	-
Subordinated bonds	1,050,000	-	-	1,050,000	-	-
	14,665,184	1,110,220	26,291	11,896,904	1,086,769	8,826
Commitments						
Foreign exchange derivatives	10,104,018	244,383	-	6,586,669	79,931	-
Interest rate derivatives	2,774,421	731,583	-	3,263,449	418,627	-
Transaction related contingent items	20,982	-	-	111,690	20,200	-
	12,899,421	975,966	-	9,961,808	518,758	-

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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2025 (continued)

36 SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (continued)

(c) Significant transactions and outstanding balances with related parties (continued)

	2025				2024			
	Holding Company RM'000	Subsidiary Companies RM'000	Other Related Companies RM'000	Key Management Personnel RM'000	Holding Company RM'000	Subsidiary Companies RM'000	Other Related Companies RM'000	Key Management Personnel RM'000
Bank								
Income								
Interest on investment account placements	-	246,469	-	-	-	210,564	-	-
Interest on deposits and placements with banks and other financial institutions	1,562	10,608	-	-	1,612	12,597	-	-
Interest on loans, advances and financing	-	-	8,103	96	-	-	4,556	38
Interest on financial assets at FVTPL	-	-	1,267	-	-	-	1,671	-
Shared services fee income	3,703	163,518	21,608	-	3,884	151,505	20,505	-
Fee and commission income	48,369	-	36,158	-	62,263	-	38,459	-
Rental income	110	118	4,150	-	-	60	4,081	-
Other income	-	3	195	-	-	1	158	-
	53,744	420,716	71,481	96	67,759	374,727	69,430	38

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36 SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (continued)

(c) Significant transactions and outstanding balances with related parties (continued)

	2025				2024			
	Holding Company RM'000	Subsidiary Companies RM'000	Other Related Companies RM'000	Key Management Personnel RM'000	Holding Company RM'000	Subsidiary Companies RM'000	Other Related Companies RM'000	Key Management Personnel RM'000
Bank (continued)								
Amount due from								
Cash and cash equivalents	70,061	309,219	8,231	-	54,516	68,746	1,654	-
Deposits and placements with banks and other financial institutions	-	740,899	-	-	-	172,350	-	-
Investment account placements	33	6,476,685	-	-	-	7,736,685	-	-
Financial assets at FVTPL	-	-	49,982	-	-	-	49,859	-
Interest receivables	13	13,464	498	-	37	16,383	318	-
Loans, advances and financing	-	-	263,000	5,119	-	-	160,000	758
Derivative financial assets	163,057	81,553	50,298	-	92,149	12,823	49,124	-
Other assets	7,468	-	23,173	-	4,042	-	68,077	-
Shared services fee receivable	472	12,678	1,726	-	562	20,749	62	-
	241,104	7,634,498	396,908	5,119	151,306	8,027,736	329,094	758
Amount due to								
Deposits from customers	1,989,366	19,143	459,314	26,203	2,918,643	67,915	826,568	8,731
Deposits and placements of banks and other financial institutions	10,593,880	-	100	-	7,750,453	-	-	-
Other liabilities	24,068	2,244	444,455	-	32,553	31	12,527	-
Interest payables	95,400	14	1,702	-	68,539	309	59	-
Derivative financial liabilities	107,731	305	17,825	-	75,611	43	10,200	-
Subordinated bonds	1,050,000	-	-	-	1,050,000	-	-	-
	13,860,445	21,706	923,396	26,203	11,895,799	68,298	849,354	8,731
Commitments								
Foreign exchange derivatives	10,103,942	1,630,186	244,325	-	6,586,486	741,289	79,374	-
Interest rate derivatives	2,774,421	-	731,583	-	3,263,449	-	418,627	-
Transaction related contingent items	20,982	-	-	-	111,690	-	20,200	-
	12,899,345	1,630,186	975,908	-	9,961,625	741,289	518,201	-

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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2025 (continued)**37 OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES**

The Group and the Bank enter into master netting arrangements with counterparties in its normal course of business. The credit risk associated with favourable contracts is reduced by the master netting arrangement to the extent that if an event of default occurs, all amounts with the counterparty are settled on a net basis. These arrangements do not qualify for net presentation on the statement of financial position as the right to offset is enforceable only on the occurrence of future events such as default or other credit events.

The disclosures set out in the tables below pertain to financial assets and financial liabilities that are not presented net in the Group's and Bank's statement of financial position but are subject to enforceable master netting agreement or similar arrangement that covers similar financial instruments. The disclosures enable the evaluation on the potential effect of netting arrangements as well as provide additional information on how such credit risk is mitigated.

Types of financial assets/liabilities	Carrying amounts in the statement of financial position RM'000	Amounts not subject to netting agreement RM'000	Amounts subject to netting agreement RM'000	<i>Related amount not offset in the statements of financial position</i>		Net amount in scope RM'000
				Financial instruments RM'000	Collateral RM'000	
Group						
2025						
Derivative financial assets	1,031,101	(193,453)	837,648	(454,414)	(128,089)	255,144
Derivative financial liabilities	1,336,863	(404,050)	932,813	(454,414)	(414,626)	63,773
2024						
Derivative financial assets	952,689	(182,327)	770,362	(340,566)	(185,105)	244,691
Derivative financial liabilities	909,559	(109,818)	799,741	(340,566)	(262,604)	196,571
Bank						
2025						
Derivative financial assets	1,051,964	(132,482)	919,482	(454,414)	(128,089)	336,979
Derivative financial liabilities	1,337,160	(322,583)	1,014,577	(454,414)	(414,626)	145,537
2024						
Derivative financial assets	953,005	(182,643)	770,362	(340,566)	(185,105)	244,691
Derivative financial liabilities	909,230	(109,489)	799,741	(340,566)	(262,604)	196,571

38 FAIR VALUES OF FINANCIAL INSTRUMENTS

Financial instruments comprise financial assets, financial liabilities and off-balance sheet financial instruments. The fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants.

In addition, fair value information is not provided for non-financial instruments and financial instruments that are excluded from the scope of MFRS 9 which requires fair value information to be disclosed. These include property and equipment, investments in subsidiaries, tax recoverable and deferred tax assets.

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2025 (continued)

38 FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

For financial assets and liabilities not carried at fair value on the statements of financial position, the Group and the Bank determined that their fair values are not materially different from the carrying amount at the reporting date. The carrying amounts and fair values of financial instruments of the Group and of the Bank are described below.

(A) Financial assets and financial liabilities

(a) Short-term financial instruments

The carrying amounts approximate the fair values of cash and cash equivalents, deposits and placements with/of banks and other financial institutions with maturity less than one year, interest/profit and other short-term receivables due to their short tenor or frequent re-pricing.

(b) Deposits and placements with/of banks and other financial institutions and investment account placements

For deposits and placements with maturity of one year or more, the fair value is estimated based on discounted cash flows using prevailing money market interest/profit rates for deposits and placements with similar remaining period to maturity.

(c) Financial assets at FVTPL and financial investments at FVOCI

The fair value of financial assets that are actively traded is determined by quoted bid prices. For non-actively traded financial investments, independent broker quotations are obtained or valuation techniques are used to fair value the financial investments. The fair value of unquoted equity instruments classified under FVOCI portfolio is estimated using internal valuation techniques.

(d) Loans, advances and financing

The fair values of variable rate loans, advances and financing are carried approximately to their carrying amounts. For fixed rate loan, advances and financing, the fair values are valued based on the expected future discounted cash flows using market rates of loan, advances and financing of similar credit risks and maturity. For impaired loans, advances and financing, the fair values are carried at amortised cost net of ECL allowance.

(e) Derivative financial assets and liabilities

Observable market data are used to determine the fair values of derivatives at FVTPL. Valuations are either based on quoted price or valuation technique. Where mid prices are used, a bid-offer spread adjustment will be made to ensure that all long positions are marked to bid prices and short positions to offer prices.

(f) Deposits from customers

For deposits with maturity of less than one year, the carrying amount is a reasonable estimate of the fair value. For deposits with maturity of one year or more, the fair value is estimated using discounted cash flows based on market rates for similar products and maturity.

(g) Bills and acceptances payable

Bills and acceptances payable are substantially with maturity of less than one year. The carrying amount of bills and acceptances payable is a reasonable estimate of the fair value.

(h) Subordinated bonds/Sukuk

Fair value for the subordinated bonds/Sukuk is determined using quoted market prices where available, or by reference to quoted market prices of similar instruments.

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38 FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

(A) Financial assets and financial liabilities (continued)

(i) Recourse obligation on loans sold to Cagamas Berhad

For floating rate contracts, the carrying amount is generally a reasonable estimate of the fair value. The fair value of fixed rate contracts is estimated based on discounted cash flows using prevailing rates offered by Cagamas Berhad for similar products and remaining period to maturity.

Off-balance sheet financial instruments

The fair value of off-balance sheet financial instruments is the estimated amount the Group or the Bank would receive or pay to terminate the contracts at the reporting date. The fair value of off-balance sheet financial instruments are disclosed in Note 34 to the financial statements.

(B) 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 (ie. as prices) or indirectly (ie. derived from observable market data). The valuation techniques that use market parameters as inputs include, but are not limited to, yield curves, volatilities and foreign exchange rates.

Level 3: Inputs for the valuation that are not based on observable market data.

(i) Fair value hierarchy of financial instruments carried at fair value

Group	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
2025				
Financial assets at fair value				
Financial assets at FVTPL	2,283,340	-	-	2,283,340
Financial investments at FVOCI	25,872,226	6,660,237	113,922	32,646,385
Derivative financial assets	493	907,746	122,862	1,031,101
	<u>28,156,059</u>	<u>7,567,983</u>	<u>236,784</u>	<u>35,960,826</u>
Financial liabilities at fair value				
Derivative financial liabilities	348	1,228,387	108,128	1,336,863
2024				
Financial assets at fair value				
Financial assets at FVTPL	2,269,618	-	-	2,269,618
Financial investments at FVOCI	21,070,436	5,665,047	113,461	26,848,944
Derivative financial assets	1,430	864,606	86,653	952,689
	<u>23,341,484</u>	<u>6,529,653</u>	<u>200,114</u>	<u>30,071,251</u>
Financial liabilities at fair value				
Derivative financial liabilities	844	833,347	75,368	909,559

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2025 (continued)

38 FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

(B) Fair value hierarchy of financial instruments (continued)

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

<u>Bank</u>	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
2025				
Financial assets at fair value				
Financial assets at FVTPL	2,283,340	-	-	2,283,340
Financial investments at FVOCI	21,808,469	5,564,850	113,922	27,487,241
Derivative financial assets	440	928,687	122,837	1,051,964
	<u>24,092,249</u>	<u>6,493,537</u>	<u>236,759</u>	<u>30,822,545</u>
Financial liabilities at fair value				
Derivative financial liabilities	395	1,228,637	108,128	1,337,160
2024				
Financial assets at fair value				
Financial assets at FVTPL	2,269,618	-	-	2,269,618
Financial investments at FVOCI	17,865,916	4,473,043	113,461	22,452,420
Derivative financial assets	1,401	864,983	86,621	953,005
	<u>20,136,935</u>	<u>5,338,026</u>	<u>200,082</u>	<u>25,675,043</u>
Financial liabilities at fair value				
Derivative financial liabilities	850	833,271	75,109	909,230

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

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Financial assets at fair value				
At 1 January	200,114	207,633	200,082	207,630
Realised loss				
- Recognised in net trading income	(64,736)	(93,855)	(64,704)	(93,852)
Unrealised gain				
- Recognised in net trading income	100,945	85,492	100,920	85,460
- Recognised in other comprehensive income	461	844	461	844
At 31 December	<u>236,784</u>	<u>200,114</u>	<u>236,759</u>	<u>200,082</u>
Financial liabilities at fair value				
At 1 January	75,368	95,637	75,109	95,637
Realised gain				
- Recognised in net trading income	(53,452)	(94,476)	(53,193)	(94,476)
Unrealised loss				
- Recognised in net trading income	86,212	74,207	86,212	73,948
At 31 December	<u>108,128</u>	<u>75,368</u>	<u>108,128</u>	<u>75,109</u>

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38 FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

(B) Fair value hierarchy of financial instruments (continued)

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

Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

Level 3 fair value

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:

<u>Group</u>	Fair value 2025 RM'000	Fair value 2024 RM'000	Classification	Valuation technique	Unobservable input
Assets					
Financial investments at FVOCI	113,922	113,461	FVOCI	Net asset value approach	Net asset value
Derivative financial assets	<u>122,862</u>	<u>86,653</u>	Hedge for trading	Option pricing model	Standard deviation
	<u>236,784</u>	<u>200,114</u>			
Liabilities					
Derivative financial liabilities	<u>108,128</u>	<u>75,368</u>	Hedge for trading	Option pricing model	Standard deviation
Bank					
Assets					
Financial investments at FVOCI	113,922	113,461	FVOCI	Net asset value approach	Net asset value
Derivative financial assets	<u>122,837</u>	<u>86,621</u>	Hedge for trading	Option pricing model	Standard deviation
	<u>236,759</u>	<u>200,082</u>			
Liabilities					
Derivative financial liabilities	<u>108,128</u>	<u>75,109</u>	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.

Valuation control framework

The Group has an established control framework with respect to the measurement of fair values, which includes formalised processes for the review and validation of fair values independent of the businesses entering into the transactions.

The Market Risk Management ("MRM") function within the Risk Management Division ("RMD") and with support from Group Risk Management ("GRM") Division, is responsible for market data validation, assessment of model validation and ongoing performance monitoring.

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38 FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

(B) Fair value hierarchy of financial instruments (continued)

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

Valuation control framework (continued)

The Treasury Financial Control & Advisory - Valuation Control function within the Finance Division is responsible for the establishment of the overall valuation control framework. This includes, but is not limited to, reviewing and recommending appropriate valuation reserves, methodologies and adjustments, independent price testing, and identifying valuation gaps. Valuation related policies are reviewed annually. Any material change to the framework is recommended by the Asset and Liability Management Committee ("ALCO") for approval by the Risk Management Committee. Internal Audit provide independent assurance on the respective divisions' compliance with the policies.

(ii) Fair value hierarchy of financial instruments not carried at fair value

The table below is a comparison of the carrying amounts and fair values of those financial instruments of the Group and the Bank which are not measured at fair value. It does not include those short term financial assets and financial liabilities where their fair values are not materially different from the carrying amounts.

<u>Group</u>	Level 2	Level 3	Total	Carrying
	RM'000	RM'000	fair value	amount
			RM'000	RM'000
2025				
Financial assets not carried at fair value				
Deposits and placements with banks and other financial institutions	687,132	-	687,132	687,132
Loans, advances and financing	-	69,793,138	69,793,138	69,756,173
	<u>687,132</u>	<u>69,793,138</u>	<u>70,480,270</u>	<u>70,443,305</u>
Financial liabilities not carried at fair value				
Deposits from customers	77,472,387	-	77,472,387	76,789,275
Deposits and placements of banks and other financial institutions	12,286,500	-	12,286,500	12,345,669
Subordinated bonds	1,072,718	-	1,072,718	1,050,000
	<u>90,831,605</u>	<u>-</u>	<u>90,831,605</u>	<u>90,184,944</u>
2024				
Financial assets not carried at fair value				
Deposits and placements with banks and other financial institutions	1,487,913	-	1,487,913	1,487,913
Loans, advances and financing	-	68,257,444	68,257,444	68,291,628
	<u>1,487,913</u>	<u>68,257,444</u>	<u>69,745,357</u>	<u>69,779,541</u>
Financial liabilities not carried at fair value				
Deposits from customers	77,308,122	-	77,308,122	76,772,644
Deposits and placements of banks and other financial institutions	9,491,201	-	9,491,201	9,569,743
Subordinated bonds	1,073,117	-	1,073,117	1,050,000
	<u>87,872,440</u>	<u>-</u>	<u>87,872,440</u>	<u>87,392,387</u>

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<u>Bank</u>	Level 2 RM'000	Level 3 RM'000	Total fair value RM'000	Carrying amount RM'000
2025				
Financial assets not carried at fair value				
Deposits and placements with banks and other financial institutions	1,696,450	-	1,696,450	1,696,450
Investment account placements	6,460,137	-	6,460,137	6,460,137
Loans, advances and financing	-	51,479,882	51,479,882	51,447,138
	<u>8,156,587</u>	<u>51,479,882</u>	<u>59,636,469</u>	<u>59,603,725</u>
Financial liabilities not carried at fair value				
Deposits from customers	64,804,019	-	64,804,019	64,133,636
Deposits and placements of banks and other financial institutions	12,247,905	-	12,247,905	12,307,074
Subordinated bonds	1,072,718	-	1,072,718	1,050,000
	<u>78,124,642</u>	<u>-</u>	<u>78,124,642</u>	<u>77,490,710</u>
2024				
Financial assets not carried at fair value				
Deposits and placements with banks and other financial institutions	1,660,263	-	1,660,263	1,660,263
Investment account placements	7,721,835	-	7,721,835	7,721,835
Loans, advances and financing	-	51,398,692	51,398,692	51,432,876
	<u>9,382,098</u>	<u>51,398,692</u>	<u>60,780,790</u>	<u>60,814,974</u>
Financial liabilities not carried at fair value				
Deposits from customers	65,927,297	-	65,927,297	65,405,360
Deposits and placements of banks and other financial institutions	9,443,107	-	9,443,107	9,521,649
Subordinated bonds	1,073,117	-	1,073,117	1,050,000
	<u>76,443,521</u>	<u>-</u>	<u>76,443,521</u>	<u>75,977,009</u>

39 HEDGING ACTIVITIES**Fair value hedge**

The Group and the Bank use fair value hedges to protect the Group and the Bank against the changes in fair value of fixed-rate long-term financial instruments due to movements in the market interest rates. The Group and the Bank primarily use interest rate swaps as hedges of interest rate risk.

The net gains and losses arising from fair value hedges during the financial year are as follows:

<u>Group and Bank</u>	2025 RM'000	2024 RM'000
(Losses)/Gains on hedging instruments	(31,492)	16,636
Gains/(Losses) on the hedged items attributable to the hedged risk	31,151	(18,525)
	<u>(341)</u>	<u>(1,889)</u>

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40 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Principal risk types are managed with the requisite competencies and resources, detailed guidelines and procedures, and infrastructure and systems that commensurate with our defined risk-taking parameter. We pay close attention in identifying, measuring, monitoring and reporting, while setting tolerances for and dynamically reviewing the risks we accept. Established escalation processes are in place to ensure that risks are discussed and sanctioned at the appropriate levels. Our risk management frameworks and approaches are periodically reviewed and enhanced to incorporate best-in-class practices.

As risks are increasingly inter-connected and must be assessed holistically. We have also established cross functional assessments of risk. We regularly engage in emerging risk discussions, while a suite of stress-testing and scenario analyses inform what the impact of plausible risk factors could be to our earnings, capital, liquidity, customer segments, and obligations. Such impacts are taken into account in shaping our risk strategies and contingency plans.

Such impacts are taken into account in shaping our risk strategies and contingency plans. Additionally, we continue to invest in risk infrastructure, digital technologies and data analytics to enhance our risk management capabilities. This includes the selected adoption of artificial intelligence (AI) techniques in early warning and risk assessments which enable us to make more informed decisions and develop proactive strategies to mitigate potential risks.

Principal Risk Types

We generally categorise the risks we face into the following principal risk types:

- (i) Credit risk is the risk of loss of principal and/or income arising from the failure of an obligor or counterparty to meet its financial or contractual obligations due to an adverse change in the credit profile of the obligor or counterparty.
- (ii) Market risk is the risk of losing income and/or market value due to fluctuations in factors such as interest rates, foreign exchange rates and credit spreads, as well as equity and commodity prices or the volatilities and correlations arising from both trading and/or banking activities.
- (iii) Liquidity risk is the risk of not being able to meet financial and cash outflow obligations as they come due.
- (iv) Operational risk is the risk of loss caused by failures in internal processes and systems, people or external events. It cover various non-financial risks including fraud; money laundering, terrorism financing and sanctions risk; new product risk; third-party risk; physical and people security risk; conduct risk, business continuity risk, unauthorised trading risk, regulatory risk, legal risk. This is a broad risk category that encompasses pandemic risk, fraud risk, money laundering, terrorism financing and sanctions risk, third-party risk, physical and people security risk, conduct risk, business continuity risk, unauthorised trading risk, regulatory risk, legal risk, fiduciary risk and reputational risk.
- (v) Information security risk is the risk of compromising confidentiality, integrity and/or availability of information (in physical or digital form). Digital risk includes cyber and technology risks. Cyber risk is the risk arising from malicious acts perpetrated by threat actors. Technology risk is the risk of disruption, failure or irregularity in essential financial services arising from the use of information and communication technologies.

ESG and Climate Risks

Effectively managing ESG and Climate Risks is essential to our operations, as these factors influence credit, market, liquidity, operational, and reputational risks. We adopt an integrated and risk-based approach to identifying, assessing, and managing ESG and climate risks. This strategy is embedded in our risk appetite framework, which accounts for both the financial and reputational impacts associated with ESG considerations. Oversight is provided by the relevant principal risk management committees that govern the Group's ESG and climate risk management.

Currently, ESG and climate factors pose an impact to credit and reputational risks primarily relating to our wholesale lending activities. We therefore incorporate relevant risk management measures into our Responsible Financing framework and credit design processes. These include ESG and climate risk metrics, climate scenario analyses and stress test. For clients in high-risk sectors, we assess their ability to manage ESG, transition, and physical risks, with high risk clients undergoing enhanced due diligence. Time-bound action plans or covenants may be imposed and transactions posing significant reputational risks are escalated to the OCBC Group Reputational Risk Review Group for further review and clearance. We are committed to integrating quantitative ESG and Climate Risk metrics into our practices while enhancing our Climate Risk scenario analysis methodologies. We are guided by industry developments, data availability and ongoing dialogue with regulators.

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40 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Risk Governance and Organisation

A robust risk governance structure ensures effective oversight and accountability of risk. This enables smooth reporting and escalation of risks to the Board who have ultimate responsibility for the effective management of risk. The Board establishes the corporate strategy and approves the risk appetite within which senior management executes the strategy.

The Risk Management Committee (“RMC”) is the designated board committee overseeing risk management matters. It ensures that the Bank’s overall risk management philosophy and principles and risk appetite are aligned with the corporate strategy. The RMC has oversight of credit, market, liquidity, information security and digital, operational, conduct, money laundering and terrorism financing, fraud, legal, regulatory, strategic, ESG and fiduciary risks, as well as any other category of risk that may be delegated by the Board or deemed necessary by the Committee.

The RMC ensures that the overall risk management organisation is in place and effective. It provides quantitative and qualitative guidance to major business units and risk functions to guide risk-taking. Senior management, functional risk committees, the CEO and the RMC regularly review our risk drivers, risk profiles, risk management framework and policies, and compliance matters.

RMD’s day-to-day responsibility involve providing independent risk control and managing credit, market, liquidity, information security and digital, operational and ESG risks. It provides regular risk reports and updates on developments in material risk drivers and potential vulnerabilities. It recommends mitigating actions, to senior management, risk committees, RMC and the Board.

Three Lines of Defence

All employees are responsible for identifying and managing risk; a responsibility is embedded in our corporate culture and robust internal control environment. This is operationalised via a three-line defence structure that distinctly outlines the roles, responsibilities and accountability of risk.

- (i) **First Line - Day-to-day Risk Management**
Business and Support Units own and manage risks arising from their business activities on a day-to-day basis. It carries out business activities which are consistent with our Group’s strategy and risk appetite and operates within the approved boundaries of our policies and limits and complies with applicable laws and regulations.
- (ii) **Second Line - Risk and Control Oversight**
The Risk and Control Function independently and objectively identify and assess risk-taking activities of the first line. They establish relevant risk management frameworks, policies, processes and systems, and provide independent identification, assessment, monitoring and reporting of the Group’s risk profiles, portfolio concentrations and material risk issues.
- (iii) **Third Line - Independent Assurance**
Internal Audit independently assures the CEO, Audit Committee and the Board of the adequacy and effectiveness of our risk management and internal control systems and evaluates the overall risk awareness and control consciousness of the management in discharging its supervisory and oversight responsibilities.

Risk Appetite

The Group’s aim is to manage risks in a prudent and sustainable manner for the long-term viability of the Group. The Board determines the Group’s risk appetite, defining the level and nature of risks that we can undertake on behalf of our shareholders while maintaining our commitments to customers, employees, regulators and other stakeholders. Business plans take into account the corporate strategy, the forward-looking operating environment and potential risks assessed against our risk appetite. Our risk appetite is operationalized across the Group through our policies, processes and limits to manage both financial and non-financial risks.

Senior business and risk managers participate in regular forums to review the macroeconomic and financial development and discuss the operating conditions, event risks and potential “dark clouds” that may have a significant impact on our earnings or solvency. These risks are measured via stress tests as well as segment-specific and ad hoc event-specific portfolio reviews. The results are used to assess the potential impact of various scenarios on the Group’s earnings and capital, and to identify vulnerabilities of material portfolios and trigger appropriate risk management actions.

We conduct an annual Internal Capital Adequacy Assessment Process (“ICAAP”) that incorporates the results of stress tests for various risk types. The aim is to assess if we can maintain sufficient capital levels under a forward-looking operating environment and in severe stress scenarios. Appropriate risk-mitigating actions are taken to manage potential risks.

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40 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit Risk Management

Credit risk arises from our lending activities to retail, corporate and institutional customers. It also includes counterparty and issuer credit risks arising from our underwriting, trading and investment banking activities.

Credit Risk Management Approach

The Group's credit risk management framework provides a comprehensive and proactive approach towards managing credit risk in the Group. The framework documents the credit risk objectives and minimum standards for the full credit risk management cycles of the Group's lending businesses. Effective risk management is enhanced by the experience and sound judgement of our credit specialists.

The Group's credit risk management approach is tailored based on the unique characteristics or nature of the various portfolios or customer segments as follows:

Credit Risk Management Approach for Major Customer Segments:	
Consumer and Small Businesses	<ul style="list-style-type: none"> • Assess credits through credit programmes with predefined customer selection criteria and risk acceptable criteria. • Use scorecard models and credit decision-making systems for efficient, objective and consistent credit decisions and customer due diligence checks. • Apply bankruptcy and credit bureau checks, together with systems and processes such as identity checks and independent verification of documentation for credit screening. • Monitor credit risk on portfolio basis, using comprehensive risk management information systems ("MIS"), behavioural models and stress testing for monitoring and early identification of potentially weak credits.
Corporate and Institutional Customers	<ul style="list-style-type: none"> • Assess credits individually with robust independent evaluation carried out by experienced credit officers. • Use predefined target markets and risk acceptance criteria to guide credit extensions. • Make credit decisions after comprehensive qualitative and quantitative risk assessment, including a thorough understanding of the customer and customer group's • Business and credit risk units jointly approve credits to ensure objectivity and shared risk ownership. • Conduct regular reviews and forward-looking stress tests at borrower and portfolio levels to monitor credit quality and identify potential weak credits early.

Counterparty Credit Risk Management

Counterparty credit risk emerges from the potential default of a counterparty during our trading and/or banking activities in derivatives and debt securities. The credit exposure to a counterparty is measured as the sum of current mark-to-market value of the transactions plus an appropriate add-on for potential future exposures in response to market prices fluctuations. The risk also covers settlement risk, which is the potential loss incurred if a counterparty fails to fulfil its obligation after the Bank has performed its obligation under a contract or agreement at the settlement date.

Each counterparty undergoes robust credit assessment, including the suitability and appropriateness of the product offered. Credit risk mitigation tools are also used to manage counterparty credit risk where appropriate. Please refer to Credit Risk Mitigation Section for details. The Bank manages our credit exposures independently through daily limit excess monitoring, excess escalation, pre-deal excess approval and timely risk reporting.

Credit Portfolio Management

Credit portfolio management focuses on managing the collective or aggregate risk of our credit portfolios, instead of the credit risk of individual borrowers. We have developed and implemented a range of capabilities to identify, measure and monitor credit risk at a portfolio level. These capabilities include:

- (i) **Portfolio Segmentation:** This is the process of grouping credit exposures that are similar in nature. It involves the use of attributes that represent common business drivers such as geography, industry and business segment, as well as common risk drivers such as exposure to material downside risks like a property price correction, a sharp hike in interest rates, or a country risk event.

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40 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit Risk Management (continued)

Credit Portfolio Management (continued)

- (ii) **Portfolio Modelling:** This includes using internal rating models to quantify the exposure risk, default risk and potential losses of our borrowers. Please refer to the table below for information on our internal rating models. We also use stress testing models to simulate the potential increase in our credit losses and Credit Risk-Weighted Assets (“CRWA”) under stressed scenarios.

Overview of Internal Rating Models

Internal credit rating models and their components such as probability of default (“PD”), loss given default (“LGD”) and exposure at default (“EAD”) – are used in limit setting, credit approval, portfolio monitoring and reporting, remedial management, stress testing and the internal assessment of the capital adequacy and portfolio allowances.

The Group’s Model Risk Management Framework governs the development, validation, application and maintenance of rating models. Models are assessed against internal and regulatory requirements and approved by regulators for use in capital assessment. Approval for the adoption and continued use of material models rests with the RMC.

While our internal risk grades are not explicitly mapped to external credit ratings, they may correlate to external credit ratings in terms of the PD ranges as factors used to rate obligors would be similar. As such, an obligor rated poorly by an external rating agency is likely to have a weak internal risk rating.

The table below describes the approach used to estimate the key parameters for Advanced Internal Ratings Based (“A-IRB”) and Foundation Internal Ratings Based (“F-IRB”) credit risk models used to calculate CRWA.

Key Components of Internal Ratings Based (“IRB”) Models		
IRB Models and Portfolios	PD	LGD and EAD
A-IRB approach covers major retail portfolios such as residential mortgages, credit cards and small businesses lending	<ul style="list-style-type: none"> • Estimated based on the application and behaviour scores of obligors. • PD models are calibrated to reflect the expected long-run average one-year default rate over an economic cycle. 	<ul style="list-style-type: none"> • Product and collateral characteristics are major factors. • LGD models are calibrated to reflect the economic loss under downturn conditions. • EAD models are calibrated to reflect the default-weighted average and economic downturn conditions.
F-IRB (Non-Supervisory Slotting) approach covers major wholesale portfolios such as bank, non-bank financial institutions, corporate real estate (including income producing real estate) and general corporates	<ul style="list-style-type: none"> • PD models are statistical based or expert judgement models that use both quantitative and qualitative factors to assess an obligor’s repayment capacity and calibrated to reflect the expected long-term average one-year default rate over an economic cycle. • Expert judgement models based on inputs from internal credit experts are typically used for portfolios with low default rates. 	<ul style="list-style-type: none"> • Estimated based on rules prescribed in BNM’s Risk-Weighted Capital Adequacy Framework (“RWCAF”).
F-IRB (Supervisory Slotting) approach covers other specialised lending portfolios such as project finance, object finance and commodities finance	<ul style="list-style-type: none"> • Risk grades derived from internal models are mapped to the five supervisory slotting categories prescribed in BNM’s RWCAF. 	<ul style="list-style-type: none"> • Estimated based on rules prescribed in BNM’s RWCAF.

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2025 (continued)

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Credit Risk Management (continued)

Credit Portfolio Management (continued)

- (iii) **Portfolio Reporting:** This includes internal and external reporting of portfolio risk information to respective stakeholders. These reports provide a better understanding of how the quality of our credit portfolio is evolving in response to the changing operating environment and downside risks. Regular risk reports covering detailed credit exposures, credit migration, expected losses and risk concentrations by business segment are provided to senior management and the Board for making timely and better-informed decisions.

Using insights provided by portfolio modelling and reporting, we allocate appropriate risk and financial resources such as funding and capital to support growth opportunities. We use these insights to set credit concentration limits to manage the potential downside risks from adverse changes in the operating environment. The design of these limits considers direct and indirect risk drivers, such as economic sector, industry, geographic location, collateral type or other credit risk mitigation.

Credit Risk Mitigation

Credit risk mitigation is managed via various measures such as holding collateral, buying credit protection and setting netting arrangements to reduce credit risk exposures. Risk mitigation does not replace our proper assessment of the obligor's ability to repay, which remains the primary repayment source.

Our credit policies outlines the key considerations for eligible credit risk mitigants. Including legal certainty and enforceability, correlation, liquidity, marketability, counterparty risk of the credit protection provider and collateral-specific minimum operational requirements. Eligible physical and financial collateral types include cash, real estate, marketable securities, standby letters of credit and credit insurances.

Where collateral is taken, appropriate haircuts to the value to reflect its inherent nature, quality, liquidity and volatility. Regular independent valuations of the collateral are conducted. We also monitor our collateral holdings to maintain diversification across asset classes and markets. We accept guarantees from individuals, corporates, and institutions as a form of support. Where guarantees are recognised as credit risk mitigants via the PD substitution approach, we have established eligibility criteria and guidelines.

Netting, collateral arrangements, early termination options and central clearing mechanisms are common risk mitigation tools for managing counterparty credit risk. In approved netting jurisdictions, netting agreements allow us to offset our obligations against what is due from that counterparty in the event of a default, thereby reducing credit risk exposure. Collateral arrangements are typically governed under market standard documentation such as International Swaps and Derivatives Association ("ISDA") and Credit Support Annexes ("CSA") or Global Master Repurchase Agreements ("GMRA"). Such arrangements will require the posting of additional collateral if the mark-to-market exposures exceed an agreed threshold amount. We apply a haircut to the value of the eligible collateral to cover potential adverse market volatility. Regulatory margin requirements may apply to the agreed threshold amount. ISDA agreements may also include rating triggers to allow for transaction termination or require additional collateral if a rating downgrade occurs.

Remedial Management

Processes are in place to foster early identification of vulnerable borrowers. The quality of our credit portfolios is proactively monitored and deliberated at various credit risk forums. Action plans to remediate deteriorating trends are worked out and reviewed at such forums.

We classify our credit exposures as restructured assets when the Bank grants non-commercial concessions to borrowers which are unable to meet their original repayment obligations. We further classify a restructured credit exposure into the appropriate impaired loan grade based on the assessment of the borrower's financial condition and ability to pay under the restructured terms. Such credit exposure must comply fully with the restructured terms before it can be restored to non-impaired status.

Dedicated remedial management units manage the restructuring, work-out and recovery of Impaired Loans (ILs) for wholesale portfolios. The objective is to rehabilitate ILs where possible or maximise recoveries for ILs that are on exit strategy. For the retail portfolios, we develop appropriate risk-based and time-based collection strategies to maximise recoveries. We use data such as delinquency buckets and adverse status tags for delinquent retail loans to constantly analyse, fine-tune and prioritise our collection efforts.

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40 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit Risk Management (continued)

Remedial Management (continued)

Impairment allowances for Loans, Advances and Financing

We maintain sufficient impairment allowances are maintained to absorb credit losses inherent in our credit portfolio. Allowance for ECL is recognised for credit impaired and non-credit impaired exposures in accordance with MFRS 9, *Financial Instruments* through a forward looking ECL model. We assess our ECL allowances on a forward-looking basis, taking into account the three stages of credit risk.

Stages of Credit Risk and Expected Credit Losses		
Non Credit-Impaired		Credit-Impaired
Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL
Non-impaired exposures without significant increase in credit risk since initial recognition	Non-impaired exposures with significant increase in credit risk since initial recognition	Impaired exposures

Market Risk Management

Market risks arise primarily from the Bank's trading, customer servicing and balance sheet management activities. Given the volatile macroeconomic environment, it is paramount that the management of market risk is robust and timely. This is achieved through the market risk management approach, which involves the identification, measurement, monitoring, reporting and control of market risks.

Market Risk Management Approach

Market risk policies and procedures are established to provide common guidelines and standards for managing market risks. We regularly review our market risk management strategy and limits, which are established in accordance with the Bank's risk appetite and are aligned with the Bank's business strategies, taking into account prevailing macroeconomic and market conditions.

Market Risk Identification

Our internal approval processes ensure that market risk is properly identified and quantified, allowing us to manage and mitigate such risks.

Market Risk Measurements

(i) **Value at Risk ("VaR")**

A key metric used to quantify market risk exposures arising from the Bank's trading portfolio activities. VaR is measured and monitored by the different asset class risks, namely interest rate/profit rate risk, foreign exchange risk, equity risk, credit spread risk and commodity risk, as well as at the aggregate level. Our VaR model is based on the historical simulation approach, calibrated at the 99% confidence level and a one-day holding period. A 99% confidence level means that, statistically, losses on a single trading day may exceed VaR on average, once every 100 days.

(ii) **Other Risk Measures**

As interest/profit rate movements are a key driver of the Bank's market risk exposure, Present Value of a Basis Point ("PV01"), which measures the change in value of interest/profit rate-sensitive exposures resulting from a one basis point increase across the entire yield curve, is an important measure that is monitored on a daily basis. Other than VaR and PV01, we use risk metrics such as notional positions, Present Value of a One Basis Point Move in Credit Spreads ("CS01") and other risk measures for specific exposure types.

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2025 (continued)

40 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market Risk Management (continued)

Stress Testing and Scenario Analysis

We perform stress testing and scenario analyses to assess and quantify potential losses from unlikely but plausible extreme market conditions. We regularly review and adjust the stress scenarios to ensure their relevance to the Bank's trading portfolio activities and risk profile, as well as current and forecasted economic conditions.

These analysis determine if potential losses from such extreme market conditions are within the Bank's risk tolerance. In addition to regular stress scenarios, we also use ad hoc event-specific stress scenarios to assess the potential impact of specific market conditions on the Bank's market risk exposures.

Risk Monitoring and Control

(i) **Limits**

Trading units may only undertake authorised trading activities for approved products. All trading risk positions are monitored on a daily basis against approved and allocated limits. Trading activities are conducted within approved mandates and are dynamically hedged to remain within limits. Hedge effectiveness is enforced through independent limit monitoring to ensure compliance with market risk limits. Limits are approved to reflect the Bank's risk appetite and manage the downside risks from trading opportunities, with clearly defined exception escalation procedures. We report exceptions, including temporary breaches, promptly to senior management and the Board. We also manage market risk exposure holistically by using multiple market risk limits (VaR and market risk sensitivities), P&L Stop-Loss and other measures.

(ii) **Model Validation**

Model validation is an integral part of our risk control process. Financial models are used to price financial instruments and calculate risk measures. We ensure that the models used are fit for their intended purposes through periodic independent validation and reviews. To enhance the integrity of the trading P&L and risk measures generated, we source market rates independently for risk measurement and valuation.

(iii) **Back Testing**

To ensure the continued integrity of our VaR models, we back-test the VaR against actual trading P&Ls and hypothetical P&Ls daily to confirm that the models do not underestimate the Bank's market risk exposures.

(iv) **Designation of Trading Positions**

We comply with the regulatory guidelines in designating trades as trading positions. The designation is primarily based on the Bank's intention for short-term resale, to realise gains from price movements, or to engage in price arbitrage. We maintain robust governance processes to monitor and report any transfers between trading and banking books. In addition, trading positions are subject to regular reviews to identify and address stale positions that exceed our internally prescribed holding periods.

Asset Liability Management

Asset liability management is the strategic management of the Bank's statement of financial position structure and liquidity requirements. It covers liquidity sourcing and diversification, and interest rate/rate of return risk management.

Asset Liability Management ("ALM") Approach

The Bank maintains an established ALM risk framework to oversee and manage liquidity risk and interest rate/rate of return risk in the banking book ("IRRBB/RoRBB"). The Bank's ALCO provide stewardship and regularly reviews the Bank's ALM risk profiles to ensure alignment with the Bank's business strategies and risk appetite, taking into account prevailing macroeconomic and market developments.

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2025 (continued)

40 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Asset Liability Management (continued)

Liquidity Risk

The aim of liquidity risk management is to ensure that the Bank can meet its financial obligations and pursue new businesses by effectively managing liquidity and funding risks within the Bank's risk appetite. Effective liquidity risk management requires maintaining adequate and diversified funding sources and liquidity while balancing cost efficiency.

Liquidity Risk - Identification

We identify liquidity risk by monitoring cash flow mismatches across assets, liabilities and off-balance sheet items, supported by risk metrics and early warning indicators that signal potential liquidity risks stemming from market developments.

Liquidity Risk - Measurement

The Bank measure liquidity risk based on the projected cashflow mismatches under both contractual and behavioural assumptions across business-as-usual conditions and stressed idiosyncratic and market scenarios. We also track concentration and regulatory liquidity ratios to assess funding diversification and resilience under stressed liquidity conditions.

Liquidity Risk - Risk Monitoring, Reporting and Control

We continuously monitor liquidity risk positions against approved liquidity risk limits and triggers, aligned with the Bank's risk appetite and regulatory requirements. A rigorous review, oversight and escalation process facilitates prompt escalation and remediation of any limit exceptions.

Liquidity Risk - Stress Testing and Scenario Analysis

We conduct regular stress tests under a variety of adverse scenarios to assess the potential impact idiosyncratic and market events on the Bank's liquidity risk profile. These outcomes inform funding strategies, liquidity policies and contingency funding plans to minimise the impact of any liquidity crunch.

IRRBB/RoRBB

IRRBB/RoRBB is the current and prospective risk that interest/profit rates to the Banks's capital and earnings. With a broad range of products across different interest rate structures, curves and maturities, mismatches in asset and liability repricing can occur. Changes in interest/profit rates and yield curves may affect the Bank's economic value and earnings. Our goal is to maintain the impact on the Bank's interest rate/rate of return risk exposures from these events within defined risk tolerances and regulatory requirements.

IRRBB/RoRBB - Identification

We identify interest rate/rate of return risk inherent in repricing periods, currencies, embedded options and interest/profit rate basis, and arise from interest/profit rate sensitive instruments which:

- Reprice at different times (gap risk).
- Reference different interest/profit rate benchmarks (basis risk).
- Possess optionality with respect to timing of cashflows or interest/profit reset under different circumstances (optionality risk).

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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2025 (continued)

40 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Asset Liability Management (continued)

IRRBB/RoRBB - Measurements

We manage IRRBB/RoRBB using both earnings and capital-based measures:

- Net Interest Income (“NII”) sensitivity estimates the potential earnings impact under various interest rate scenarios, assuming the Bank’s balance sheet remains unchanged over the next one year. Interest rate caps and floors are applied in interest cashflow projections in line with contractual obligations and business practices.
- Economic Value of Equity (“EVE”) sensitivity, PV01 simulate the potential impact of interest rate shocks on the Bank’s capital by discounting repricing cashflows, including commercial margins and spreads, using risk-free rates or appropriate proxies.

These measures take into account the impact of loan prepayment and fixed deposit early redemption, which are modelled by referencing historical customer behaviour, product features and market indicators. For non-maturity deposits which do not have explicit maturity and repricing dates, the repricing profile is determined by studying the elasticity of deposit rates against market interest rates and the volatility of deposit balances. The results from these modelling assumptions are independently validated, reviewed and approved by the Bank’s ALCO Sub-Committee (“ASC”) and applied consistently across public disclosure and internal risk monitoring.

IRRBB/RoRBB - Risk Monitoring, Reporting and Control

We compute interest rate/rate of return risk positions and metrics at least monthly and monitor them against approved risk limits and triggers. Interest rate derivatives are commonly used as hedging instruments to manage IRRBB/RORBB within risk limits, with hedge accounting adopted where appropriate.

IRRBB/RoRBB - Stress Testing

We conduct regular stress tests across historical, hypothetical and regulatory interest/profit rate shock scenarios as well as internal scenarios, to assess the potential impact of adverse interest/profit rate movements on the Bank’s financial position. These assessments serve as critical inputs for shaping interest rate/rate of return risk profiles and management strategies.

Operational Risk Management

Operational risk is the risk of loss caused by failures in internal processes, systems, people or external events. This risk is inherent in all banking products, activities, processes and systems. It covers various non-financial risks including fraud; money laundering, terrorism financing and sanctions risk; third-party risk; physical and people security risk; conduct risk; business continuity risk; unauthorised trading risk; regulatory, legal and reputational risk.

Operational Risk Management Approach

Our operational risk framework sets out the approach to managing and controlling the operational risks arising from the Group’s business activities and operations. The framework is supported by various programmes to ensure preparedness and minimise the impact of any adverse event through timely response, recovery, and adaptability of Critical Business Services and Functions. Senior management and the Board receive regular updates on the operational risk profile, including operational risk events, key risk indicators, material issues and trends.

Strengthening our Operational Resilience

Operational Resilience refers to our ability to continue delivering critical banking services through disruptions. We recognise the heightened risk of business disruptions arising from operational failures and the importance of strengthening our operational resilience. We continue to anticipate and prevent potential operational risk events through robust risk management practices.

Our approach towards Operational Resilience leverages existing Operational Risk Management and Information Security and Digital Risk Management programmes. This proactively mitigates disruption risk by anticipating, preparing, responding, recovering and learning from events.

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2025 (continued)

40 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Operational Risk Management (continued)

Key Components of Operational Risk Management:

Risk Management Capabilities	<p>New Product Approval</p> <ul style="list-style-type: none"> Each new product or channel undergoes a stringent review process, to identify and mitigate risks inherent in the product or channel. This ensures prudent allocation of resources and capital, compliance with regulatory requirements, and effective risk management to support sustainable business growth initiatives.
	<p>Third-Party Risk Management</p> <ul style="list-style-type: none"> We have in place a robust third-party risk management programme to manage the risks of third-party arrangements. Third-party service providers are subjected to stringent onboarding process, ongoing monitoring and periodic due diligence assessment. This minimises any potential adverse impact on our operations.
	<p>Business Continuity Management</p> <ul style="list-style-type: none"> We have in place a robust Business Continuity Management programme that identifies Critical Business Services and its related Service Recovery Time Objective. End-to-end dependency on processes, systems and resources required in the delivery of the business services are mapped out. Business Continuity Plans are established following Business Impact Analysis, where corresponding recovery strategies are planned based on identified service disruption scenarios. Annual tests are conducted to validate that business continuity plans and recovery strategies are adequate and that target recovery time objectives can be met.
	<p>Anti-Money Laundering/ Countering the Financing of Terrorism</p> <ul style="list-style-type: none"> Enhanced risk assessment methodologies that overlay on existing monitoring and screening platforms to assess customer, product and geographical risks. Robust risk surveillance capabilities that leverage on artificial intelligence and data analytics for dynamic monitoring and detection of emerging financial crime trends and typologies.
	<p>Anti-Fraud</p> <ul style="list-style-type: none"> Real-time transaction monitoring capabilities to detect and alert customers to suspicious account activities, effectively preventing potentially fraudulent transactions from being completed. Enhanced fraud surveillance systems to adapt to evolving fraud and scam typologies, as well as changes in the regulatory landscape.
	Incident Response and Crisis Response
Insurance	<ul style="list-style-type: none"> We have in place financial lines insurance programmes, including the Bankers Blanket Bond and Professional Indemnity Programme, as well as the Directors and Officers Liability Insurance Programme, to cover key operational risks.
Awareness and Training	<ul style="list-style-type: none"> Operational Risk Working Group to foster continuous engagement with stakeholders across the organisation, facilitating awareness and understanding of operational risk. Targeted and specialised training, including certified courses, are available to raise staff competency.
Industry Collaboration	<ul style="list-style-type: none"> Active participation in the industry committees and working groups to share and stay abreast of the developments in the operational risk landscape.

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40 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Operational Risk Management (continued)

Anti-Fraud Programme

OCBC Anti-Fraud and Whistleblowing Programmes are established to manage fraud risk in OCBC Bank. A comprehensive governance model to manage and respond to digital payment scams/ fraud risks through the Dynamic Response Committee and Anti-Fraud Standing Committee. Board and senior management are kept apprised on fraud threats and incident reports, including root cause analysis, extent of damage, supporting remedial actions and recovery steps of major incidents, through regular reports to the Operational Risk Management Committee ("ORC") and the RMC. The Audit Committee is also responsible for the review of the Bank's Whistleblowing Policy as well as any concerns, including anonymous complaints, which staff may in confidence raise about possible improprieties in matters of financial reporting or other matters.

Legal and Regulatory Risk Management

The Group holds to high standards when conducting business and at all times observe and comply with applicable laws, rules and standards. The Group has in place a compliance risk programme which defines the required environment and organisational components for managing the risk in a structured systematic and consistent manner. Each business unit is responsible for having adequate and effective controls to manage both legal and regulatory risks. Senior management provides the CEO and the RMC with an annual Regulatory Compliance Certification regarding the state of regulatory compliance.

Information Security and Digital Risk Management

The Group plays a critical role in safeguarding the Bank's information and technology assets against the continuously evolving landscape of cyber threats. Our cybersecurity strategy integrates robust risk governance, seasoned professionals, well-defined processes, and cutting-edge technological solutions to protect customer information and assets from cyberattacks and data breaches. Aligned with the NIST Cybersecurity Framework (CSF 2.0) and industry best practices, the Group adopts a comprehensive risk management approach encompassing the following core functions:

- (i) **Govern:** Establish robust policies, standard and oversight mechanism to align technology risk practices with business objectives and regulatory requirements.
- (ii) **Identify:** Continuously assess and address potential vulnerabilities, threats and risks to critical information systems, enabling proactive risk management.
- (iii) **Protect:** Ensure strong security controls and preventive measures are in place to safeguard Bank's infrastructure, data and customer information from unauthorised access and cyber threats.
- (iv) **Detect:** Utilise advanced monitoring tools and analytics to identify anomalous activities and detect potential cyber incidents.
- (v) **Respond:** Develop and execute effective response plans to mitigate the impact of cyber incidents and ensure operational continuity.
- (vi) **Recover:** Ensure resilient systems and recover strategies are in place to restore business operations swiftly and minimize disruptions.

The Group actively fosters a culture of cybersecurity awareness and vigilance through regular communications, comprehensive training programs, and simulated phishing exercises, empowering staff to effectively manage and mitigate risks. Collaboration remains a cornerstone of our approach, with ongoing partnerships established with industry peers and government agencies to facilitate intelligence sharing and counter emerging cyber threats.

Shariah Governance

Shariah principles are the foundation of the practice of Islamic Finance through the observance of the tenets, conditions and principles espoused by Shariah to ensure all the operations and activities of OCBC Al-Amin complies with Shariah rules and principles at all times. OCBC Al-Amin is governed by the Shariah Governance Framework ("SGF") of the Bank which, in essence, sets out the following:

- (i) Sets out the Shariah governance framework and structures to ensure that all its operations and business, affairs and activities are compliance with Shariah within the scope of Islamic banking business as espoused in Islamic Financial Services Act 2013.
- (ii) Outlines the expectation by BNM and responsibilities of the Board, Shariah Committee and Management of the Bank in discharging their respective duties in matters relating to Shariah.

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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2025 (continued)

40 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Shariah Governance (continued)

- (iii) Outlines the functions relating to key Shariah control functions consist of Shariah Review, Shariah Risk Management and Shariah Audit to ensure effective management of Shariah non-compliance risk.
- (iv) Outlines the roles of Shariah Secretariat in providing operational support for effective functioning of the Shariah Committee.

The SGF is applicable to all employees of OCBC Al-Amin and also extends to all employees of the Group who are involved in the business and operations of OCBC Al-Amin under shared services and other service providers under outsourcing arrangements. Compliance with Shariah principles must be embedded in OCBC Al-Amin's core processes ie. business processes are designed with Shariah compliance in mind.

Shariah Non-Compliance Risk

Shariah Non-Compliance Risk is a distinctive aspect of our risk management framework, specifically tailored for Islamic banking. This risk arises from the potential failure to adhere to Shariah rules and principles as established by BNM's Shariah Advisory Council, the Securities Commission's Shariah Advisory Council, and our Bank's Shariah Committee.

It is essential to recognize that the responsibility for ensuring compliance with Shariah principles extends beyond the Board and Management; fostering a culture of compliance with all relevant regulations is integral to our organizational ethos. Consequently, every business division and its personnel share accountability for any breaches of laws, guidelines, and regulations pertaining to Islamic banking and finance.

In line with this commitment, our Bank is dedicated to cultivating a robust Shariah compliance risk culture. Throughout the lifecycle of our products and services, adherence to Shariah requirements is paramount, as any failure to comply may result in the income generated being deemed non-recognizable and subsequently donated to charitable causes. This approach not only underscores our dedication to upholding the integrity of our Islamic financial practices but also reinforces our commitment to ethical banking principles that align with Shariah guidelines.

The key components of the Group's Shariah Non-Compliance Risk Management process are:

- (i) **Risk Identification** – Identification of inherent Shariah Non-Compliance (“SNC”) risks associated with the Bank's products, operations and services.
- (ii) **Risk Assessment/Measurement** – Assess and measure the likelihood of SNC risks and evaluate their potential impact on the Bank. This assessment includes a review of the adequacy, effectiveness, appropriateness, and quality of both detective and preventive control measures in place to manage and mitigate inherent SNC risks.
- (iii) **Mitigation/Control/Awareness** – SNC risks are mitigated through the implementation and enforcement of appropriate control measures, including policies, guidelines, and procedures designed to ensure compliance with Shariah requirements. The Bank practices sound Shariah Risk Management in its daily operations, particularly in the development, processing, and execution of Islamic products and transactions. To further strengthen our Shariah risk compliance culture, relevant training is provided to all personnel involved in Islamic products, operations, and services.
- (iv) **Monitoring & Reporting** – Establishing early warning systems, monitoring protocols and reporting mechanisms to track SNC exposures.

All potential SNC events are initially assessed by the Shariah Review Department, which serves as the control function responsible for this assessment. The findings are then submitted to the Bank's Shariah Committee for confirmation and decision-making regarding the status of potential SNC events and the treatment of any associated income. All confirmed potential and actual SNC events are reported to BNM within a stipulated timeframe.

For the financial year ended 2025, the bank did not realise any Shariah non-compliant income from sources or activities prohibited under Shariah principles that required channelling to charity.

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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2025 (continued)**41 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 of 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 loan commitments, the maximum exposure to credit risk is the full amount of the undrawn credit facilities granted to customers.

	Group		Bank	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Cash and cash equivalents*	1,447,597	1,751,567	1,106,721	907,997
Deposits and placements with banks and other financial institutions	687,132	1,487,913	1,696,450	1,660,263
Investment account placements	-	-	6,460,137	7,721,835
Financial assets at FVTPL	2,283,340	2,269,618	2,283,340	2,269,618
Financial investments at FVOCI**	32,532,463	26,735,483	27,373,319	22,338,959
Loans, advances and financing	69,756,173	68,291,628	51,447,138	51,432,876
Derivative financial assets	1,031,101	952,689	1,051,964	953,005
Other assets***	579,564	465,996	658,883	466,110
Contingent liabilities and commitments	40,493,851	35,717,897	33,574,002	31,249,629
	148,811,221	137,672,791	125,651,954	119,000,292

* Excluding cash in hand

** Excluding unquoted shares

*** Excluding prepayments

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41 CREDIT RISK (continued)

(a) Credit quality analysis

Group	2025				2024			
	Financial assets at FVTPL	Financial investments at FVOCI	Derivative financial assets	Contingent liabilities and loan commitments	Financial assets at FVTPL	Financial investments at FVOCI	Derivative financial assets	Contingent liabilities and loan commitments
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
(i) By issuer/counterparty								
Government and Central Bank	1,568,450	16,243,429	-	723,284	1,681,780	15,500,720	-	410,284
Foreign government	4,235	1,247,061	-	-	43	886,575	-	-
Public sector	219,627	2,710,711	-	-	89,378	1,613,792	-	-
Banking institutions	227,897	7,286,665	642,747	748,406	317	5,782,475	628,792	594,701
Non-bank financial institutions	50,417	2,432,280	124,217	310,259	497,168	1,802,615	120,708	400,086
Business enterprises	212,714	2,612,317	160,064	27,788,868	932	1,149,306	100,054	24,795,933
Small and medium enterprises	-	-	-	5,941,193	-	-	-	4,856,609
Individuals	-	-	104,073	4,981,841	-	-	103,135	4,660,284
	<u>2,283,340</u>	<u>32,532,463</u>	<u>1,031,101</u>	<u>40,493,851</u>	<u>2,269,618</u>	<u>26,735,483</u>	<u>952,689</u>	<u>35,717,897</u>
(ii) By geographical distribution								
Malaysia	2,155,421	27,781,071	853,865	39,064,382	2,268,326	23,709,885	846,071	34,704,564
Singapore	-	-	163,689	592,291	-	-	92,845	310,148
Other ASEAN countries	-	640,398	-	191,269	-	600,137	1	113,876
Rest of the world	127,919	4,110,994	13,547	645,909	1,292	2,425,461	13,772	589,309
	<u>2,283,340</u>	<u>32,532,463</u>	<u>1,031,101</u>	<u>40,493,851</u>	<u>2,269,618</u>	<u>26,735,483</u>	<u>952,689</u>	<u>35,717,897</u>

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2025 (continued)

41 CREDIT RISK (continued)

(a) Credit quality analysis (continued)

	2025				2024			
	Financial assets at FVTPL RM'000	Financial investments at FVOCI 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	Derivative financial assets RM'000	Contingent liabilities and loan commitments RM'000
Group (continued)								
(iii) By sector								
Agriculture, hunting, forestry and fishing	-	-	-	871,156	-	-	13	535,153
Mining and quarrying	-	228,841	650	258,796	-	222,386	76	304,489
Manufacturing	81,591	46,855	9,253	8,160,790	930	103,223	12,913	8,029,381
Electricity, gas and water	-	881,464	-	285,147	1	657,560	18	155,664
Construction	149,564	1,982,323	575	5,959,681	49,843	844,981	243	4,746,967
Real estate	-	21,501	47,714	3,277,834	-	22,486	23,962	2,738,384
Wholesale & retail trade and restaurants & hotels	300	140,482	14,308	4,782,481	-	147,315	18,095	4,618,413
Transport, storage and communication	16,379	295,612	157	3,015,870	1	230,465	13,732	2,913,819
Finance, insurance and business services	462,734	11,019,119	854,368	6,978,159	497,486	7,673,424	780,499	5,578,294
Community, social and personal services	4,235	760,282	3	967,287	39,578	497,360	3	694,215
Household								
- Purchase of residential properties	-	-	-	1,966,986	-	-	-	1,671,671
- Purchase of non-residential properties	-	-	-	4,946	-	-	-	5,013
- Others	-	-	104,073	3,293,108	-	-	103,135	3,316,150
Others	1,568,537	17,155,984	-	671,610	1,681,779	16,336,283	-	410,284
	<u>2,283,340</u>	<u>32,532,463</u>	<u>1,031,101</u>	<u>40,493,851</u>	<u>2,269,618</u>	<u>26,735,483</u>	<u>952,689</u>	<u>35,717,897</u>
(iv) By residual maturity								
Within one year	625,717	11,794,173	612,875	28,465,252	628,600	8,934,579	481,987	25,796,063
One to five years	862,624	16,710,359	374,471	5,475,422	1,002,221	13,221,672	428,578	4,233,739
Over five years	794,999	4,027,931	43,755	6,553,177	638,797	4,579,232	42,124	5,688,095
	<u>2,283,340</u>	<u>32,532,463</u>	<u>1,031,101</u>	<u>40,493,851</u>	<u>2,269,618</u>	<u>26,735,483</u>	<u>952,689</u>	<u>35,717,897</u>

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2025 (continued)**41 CREDIT RISK (continued)****(a) Credit quality analysis (continued)**

<u>Group</u> (continued)	2025				2024			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
(v) By credit rating/internal grading and ECL stage								
Cash and cash equivalents	1,447,597	-	-	1,447,597	1,751,567	-	-	1,751,567
Deposits and placements with banks and other financial institutions	687,132	-	-	687,132	1,487,913	-	-	1,487,913
Financial assets at FVTPL*								
Government (AAA to BBB)	-	-	-	83,610	-	-	-	862,405
Government and central bank (unrated)	-	-	-	1,484,840	-	-	-	819,375
Foreign government (AAA to BBB)	-	-	-	4,223	-	-	-	43
Foreign government (Unrated)	-	-	-	12	-	-	-	-
Investment grade (AAA to BBB)	-	-	-	227,913	-	-	-	422,577
Unrated	-	-	-	482,742	-	-	-	165,218
	-	-	-	2,283,340	-	-	-	2,269,618
* ECL stage is not disclosed for financial assets at FVTPL.								
Financial investments at FVOCI								
Government (AAA to BBB)	7,777,706	-	-	7,777,706	10,030,211	-	-	10,030,211
Government and central bank (unrated)	8,465,724	-	-	8,465,724	5,470,509	-	-	5,470,509
Foreign government (AAA to BBB)	1,247,061	-	-	1,247,061	886,575	-	-	886,575
Investment grade (AAA to BBB)	5,826,554	624,278	-	6,450,832	3,763,478	278,740	-	4,042,218
Unrated	8,591,140	-	-	8,591,140	6,305,970	-	-	6,305,970
	31,908,185	624,278	-	32,532,463	26,456,743	278,740	-	26,735,483
Contingent liabilities and commitments (excluding derivative assets)								
Pass	37,368,153	2,654,603	-	40,022,756	34,409,908	1,115,614	-	35,525,522
Special Mention	-	427,274	-	427,274	-	95,672	-	95,672
Credit-impaired	-	-	43,821	43,821	-	-	96,703	96,703
	37,368,153	3,081,877	43,821	40,493,851	34,409,908	1,211,286	96,703	35,717,897

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41 CREDIT RISK (continued)

(a) Credit quality analysis (continued)

Bank	2025				2024			
	Financial assets at FVTPL	Financial investments at FVOCI	Derivative financial assets	Contingent liabilities and loan commitments	Financial assets at FVTPL	Financial investments at FVOCI	Derivative financial assets	Contingent liabilities and loan commitments
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
(i) By issuer/counterparty								
Government and Central Bank	1,568,450	13,334,246	-	51,674	1,681,780	13,249,093	-	-
Foreign government	4,235	1,247,061	-	-	43	886,575	-	-
Public sector	219,627	2,040,646	-	-	89,378	1,025,384	-	-
Banking institutions	227,897	6,589,015	724,299	748,406	317	5,087,801	641,614	594,701
Non-bank financial institutions	50,417	1,789,298	124,217	281,016	497,168	955,251	120,707	380,002
Business enterprises	212,714	2,373,053	99,375	22,060,986	932	1,134,855	87,549	20,955,720
Small and medium enterprises	-	-	-	5,941,193	-	-	-	4,856,609
Individuals	-	-	104,073	4,490,727	-	-	103,135	4,462,597
	<u>2,283,340</u>	<u>27,373,319</u>	<u>1,051,964</u>	<u>33,574,002</u>	<u>2,269,618</u>	<u>22,338,959</u>	<u>953,005</u>	<u>31,249,629</u>
(ii) By geographical distribution								
Malaysia	2,155,421	22,621,927	874,728	32,219,574	2,268,326	19,313,361	846,388	30,330,289
Singapore	-	-	163,689	592,291	-	-	92,845	310,148
Other ASEAN countries	-	640,398	-	145,627	-	600,137	-	87,729
Rest of the world	127,919	4,110,994	13,547	616,510	1,292	2,425,461	13,772	521,463
	<u>2,283,340</u>	<u>27,373,319</u>	<u>1,051,964</u>	<u>33,574,002</u>	<u>2,269,618</u>	<u>22,338,959</u>	<u>953,005</u>	<u>31,249,629</u>

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41 CREDIT RISK (continued)

(a) Credit quality analysis (continued)

	2025				2024			
	Financial assets at FVTPL RM'000	Financial investments at FVOCI 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	Derivative financial assets RM'000	Contingent liabilities and loan commitments RM'000
Bank (continued)								
(iii) By sector								
Agriculture, hunting, forestry and fishing	-	-	-	742,452	-	-	13	486,461
Mining and quarrying	-	228,841	650	249,205	-	222,386	76	290,778
Manufacturing	81,591	46,855	9,220	7,288,949	930	103,223	12,877	6,945,338
Electricity, gas and water	-	861,274	-	183,845	1	622,620	18	97,810
Construction	149,564	1,383,110	575	4,868,966	49,843	545,923	238	3,934,341
Real estate	-	21,501	47,714	2,782,010	-	22,486	23,962	2,519,221
Wholesale & retail trade and restaurants & hotels	300	140,482	14,221	4,129,368	-	147,315	18,077	4,100,616
Transport, storage and communication	16,379	295,612	156	2,621,816	1	225,462	13,731	2,493,803
Finance, insurance and business services	462,734	9,434,127	875,355	4,992,192	497,486	6,116,935	780,875	4,920,749
Community, social and personal services	4,235	714,716	-	941,273	39,578	247,953	3	665,365
Household								
- Purchase of residential properties	-	-	-	1,480,818	-	-	-	1,478,997
- Others	-	-	104,073	3,293,108	-	-	103,135	3,316,150
Others	1,568,537	14,246,801	-	-	1,681,779	14,084,656	-	-
	<u>2,283,340</u>	<u>27,373,319</u>	<u>1,051,964</u>	<u>33,574,002</u>	<u>2,269,618</u>	<u>22,338,959</u>	<u>953,005</u>	<u>31,249,629</u>
(iv) By residual maturity								
Within one year	625,717	9,255,665	633,670	24,057,151	628,600	6,698,150	482,249	22,276,664
One to five years	862,624	14,473,874	374,539	4,046,023	1,002,221	11,066,582	428,632	3,862,917
Over five years	794,999	3,643,780	43,755	5,470,828	638,797	4,574,227	42,124	5,110,048
	<u>2,283,340</u>	<u>27,373,319</u>	<u>1,051,964</u>	<u>33,574,002</u>	<u>2,269,618</u>	<u>22,338,959</u>	<u>953,005</u>	<u>31,249,629</u>

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41 CREDIT RISK (continued)

(a) Credit quality analysis (continued)

	2025				2024			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Bank (continued)								
(v) By credit rating/internal grading and ECL stage								
Cash and cash equivalents	1,106,721	-	-	1,106,721	907,997	-	-	907,997
Deposits and placements with banks and other financial institutions	1,696,450	-	-	1,696,450	1,660,263	-	-	1,660,263
Investment account placements	6,460,137	-	-	6,460,137	7,675,918	45,917	-	7,721,835
Financial assets at FVTPL*								
Government (AAA to BBB)	-	-	-	83,610	-	-	-	862,405
Government and central bank (unrated)	-	-	-	1,484,840	-	-	-	819,375
Foreign government (AAA to BBB)	-	-	-	4,223	-	-	-	43
Foreign government (Unrated)	-	-	-	12	-	-	-	-
Investment grade (AAA to BBB)	-	-	-	227,913	-	-	-	422,577
Unrated	-	-	-	482,742	-	-	-	165,218
	-	-	-	2,283,340	-	-	-	2,269,618
* ECL stage is not disclosed for financial assets at FVTPL.								
Financial investments at FVOCI								
Government (AAA to BBB)	6,746,149	-	-	6,746,149	8,558,989	-	-	8,558,989
Government and central bank (unrated)	6,588,098	-	-	6,588,098	4,690,104	-	-	4,690,104
Foreign government (AAA to BBB)	1,247,061	-	-	1,247,061	886,575	-	-	886,575
Investment grade (AAA to BBB)	5,481,006	489,028	-	5,970,034	3,278,962	278,740	-	3,557,702
Unrated	6,821,977	-	-	6,821,977	4,645,589	-	-	4,645,589
	26,884,291	489,028	-	27,373,319	22,060,219	278,740	-	22,338,959
Contingent liabilities and commitments (excluding derivative assets)								
Pass	30,671,503	2,465,999	-	33,137,502	30,345,973	744,366	-	31,090,339
Special Mention	-	409,893	-	409,893	-	94,444	-	94,444
Credit-impaired	-	-	26,607	26,607	-	-	64,846	64,846
	30,671,503	2,875,892	26,607	33,574,002	30,345,973	838,810	64,846	31,249,629

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2025 (continued)**41 CREDIT RISK (continued)****(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.

Credit quality and ECL stage

<u>Group</u>	2025				2024			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Neither past due nor credit-impaired								
By internal grading								
Pass	62,031,807	6,582,753	-	68,614,560	59,789,226	6,653,364	-	66,442,590
Special Mention	-	633,713	-	633,713	-	1,090,592	-	1,090,592
	<u>62,031,807</u>	<u>7,216,466</u>	<u>-</u>	<u>69,248,273</u>	<u>59,789,226</u>	<u>7,743,956</u>	<u>-</u>	<u>67,533,182</u>
Past due but not credit-impaired								
By period overdue								
Less than 2 months	-	370,860	-	370,860	-	285,906	-	285,906
2 months to less than 3 months	-	65,625	-	65,625	-	49,356	-	49,356
	<u>-</u>	<u>436,485</u>	<u>-</u>	<u>436,485</u>	<u>-</u>	<u>335,262</u>	<u>-</u>	<u>335,262</u>
Credit-impaired								
Past due	-	-	662,673	662,673	-	-	1,008,938	1,008,938
Not past due	-	-	265,661	265,661	-	-	476,560	476,560
	<u>-</u>	<u>-</u>	<u>928,334</u>	<u>928,334</u>	<u>-</u>	<u>-</u>	<u>1,485,498</u>	<u>1,485,498</u>
Gross loans, advances and financing	62,031,807	7,652,951	928,334	70,613,092	59,789,226	8,079,218	1,485,498	69,353,942
ECL allowance	(268,496)	(381,596)	(206,827)	(856,919)	(231,833)	(398,412)	(432,069)	(1,062,314)
Net loans, advances and financing	<u>61,763,311</u>	<u>7,271,355</u>	<u>721,507</u>	<u>69,756,173</u>	<u>59,557,393</u>	<u>7,680,806</u>	<u>1,053,429</u>	<u>68,291,628</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 9(i) to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2025 (continued)**41 CREDIT RISK (continued)****(b) Credit quality of loans, advances and financing (continued)*****Credit quality and ECL stage (continued)***

	2025				2024			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Bank								
Neither past due nor credit-impaired								
By internal grading								
Pass	44,838,609	5,612,723	-	50,451,332	44,814,900	5,118,546	-	49,933,446
Special Mention	-	564,859	-	564,859	-	892,920	-	892,920
	<u>44,838,609</u>	<u>6,177,582</u>	<u>-</u>	<u>51,016,191</u>	<u>44,814,900</u>	<u>6,011,466</u>	<u>-</u>	<u>50,826,366</u>
Past due but not credit-impaired								
By period overdue								
Less than 2 months	-	289,887	-	289,887	-	245,424	-	245,424
2 months to less than 3 months	-	50,596	-	50,596	-	40,674	-	40,674
	<u>-</u>	<u>340,483</u>	<u>-</u>	<u>340,483</u>	<u>-</u>	<u>286,098</u>	<u>-</u>	<u>286,098</u>
Credit-impaired								
Past due	-	-	541,320	541,320	-	-	798,143	798,143
Not past due	-	-	238,937	238,937	-	-	358,128	358,128
	<u>-</u>	<u>-</u>	<u>780,257</u>	<u>780,257</u>	<u>-</u>	<u>-</u>	<u>1,156,271</u>	<u>1,156,271</u>
Gross loans, advances and financing	44,838,609	6,518,065	780,257	52,136,931	44,814,900	6,297,564	1,156,271	52,268,735
ECL allowance	(200,895)	(321,540)	(167,358)	(689,793)	(182,377)	(329,566)	(323,916)	(835,859)
Net loans, advances and financing	<u>44,637,714</u>	<u>6,196,525</u>	<u>612,899</u>	<u>51,447,138</u>	<u>44,632,523</u>	<u>5,967,998</u>	<u>832,355</u>	<u>51,432,876</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 9(i) to the financial statements.

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41 CREDIT RISK (continued)

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

Past due loans, advances and financing

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
(i) By sector				
Agriculture, hunting, forestry and fishing	1,413	67	1,413	67
Manufacturing	21,630	13,288	12,468	6,231
Electricity, gas and water	1,443	286	545	286
Construction	35,395	9,497	7,553	5,400
Real estate	825	641	485	641
Wholesale & retail trade and restaurants & hotels	53,687	40,174	44,139	34,078
Transport, storage and communication	2,127	1,451	1,421	1,202
Finance, insurance and business services	6,778	10,118	2,606	6,917
Community, social and personal services	5,053	1,623	2,707	198
Household				
- Purchase of residential properties	239,392	210,786	213,806	190,593
- Purchase of non-residential properties	8,532	3,421	6,222	3,421
- Others	18,231	14,151	15,156	12,826
	394,506	305,503	308,521	261,860
(ii) By geographical distribution				
Malaysia	372,040	290,503	286,344	247,174
Singapore	13,177	9,533	13,177	9,533
Other ASEAN countries	289	1,030	-	1,030
Rest of the world	9,000	4,437	9,000	4,123
	394,506	305,503	308,521	261,860

Collateral

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

- For personal housing loans/financing, mortgages over residential properties.
- For commercial property loans/financing, charges over the properties being financed.
- For vehicle loans/financing, charges over the vehicles being financed.
- For other loans/financing, 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	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Fair value of collateral held against the covered portion of credit-impaired loans, advances and financing	1,333,237	1,859,026	1,156,529	1,488,363
Covered portion of credit-impaired loans, advances and financing	727,315	1,178,329	618,291	931,923
Uncovered portion of credit-impaired loans, advances and financing	201,019	307,169	161,966	224,348
	928,334	1,485,498	780,257	1,156,271

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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2025 (continued)

42 LIQUIDITY RISK

(i) The tables below show the Group's and the Bank's maturity analysis of assets and liabilities based on remaining contractual maturities and/or their behavioral profile.

<u>Group</u>	<u>Note</u>	Gross Carrying amount RM'000	Up to 3 months RM'000	> 3 - 6 months RM'000	> 6 - 12 months RM'000	> 1 - 3 years RM'000	> 3 - 5 years RM'000	Over 5 years RM'000	No specific maturity RM'000
2025									
Cash and cash equivalents		1,572,662	1,572,662	-	-	-	-	-	-
Deposits and placements with banks and other financial institutions	(a)	687,240	537,240	150,000	-	-	-	-	-
Financial assets at FVTPL		2,283,340	381,391	242,308	2,018	589,611	273,012	671,342	123,658
Financial investments at FVOCI		32,646,385	6,119,212	1,886,676	3,788,285	7,537,564	9,172,795	4,027,931	113,922
Loans, advances and financing	(a)	70,613,092	20,076,272	3,046,196	2,868,957	11,397,320	7,712,572	25,511,775	-
Derivative financial assets		1,031,101	299,002	168,086	151,169	284,028	85,061	43,755	-
Statutory deposits with BNM		508,595	-	-	-	-	-	-	508,595
Other balances	(b)	1,002,780	341,546	2,366	31,395	66,231	109,901	40,511	410,830
Total assets		110,345,195	29,327,325	5,495,632	6,841,824	19,874,754	17,353,341	30,295,314	1,157,005
Deposits from customers		76,789,275	62,041,416	10,734,833	3,953,909	52,319	6,798	-	-
Deposits and placements of banks and other financial institutions		12,345,669	10,702,520	1,218,729	1,520	412,346	6,458	4,096	-
Obligations on securities sold under repurchase agreements		2,112,223	2,112,223	-	-	-	-	-	-
Bills and acceptances payable		201,754	201,754	-	-	-	-	-	-
Derivative financial liabilities		1,336,863	617,053	219,148	138,094	265,094	74,633	22,841	-
Lease liabilities		17,889	3,679	3,059	4,848	6,294	9	-	-
Subordinated bonds		1,050,000	-	-	-	-	550,000	500,000	-
Other balances	(c)	4,374,807	1,021,741	482,848	1,295,208	503,729	951,265	1,678	118,338
Total liabilities		98,228,480	76,700,386	12,658,617	5,393,579	1,239,782	1,589,163	528,615	118,338

(a) Stated at gross before ECL allowance.

(b) Other assets balances consist of other assets, property and equipment, ROU assets, tax recoverable and deferred tax assets.

(c) Other liabilities balances consist of other liabilities, tax payable and zakat but excludes lease liabilities and ECL allowances on loan commitments and financial guarantees.

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42 LIQUIDITY RISK (continued)

(i) The tables below show the Group's and the Bank's maturity analysis of assets and liabilities based on remaining contractual maturities and/or their behavioral profile. (continued)

Group (continued)	Note	Gross Carrying amount RM'000	Up to 3 months RM'000	> 3 - 6 months RM'000	> 6 - 12 months RM'000	> 1 - 3 years RM'000	> 3 - 5 years RM'000	Over 5 years RM'000	No specific maturity RM'000
2024									
Cash and cash equivalents		1,961,740	1,961,740	-	-	-	-	-	-
Deposits and placements with banks and other financial institutions	(a)	1,488,093	1,488,093	-	-	-	-	-	-
Financial assets at FVTPL		2,269,618	237,016	357,050	34,535	481,138	521,083	637,866	930
Financial investments at FVOCI		26,848,944	5,649,361	1,414,918	1,870,300	6,220,982	7,000,607	4,579,315	113,461
Loans, advances and financing	(a)	69,353,942	18,394,177	2,432,852	3,315,471	13,348,375	7,068,695	24,794,372	-
Derivative financial assets		952,689	271,599	128,214	82,174	296,889	131,689	42,124	-
Statutory deposits with BNM		915,095	-	-	-	-	-	-	915,095
Other balances	(b)	893,098	250,537	3,611	21,243	52,707	98,951	55,917	410,132
Total assets		104,683,219	28,252,523	4,336,645	5,323,723	20,400,091	14,821,025	30,109,594	1,439,618
Deposits from customers		76,772,644	57,567,181	12,935,268	6,187,282	76,370	6,543	-	-
Deposits and placements of banks and other financial institutions		9,569,743	7,107,261	1,564,814	447,620	448,241	1,246	561	-
Obligations on securities sold under repurchase agreements		479,675	479,675	-	-	-	-	-	-
Bills and acceptances payable		107,214	107,214	-	-	-	-	-	-
Derivative financial liabilities		909,559	344,946	121,705	89,692	193,983	120,571	38,662	-
Lease liabilities		28,357	3,924	3,918	7,650	12,600	45	-	220
Subordinated bonds		1,050,000	-	-	-	-	-	1,050,000	-
Other balances	(c)	4,130,028	1,079,698	214,839	637,465	1,027,136	1,064,501	-	106,389
Total liabilities		93,047,220	66,689,899	14,840,544	7,369,709	1,758,330	1,192,906	1,089,223	106,609

(a) Stated at gross before ECL allowance.

(b) Other assets balances consist of other assets, property and equipment, ROU assets, tax recoverable and deferred tax assets.

(c) Other liabilities balances consist of other liabilities, tax payable and zakat but excludes lease liabilities and ECL allowances on loan commitments and financial guarantees.

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42 LIQUIDITY RISK (continued)

(i) The tables below show the Group's and the Bank's maturity analysis of assets and liabilities based on remaining contractual maturities and/or their behavioral profile. (continued)

Bank	Note	Gross Carrying amount RM'000	Up to 3 months RM'000	> 3 - 6 months RM'000	> 6 - 12 months RM'000	> 1 - 3 years RM'000	> 3 - 5 years RM'000	Over 5 years RM'000	No specific maturity RM'000
2025									
Cash and cash equivalents		1,215,617	1,215,617	-	-	-	-	-	-
Deposits and placements with banks and other financial institutions	(a)	1,696,558	1,546,558	150,000	-	-	-	-	-
Investment account placements		6,476,685	33,800	140,000	323,296	2,834,087	1,835,163	1,310,339	-
Financial assets at FVTPL		2,283,340	381,391	242,308	2,018	589,611	273,012	671,342	123,658
Financial investments at FVOCI		27,487,241	4,640,142	1,741,630	2,873,893	6,248,569	8,225,305	3,643,780	113,922
Loans, advances and financing	(a)	52,136,931	16,979,139	2,496,428	2,210,815	7,249,514	4,505,131	18,695,904	-
Derivative financial assets		1,051,964	313,475	174,408	151,169	223,487	145,670	43,755	-
Statutory deposits with BNM		390,595	-	-	-	-	-	-	390,595
Other balances	(b)	1,606,334	454,839	3,683	23,550	55,929	95,568	37,362	935,403
Total assets		94,345,265	25,564,961	4,948,457	5,584,741	17,201,197	15,079,849	24,402,482	1,563,578
Deposits from customers		64,133,636	52,048,047	8,663,968	3,366,291	49,233	6,097	-	-
Deposits and placements of banks and other financial institutions		12,307,074	10,683,102	1,217,979	-	405,993	-	-	-
Obligations on securities sold under repurchase agreements		1,472,812	1,472,812	-	-	-	-	-	-
Bills and acceptances payable		192,790	192,790	-	-	-	-	-	-
Derivative financial liabilities		1,337,160	617,352	219,146	138,094	204,485	135,242	22,841	-
Lease liabilities		16,699	3,408	2,799	4,384	6,099	9	-	-
Subordinated bonds		1,050,000	-	-	-	-	550,000	500,000	-
Other balances		4,264,167	983,743	472,865	1,266,585	499,846	946,200	968	93,960
Total liabilities		84,774,338	66,001,254	10,576,757	4,775,354	1,165,656	1,637,548	523,809	93,960

(a) Stated at gross before ECL allowance.

(b) Other assets balances consist of other assets, property and equipment, ROU assets, tax recoverable and deferred tax assets.

(c) Other liabilities balances consist of other liabilities, tax payable and zakat but excludes lease liabilities and ECL allowances on loan commitments and financial guarantees.

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42 LIQUIDITY RISK (continued)

(i) The tables below show the Group's and the Bank's maturity analysis of assets and liabilities based on remaining contractual maturities and/or their behavioral profile. (continued)

Bank (continued)	Note	Gross Carrying amount RM'000	Up to 3 months RM'000	> 3 - 6 months RM'000	> 6 - 12 months RM'000	> 1 - 3 years RM'000	> 3 - 5 years RM'000	Over 5 years RM'000	No specific maturity RM'000
2024									
Cash and cash equivalents		1,090,003	1,090,003	-	-	-	-	-	-
Deposits and placements with banks and other financial institutions	(a)	1,660,443	1,660,443	-	-	-	-	-	-
Investment account placements		7,736,685	715,400	-	1,048,288	3,342,226	1,871,507	759,264	-
Financial assets at FVTPL		2,269,618	237,016	357,050	34,535	481,138	521,083	637,866	930
Financial investments at FVOCI		22,452,420	4,289,593	1,039,116	1,369,441	5,289,581	5,776,918	4,574,310	113,461
Loans, advances and financing	(a)	52,268,735	15,307,971	2,344,393	2,209,272	8,438,347	4,150,700	19,818,052	-
Derivative financial assets		953,005	271,861	128,214	82,174	284,448	144,184	42,124	-
Statutory deposits with BNM		718,595	-	-	-	-	-	-	718,595
Other balances	(b)	1,414,553	266,179	5,139	19,349	50,382	83,103	55,815	934,586
Total assets		90,564,057	23,838,466	3,873,912	4,763,059	17,886,122	12,547,495	25,887,431	1,767,572
Deposits from customers		65,405,360	49,081,071	11,002,186	5,245,983	72,277	3,843	-	-
Deposits and placements of banks and other financial institutions		9,521,649	7,063,132	1,564,511	447,003	447,003	-	-	-
Obligations on securities sold under repurchase agreements		85,946	85,946	-	-	-	-	-	-
Bills and acceptances payable		96,319	96,319	-	-	-	-	-	-
Derivative financial liabilities		909,230	332,121	121,705	89,692	193,983	133,066	38,663	-
Lease liabilities		25,350	3,530	3,528	6,880	11,367	45	-	-
Subordinated bonds		1,050,000	-	-	-	-	-	1,050,000	-
Other balances	(c)	4,066,727	1,089,529	197,579	607,503	1,026,722	1,064,409	-	80,985
Total liabilities		81,160,581	57,751,648	12,889,509	6,397,061	1,751,352	1,201,363	1,088,663	80,985

(a) Stated at gross before ECL allowance.

(b) Other assets balances consist of other assets, property and equipment, ROU assets, tax recoverable and deferred tax assets.

(c) Other liabilities balances consist of other liabilities, tax payable and zakat but excludes lease liabilities and ECL allowances on loan commitments and financial guarantees.

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2025 (continued)**42 LIQUIDITY RISK (continued)**

- (ii) The tables below show the undiscounted cash outflows of the Group's and the Bank's financial liabilities by remaining contractual maturities. The expected cash flows of these liabilities could vary significantly from what is shown in the table.

Group	Note	Up to 3 months RM'000	> 3 - 6 months RM'000	> 6 - 12 months RM'000	> 1 - 3 years RM'000	> 3 - 5 years RM'000	Over 5 years RM'000	Total RM'000
2025								
Non-derivative financial liabilities								
Deposits from customers		62,376,708	11,191,791	4,148,483	55,389	7,625	-	77,779,996
Deposits and placements of banks and other financial institutions		11,192,297	1,244,632	9,264	418,227	257,647	(619,943)	12,502,124
Obligations on securities sold under repurchase agreements		2,118,740	-	-	-	-	-	2,118,740
Bills and acceptances payable		201,754	-	-	-	-	-	201,754
Lease liabilities		4,468	3,871	6,102	9,481	10	-	23,932
Subordinated bonds		-	27,224	20,250	81,000	631,000	549,100	1,308,574
Other balances	(a)	900,164	445,859	1,250,133	500,614	951,119	1,678	4,049,567
		<u>76,794,131</u>	<u>12,913,377</u>	<u>5,434,232</u>	<u>1,064,711</u>	<u>1,847,401</u>	<u>(69,165)</u>	<u>97,984,687</u>
Commitments and contingencies								
Direct credit substitutes		-	-	4,872	9,798	-	-	14,670
Transaction-related contingent items		837,859	474,103	1,029,575	1,812,340	429,499	151,685	4,735,061
Short-term self-liquidating trade-related contingencies		182,889	25,688	4,892	-	-	-	213,469
Lending of securities or the posting of securities as collateral, including instances where these arise out of repo-style transactions		1,093,227	-	-	-	-	-	1,093,227
Formal standby facilities and credit lines								
- Original maturity up to one year		51,594	8,645	667	-	-	-	60,906
- Original maturity over one year		61,540	171,551	91,616	1,215,532	1,809,364	3,162,980	6,512,583
Other unconditionally cancellable commitments		24,160,574	277,000	-	186,189	1,660	3,238,512	27,863,935
		<u>26,387,683</u>	<u>956,987</u>	<u>1,131,622</u>	<u>3,223,859</u>	<u>2,240,523</u>	<u>6,553,177</u>	<u>40,493,851</u>

- (a) The above excludes balances with no specific maturity amounting to RM118 million (2024: RM106 million), lease liabilities and ECL allowance on credit commitments and financial guarantees.

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42 LIQUIDITY RISK (continued)

- (ii) The tables below show the undiscounted cash outflows of the Group's and the Bank's financial liabilities by remaining contractual maturities. The expected cash flows of these liabilities could vary significantly from what is shown in the table. (continued)

Group (continued)	Note	Up to 3 months RM'000	> 3 - 6 months RM'000	> 6 - 12 months RM'000	> 1 - 3 years RM'000	> 3 - 5 years RM'000	Over 5 years RM'000	Total RM'000
2025								
Derivative financial liabilities								
Net settled derivatives								
Trading:								
- Foreign exchange derivatives		757	20	36	-	-	-	813
- Interest rate derivatives		6,455	6,933	10,268	52,257	5,153	(177)	80,889
- Equity and other derivatives		26,920	40,201	55,360	8,273	33,494	163	164,411
		34,132	47,154	65,664	60,530	38,647	(14)	246,113
Hedging:								
- Interest rate derivatives		1,050	1,154	3,472	7,526	(314)	-	12,888
		35,182	48,308	69,136	68,056	38,333	(14)	259,001
Gross settled derivatives								
Trading:								
- Foreign exchange derivatives								
- Outflow		20,771,958	6,264,514	2,858,800	1,967,716	2,024,134	361,072	34,248,194
- Inflow		(20,300,853)	(6,174,638)	(2,861,419)	(2,017,466)	(2,042,907)	(351,476)	(33,748,759)
		506,287	138,184	66,517	18,306	19,560	9,582	758,436
2024								
Non-derivative financial liabilities								
Deposits from customers		57,914,297	13,530,885	6,559,726	79,324	7,312	-	78,091,544
Deposits and placements of banks and other financial institutions		7,199,944	1,598,815	466,787	449,738	1,246	561	9,717,091
Obligations on securities sold under repurchase agreements		479,779	-	-	-	-	-	479,779
Bills and acceptances payable		107,214	-	-	-	-	-	107,214
Lease liabilities		4,170	4,224	8,362	14,138	51	-	30,945
Subordinated bonds		-	27,224	20,250	81,000	81,000	1,139,600	1,349,074
Other balances	(a)	923,006	112,519	553,570	1,124,221	1,107,706	-	3,821,022
		66,628,410	15,273,667	7,608,695	1,748,421	1,197,315	1,140,161	93,596,669

- (a) The above excludes balances with no specific maturity amounting to RM106 million (2023: RM103 million), lease liabilities and ECL allowance on credit commitments and financial guarantees.

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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2025 (continued)**42 LIQUIDITY RISK (continued)**

- (ii) The tables below show the undiscounted cash outflows of the Group's and the Bank's financial liabilities by remaining contractual maturities. The expected cash flows of these liabilities could vary significantly from what is shown in the table. (continued)

Group (continued)	Up to 3 months RM'000	> 3 - 6 months RM'000	> 6 - 12 months RM'000	> 1 - 3 years RM'000	> 3 - 5 years RM'000	Over 5 years RM'000	Total RM'000
2024							
Commitments and contingencies							
Transaction-related contingent items	408,136	731,212	897,691	1,472,364	385,886	155,366	4,050,655
Short-term self-liquidating trade-related contingencies	261,970	9,926	26,080	-	-	-	297,976
Lending of securities or the posting of securities as collateral, including instances where these arise out of repo-style transactions	519,677	-	-	-	-	-	519,677
Formal standby facilities and credit lines							
- Original maturity up to one year	1,500	268,076	-	-	-	-	269,576
- Original maturity over one year	180,589	96,118	246,167	909,668	842,514	2,544,930	4,819,986
Other unconditionally cancellable commitments	22,133,357	14,583	2,816	11	636,461	2,972,799	25,760,027
	<u>23,505,229</u>	<u>1,119,915</u>	<u>1,172,754</u>	<u>2,382,043</u>	<u>1,864,861</u>	<u>5,673,095</u>	<u>35,717,897</u>
Derivative financial liabilities							
Net settled derivatives							
Trading:							
- Foreign exchange derivatives	1,209	-	67	-	-	-	1,276
- Interest rate derivatives	35,279	10,397	28,199	118,271	55,651	2,756	250,553
- Equity and other derivatives	6,787	5,137	29,774	4,573	21,442	10,300	78,013
	<u>43,275</u>	<u>15,534</u>	<u>58,040</u>	<u>122,844</u>	<u>77,093</u>	<u>13,056</u>	<u>329,842</u>
Hedging:							
- Interest rate derivatives	151	53	460	1,865	(106)	-	2,423
	<u>43,426</u>	<u>15,587</u>	<u>58,500</u>	<u>124,709</u>	<u>76,987</u>	<u>13,056</u>	<u>332,265</u>
Gross settled derivatives							
Trading:							
- Foreign exchange derivatives							
- Outflow	9,813,480	3,796,017	1,976,135	2,184,587	743,756	297,775	18,811,750
- Inflow	(9,495,531)	(3,665,369)	(1,947,814)	(2,271,545)	(751,360)	(298,474)	(18,430,093)
	<u>361,375</u>	<u>146,235</u>	<u>86,821</u>	<u>37,751</u>	<u>69,383</u>	<u>12,357</u>	<u>713,922</u>

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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2025 (continued)**42 LIQUIDITY RISK (continued)**

- (ii) The tables below show the undiscounted cash outflows of the Group's and the Bank's financial liabilities by remaining contractual maturities. The expected cash flows of these liabilities could vary significantly from what is shown in the table. (continued)

Bank	Note	Up to 3 months RM'000	> 3 - 6 months RM'000	> 6 - 12 months RM'000	> 1 - 3 years RM'000	> 3 - 5 years RM'000	Over 5 years RM'000	Total RM'000
2025								
Non-derivative financial liabilities								
Deposits from customers		52,352,020	9,092,583	3,545,356	52,019	6,857	-	65,048,835
Deposits and placements of banks and other financial institutions		10,793,635	1,242,216	7,744	411,874	-	-	12,455,469
Obligations on securities sold under repurchase agreements		1,477,587	-	-	-	-	-	1,477,587
Bills and acceptances payable		192,824	-	-	-	-	-	192,824
Lease liabilities		4,196	3,608	5,627	9,277	10	-	22,718
Subordinated bonds		-	27,224	20,250	81,000	631,000	549,100	1,308,574
Other balances	(a)	886,956	445,151	1,223,877	496,879	946,064	968	3,999,895
		<u>65,707,218</u>	<u>10,810,782</u>	<u>4,802,854</u>	<u>1,051,049</u>	<u>1,583,931</u>	<u>550,068</u>	<u>84,505,902</u>
Commitments and contingencies								
Direct credit substitutes		-	-	4,872	9,798	-	-	14,670
Transaction-related contingent items		786,320	388,498	978,686	1,633,103	394,741	116,387	4,297,735
Short-term self-liquidating trade-related contingencies		150,997	25,688	4,892	-	-	-	181,577
Lending of securities or the posting of securities as collateral, including instances where these arise out of repo-style transactions		421,617	-	-	-	-	-	421,617
Formal standby facilities and credit lines								
- Original maturity up to one year		50,676	8,645	667	-	-	-	59,988
- Original maturity over one year		32,619	171,551	88,998	681,701	1,138,831	2,409,475	4,523,175
Other unconditionally cancellable commitments		20,942,425	-	-	186,189	1,660	2,944,966	24,075,240
		<u>22,384,654</u>	<u>594,382</u>	<u>1,078,115</u>	<u>2,510,791</u>	<u>1,535,232</u>	<u>5,470,828</u>	<u>33,574,002</u>

(a) The above excludes balances with no specific maturity amounting to RM94 million (2024: RM81 million), lease liabilities and ECL allowance on credit commitments and financial guarantees.

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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2025 (continued)

42 LIQUIDITY RISK (continued)

- (ii) The tables below show the undiscounted cash outflows of the Group's and the Bank's financial liabilities by remaining contractual maturities. The expected cash flows of these liabilities could vary significantly from what is shown in the table. (continued)

Bank (continued)	Note	Up to 3 months RM'000	> 3 - 6 months RM'000	> 6 - 12 months RM'000	> 1 - 3 years RM'000	> 3 - 5 years RM'000	Over 5 years RM'000	Total RM'000
2025								
Derivative financial liabilities								
Net settled derivatives								
Trading:								
- Foreign exchange derivatives		757	20	36	-	-	-	813
- Interest rate derivatives		6,455	6,933	10,268	52,257	5,153	(177)	80,889
- Equity and other derivatives		26,920	40,201	55,360	8,273	33,494	163	164,411
		<u>34,132</u>	<u>47,154</u>	<u>65,664</u>	<u>60,530</u>	<u>38,647</u>	<u>(14)</u>	<u>246,113</u>
Hedging:								
- Interest rate derivatives		1,050	1,154	3,472	7,526	(314)	-	12,888
		<u>35,182</u>	<u>48,308</u>	<u>69,136</u>	<u>68,056</u>	<u>38,333</u>	<u>(14)</u>	<u>259,001</u>
Gross settled derivatives								
Trading:								
- Foreign exchange derivatives								
- Outflow		20,319,533	5,853,114	2,858,801	1,967,716	2,024,134	361,072	33,384,370
- Inflow		(19,862,060)	(5,768,645)	(2,861,419)	(2,017,466)	(2,042,907)	(351,476)	(32,903,973)
		<u>492,655</u>	<u>132,777</u>	<u>66,518</u>	<u>18,306</u>	<u>19,560</u>	<u>9,582</u>	<u>739,398</u>
2024								
Non-derivative financial liabilities								
Deposits from customers		49,406,111	11,555,861	5,589,064	75,028	4,325	-	66,630,389
Deposits and placements of banks and other financial institutions		7,154,759	1,598,512	466,170	448,500	-	-	9,667,941
Obligations on securities sold under repurchase agreements		85,984	-	-	-	-	-	85,984
Bills and acceptances payable		96,424	-	-	-	-	-	96,424
Lease liabilities		3,775	3,829	7,573	12,837	51	-	28,065
Subordinated bonds		-	27,224	20,250	81,000	81,000	1,139,600	1,349,074
Other balances	(a)	948,963	112,092	530,993	1,123,877	1,107,658	-	3,823,583
		<u>57,696,016</u>	<u>13,297,518</u>	<u>6,614,050</u>	<u>1,741,242</u>	<u>1,193,034</u>	<u>1,139,600</u>	<u>81,681,460</u>

(a) The above excludes balances with no specific maturity amounting to RM81 million (2023: RM77 million), lease liabilities and ECL allowance on credit commitments and financial guarantees.

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42 LIQUIDITY RISK (continued)

- (ii) The tables below show the undiscounted cash outflows of the Group's and the Bank's financial liabilities by remaining contractual maturities. The expected cash flows of these liabilities could vary significantly from what is shown in the table. (continued)

Bank (continued)	Up to 3 months RM'000	> 3 - 6 months RM'000	> 6 - 12 months RM'000	> 1 - 3 years RM'000	> 3 - 5 years RM'000	Over 5 years RM'000	Total RM'000
2024							
Commitments and contingencies							
Transaction-related contingent items	350,896	676,057	842,054	1,322,586	342,325	108,483	3,642,401
Short-term self-liquidating trade-related contingencies	188,886	8,840	26,080	-	-	-	223,806
Lending of securities or the posting of securities as collateral, including instances where these arise out of repo-style transactions	109,393	-	-	-	-	-	109,393
Formal standby facilities and credit lines							
- Original maturity up to one year	1,500	267,257	-	-	-	-	268,757
- Original maturity over one year	7,797	79,216	194,466	805,640	755,905	2,143,601	3,986,625
Other unconditionally cancellable commitments	19,506,823	14,583	2,816	-	636,461	2,857,964	23,018,647
	<u>20,165,295</u>	<u>1,045,953</u>	<u>1,065,416</u>	<u>2,128,226</u>	<u>1,734,691</u>	<u>5,110,048</u>	<u>31,249,629</u>
Derivative financial liabilities							
Net settled derivatives							
Trading:							
- Foreign exchange derivatives	1,209	-	67	-	-	-	1,276
- Interest rate derivatives	35,279	10,397	28,199	118,271	55,651	2,756	250,553
- Equity and other derivatives	6,787	5,137	29,774	4,573	21,442	10,300	78,013
	<u>43,275</u>	<u>15,534</u>	<u>58,040</u>	<u>122,844</u>	<u>77,093</u>	<u>13,056</u>	<u>329,842</u>
Hedging:							
- Interest rate derivatives	151	53	460	1,865	(106)	-	2,423
	<u>43,426</u>	<u>15,587</u>	<u>58,500</u>	<u>124,709</u>	<u>76,987</u>	<u>13,056</u>	<u>332,265</u>
Gross settled derivatives							
Trading:							
- Foreign exchange derivatives							
- Outflow	9,814,000	3,796,017	1,976,135	2,184,587	743,756	297,775	18,812,270
- Inflow	(9,496,406)	(3,665,369)	(1,947,814)	(2,271,545)	(751,360)	(298,474)	(18,430,968)
	<u>361,020</u>	<u>146,235</u>	<u>86,821</u>	<u>37,751</u>	<u>69,383</u>	<u>12,357</u>	<u>713,567</u>

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43 INTEREST/RATE OF RETURN RISK

The Group and the Bank are exposed to various risks associated with the effects of fluctuation in the prevailing level of market interest/profit rate on the financial position and cashflows. The following tables summarise the Group's and the Bank's exposures to interest/rate of return risk. The financial assets and financial liabilities at carrying amounts are categorised by the earlier of the next contractual repricing and maturity dates.

	<i>Non-trading Book</i>						Trading Book RM'000	Total RM'000
	Up to 3 months RM'000	> 3 - 12 months RM'000	> 1 - 3 years RM'000	> 3 - 5 years RM'000	Over 5 years RM'000	Non interest/ profit sensitive RM'000		
Group								
2025								
Financial assets								
Cash and cash equivalents	463,157	-	-	-	-	1,109,505	-	1,572,662
Deposits and placements with banks and other financial institutions	687,240	-	-	-	-	(108)	-	687,132
Financial assets at FVTPL	-	-	-	-	-	-	2,283,340	2,283,340
Financial investments at FVOCI	7,911,345	6,053,108	6,144,179	8,395,900	4,027,931	113,922	-	32,646,385
Loans, advances and financing								
- Non credit-impaired	64,533,604	2,680,387	1,240,178	968,180	308,082	(695,765)	-	69,034,666
- Credit-impaired	-	-	-	-	-	721,507	-	721,507
Derivative financial assets	-	-	327	3,306	1,991	-	1,025,477	1,031,101
Other assets	-	-	-	-	-	594,945	-	594,945
Statutory deposits with BNM	-	-	-	-	-	508,595	-	508,595
	73,595,346	8,733,495	7,384,684	9,367,386	4,338,004	2,352,601	3,308,817	109,080,333

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The Group and the Bank are exposed to various risks associated with the effects of fluctuation in the prevailing level of market interest/profit rate on the financial position and cashflows. The following tables summarise the Group's and the Bank's exposures to interest/rate of return risk. The financial assets and financial liabilities at carrying amounts are categorised by the earlier of the next contractual repricing and maturity dates. (continued)

	<i>Non-trading Book</i>						Trading Book RM'000	Total RM'000
	Up to 3 months RM'000	> 3 - 12 months RM'000	> 1 - 3 years RM'000	> 3 - 5 years RM'000	Over 5 years RM'000	Non interest/ profit sensitive RM'000		
Group (continued)								
2025								
Financial liabilities								
Deposits from customers	31,395,640	14,688,743	19,342,826	6,798	-	11,355,268	-	76,789,275
Deposits and placements of banks and other financial institutions	9,592,463	1,218,259	405,993	-	-	1,128,954	-	12,345,669
Obligations on securities sold under repurchase agreements	2,112,223	-	-	-	-	-	-	2,112,223
Bills and acceptances payable	-	-	-	-	-	201,754	-	201,754
Derivative financial liabilities	-	-	2,039	10,031	-	-	1,324,793	1,336,863
Subordinated bonds	-	-	-	550,000	500,000	-	-	1,050,000
Other liabilities	284,217	1,602,983	474,467	926,702	-	1,283,663	-	4,572,032
	<u>43,384,543</u>	<u>17,509,985</u>	<u>20,225,325</u>	<u>1,493,531</u>	<u>500,000</u>	<u>13,969,639</u>	<u>1,324,793</u>	<u>98,407,816</u>
On-statement of financial position interest/profit sensitivity gap	30,210,803	(8,776,490)	(12,840,641)	7,873,855	3,838,004	(11,617,038)	1,984,024	10,672,517
Off-statement of financial position interest/profit sensitivity gap	3,732,799	2,076	126,703	(1,935,329)	185,974	-	-	2,112,223
Total interest/profit sensitivity gap	<u>33,943,602</u>	<u>(8,774,414)</u>	<u>(12,713,938)</u>	<u>5,938,526</u>	<u>4,023,978</u>	<u>(11,617,038)</u>	<u>1,984,024</u>	<u>12,784,740</u>

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43 INTEREST/RATE OF RETURN RISK (continued)

The Group and the Bank are exposed to various risks associated with the effects of fluctuation in the prevailing level of market interest/profit rate on the financial position and cashflows. The following tables summarise the Group's and the Bank's exposures to interest/rate of return risk. The financial assets and financial liabilities at carrying amounts are categorised by the earlier of the next contractual repricing and maturity dates. (continued)

	<i>Non-trading Book</i>						Trading Book RM'000	Total RM'000
	Up to 3 months RM'000	> 3 - 12 months RM'000	> 1 - 3 years RM'000	> 3 - 5 years RM'000	Over 5 years RM'000	Non interest/ profit sensitive RM'000		
Group (continued)								
2024								
Financial assets								
Cash and cash equivalents	1,279,119	-	-	-	-	682,621	-	1,961,740
Deposits and placements with banks and other financial institutions	1,488,093	-	-	-	-	(180)	-	1,487,913
Financial assets at FVTPL	-	-	-	-	-	-	2,269,618	2,269,618
Financial investments at FVOCI	6,257,294	3,895,578	5,868,489	6,153,974	4,560,148	113,461	-	26,848,944
Loans, advances and financing								
- Non credit-impaired	63,716,989	1,801,254	1,199,204	970,943	213,429	(663,620)	-	67,238,199
- Credit-impaired	-	-	-	-	-	1,053,429	-	1,053,429
Derivative financial assets	-	442	93	16,994	-	-	935,160	952,689
Other assets	-	-	-	-	-	476,952	-	476,952
Statutory deposits with BNM	-	-	-	-	-	915,095	-	915,095
	72,741,495	5,697,274	7,067,786	7,141,911	4,773,577	2,577,758	3,204,778	103,204,579

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The Group and the Bank are exposed to various risks associated with the effects of fluctuation in the prevailing level of market interest/profit rate on the financial position and cashflows. The following tables summarise the Group's and the Bank's exposures to interest/rate of return risk. The financial assets and financial liabilities at carrying amounts are categorised by the earlier of the next contractual repricing and maturity dates. (continued)

	<i>Non-trading Book</i>						Trading Book RM'000	Total RM'000
	Up to 3 months RM'000	> 3 - 12 months RM'000	> 1 - 3 years RM'000	> 3 - 5 years RM'000	Over 5 years RM'000	Non interest/ profit sensitive RM'000		
Group (continued)								
2024								
Financial liabilities								
Deposits from customers	29,217,551	19,122,548	18,453,392	6,543	-	9,972,610	-	76,772,644
Deposits and placements of banks and other financial institutions	6,219,776	2,014,474	449,011	-	-	886,482	-	9,569,743
Obligations on securities sold under repurchase agreements	479,675	-	-	-	-	-	-	479,675
Bills and acceptances payable	-	-	-	-	-	107,214	-	107,214
Derivative financial liabilities	-	-	2,182	75	-	-	907,302	909,559
Subordinated bonds	-	-	-	-	1,050,000	-	-	1,050,000
Other liabilities	237,555	569,479	997,803	1,037,165	-	1,512,936	-	4,354,938
	<u>36,154,557</u>	<u>21,706,501</u>	<u>19,902,388</u>	<u>1,043,783</u>	<u>1,050,000</u>	<u>12,479,242</u>	<u>907,302</u>	<u>93,243,773</u>
On-statement of financial position interest/profit sensitivity gap	36,586,938	(16,009,227)	(12,834,602)	6,098,128	3,723,577	(9,901,484)	2,297,476	9,960,806
Off-statement of financial position interest/profit sensitivity gap	3,235,991	(47,701)	(270,821)	(2,521,441)	83,647	-	-	479,675
Total interest/profit sensitivity gap	<u>39,822,929</u>	<u>(16,056,928)</u>	<u>(13,105,423)</u>	<u>3,576,687</u>	<u>3,807,224</u>	<u>(9,901,484)</u>	<u>2,297,476</u>	<u>10,440,481</u>

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43 INTEREST/RATE OF RETURN RISK (continued)

The Group and the Bank are exposed to various risks associated with the effects of fluctuation in the prevailing level of market interest/profit rate on the financial position and cashflows. The following tables summarise the Group's and the Bank's exposures to interest/rate of return risk. The financial assets and financial liabilities at carrying amounts are categorised by the earlier of the next contractual repricing and maturity dates. (continued)

	<i>Non-trading Book</i>						Trading Book RM'000	Total RM'000
	Up to 3 months RM'000	> 3 - 12 months RM'000	> 1 - 3 years RM'000	> 3 - 5 years RM'000	Over 5 years RM'000	Non interest sensitive RM'000		
Bank								
2025								
Financial assets								
Cash and cash equivalents	186,957	-	-	-	-	1,028,660	-	1,215,617
Deposits and placements with banks and other financial institutions	1,546,558	150,000	-	-	-	(108)	-	1,696,450
Investment account placements	6,476,685	-	-	-	-	(16,548)	-	6,460,137
Financial assets at FVTPL	-	-	-	-	-	-	2,283,340	2,283,340
Financial investments at FVOCI	6,432,275	4,993,670	4,855,184	7,448,410	3,643,780	113,922	-	27,487,241
Loans, advances and financing								
- Non credit-impaired	47,162,751	2,166,319	1,168,273	726,718	224,197	(614,019)	-	50,834,239
- Credit-impaired	-	-	-	-	-	612,899	-	612,899
Derivative financial assets	-	-	327	3,306	1,991	-	1,046,340	1,051,964
Other assets	-	-	-	-	-	671,680	-	671,680
Statutory deposits with BNM	-	-	-	-	-	390,595	-	390,595
	61,805,226	7,309,989	6,023,784	8,178,434	3,869,968	2,187,081	3,329,680	92,704,162

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43 INTEREST/RATE OF RETURN RISK (continued)

The Group and the Bank are exposed to various risks associated with the effects of fluctuation in the prevailing level of market interest/profit rate on the financial position and cashflows. The following tables summarise the Group's and the Bank's exposures to interest/rate of return risk. The financial assets and financial liabilities at carrying amounts are categorised by the earlier of the next contractual repricing and maturity dates. (continued)

	<i>Non-trading Book</i>						Trading Book RM'000	Total RM'000
	Up to 3 months RM'000	> 3 - 12 months RM'000	> 1 - 3 years RM'000	> 3 - 5 years RM'000	Over 5 years RM'000	Non interest sensitive RM'000		
Bank (continued)								
2025								
Financial liabilities								
Deposits from customers	26,417,431	12,030,260	15,923,287	6,097	-	9,756,561	-	64,133,636
Deposits and placements of banks and other financial institutions	9,592,409	1,218,259	405,993	-	-	1,090,413	-	12,307,074
Obligations on securities sold under repurchase agreements	1,472,812	-	-	-	-	-	-	1,472,812
Bills and acceptances payable	-	-	-	-	-	192,790	-	192,790
Derivative financial liabilities	-	-	2,039	10,031	-	-	1,325,090	1,337,160
Subordinated bonds	-	-	-	550,000	500,000	-	-	1,050,000
Other liabilities	284,217	1,602,983	474,467	926,702	-	1,154,117	-	4,442,486
	<u>37,766,869</u>	<u>14,851,502</u>	<u>16,805,786</u>	<u>1,492,830</u>	<u>500,000</u>	<u>12,193,881</u>	<u>1,325,090</u>	<u>84,935,958</u>
On-statement of financial position interest/profit sensitivity gap	24,038,357	(7,541,513)	(10,782,002)	6,685,604	3,369,968	(10,006,800)	2,004,590	7,768,204
Off-statement of financial position interest/profit sensitivity gap	3,732,799	2,076	(272,082)	(1,935,329)	(54,652)	-	-	1,472,812
Total interest/profit sensitivity gap	<u>27,771,156</u>	<u>(7,539,437)</u>	<u>(11,054,084)</u>	<u>4,750,275</u>	<u>3,315,316</u>	<u>(10,006,800)</u>	<u>2,004,590</u>	<u>9,241,016</u>

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43 INTEREST/RATE OF RETURN RISK (continued)

The Group and the Bank are exposed to various risks associated with the effects of fluctuation in the prevailing level of market interest/profit rate on the financial position and cashflows. The following tables summarise the Group's and the Bank's exposures to interest/rate of return risk. The financial assets and financial liabilities at carrying amounts are categorised by the earlier of the next contractual repricing and maturity dates. (continued)

	<i>Non-trading Book</i>						Trading Book RM'000	Total RM'000
	Up to 3 months RM'000	> 3 - 12 months RM'000	> 1 - 3 years RM'000	> 3 - 5 years RM'000	Over 5 years RM'000	Non interest sensitive RM'000		
Bank (continued)								
2024								
Financial assets								
Cash and cash equivalents	492,865	-	-	-	-	597,138	-	1,090,003
Deposits and placements with banks and other financial institutions	1,660,443	-	-	-	-	(180)	-	1,660,263
Investment account placements	7,736,685	-	-	-	-	(14,850)	-	7,721,835
Financial assets at FVTPL	-	-	-	-	-	-	2,269,618	2,269,618
Financial investments at FVOCI	4,897,526	3,018,917	4,937,088	4,930,285	4,555,143	113,461	-	22,452,420
Loans, advances and financing								
- Non credit-impaired	47,761,528	1,397,269	1,099,751	741,019	199,148	(598,194)	-	50,600,521
- Credit-impaired	-	-	-	-	-	832,355	-	832,355
Derivative financial assets	-	442	93	16,994	-	-	935,476	953,005
Other assets	-	-	-	-	-	475,896	-	475,896
Statutory deposits with BNM	-	-	-	-	-	718,595	-	718,595
	62,549,047	4,416,628	6,036,932	5,688,298	4,754,291	2,124,221	3,205,094	88,774,511

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43 INTEREST/RATE OF RETURN RISK (continued)

The Group and the Bank are exposed to various risks associated with the effects of fluctuation in the prevailing level of market interest/profit rate on the financial position and cashflows. The following tables summarise the Group's and the Bank's exposures to interest/rate of return risk. The financial assets and financial liabilities at carrying amounts are categorised by the earlier of the next contractual repricing and maturity dates. (continued)

	<i>Non-trading Book</i>						Trading Book RM'000	Total RM'000
	Up to 3 months RM'000	> 3 - 12 months RM'000	> 1 - 3 years RM'000	> 3 - 5 years RM'000	Over 5 years RM'000	Non interest sensitive RM'000		
Bank (continued)								
2024								
Financial liabilities								
Deposits from customers	25,536,817	16,248,168	14,971,306	3,843	-	8,645,226	-	65,405,360
Deposits and placements of banks and other financial institutions	6,219,776	2,014,276	448,298	-	-	839,299	-	9,521,649
Obligations on securities sold under repurchase agreements	85,946	-	-	-	-	-	-	85,946
Bills and acceptances payable	-	-	-	-	-	96,319	-	96,319
Derivative financial liabilities	-	-	2,182	75	-	-	906,973	909,230
Subordinated bonds	-	-	-	-	1,050,000	-	-	1,050,000
Other liabilities	237,555	569,479	997,803	1,037,165	-	1,420,069	-	4,262,071
	32,080,094	18,831,923	16,419,589	1,041,083	1,050,000	11,000,913	906,973	81,330,575
On-statement of financial position interest/profit sensitivity gap	30,468,953	(14,415,295)	(10,382,657)	4,647,215	3,704,291	(8,876,692)	2,298,121	7,443,936
Off-statement of financial position interest/profit sensitivity gap	3,235,991	(47,701)	(370,000)	(2,815,991)	83,647	-	-	85,946
Total interest/profit sensitivity gap	33,704,944	(14,462,996)	(10,752,657)	1,831,224	3,787,938	(8,876,692)	2,298,121	7,529,882

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43 INTEREST/RATE OF RETURN RISK (continued)

The impact on the net interest/finance income is simulated under various interest/profit rate assumptions. The below table sets out the impact on net interest/finance income based on a 50 bps parallel shift in interest/profit rates at the reporting date, for a period of 12 months:

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
+ 50 bps	78,800	93,300	61,600	76,100
- 50 bps	(123,300)	(123,800)	(98,700)	(101,100)

The 50 bps shock impact on net interest/finance income is based on simplified scenarios, using the Group's and the Bank's interest/profit risk profile as at the reporting date. It does not take into account actions that would be taken by the Global Markets Division or business units to mitigate the impact of the interest/rate of return risk. In reality, the Group and the Bank seeks to proactively change the interest/rate of return risk profile to minimise losses and maximise net revenues. The projection assumes that interest/profit rates of all maturities move by the same amount and, therefore, do not reflect the potential impact on net interest/finance income of some rates changing while others remain unchanged. The projections also assume a constant statement of financial position and that all positions run to maturity.

44 CURRENCY RISK

<u>Group</u>	MYR RM'000	USD RM'000	AUD RM'000	SGD RM'000	Others RM'000	Total RM'000
2025						
Financial assets						
Cash and cash equivalents	831,355	571,068	17,221	90,875	62,143	1,572,662
Deposits and placements with banks and other financial institutions	181,858	332,663	-	-	172,611	687,132
Financial assets at FVTPL	2,155,421	123,670	4,244	-	5	2,283,340
Financial investments at FVOCI	27,080,527	1,943,520	2,991,893	-	630,445	32,646,385
Loans, advances and financing	60,532,249	7,195,690	429,872	150,216	1,448,146	69,756,173
Derivative financial assets	886,683	100,880	15,173	4,334	24,031	1,031,101
Other assets	(3,494,030)	4,442,860	(368,135)	1,111,464	(1,097,214)	594,945
Statutory deposits with Bank Negara Malaysia	508,595	-	-	-	-	508,595
	88,682,658	14,710,351	3,090,268	1,356,889	1,240,167	109,080,333
Financial liabilities						
Deposits from customers	65,368,988	8,489,895	879,230	920,717	1,130,445	76,789,275
Deposits and placements of banks and other financial institutions	1,382,259	9,586,257	956,334	-	420,819	12,345,669
Obligations on securities sold under repurchase agreements	1,785,255	88,829	238,139	-	-	2,112,223
Bills and acceptances payable	87,651	114,103	-	-	-	201,754
Derivative financial liabilities	1,155,059	143,303	13,157	3,825	21,519	1,336,863
Other liabilities	3,473,129	338,660	303,500	148,972	307,771	4,572,032
Subordinated bonds	1,050,000	-	-	-	-	1,050,000
	74,302,341	18,761,047	2,390,360	1,073,514	1,880,554	98,407,816
Net financial assets/ (liabilities) exposure	14,380,317	(4,050,696)	699,908	283,375	(640,387)	10,672,517

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Group (continued)	MYR RM'000	USD RM'000	AUD RM'000	SGD RM'000	Others RM'000	Total RM'000
2024						
Financial assets						
Cash and cash equivalents	1,597,827	133,052	17,469	70,827	142,565	1,961,740
Deposits and placements with banks and other financial institutions	1,191,111	221,332	-	-	75,470	1,487,913
Financial assets at FVTPL	2,268,326	930	361	-	1	2,269,618
Financial investments at FVOCI	23,174,157	1,953,213	1,312,974	-	408,600	26,848,944
Loans, advances and financing	58,300,570	8,612,596	441,441	151,297	785,724	68,291,628
Derivative financial assets	701,766	218,108	8,197	1,940	22,678	952,689
Other assets	422,515	33,795	9,740	782	10,120	476,952
Statutory deposits with Bank Negara Malaysia	915,095	-	-	-	-	915,095
	88,571,367	11,173,026	1,790,182	224,846	1,445,158	103,204,579
Financial liabilities						
Deposits from customers	65,819,845	7,696,865	836,536	830,192	1,589,206	76,772,644
Deposits and placements of banks and other financial institutions	850,784	8,409,592	16,673	377	292,317	9,569,743
Obligations on securities sold under repurchase agreements	393,729	85,946	-	-	-	479,675
Bills and acceptances payable	107,214	-	-	-	-	107,214
Derivative financial liabilities	661,646	216,491	8,482	2,641	20,299	909,559
Other liabilities	3,643,785	201,221	196,586	98,588	214,758	4,354,938
Subordinated bonds	1,050,000	-	-	-	-	1,050,000
	72,527,003	16,610,115	1,058,277	931,798	2,116,580	93,243,773
Net financial assets/ (liabilities) exposure	16,044,364	(5,437,089)	731,905	(706,952)	(671,422)	9,960,806
Bank						
2025						
Financial assets						
Cash and cash equivalents	491,868	593,750	18,391	66,411	45,197	1,215,617
Deposits and placements with banks and other financial institutions	1,101,858	421,981	-	-	172,611	1,696,450
Investment account placements	5,217,798	1,242,339	-	-	-	6,460,137
Financial assets at FVTPL	2,155,421	123,670	4,244	-	5	2,283,340
Financial investments at FVOCI	21,921,383	1,943,520	2,991,893	-	630,445	27,487,241
Loans, advances and financing	44,686,046	4,738,055	429,872	145,019	1,448,146	51,447,138
Derivative financial assets	907,546	100,880	15,173	4,334	24,031	1,051,964
Other assets	(3,419,762)	4,445,073	(368,134)	1,111,465	(1,096,962)	671,680
Statutory deposits with Bank Negara Malaysia	390,595	-	-	-	-	390,595
	73,452,753	13,609,268	3,091,439	1,327,229	1,223,473	92,704,162

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44 CURRENCY RISK (continued)

Bank (continued)	MYR RM'000	USD RM'000	AUD RM'000	SGD RM'000	Others RM'000	Total RM'000
2025						
Financial liabilities						
Deposits from customers	54,210,538	7,170,670	863,219	827,524	1,061,685	64,133,636
Deposits and placements of banks and other financial institutions	1,344,225	9,586,258	956,334	-	420,257	12,307,074
Obligations on securities sold under repurchase agreements	1,145,844	88,829	238,139	-	-	1,472,812
Bills and acceptances payable	78,687	114,103	-	-	-	192,790
Derivative financial liabilities	1,155,356	143,303	13,157	3,825	21,519	1,337,160
Other liabilities	3,344,553	339,414	303,471	147,310	307,738	4,442,486
Subordinated bonds	1,050,000	-	-	-	-	1,050,000
	62,329,203	17,442,577	2,374,320	978,659	1,811,199	84,935,958
Net financial assets/ (liabilities) exposure	11,123,550	(3,833,309)	717,119	348,570	(587,726)	7,768,204
2024						
Financial assets						
Cash and cash equivalents	708,648	178,525	15,682	55,014	132,134	1,090,003
Deposits and placements with banks and other financial institutions	1,341,111	243,682	-	-	75,470	1,660,263
Investment account placements	5,571,751	2,150,084	-	-	-	7,721,835
Financial assets at FVTPL	2,268,326	930	361	-	1	2,269,618
Financial investments at FVOCI	18,777,633	1,953,213	1,312,974	-	408,600	22,452,420
Loans, advances and financing	44,802,806	5,259,654	441,441	143,251	785,724	51,432,876
Derivative financial assets	702,082	218,108	8,197	1,940	22,678	953,005
Other assets	411,722	43,273	9,740	1,045	10,116	475,896
Statutory deposits with Bank Negara Malaysia	718,595	-	-	-	-	718,595
	75,302,674	10,047,469	1,788,395	201,250	1,434,723	88,774,511
Financial liabilities						
Deposits from customers	55,031,930	7,313,970	823,246	707,724	1,528,490	65,405,360
Deposits and placements of banks and other financial institutions	802,690	8,409,592	16,673	377	292,317	9,521,649
Obligations on securities sold under repurchase agreements	-	85,946	-	-	-	85,946
Bills and acceptances payable	96,319	-	-	-	-	96,319
Derivative financial liabilities	661,317	216,491	8,482	2,641	20,299	909,230
Other liabilities	3,555,336	200,025	196,650	95,343	214,717	4,262,071
Subordinated bonds	1,050,000	-	-	-	-	1,050,000
	61,197,592	16,226,024	1,045,051	806,085	2,055,823	81,330,575
Net financial assets/ (liabilities) exposure	14,105,082	(6,178,555)	743,344	(604,835)	(621,100)	7,443,936

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44 CURRENCY RISK (continued)

Value-at-Risk ("VaR")

The usage of market VaR by risk type based on 1-day holding period of the Group's and Bank's trading exposures are set out below:

	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
VaR				
- Interest/Rate of return risk	3,326	3,078	3,326	3,078
- Currency risk	220	697	232	724
- Credit spread risk	272	224	272	224
- Price risk	757	21	757	21
- Total	3,177	2,921	3,162	2,916

45 CAPITAL ADEQUACY

Capital Management

The key objective of the Group's capital management policy is to maintain a strong capital position to support business growth and strategic investments, and to sustain investor, depositor, customer and market confidence. The Group actively manages its capital composition with an optimal mix of capital instruments in order to keep our overall cost of capital low.

The Group's capital is closely monitored and actively managed to ensure that there is sufficient capital to support business growth, and pursue strategic business and investment opportunities that will create value for our stakeholders, while taking into consideration OCBC Malaysia's risk appetite. The Group's internal capital adequacy assessment process ("ICAAP") involves a comprehensive assessment of all material risks that the Group is exposed to and an evaluation of the adequacy of the Group's capital in relation to those risks. This includes an annual capital planning exercise to forecast capital demands and assess the Group's capital adequacy over a multi-year horizon. This process takes into consideration the Group's business strategy, operating environment, regulatory changes, target capital ratios and composition, as well as expectations of its various stakeholders. In addition, capital stress tests are conducted to understand the sensitivity of the key assumptions in the capital plan to the effects of plausible stress scenarios, and evaluate how the Group can continue to maintain adequate capital under such scenarios.

Capital Adequacy Ratios

The Group is in compliance with BNM's Capital Adequacy Framework which requires banks to meet minimum Common Equity Tier 1 ("CET1"), Tier 1 and Total Capital Adequacy Ratio ("CAR") of 7.0%, 8.5% and 10.5% respectively (inclusive of Capital Conservation Buffer of 2.5%).

The Group is subject to a Countercyclical Buffer requirement if applied by regulators in countries which the Group has credit exposures to. Generally in the range of 0% to 2.5% of risk-weighted assets, the Countercyclical Buffer is not an ongoing requirement but it may be applied by regulators to limit excessive credit growth in their economy.

The table below shows the composition of the Group's and the Bank's regulatory capital and capital adequacy ratios which was determined in accordance with the requirements of BNM's Capital Adequacy Framework (Capital Components). The Group and the Bank computes total risk-weighted assets based on the Internal Rating Based Approach for Credit Risk for their major credit portfolios and the Standardised Approach for Market Risk. With effect from 1 January 2025, Operational Risk is computed based on Standardised Approach under Basel III as set out in BNM's Capital Adequacy Framework (Operational Risk) issued on 15 December 2023, which supersedes the previously adopted Basic Indicator Approach under Basel II (Operational Risk for 2024 was based on Basic Indicator Approach).

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	Group		Bank	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
<u>CET1/Tier 1 Capital</u>				
Paid-up ordinary share capital	754,000	754,000	754,000	754,000
Retained earnings	9,712,735	8,829,094	7,470,243	6,949,437
Other reserves	529,366	712,869	420,443	620,541
Regulatory adjustment for CET 1 capital	(629,863)	(912,072)	(1,059,636)	(1,345,684)
Total CET1/Tier 1 Capital	10,366,238	9,383,891	7,585,050	6,978,294
<u>Tier 2 Capital</u>				
Stage 1 and 2 ECL and qualifying regulatory reserves under the Standardised Approach	31,314	26,324	30,135	24,494
Surplus eligible provisions over expected losses	322,399	288,475	266,294	245,500
Subordinated bonds	1,050,000	1,050,000	1,050,000	1,050,000
Total Tier 2 Capital	1,403,713	1,364,799	1,346,429	1,319,994
Capital base	11,769,951	10,748,690	8,931,479	8,298,288
Before proposed dividend				
CET 1 capital ratio	16.064%	16.319%	14.044%	14.197%
Tier 1 capital ratio	16.064%	16.319%	14.044%	14.197%
Total capital ratio	18.239%	18.692%	16.537%	16.883%
After proposed dividend				
CET 1 capital ratio	15.293%	15.559%	13.123%	13.308%
Tier 1 capital ratio	15.293%	15.559%	13.123%	13.308%
Total capital ratio	17.469%	17.932%	15.616%	15.994%

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

Total RWA for credit risk	56,238,898	50,185,027	46,793,629	42,876,130
Total RWA for market risk	1,944,487	939,089	1,931,640	933,020
Total RWA for operational risk	6,347,343	6,379,417	5,282,595	5,342,831
	64,530,728	57,503,533	54,007,864	49,151,981

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). OCBC Al-Amin adopted the Internal Ratings Based Approach for Credit Risk for its major credit portfolios, whilst the other credit portfolios and market risk are on the Standardised Approach. With effect from 1 January 2025, operational risk is computed based on BNM's Standardised Approach as stipulated by Capital Adequacy Framework (Operational Risk) issued on 15 December 2023, which supersedes the previously adopted Basic Indicator Approach (Operational Risk for 2024 was based on Basic Indicator Approach).

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

	2025	2024
CET 1/Tier 1 capital ratio	26.374%	28.540%
Total capital ratio	<u>26.930%</u>	<u>29.081%</u>

46 INTEREST RATE BENCHMARK REFORM

Malaysia Overnight Rate ("MYOR") is running parallel to KLIBOR as of the reporting date, with the full transition to MYOR ongoing and uncertainties persisting regarding the timeline and details of these changes. The Group and the Bank will, however, closely monitor BNM's announcement on the MYOR and the discontinuation of KLIBOR publication for the selected tenors, and the Bank will engage with its counterparties to discuss the necessary contract changes.

As at 31 December 2025, the notional amount of hedging instruments referencing to KLIBOR is RM3,560 million (31 December 2024: RM3,160 million) for the Group and the Bank.

The following table shows the total amount of non-derivative and derivative financial instruments referencing to KLIBOR that have yet to transition to an alternative benchmark rate as at 31 December 2025.

	Group		Bank	
	2025	2024	2025	2024
	RM'000	RM'000	RM'000	RM'000
Non-derivative financial asset and liabilities				
<u>Gross carrying amount</u>				
Loans, advances and financing	4,609,460	3,846,620	2,793,828	2,916,715
Deposits from customers	7,486,465	4,093,941	5,144,522	2,667,451
	<u>12,095,925</u>	<u>7,940,561</u>	<u>7,938,350</u>	<u>5,584,166</u>
Derivative financial asset and liabilities				
<u>Notional amount</u>				
Derivative financial instruments	59,317,375	47,555,555	59,317,375	47,555,555
	<u>59,317,375</u>	<u>47,555,555</u>	<u>59,317,375</u>	<u>47,555,555</u>