

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

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2022

Domiciled in Malaysia
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50050 Kuala Lumpur

OCBC BANK (MALAYSIA) BERHAD
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FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2022**

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OCBC BANK (MALAYSIA) BERHAD
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UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2022

	Note	Group		Bank	
		30 June 2022 RM'000	31 December 2021 RM'000	30 June 2022 RM'000	31 December 2021 RM'000
ASSETS					
Cash and cash equivalents	10	10,035,009	4,828,528	7,371,507	2,916,893
Deposits and placements with banks and other financial institutions	11	483,291	449,227	747,732	670,103
Investment account placements	12	-	-	3,183,755	2,567,432
Financial assets at fair value through profit or loss ("FVTPL")	13	1,271,528	1,833,268	1,266,460	1,823,178
Financial investments at fair value through other comprehensive income ("FVOCI")	14	17,082,610	18,896,597	14,125,501	15,377,703
Loans, advances and financing	15	65,148,447	65,831,689	52,328,354	53,398,910
Derivative financial assets	17	1,445,864	927,507	1,445,633	928,246
Other assets	18	318,383	350,468	388,414	609,400
Statutory deposits with Bank Negara Malaysia ("BNM")		179,531	63,937	179,531	63,937
Investments in subsidiaries		-	-	557,051	557,051
Property and equipment		140,499	147,231	136,687	142,856
Right-of-use ("ROU") assets		19,110	25,523	17,018	22,769
Tax recoverable		-	15,575	-	-
Deferred tax assets		320,642	285,075	272,358	243,465
Total assets		96,444,914	93,654,625	82,020,001	79,321,943
LIABILITIES					
Deposits from customers	19	74,632,166	73,986,617	61,691,355	61,046,763
Deposits and placements of banks and other financial institutions	20	6,854,409	5,648,806	6,809,018	5,620,070
Bills and acceptances payable		82,779	56,827	59,535	44,497
Derivative financial liabilities	17	1,191,771	860,074	1,191,708	860,439
Other liabilities	21	3,577,882	2,643,802	3,486,848	2,532,919
Tax payable and zakat		130,223	22,126	119,468	19,204
Subordinated bonds	22	1,050,000	1,509,279	1,050,000	1,509,279
Total liabilities		87,519,230	84,727,531	74,407,932	71,633,171
EQUITY					
Share capital		754,000	754,000	754,000	754,000
Reserves		8,171,684	8,173,094	6,858,069	6,934,772
Total equity		8,925,684	8,927,094	7,612,069	7,688,772
Total liabilities and equity		96,444,914	93,654,625	82,020,001	79,321,943
Commitments and contingencies	31	111,956,703	100,696,245	108,388,643	97,528,733

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Group and of the Bank for the financial year ended 31 December 2021 and the accompanying explanatory notes to the unaudited condensed interim financial statements.

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UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2022

Group	Note	Quarter ended		Year to date ended	
		30 June	30 June	30 June	30 June
		2022	2021	2022	2021
		RM'000	RM'000	RM'000	RM'000
Interest income		629,587	625,379	1,221,893	1,243,209
Interest income for financial assets at FVTPL		11,426	15,361	23,962	26,802
Interest expense		(232,813)	(232,234)	(446,712)	(479,840)
Net interest income	23	408,200	408,506	799,143	790,171
Income from Islamic banking operations	24	117,105	117,561	227,834	238,371
Net fee and commission income	25	101,728	133,288	196,936	253,246
Net trading income	26	70,127	58,686	136,132	96,230
Other operating (expense)/income	27	(26,157)	16,339	(32,982)	33,527
Operating income		671,003	734,380	1,327,063	1,411,545
Operating expenses	28	(318,896)	(317,997)	(610,702)	(593,051)
Operating profit before impairment allowances and provisions		352,107	416,383	716,361	818,494
Impairment allowances and provisions writeback/(charge)	29	69,512	(245,749)	144,883	(248,699)
Profit before income tax and zakat		421,619	170,634	861,244	569,795
Income tax expense	30	(134,599)	(43,418)	(270,929)	(146,110)
Zakat		(13)	(13)	(25)	(25)
Profit for the period		287,007	127,203	590,290	423,660
Other comprehensive income, net of income tax					
Items that will not be reclassified to profit or loss					
Change in fair value reserve (equity instruments)		(693)	4,000	3,993	4,198
Items that are or may be reclassified subsequently to profit or loss					
FVOCI reserve (debt instruments)					
- Change in fair value		(165,717)	25,809	(260,121)	(164,652)
- Amount transferred to profit or loss		35,279	(15,551)	47,481	(30,544)
- Related tax		31,306	(2,453)	51,034	46,856
Change in expected credit loss ("ECL") reserve on debt instruments at FVOCI		127	(817)	38	(973)
Other comprehensive (expense)/income for the period		(99,698)	10,988	(157,575)	(145,115)
Total comprehensive income for the period		187,309	138,191	432,715	278,545
Profit attributable to owner of the Bank		287,007	127,203	590,290	423,660
Total comprehensive income attributable to owner of the Bank		187,309	138,191	432,715	278,545
Basic earnings per ordinary share (sen)		100	44	205	147

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Group and of the Bank for the financial year ended 31 December 2021 and the accompanying explanatory notes to the unaudited condensed interim financial statements.

OCBC BANK (MALAYSIA) BERHAD
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UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2022

	Note	Quarter ended		Year to date ended	
		30 June 2022 RM'000	30 June 2021 RM'000	30 June 2022 RM'000	30 June 2021 RM'000
Bank					
Interest income		645,041	637,475	1,252,994	1,266,829
Interest income for financial assets at FVTPL		11,426	15,361	23,962	26,802
Interest expense		(245,737)	(241,237)	(471,370)	(496,697)
Net interest income	23	410,730	411,599	805,586	796,934
Net fee and commission income	25	101,185	133,288	194,943	248,656
Net trading income	26	70,127	58,686	136,132	96,230
Other operating income	27	1,689	43,433	20,807	85,818
Operating income		583,731	647,006	1,157,468	1,227,638
Operating expenses	28	(303,266)	(301,286)	(581,557)	(563,520)
Operating profit before impairment allowances and provisions		280,465	345,720	575,911	664,118
Impairment allowances and provisions writeback/(charge)	29	83,541	(126,069)	150,344	(137,682)
Profit before income tax		364,006	219,651	726,255	526,436
Income tax expense	30	(117,766)	(55,110)	(238,658)	(135,566)
Profit for the period		246,240	164,541	487,597	390,870
Other comprehensive income, net of income tax					
<i>Items that will not be reclassified to profit or loss</i>					
Change in fair value reserve (equity instruments)		(693)	4,000	3,993	4,198
<i>Items that are or may be reclassified subsequently to profit or loss</i>					
FVOCI reserve (debt instruments)					
- Change in fair value		(137,815)	20,740	(224,437)	(138,155)
- Amount transferred to profit or loss		33,899	(8,314)	47,851	(18,700)
- Related tax		24,940	(2,976)	42,381	37,652
Change in expected credit loss ("ECL") reserve on debt instruments at FVOCI		110	(793)	37	(972)
Other comprehensive (expense)/income for the period		(79,559)	12,657	(130,175)	(115,977)
Total comprehensive income for the period		166,681	177,198	357,422	274,893
Profit attributable to owner of the Bank		246,240	164,541	487,597	390,870
Total comprehensive income attributable to owner of the Bank		166,681	177,198	357,422	274,893
Basic earnings per ordinary share (sen)		86	57	170	136

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UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2022

<u>Group</u>	<i>Non-distributable</i>			<i>Distributable</i>		Total equity
	Share capital	Regulatory reserve	ECL reserve	Fair value reserve	Retained earnings	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2022	754,000	600,000	446	30,069	7,542,579	8,927,094
Fair value reserve						
- Change in fair value	-	-	-	(256,128)	-	(256,128)
- Transferred to profit or loss	-	-	-	47,481	-	47,481
- Related tax	-	-	-	51,034	-	51,034
Change in ECL reserve	-	-	38	-	-	38
Total other comprehensive income/(expense) for the period	-	-	38	(157,613)	-	(157,575)
Profit for the period	-	-	-	-	590,290	590,290
Total comprehensive income/(expense) for the period	-	-	38	(157,613)	590,290	432,715
Transfer upon disposal of equity investment designated at FVOCI				(10,150)	10,150	-
Contributions by and distributions to owner of the Bank						
Final 2021 ordinary dividend paid	-	-	-	-	(434,125)	(434,125)
At 30 June 2022	754,000	600,000	484	(137,694)	7,708,894	8,925,684
At 1 January 2021	754,000	600,000	1,916	333,379	7,085,291	8,774,586
Fair value reserve						
- Change in fair value	-	-	-	(160,454)	-	(160,454)
- Transferred to profit or loss	-	-	-	(30,544)	-	(30,544)
- Related tax	-	-	-	46,856	-	46,856
Change in ECL reserve	-	-	(973)	-	-	(973)
Total other comprehensive expense for the period	-	-	(973)	(144,142)	-	(145,115)
Profit for the period	-	-	-	-	423,660	423,660
Total comprehensive (expense)/income for the period	-	-	(973)	(144,142)	423,660	278,545
Contributions by and distributions to owner of the Bank						
Final 2020 ordinary dividend paid	-	-	-	-	(207,000)	(207,000)
At 30 June 2021	754,000	600,000	943	189,237	7,301,951	8,846,131

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STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2022

	<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	
Bank						
At 1 January 2022	754,000	509,000	392	35,539	6,389,841	7,688,772
Fair value reserve						
- Change in fair value	-	-	-	(220,444)	-	(220,444)
- Transferred to profit or loss	-	-	-	47,851	-	47,851
- Related tax	-	-	-	42,381	-	42,381
Change in ECL reserve	-	-	37	-	-	37
Total other comprehensive income/(expense) for the period	-	-	37	(130,212)	-	(130,175)
Profit for the period	-	-	-	-	487,597	487,597
Total comprehensive income/(expense) for the period	-	-	37	(130,212)	487,597	357,422
Transfer upon disposal of equity investment designated at FVOCI				(10,150)	10,150	-
Contributions by and distributions to owners of the Bank						
Final 2021 ordinary dividend paid	-	-	-	-	(434,125)	(434,125)
At 30 June 2022	754,000	509,000	429	(104,823)	6,453,463	7,612,069
At 1 January 2021	754,000	509,000	1,826	285,439	6,026,695	7,576,960
Fair value reserve						
- Change in fair value	-	-	-	(133,957)	-	(133,957)
- Transferred to profit or loss	-	-	-	(18,700)	-	(18,700)
- Related tax	-	-	-	37,652	-	37,652
Change in ECL reserve	-	-	(972)	-	-	(972)
Total other comprehensive expense for the period	-	-	(972)	(115,005)	-	(115,977)
Profit for the period	-	-	-	-	390,870	390,870
Total comprehensive (expense)/income for the period	-	-	(972)	(115,005)	390,870	274,893
Contributions by and distributions to owners of the Bank						
Final 2020 ordinary dividend payable	-	-	-	-	(207,000)	(207,000)
At 30 June 2021	754,000	509,000	854	170,434	6,210,565	7,644,853

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UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2022

	Group		Bank	
	Year to date ended		Year to date ended	
	30 June	30 June	30 June	30 June
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Cash flows from operating activities				
Profit before income tax and zakat	861,244	569,795	726,255	526,436
<i>Adjustments for:</i>				
Depreciation of property, plant and equipment	11,323	12,109	10,593	11,234
Depreciation of right-of-use assets	6,548	8,116	5,811	7,206
Dividends received from financial investments at FVOCI	(450)	(625)	(450)	(625)
Impairment allowances and provisions	(104,528)	262,941	(122,949)	154,921
Finance expense on lease liabilities	158	390	127	340
Net loss/(gain) on disposal of:				
- Financial investments at FVOCI	47,481	(30,544)	47,851	(18,700)
- Property and equipment	15	47	-	-
Share-based costs	7,236	5,281	7,058	5,109
Unrealised (gain)/loss on:				
- Financial assets at FVTPL	(502)	4,514	(629)	4,476
- Hedging derivatives	161	(6,032)	161	(6,032)
- Trading derivatives	(205,711)	(208,915)	(205,133)	(208,624)
- Subordinated bonds	9,541	15,352	9,541	15,352
Operating profit before changes in working capital	632,516	632,429	478,236	491,093
<i>Changes in operating assets and operating liabilities:</i>				
Deposits and placements with banks and other financial institutions	(34,067)	(17,255)	(77,632)	87,645
Investment account placements	-	-	(617,345)	(252,985)
Financial assets at FVTPL	562,242	(1,334,720)	557,347	(1,334,719)
Loans, advances and financing	800,697	638,558	1,194,489	959,343
Other assets	32,132	19,442	21,029	(54,504)
Statutory deposits with Bank Negara Malaysia	(115,594)	24,305	(115,594)	24,305
Derivative financial assets and liabilities	38,775	24,752	38,739	24,768
Deposits from customers	645,549	1,993,673	644,592	(208,668)
Deposits and placements of banks and other financial institutions	1,205,603	864,741	1,188,948	868,200
Bills and acceptances payable	25,952	(3,352)	15,038	(416)
Other liabilities	920,242	123,439	952,566	78,227
Cash generated from operations	4,714,047	2,966,012	4,280,413	682,289
Income tax and zakat paid	(131,815)	(112,465)	(124,906)	(98,382)
Net cash generated from operating activities	4,582,232	2,853,547	4,155,507	583,907

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	Group		Bank	
	Year to date ended		Year to date ended	
	30 June	30 June	30 June	30 June
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Cash flows from investing activities				
Proceeds from redemption of Murabahah subordinated Sukuk issued by subsidiary	-	-	200,000	-
Acquisition of financial investments at FVOCI	(7,649,076)	(14,403,148)	(5,058,356)	(8,028,148)
Acquisition of property and equipment	(4,612)	(10,129)	(4,423)	(9,569)
Dividends received from financial investments at FVOCI	450	625	450	625
Proceeds from disposal of financial investments at FVOCI	9,187,050	13,838,577	6,070,229	7,924,169
Proceeds from disposal of property and equipment	2	53	-	51
Net cash generated from/(used in) investing activities	1,533,814	(574,022)	1,207,900	(112,872)
Cash flows from financing activities				
Redemption of subordinated bond	(468,820)	-	(468,820)	-
Payment of lease liabilities	(6,620)	(7,392)	(5,848)	(6,451)
Dividends paid to owner of the Bank	(434,125)	(207,000)	(434,125)	(207,000)
Repayment of recourse obligation on loans sold to Cagamas Berhad	-	(700,000)	-	(700,000)
Net cash used in financing activities	(909,565)	(914,392)	(908,793)	(913,451)
Net increase/(decrease) in cash and cash equivalents	5,206,481	1,365,133	4,454,614	(442,416)
Cash and cash equivalents at 1 January	4,828,559	2,926,224	2,916,924	3,056,716
Cash and cash equivalents at 30 June	10,035,040	4,291,357	7,371,538	2,614,300

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

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STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2022 (continued)

Changes in liabilities arising from financing activities

	At 1 January RM'000	Net Cash outflows RM'000	Foreign exchange movement RM'000	Acquisition of new leases* RM'000	Finance cost RM'000	At 30 June RM'000
2022						
<u>Group</u>						
Subordinated bonds	1,509,279	(468,820)	9,541	-	-	1,050,000
Lease liabilities	24,429	(6,620)	-	135	158	18,102
Total liabilities from financing activities	<u>1,533,708</u>	<u>(475,440)</u>	<u>9,541</u>	<u>135</u>	<u>158</u>	<u>1,068,102</u>
<u>Bank</u>						
Subordinated bonds	1,509,279	(468,820)	9,541	-	-	1,050,000
Lease liabilities	21,620	(5,848)	-	60	127	15,959
Total liabilities from financing activities	<u>2,230,899</u>	<u>(474,668)</u>	<u>9,541</u>	<u>60</u>	<u>127</u>	<u>1,065,959</u>
2021						
<u>Group</u>						
Recourse obligation on loans sold to Cagamas Berhad	700,000	(700,000)	-	-	-	-
Subordinated bonds	1,491,327	-	15,352	-	-	1,506,679
Lease liabilities	27,739	(7,392)	-	10,134	390	30,871
Total liabilities from financing activities	<u>2,219,066</u>	<u>(707,392)</u>	<u>15,352</u>	<u>10,134</u>	<u>390</u>	<u>1,537,550</u>
<u>Bank</u>						
Recourse obligation on loans sold to Cagamas Berhad	700,000	(700,000)	-	-	-	-
Subordinated bonds	1,491,327	-	15,352	-	-	1,506,679
Lease liabilities	23,259	(6,451)	-	9,436	340	26,584
Total liabilities from financing activities	<u>2,214,586</u>	<u>(706,451)</u>	<u>15,352</u>	<u>9,436</u>	<u>340</u>	<u>1,533,263</u>

* Acquisition of new leases includes changes in lease terms.

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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 30 JUNE 2022

GENERAL INFORMATION

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

FINANCIAL PERFORMANCE

The Group recorded a net profit of RM590 million for the first 6 months of 2022, an increase of RM167 million or 39% compared to the corresponding period last year. This was mainly due to net writeback in expected credit loss allowances of RM145 million as opposed to net charge of RM249 million, supported by customers resuming repayments upon expiry of relief assistance, and a better economic outlook.

The Group's total income for the six-month financial period declined by RM84 million or 6%, largely due to lower commission income of RM56 million and loss on disposal of off-the-run financial investments at FVOCI of RM48 million against gain of RM19 million in the same corresponding period last year, partially offset by higher net trading income of RM40 million, of which higher realised gain on trading derivatives of RM193 million was partially offset by higher foreign exchange loss of RM129 million and higher realised loss on financial assets at FVTPL of RM26 million.

Operating expenses were well managed and reduced by RM18 million or 3% against the corresponding period last year.

After deducting proposed dividends, the Group and the Bank remained well capitalised with Common Equity Tier 1 capital ratios of 15.508% and 14.724%, Tier 1 capital ratios of 15.508% and 14.724%, and Total Capital ratios of 18.110% and 17.792%, respectively.

ECONOMIC PERFORMANCE AND PROSPECTS

Malaysia's economy grew by 5% in the first quarter of 2022 supported by increases in domestic and external demand, and labour market recovery. With the reopening of international borders, the tourism sector is expected to recover. The economic growth was aided by the National Budget 2022 expansionary measures and resumption of projects with high multiplier effects that helped to sustain the incremental gains, supported by implementation of development programmes under the 12th Malaysia Plan. Lingering down-side risks stem from a weaker-than-expected global growth, an escalation of geopolitical conflicts, and worsening supply chain disruptions.

BNM raised the Overnight Policy Rate twice during the year from 1.75% in January to 2.25% as at 6 July 2022 to reduce the degree of monetary accommodation amid the positive growth prospects for the Malaysian economy.

While some tightening in funding conditions is expected in 2022, banks remain well capitalised with strong liquidity and funding positions to support the economic recovery as we transition to coronavirus endemicity.

1 BASIS OF PREPARATION

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

The unaudited condensed interim financial statements are presented in Ringgit Malaysia ("RM"), which is the Bank's functional currency. All financial information presented in RM have been rounded to the nearest thousand, unless otherwise stated.

(a) Statement of compliance

The unaudited condensed interim financial statements of the Group and the Bank have been prepared under the historical cost convention except for the assets and liabilities which are stated at fair values as disclosed in the notes to the unaudited condensed interim financial statements: financial assets at FVTPL, financial investments at FVOCI, loans, advances and financing at FVTPL and derivative financial instruments. The unaudited condensed interim financial statements have been prepared in accordance with Malaysian Financial Reporting Standard ("MFRS") 134, *Interim Financial Reporting*, International Accounting Standard 34, *Interim Financial Reporting* and applicable Shariah requirements (operations of Islamic Banking).

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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 30 JUNE 2022 (continued)

1 BASIS OF PREPARATION (continued)

(a) Statement of compliance (continued)

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

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

- Amendments to MFRS 3, *Business Combinations - Reference to the Conceptual Framework*
- Amendments to MFRS 116, *Property, Plant and Equipment - Proceeds before Intended Use*
- Amendments to MFRS 137, *Provisions, Contingent Liabilities and Contingent Assets - Onerous Contracts - Cost of Fulfilling a Contract*
- *Annual Improvements to MFRS Standards 2018-2020*

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

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

Effective for annual periods commencing on or after 1 January 2023

- Amendments to MFRS 101, *Presentation of Financial Statements and MFRS Practice Statement 2, Making Materiality Judgements - Disclosure of Accounting Policies*
- Amendments to MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates*
- Amendments to MFRS 112, *Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

Effective date to be announced by MASB

- Amendments to MFRS 10 and MFRS 128, *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, which are relevant to the Group and the Bank, when they become effective in the respective financial periods. The initial application of the abovementioned accounting standards and amendments are not expected to have any material impact to the financial statements of the Group and the Bank.

(b) Use of estimates and judgements

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

In preparing these unaudited condensed interim financial statements, the significant judgements made by management in applying the Group's and the Bank's accounting policies and the key sources of estimation uncertainty were the same as those applied to the audited financial statements as at and for the financial year ended 31 December 2021.

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2 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied by the Group and the Bank in these unaudited condensed interim financial statements are the same as those applied by the Group and the Bank in the audited financial statements as at 31 December 2021 and for the financial year ended then, except as disclosed in Note 1(a).

3 AUDITOR'S REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditor's report on the financial statements for the financial year ended 31 December 2021 was not subject to any qualification.

4 SEASONALITY OF OPERATIONS

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

5 DEBT AND EQUITY SECURITIES

The Bank's subsidiary, OCBC Al-Amin Bank Berhad, redeemed its RM200 million Murabahah subordinated Sukuk, which was subscribed by the Bank, on its callable date on 24 May 2022.

There were no other issuances, cancellations, repurchases and repayments of debt and securities by the Group and Bank during the financial period ended 30 June 2022.

6 CHANGES IN COMPOSITION OF THE GROUP

There were no changes in the composition of the Group during the financial period ended 30 June 2022.

7 DIVIDENDS

The Directors recommend an interim dividend of 138 sen per ordinary share in respect of the financial period ended 30 June 2022 totalling RM396,750,000.

8 SUBSEQUENT EVENTS

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

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

There was no unusual item affecting the assets, liabilities, equity, net income or cash flows of the Group and the Bank for the financial period ended 30 June 2022.

10 CASH AND CASH EQUIVALENTS

	Group		Bank	
	30 June 2022 RM'000	31 December 2021 RM'000	30 June 2022 RM'000	31 December 2021 RM'000
Cash and balances with banks and other financial institutions	478,523	597,312	376,020	505,341
Money at call and deposit placements with financial institutions maturing within one month	2,291,346	148,818	2,474,818	417,583
Deposit placements with Bank Negara Malaysia	7,265,171	4,082,429	4,520,700	1,994,000
	10,035,040	4,828,559	7,371,538	2,916,924
ECL allowance	(31)	(31)	(31)	(31)
	10,035,009	4,828,528	7,371,507	2,916,893

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10 CASH AND CASH EQUIVALENTS (continued)

	Group		Bank	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
	RM'000	RM'000	RM'000	RM'000
(a) By geography determined based on where the credit risk resides				
Malaysia	9,767,251	4,374,847	7,178,314	2,526,515
Singapore	108,773	139,782	67,059	108,476
Other ASEAN countries	23,257	7,126	21,900	6,198
Rest of the world	135,759	306,804	104,265	275,735
	<u>10,035,040</u>	<u>4,828,559</u>	<u>7,371,538</u>	<u>2,916,924</u>

(b) Included in the Bank's cash and cash equivalents are deposits and placements with its Islamic Banking subsidiary, OCBC Al-Amin Bank Berhad, of RM183 million (31 December 2021: RM269 million), which are unsecured and profit bearing.

(c) Movements in ECL allowance

Group	30 June 2022			31 December 2021		
	Stage 1 12 months ECL	Stage 2 Lifetime ECL	Total ECL non credit- impaired	Stage 1 12 months ECL	Stage 2 Lifetime ECL	Total ECL non credit- impaired
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January	31	-	31	18	-	18
New financial assets originated or purchased	12	-	12	9	-	9
Financial assets derecognised	(2)	-	(2)	(9)	-	(9)
Net remeasurement during the period/year	(10)	-	(10)	12	-	12
Other movements	-	-	-	1	-	1
At 30 June/31 December	<u>31</u>	<u>-</u>	<u>31</u>	<u>31</u>	<u>-</u>	<u>31</u>
Bank						
At 1 January	31	-	31	18	-	18
New financial assets originated or purchased	2	-	2	9	-	9
Financial assets derecognised	(2)	-	(2)	(9)	-	(9)
Net remeasurement during the period/year	-	-	-	12	-	12
Other movements	-	-	-	1	-	1
At 30 June/31 December	<u>31</u>	<u>-</u>	<u>31</u>	<u>31</u>	<u>-</u>	<u>31</u>

11 DEPOSITS AND PLACEMENTS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS

	Group		Bank	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
	RM'000	RM'000	RM'000	RM'000
Licensed banks	483,302	449,235	747,743	670,111
Stage 1 ECL allowance	(11)	(8)	(11)	(8)
	<u>483,291</u>	<u>449,227</u>	<u>747,732</u>	<u>670,103</u>

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11 DEPOSITS AND PLACEMENTS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS (continued)

	Group		Bank	
	30 June	31 December	30 June	31 December
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
(a) By geography determined based on where the credit risk resides				
Malaysia	483,302	339,926	747,743	560,802
Singapore	-	108,223	-	108,223
Rest of the world	-	1,086	-	1,086
	483,302	449,235	747,743	670,111

(b) By residual contractual maturity

Maturity within one year	483,302	449,235	747,743	670,111
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(c) Included in the Bank's deposits and placements with licensed banks are deposits and placements with its Islamic Banking subsidiary, OCBC Al-Amin Bank Berhad, of RM264 million (31 December 2021: RM221 million), which are unsecured and profit bearing.

(d) Movements in ECL allowance

	Group		Bank	
	30 June	31 December	30 June	31 December
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Stage 1 ECL				
At 1 January	8	-	8	-
New financial assets originated or purchased	5	50	15	50
Financial assets derecognised	(1)	(15)	(1)	(15)
Net remeasurement during the period/year	(2)	(28)	(12)	(28)
Other movements	1	1	1	1
At 30 June/31 December	11	8	11	8

12 INVESTMENT ACCOUNT PLACEMENTS

Bank	30 June	31 December
	2022	2021
	RM'000	RM'000
Restricted Profit Sharing Investment Accounts	3,221,217	2,603,872
ECL allowance	(37,462)	(36,440)
	3,183,755	2,567,432

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

Malaysia	3,221,217	2,603,872
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12 INVESTMENT ACCOUNT PLACEMENTS (continued)

	30 June 2022	31 December 2021
	RM'000	RM'000
(b) By residual contractual maturity		
Within one year	3,190,575	2,566,162
Over five years	30,642	37,710
	<u>3,221,217</u>	<u>2,603,872</u>

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

(c) Movements in ECL allowance

Bank	<i>Non credit-impaired</i>		<i>Credit-impaired</i>	Total
	Stage 1	Stage 2	Stage 3	
	RM'000	RM'000	RM'000	RM'000
2022				
At 1 January	2,970	701	32,769	36,440
New financial assets originated or purchased	767	-	-	767
Financial assets derecognised	(26)	-	-	(26)
Net remeasurement during the period	1,578	830	(2,127)	281
At 30 June	<u>5,289</u>	<u>1,531</u>	<u>30,642</u>	<u>37,462</u>
2021				
At 1 January	1,776	-	32,769	34,545
Transferred to Stage 2	(313)	313	-	-
New financial assets originated or purchased	3,765	-	-	3,765
Financial assets derecognised	(176)	-	-	(176)
Net remeasurement during the year	(2,095)	388	-	(1,707)
Other movements	13	-	-	13
At 31 December	<u>2,970</u>	<u>701</u>	<u>32,769</u>	<u>36,440</u>

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

	Group		Bank	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
	RM'000	RM'000	RM'000	RM'000
At fair value				
Malaysian Government Investment Issues	221,910	574,337	221,910	574,337
Malaysian Government Securities	457,082	957,467	457,082	957,467
Malaysian Government Treasury Bills	572,480	256,356	572,480	256,356
Corporate Bonds and Sukuk	20,056	45,108	14,988	35,018
	<u>1,271,528</u>	<u>1,833,268</u>	<u>1,266,460</u>	<u>1,823,178</u>

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

	Group		Bank	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
	RM'000	RM'000	RM'000	RM'000
At fair value				
Malaysian Government Investment Issues	6,177,088	7,772,731	4,390,866	5,694,130
Malaysian Government Securities	5,106,657	4,549,807	5,106,657	4,549,807
Malaysian Treasury Bills and Islamic Treasury Bills	853,003	2,002,423	589,742	1,456,004
Malaysian Government Debt Securities and Sukuk	30,156	30,543	30,156	30,543
Foreign Government Debt Securities and Sukuk	-	161,226	-	161,226
Negotiable Instruments of Deposit and Islamic Negotiable Instruments of Deposit	2,377,269	1,248,206	1,778,214	698,711
Corporate and Islamic Corporate Bonds, Sukuk and Sanadat Mudharabah Cagamas	2,428,897	3,015,614	2,120,326	2,671,235
Unquoted shares in Malaysia				
- Cagamas Holdings Berhad	85,595	83,597	85,595	83,597
- Others	23,945	32,450	23,945	32,450
	17,082,610	18,896,597	14,125,501	15,377,703

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

	30 June 2022			31 December 2021		
	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						
At 1 January	415	31	446	1,916	-	1,916
Transferred to Stage 1	-	-	-	48	(48)	-
Transferred to Stage 2	-	-	-	(72)	72	-
New financial assets originated or purchased	147	-	147	574	-	574
Financial assets derecognised	(157)	(16)	(173)	(736)	(10)	(746)
Net remeasurement during the period/year	72	(15)	57	(1,336)	17	(1,319)
Other movements	7	-	7	21	-	21
At 30 June/31 December	484	-	484	415	31	446
Bank						
At 1 January	361	31	392	1,826	-	1,826
Transferred to Stage 1	-	-	-	48	(48)	-
Transferred to Stage 2	-	-	-	(65)	65	-
New financial assets originated or purchased	86	-	86	393	-	393
Financial assets derecognised	(110)	(16)	(126)	(634)	(4)	(638)
Net remeasurement during the period/year	85	(15)	70	(1,228)	18	(1,210)
Other movements	7	-	7	21	-	21
At 30 June/31 December	429	-	429	361	31	392

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15 LOANS, ADVANCES AND FINANCING

	Group		Bank	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
	RM'000	RM'000	RM'000	RM'000
At amortised cost				
Overdrafts	2,614,409	2,585,536	2,124,435	2,145,481
Term loans/financing:				
- Housing loans/financing	20,725,618	21,667,064	19,008,990	19,870,536
- Syndicated term loans/financing	7,569,457	7,389,689	5,433,186	5,201,915
- Hire purchase receivables	300,209	285,998	37,183	32,116
- Other term loans/financing	20,810,325	21,207,975	16,075,551	16,463,917
Credit cards	470,779	500,460	470,779	500,460
Bills receivable	77,401	137,955	32,776	105,279
Trust receipts	29,826	30,395	29,522	30,395
Claims on customers under acceptance credits	2,955,903	2,583,166	2,588,025	2,240,143
Revolving credit	9,081,493	8,986,911	5,655,607	6,009,014
Staff loans/financing	42,792	42,684	42,792	42,684
Other loans/financing	2,196,203	2,337,184	2,096,015	2,206,007
Gross loans, advances and financing	66,874,415	67,755,017	53,594,861	54,847,947
ECL allowance	(1,725,968)	(1,923,328)	(1,266,507)	(1,449,037)
Net loans, advances and financing	65,148,447	65,831,689	52,328,354	53,398,910
(a) By type of customer				
Domestic banking institutions	413	-	413	-
Domestic non-bank financial institutions	2,616,597	2,524,749	1,012,056	1,216,049
Domestic business enterprises				
- Small and medium enterprises	13,065,534	13,935,576	10,798,817	11,534,668
- Others	25,829,952	24,608,190	18,637,525	17,838,253
Individuals	22,975,342	24,035,508	21,084,548	22,045,361
Foreign entities	2,386,577	2,650,994	2,061,502	2,213,616
	66,874,415	67,755,017	53,594,861	54,847,947
(b) By interest/profit rate sensitivity				
Fixed rate				
- Housing loans/financing	90,088	109,722	11,744	20,503
- Hire purchase receivables	194,254	179,736	22,883	21,778
- Other fixed rate loans/financing	7,526,782	7,096,688	6,456,685	5,975,709
Variable rate				
- Base rate/Base lending rate/Base financing rate plus	33,359,067	35,054,619	29,552,500	31,142,775
- Cost plus	24,633,889	23,339,108	16,502,814	15,742,111
- Other variable rates	1,070,335	1,975,144	1,048,235	1,945,071
	66,874,415	67,755,017	53,594,861	54,847,947

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15 LOANS, ADVANCES AND FINANCING (continued)

	Group		Bank	
	30 June	31 December	30 June	31 December
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
(c) By sector				
Agriculture, hunting, forestry and fishing	3,880,887	3,828,870	2,272,301	2,460,396
Mining and quarrying	438,386	547,050	258,975	284,851
Manufacturing	8,680,476	8,440,462	6,752,615	6,489,915
Electricity, gas and water	541,367	577,508	502,946	531,369
Construction	2,617,293	2,637,464	1,533,928	1,605,714
Real estate	8,636,073	8,737,219	7,456,912	7,592,183
Wholesale & retail trade and restaurants & hotels	7,992,881	7,891,526	6,907,334	6,765,437
Transport, storage and communication	2,145,686	2,165,923	948,267	998,322
Finance, insurance and business services	3,444,773	3,414,895	1,519,555	1,778,669
Community, social and personal services	3,642,144	3,529,469	2,581,570	2,453,906
Household				
- Purchase of residential properties	21,548,751	22,536,086	19,823,625	20,730,743
- Purchase of non-residential properties	738,905	785,409	688,088	734,208
- Others	2,329,015	2,432,794	2,115,714	2,193,890
Others	237,778	230,342	233,031	228,344
	66,874,415	67,755,017	53,594,861	54,847,947
(d) By geography determined based on where the credit risk resides				
Malaysia	64,676,416	65,333,495	51,689,809	52,795,891
Singapore	1,269,110	1,366,595	1,206,921	1,297,966
Other ASEAN countries	248,049	309,316	230,530	253,004
Rest of the world	680,840	745,611	467,601	501,086
	66,874,415	67,755,017	53,594,861	54,847,947
(e) By residual contractual maturity				
Up to one year	16,684,862	18,867,220	11,663,865	14,517,255
Over one year to three years	5,336,008	5,132,932	4,588,601	4,018,451
Over three years to five years	9,358,974	7,744,271	6,126,967	4,997,280
Over five years	35,494,571	36,010,594	31,215,428	31,314,961
	66,874,415	67,755,017	53,594,861	54,847,947

16 IMPAIRED LOANS, ADVANCES AND FINANCING

(i) Movements in impaired loans, advances and financing

	Group		Bank	
	30 June	31 December	30 June	31 December
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
At 1 January	2,443,262	1,929,115	1,898,710	1,314,024
Impaired during the period/year	802,677	1,862,420	698,808	1,606,597
Reclassified as non credit-impaired	(57,201)	(263,113)	(42,769)	(238,893)
Amount recovered	(292,550)	(830,963)	(256,319)	(597,967)
Amount written off	(61,590)	(254,771)	(44,120)	(185,625)
Effect of foreign exchange difference	-	574	-	574
At 30 June/31 December	2,834,598	2,443,262	2,254,310	1,898,710
Stage 3 ECL allowance	(642,384)	(531,926)	(389,616)	(311,031)
Net impaired loans, advances and financing	2,192,214	1,911,336	1,864,694	1,587,679

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16 IMPAIRED LOANS, ADVANCES AND FINANCING (continued)

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

	Group		Bank	
	30 June 2022 RM'000	31 December 2021 RM'000	30 June 2022 RM'000	31 December 2021 RM'000
(a) By sector				
Agriculture, hunting, forestry and fishing	27,620	27,451	24,854	24,489
Mining and quarrying	15,459	14,442	15,459	14,442
Manufacturing	509,620	528,549	482,224	496,781
Electricity, gas and water	107,278	-	107,278	-
Construction	120,288	101,510	57,922	40,105
Real estate	224,483	197,791	189,433	192,160
Wholesale & retail trade and restaurants & hotels	510,688	491,015	311,305	294,246
Transport, storage and communication	48,324	51,505	11,450	8,092
Finance, insurance and business services	27,374	43,740	17,518	27,336
Community, social and personal services	48,103	47,518	46,719	39,292
Household				
- Purchase of residential properties	1,033,512	796,033	860,643	649,118
- Purchase of non-residential properties	20,902	20,020	19,768	18,883
- Others	140,435	123,688	109,737	93,766
Others	512	-	-	-
	2,834,598	2,443,262	2,254,310	1,898,710
(b) By geography determined based on where the credit risk resides				
Malaysia	2,730,234	2,366,972	2,157,077	1,828,599
Singapore	69,334	56,198	66,485	50,070
Rest of the world	35,030	20,092	30,748	20,041
	2,834,598	2,443,262	2,254,310	1,898,710
(c) By collateral type				
Property	1,945,202	1,656,407	1,629,414	1,383,412
Fixed deposits	3,825	4,476	3,825	4,476
Stock and shares	5,000	42,502	5,000	6,174
Machinery	33	2,211	-	-
Secured - others	40,720	48,454	17,602	15,715
Unsecured - corporate and other guarantees	195,298	133,837	52,663	53,721
Unsecured - clean	644,520	555,375	545,806	435,212
	2,834,598	2,443,262	2,254,310	1,898,710

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16 IMPAIRED LOANS, ADVANCES AND FINANCING (continued)

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

	<i>Non credit-impaired</i>			<i>Credit-</i>	30 June	<i>Non credit-impaired</i>		<i>Credit-</i>	31 December
	Stage 1	Stage 2	Stage 3	<i>impaired</i>	2022	Stage 1	Stage 2	<i>impaired</i>	2021
	RM'000	RM'000	RM'000	RM'000	Total	RM'000	RM'000	RM'000	Total
Group									
At 1 January	164,509	1,226,893	531,926		1,923,328	316,391	681,077	464,752	1,462,220
Transferred to Stage 1	135,180	(131,727)	(3,453)		-	296,613	(281,464)	(15,149)	-
Transferred to Stage 2	(15,957)	21,234	(5,277)		-	(149,027)	176,670	(27,643)	-
Transferred to Stage 3	(154)	(115,738)	115,892		-	(2,183)	(212,362)	214,545	-
New financial assets originated or purchased	60,019	100,063	-		160,082	163,988	262,368	-	426,356
Financial assets derecognised	(44,701)	(110,519)	(23,293)		(178,513)	(129,502)	(266,794)	(34,752)	(431,048)
Net remeasurement during the period/year	(134,173)	(74,392)	106,492		(102,073)	(333,368)	865,868	208,499	740,999
Written off	-	-	(61,590)		(61,590)	-	-	(254,771)	(254,771)
Other movements	782	2,265	(18,313)		(15,266)	1,597	1,530	(23,555)	(20,428)
At 30 June/31 December	165,505	918,079	642,384		1,725,968	164,509	1,226,893	531,926	1,923,328
At 1 January									
- Loans, advances and financing	123,186	1,019,603	531,926		1,674,715	229,612	541,775	464,752	1,236,139
- Credit commitments and financial guarantees	41,323	207,290	-		248,613	86,779	139,302	-	226,081
	164,509	1,226,893	531,926		1,923,328	316,391	681,077	464,752	1,462,220
At 30 June/31 December									
- Loans, advances and financing	123,777	737,399	642,384		1,503,560	123,186	1,019,603	531,926	1,674,715
- Credit commitments and financial guarantees	41,728	180,680	-		222,408	41,323	207,290	-	248,613
	165,505	918,079	642,384		1,725,968	164,509	1,226,893	531,926	1,923,328

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16 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>	30 June 2022	<i>Non credit-impaired</i>		<i>Credit-impaired</i>	31 December 2021
	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								
At 1 January	130,289	1,007,717	311,031	1,449,037	248,182	538,952	315,437	1,102,571
Transferred to Stage 1	114,127	(111,630)	(2,497)	-	235,166	(222,579)	(12,587)	-
Transferred to Stage 2	(12,896)	16,006	(3,110)	-	(110,909)	136,496	(25,587)	-
Transferred to Stage 3	(88)	(99,664)	99,752	-	(1,391)	(159,803)	161,194	-
New financial assets originated or purchased	51,530	76,439	-	127,969	138,263	221,234	-	359,497
Financial assets derecognised	(40,073)	(87,193)	(18,127)	(145,393)	(116,256)	(222,275)	(27,336)	(365,867)
Net remeasurement during the period/year	(113,157)	(56,139)	61,163	(108,133)	(263,692)	714,475	102,005	552,788
Written off	-	-	(44,120)	(44,120)	-	-	(185,625)	(185,625)
Other movements	694	929	(14,476)	(12,853)	926	1,217	(16,470)	(14,327)
At 30 June/31 December	130,426	746,465	389,616	1,266,507	130,289	1,007,717	311,031	1,449,037
At 1 January								
- Loans, advances and financing	92,139	831,600	311,031	1,234,770	167,272	425,394	315,437	908,103
- Credit commitments and financial guarantees	38,150	176,117	-	214,267	80,910	113,558	-	194,468
	130,289	1,007,717	311,031	1,449,037	248,182	538,952	315,437	1,102,571
At 30 June/31 December								
- Loans, advances and financing	92,158	592,179	389,616	1,073,953	92,139	831,600	311,031	1,234,770
- Credit commitments and financial guarantees	38,268	154,286	-	192,554	38,150	176,117	-	214,267
	130,426	746,465	389,616	1,266,507	130,289	1,007,717	311,031	1,449,037

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16 IMPAIRED LOANS, ADVANCES AND FINANCING (continued)

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

(a) By sector

	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 RM'000	Stage 3 RM'000	Made during the period (Note 29) RM'000	Written off RM'000	Stage 1 and 2 RM'000	Stage 3 RM'000	Made during the period (Note 29) RM'000	Written off RM'000
30 June 2022								
Agriculture, hunting, forestry and fishing	41,604	1,130	421	14	13,871	1,105	421	14
Mining and quarrying	4,314	8,955	442	21	1,672	438	-	-
Manufacturing	142,637	83,985	20,946	1,407	105,080	83,985	20,946	1,407
Electricity, gas and water	5,843	-	-	-	4,976	-	-	-
Construction	186,203	51,832	1,088	166	140,998	-	-	-
Real estate	56,070	23,346	9,817	2,835	47,905	23,346	9,817	2,835
Wholesale & retail trade and restaurants & hotels	146,255	107,783	58,440	4,259	126,528	20,230	18,098	38
Transport, storage and communication	31,305	90,705	38,161	13,647	23,111	58,889	37,733	13,647
Finance, insurance and business services	30,259	4,823	6,986	5,024	21,375	3,379	2,028	467
Community, social and personal services	4,265	3,961	5,102	990	-	3,352	3,300	982
Household								
- Purchase of residential properties	292,746	51,460	20,258	7,036	268,698	2,682	3,474	467
- Purchase of non-residential properties	9,795	159,779	83,875	18,323	8,343	159,657	83,779	18,323
- Others	109,379	24,419	5,906	3,299	91,425	2,347	2,241	1,371
Others	22,909	30,206	10,485	4,569	22,909	30,206	10,485	4,569
	1,083,584	642,384	261,927	61,590	876,891	389,616	192,322	44,120

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16 IMPAIRED LOANS, ADVANCES AND FINANCING (continued)

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

(a) By sector (continued)

	Group				Bank			
	Non credit- impaired	Credit- impaired	Stage 3		Non credit- impaired	Credit- impaired	Stage 3	
	Stage 1 and 2	Stage 3	Made during the year (Note 29)	Written off	Stage 1 and 2	Stage 3	Made during the year (Note 29)	Written off
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
31 December 2021								
Agriculture, hunting, forestry and fishing	45,170	1,038	1,172	179	17,175	896	927	138
Mining and quarrying	6,366	707	5,662	12,141	3,031	707	5,662	12,141
Manufacturing	152,650	94,186	64,181	9,759	111,523	84,851	58,819	8,051
Electricity, gas and water	9,768	-	-	-	8,984	-	-	-
Construction	228,814	69,258	93,193	36,763	181,455	18,039	6,219	1,947
Real estate	67,079	2,866	23,094	83,881	56,349	2,866	23,094	83,881
Wholesale & retail trade and restaurants & hotels	215,116	102,751	77,934	22,849	182,152	44,747	51,807	17,445
Transport, storage and communication	38,371	35,681	6,955	2,426	29,275	2,102	4,487	1,014
Finance, insurance and business services	45,924	3,797	12,375	4,968	34,974	2,009	4,784	2,406
Community, social and personal services	5,141	1,462	2,607	440	-	1,310	2,595	430
Household								
- Purchase of residential properties	364,384	164,562	183,932	42,730	326,338	121,531	150,833	34,417
- Purchase of non-residential properties	17,764	1,980	5,081	3,583	16,427	1,943	5,035	3,583
- Others	164,474	53,638	60,468	35,052	139,986	30,030	37,639	20,172
Others	30,381	-	-	-	30,337	-	-	-
	1,391,402	531,926	536,654	254,771	1,138,006	311,031	351,901	185,625

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16 IMPAIRED LOANS, ADVANCES AND FINANCING (continued)

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

(b) By geographical distribution

	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
30 June 2022						
Malaysia	985,094	641,155	1,626,249	803,177	389,586	1,192,763
Singapore	24,968	310	25,278	23,795	24	23,819
Other ASEAN countries	1,349	47	1,396	1,342	-	1,342
Rest of the world	72,173	872	73,045	48,577	6	48,583
	1,083,584	642,384	1,725,968	876,891	389,616	1,266,507
31 December 2021						
Malaysia	1,314,890	510,310	1,825,200	1,089,380	290,877	1,380,257
Singapore	33,305	16,295	49,600	32,032	14,884	46,916
Other ASEAN countries	2,824	51	2,875	2,100	-	2,100
Rest of the world	40,383	5,270	45,653	14,494	5,270	19,764
	1,391,402	531,926	1,923,328	1,138,006	311,031	1,449,037

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17 DERIVATIVE FINANCIAL ASSETS AND LIABILITIES

Group	30 June 2022			31 December 2021		
	Contract or underlying principal amount RM'000	Fair value		Contract or underlying principal amount RM'000	Fair value	
		Assets RM'000	Liabilities RM'000		Assets RM'000	Liabilities RM'000
Trading						
Foreign exchange derivatives						
- Forwards	6,099,863	87,834	29,465	5,893,921	15,665	23,195
- Swaps	27,953,802	629,867	527,990	16,613,329	328,149	221,604
- Options	1,287,526	12,243	1,798	590,916	3,991	126
Interest rate derivatives						
- Swaps	44,101,082	463,877	408,135	45,434,944	341,219	384,858
- Futures	44,074	-	303	200,412	13	29
Equity and other derivatives						
- Swaps	873,041	72,108	72,108	1,361,364	111,160	111,160
- Futures	59	-	-	4,910	-	32
- Options	966,712	87,233	87,233	915,805	103,074	103,074
- Commodity related contracts	20,441	2,371	2,371	73,450	5,612	5,611
- Credit linked notes	1,000,700	58,584	58,584	690,600	9,636	9,636
- Credit default swaps	387,847	2,450	2,450	33,402	35	35
	82,735,147	1,416,567	1,190,437	71,813,053	918,554	859,360
Hedging						
Interest rate derivatives						
- Swaps	937,037	29,297	1,334	735,876	8,953	714
	83,672,184	1,445,864	1,191,771	72,548,929	927,507	860,074
Bank						
Trading						
Foreign exchange derivatives						
- Forwards	6,123,014	87,548	29,421	5,849,651	15,270	23,207
- Swaps	27,975,895	629,922	527,990	16,757,078	328,723	221,957
- Options	1,287,526	12,243	1,798	590,916	3,991	126
Interest rate derivatives						
- Swaps	44,101,082	463,877	408,116	45,434,944	341,779	384,858
- Futures	44,074	-	303	200,412	13	29
Equity and other derivatives						
- Swaps	873,041	72,108	72,108	1,361,364	111,160	111,160
- Futures	59	-	-	4,910	-	32
- Options	966,712	87,233	87,233	915,805	103,074	103,074
- Commodity related contracts	20,441	2,371	2,371	73,450	5,612	5,611
- Credit linked notes	1,000,700	58,584	58,584	690,600	9,636	9,636
- Credit default swaps	387,847	2,450	2,450	33,402	35	35
	82,780,391	1,416,336	1,190,374	71,912,532	919,293	859,725
Hedging						
Interest rate derivatives						
- Swaps	937,037	29,297	1,334	735,876	8,953	714
	83,717,428	1,445,633	1,191,708	72,648,408	928,246	860,439

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18 OTHER ASSETS

	Note	Group		Bank	
		30 June 2022	31 December 2021	30 June 2022	31 December 2021
		RM'000	RM'000	RM'000	RM'000
Amount due from subsidiaries	(a)	-	-	93,115	85,745
Interest/Profit receivable		128,694	136,557	110,843	117,595
Unquoted redeemable Islamic subordinated bonds of subsidiary	(b)	-	-	-	200,000
Other receivables, deposits and prepayments		189,499	213,229	184,266	205,378
Amount due from holding company		190	682	190	682
		318,383	350,468	388,414	609,400

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

(b) On 24 November 2016, the Bank subscribed for RM200 million redeemable 10 years non-callable 5 years subordinated Sukuk issued by OCBC Al-Amin under the principle of Murabahah at a profit rate of 4.80% per annum payable semi-annually in arrears from the issue date. The Murabahah subordinated Sukuk qualified as Tier 2 capital for the purpose of determining the capital adequacy ratio of the Bank. OCBC Al-Amin redeemed in full the Murabahah subordinated Sukuk on its callable date on 24 May 2022.

19 DEPOSITS FROM CUSTOMERS

	Group		Bank	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
	RM'000	RM'000	RM'000	RM'000
(a) By type of deposit				
Demand deposits	24,345,969	23,353,343	17,620,889	17,369,548
Saving deposits	15,643,404	15,800,784	14,664,991	14,895,468
Fixed/General investment deposits	31,112,024	30,774,338	26,323,392	25,665,250
Short-term money market deposits	3,530,769	4,058,152	3,082,083	3,116,497
	74,632,166	73,986,617	61,691,355	61,046,763
(b) By type of customer				
Government and statutory bodies	343,431	180,795	28,800	16,451
Non-bank financial institutions	3,898,631	4,679,027	2,519,334	2,832,093
Business enterprises	28,155,267	27,572,365	21,247,452	21,312,232
Individuals	37,509,075	37,149,206	33,463,463	32,859,783
Foreign entities	3,936,143	3,568,506	3,730,798	3,303,694
Others	789,619	836,718	701,508	722,510
	74,632,166	73,986,617	61,691,355	61,046,763
(c) By residual maturity structure for fixed/term/general investment deposits and short-term money market deposits				
Up to six months	23,957,795	29,594,961	20,733,232	24,277,343
Over six months to one year	9,697,075	5,152,713	7,832,092	4,424,481
Over one year to three years	984,846	76,694	838,237	71,964
Over three years to five years	3,077	8,122	1,914	7,959
	34,642,793	34,832,490	29,405,475	28,781,747

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20 DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	Group		Bank	
	30 June	31 December	30 June	31 December
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Licensed banks and other financial institutions	6,854,409	5,648,806	6,809,018	5,620,070

21 OTHER LIABILITIES

	Group		Bank	
	30 June	31 December	30 June	31 December
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Amount due to subsidiaries	-	-	4,518	1,753
Equity compensation benefits	29,650	21,553	28,610	20,712
Interest/Profit payable	175,496	185,491	154,501	156,205
Structured investments	2,817,134	1,845,729	2,817,134	1,845,729
Lease liabilities	18,102	24,429	15,959	21,620
Other payables and accruals	492,581	534,610	448,949	469,689
Provision for commitments and contingencies	44,919	31,990	17,177	17,211
	3,577,882	2,643,802	3,486,848	2,532,919

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

22 SUBORDINATED BONDS

	Group and Bank	
	30 June	31 December
	2022	2021
	RM'000	RM'000
USD110 million Additional Tier 1 Capital Securities	-	459,279
RM390 million Redeemable Subordinated Bonds 2017/2027	390,000	390,000
RM110 million Redeemable Subordinated Bonds 2017/2027	110,000	110,000
RM550 million Redeemable Subordinated Bond 2020/2030	550,000	550,000
	1,050,000	1,509,279

On 18 March 2022, the Bank redeemed the full amount of the Additional Tier 1 Capital Securities ("AT1CS") of USD110 million in nominal value, without replacement. The AT1CS was issued on 18 September 2015.

23 NET INTEREST INCOME

Group	Quarter ended		Year to date ended	
	30 June	30 June	30 June	30 June
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Interest income				
Loans, advances and financing				
- Interest income other than recoveries	466,598	475,808	909,409	950,407
- Recoveries from impaired loans, advances and financing	26,684	32,616	52,231	53,706
- Discount unwind from impaired loans, advances and financing	7,521	5,677	14,475	10,239
Money at call and deposit placements with banks and other financial institutions	28,439	14,012	44,305	28,195
Financial investments at FVOCI	96,176	95,234	193,633	196,649
Others	4,169	2,032	7,840	4,013
	629,587	625,379	1,221,893	1,243,209
Financial assets at FVTPL	11,426	15,361	23,962	26,802
	641,013	640,740	1,245,855	1,270,011

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23 NET INTEREST INCOME (continued)

	Quarter ended		Year to date ended	
	30 June 2022 RM'000	30 June 2021 RM'000	30 June 2022 RM'000	30 June 2021 RM'000
Interest expense				
Deposits from customers	(205,466)	(213,766)	(399,200)	(436,873)
Deposits and placements of banks and other financial institutions	(9,222)	(671)	(10,149)	(1,242)
Recourse obligation on loans sold to Cagamas Berhad	-	(1,691)	-	(9,299)
Subordinated bonds	(9,773)	(15,504)	(24,296)	(30,719)
Lease liabilities	(109)	(164)	(238)	(340)
Others	(8,243)	(438)	(12,829)	(1,367)
	<u>(232,813)</u>	<u>(232,234)</u>	<u>(446,712)</u>	<u>(479,840)</u>
Net interest income	<u>408,200</u>	<u>408,506</u>	<u>799,143</u>	<u>790,171</u>
Bank				
Interest income				
Loans, advances and financing				
- Interest income other than recoveries	466,598	475,808	909,409	950,407
- Recoveries from impaired loans, advances and financing	26,684	32,616	52,231	53,706
- Discount unwind from impaired loans, advances and financing	7,521	5,677	14,475	10,239
Money at call and deposit placements with banks and other financial institutions	42,499	23,714	71,645	47,054
Financial investments at FVOCI	96,176	95,234	193,633	196,649
Unquoted Islamic subordinated bond of subsidiary	1,394	2,394	3,761	4,761
Others	4,169	2,032	7,840	4,013
	<u>645,041</u>	<u>637,475</u>	<u>1,252,994</u>	<u>1,266,829</u>
Financial assets at FVTPL	11,426	15,361	23,962	26,802
	<u>656,467</u>	<u>652,836</u>	<u>1,276,956</u>	<u>1,293,631</u>
Interest expense				
Deposits from customers	(205,437)	(213,790)	(399,146)	(436,906)
Deposits and placements of banks and other financial institutions	(13,755)	(3,421)	(18,798)	(7,130)
Recourse obligation on loans sold to Cagamas Berhad	-	(1,691)	-	(9,299)
Subordinated bonds	(9,773)	(15,504)	(24,296)	(30,719)
Lease liabilities	(111)	(164)	(238)	(340)
Others	(16,661)	(6,667)	(28,892)	(12,303)
	<u>(245,737)</u>	<u>(241,237)</u>	<u>(471,370)</u>	<u>(496,697)</u>
Net interest income	<u>410,730</u>	<u>411,599</u>	<u>805,586</u>	<u>796,934</u>

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24 INCOME FROM ISLAMIC BANKING OPERATIONS

<u>Group</u>	<u>Quarter ended</u>		<u>Year to date ended</u>	
	<u>30 June</u>	<u>30 June</u>	<u>30 June</u>	<u>30 June</u>
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Income derived from investment of depositors' funds and others	119,314	129,025	234,340	253,830
Income derived from investment of specific investment account funds	18,061	12,876	34,384	24,098
Income derived from investment of shareholder's fund	34,250	30,880	66,632	67,662
Income attributable to depositors	(41,566)	(46,242)	(82,810)	(90,395)
Income attributable to investment account holder	(12,954)	(8,978)	(24,712)	(16,824)
	<u>117,105</u>	<u>117,561</u>	<u>227,834</u>	<u>238,371</u>

25 NET FEE AND COMMISSION INCOME

<u>Group</u>	<u>Quarter ended</u>		<u>Year to date ended</u>	
	<u>30 June</u>	<u>30 June</u>	<u>30 June</u>	<u>30 June</u>
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Commission	55,412	77,672	106,620	164,491
Service charges and fees	45,067	54,120	87,703	85,813
Guarantee fees	127	152	170	389
Other fee income	1,122	1,344	2,443	2,553
	<u>101,728</u>	<u>133,288</u>	<u>196,936</u>	<u>253,246</u>

Bank

Commission	54,869	77,672	104,627	159,901
Service charges and fees	45,067	54,120	87,703	85,813
Guarantee fees	127	152	170	389
Other fee income	1,122	1,344	2,443	2,553
	<u>101,185</u>	<u>133,288</u>	<u>194,943</u>	<u>248,656</u>

26 NET TRADING INCOME

<u>Group and Bank</u>	<u>Quarter ended</u>		<u>Year to date ended</u>	
	<u>30 June</u>	<u>30 June</u>	<u>30 June</u>	<u>30 June</u>
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Foreign exchange loss	(207,169)	(2,203)	(237,590)	(108,983)
Realised loss on financial assets at FVTPL	(23,619)	(247)	(32,296)	(6,684)
Realised gain on trading derivatives	154,468	91,083	200,256	7,749
Unrealised (loss)/gain on financial assets at FVTPL	(637)	2,263	629	(4,476)
Unrealised gain/(loss) on trading derivatives	147,084	(32,210)	205,133	208,624
	<u>70,127</u>	<u>58,686</u>	<u>136,132</u>	<u>96,230</u>

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27 OTHER OPERATING (EXPENSE)/INCOME

<u>Group</u>	Quarter ended		Year to date ended	
	30 June	30 June	30 June	30 June
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
(Loss)/Gain on disposal from financial investments at FVOCI	(33,899)	8,314	(47,851)	18,700
Gross dividends from financial investments at FVOCI in Malaysia	450	625	450	625
Rental of premises	1,028	1,103	2,067	2,199
Rental of safe deposit boxes	1,559	1,585	3,272	3,312
Shared services income received from related company	4,699	4,365	8,606	8,044
Unrealised loss on hedging derivatives	(205)	(2)	(161)	-
Others	211	349	635	647
	<u>(26,157)</u>	<u>16,339</u>	<u>(32,982)</u>	<u>33,527</u>

Bank

(Loss)/Gain on disposal from financial investments at FVOCI	(33,899)	8,314	(47,851)	18,700
Gross dividends from financial investments at FVOCI in Malaysia	450	625	450	625
Rental of premises	1,042	1,119	2,094	2,230
Rental of safe deposit boxes	1,559	1,585	3,272	3,312
Shared services income received from subsidiary	27,892	27,082	53,877	52,264
Shared services income received from related company	4,699	4,365	8,606	8,044
Unrealised loss on hedging derivatives	(205)	(2)	(161)	-
Others	151	345	520	643
	<u>1,689</u>	<u>43,433</u>	<u>20,807</u>	<u>85,818</u>

28 OPERATING EXPENSES

<u>Group</u>	Quarter ended		Year to date ended	
	30 June	30 June	30 June	30 June
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Personnel expenses				
Wages, salaries and bonus	129,131	137,996	235,776	245,982
Employees Provident Fund contributions	20,619	21,183	37,093	39,729
Share-based expenses	3,982	2,514	7,236	5,281
Others	12,444	13,624	26,645	25,258
	<u>166,176</u>	<u>175,317</u>	<u>306,750</u>	<u>316,250</u>

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28 OPERATING EXPENSES (continued)

	Quarter ended		Year to date ended	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
Group (continued)	RM'000	RM'000	RM'000	RM'000
Establishment expenses				
Depreciation of property and equipment	5,707	5,728	11,323	12,109
Depreciation of ROU assets	3,190	3,918	6,548	8,116
Rental of premises	-	-	13	21
Repair and maintenance	3,200	2,538	6,569	4,860
Information technology costs	9,907	11,136	18,722	20,889
Hire of equipment	223	263	456	475
Others	4,404	4,432	8,909	9,069
	<u>26,631</u>	<u>28,015</u>	<u>52,540</u>	<u>55,539</u>
Marketing expenses				
Advertisement and business promotion	4,539	2,281	6,768	3,591
Transport and travelling	555	353	896	648
Others	292	242	689	640
	<u>5,386</u>	<u>2,876</u>	<u>8,353</u>	<u>4,879</u>
General administrative expenses				
Transaction processing fees	87,470	83,137	173,927	164,028
Others	33,233	28,652	69,132	52,355
	<u>120,703</u>	<u>111,789</u>	<u>243,059</u>	<u>216,383</u>
Total operating expenses	318,896	317,997	610,702	593,051
Bank				
Personnel expenses				
Wages, salaries and bonus	123,974	131,692	226,823	236,263
Employees Provident Fund contributions	19,805	20,266	35,601	37,993
Share-based expenses	3,893	2,445	7,058	5,109
Others	11,820	12,851	25,253	23,622
	<u>159,492</u>	<u>167,254</u>	<u>294,735</u>	<u>302,987</u>
Establishment expenses				
Depreciation of property and equipment	5,338	5,235	10,593	11,234
Depreciation of ROU assets	2,826	3,463	5,811	7,206
Rental of premises	-	-	12	23
Repair and maintenance	3,012	2,535	6,213	4,659
Information technology costs	9,760	10,975	18,440	20,559
Hire of equipment	204	234	414	418
Others	3,946	3,852	7,883	7,885
	<u>25,086</u>	<u>26,294</u>	<u>49,366</u>	<u>51,984</u>
Marketing expenses				
Advertisement and business promotion	4,480	2,241	6,609	3,488
Transport and travelling	535	341	862	626
Others	288	242	683	639
	<u>5,303</u>	<u>2,824</u>	<u>8,154</u>	<u>4,753</u>

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28 OPERATING EXPENSES (continued)

	Quarter ended		Year to date ended	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
Bank (continued)	RM'000	RM'000	RM'000	RM'000
General administrative expenses				
Transaction processing fees	82,321	77,786	163,678	153,321
Others	31,064	27,128	65,624	50,475
	<u>113,385</u>	<u>104,914</u>	<u>229,302</u>	<u>203,796</u>
Total operating expenses	<u>303,266</u>	<u>301,286</u>	<u>581,557</u>	<u>563,520</u>

29 IMPAIRMENT ALLOWANCES AND PROVISIONS WRITE BACK/(CHARGE)

	Quarter ended		Year to date ended	
	30 June 2022	30 June 2021	30 June 2022	30 June 2021
Group	RM'000	RM'000	RM'000	RM'000
Loans, advances and financing				
Stage 1 and 2 ECL net write back/(charge) during the period	169,206	(66,078)	307,818	(35,738)
Stage 3 ECL				
- Charge during the period	(173,832)	(230,193)	(261,927)	(314,802)
- Write back	53,399	47,345	71,566	86,720
Impaired loans, advances and financing				
- Recovered during the period	20,855	16,384	40,355	28,173
Financial investments at FVOCI				
Stage 1 and 2 ECL net (charge)/write back during the period	(127)	817	(38)	973
Other financial assets				
Stage 1 and 2 ECL net charge during the period	(12)	(31)	(5)	(27)
Stage 3 ECL net (charge)/write back during the period	(11)	(62)	43	(67)
Commitments and contingencies				
Net write back/(charge) during the period	34	(13,931)	(12,929)	(13,931)
	<u>69,512</u>	<u>(245,749)</u>	<u>144,883</u>	<u>(248,699)</u>

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29 IMPAIRMENT ALLOWANCES AND PROVISIONS WRITE BACK/(CHARGE) (continued)

	Quarter ended		Year to date ended	
	30 June 2022 RM'000	30 June 2021 RM'000	30 June 2022 RM'000	30 June 2021 RM'000
Bank				
Loans, advances and financing				
Stage 1 and 2 ECL net write back/(charge) during the period	153,554	(34,120)	261,115	(21,798)
Stage 3 ECL				
- Charge during the period	(123,533)	(145,914)	(192,322)	(209,119)
- Write back	41,328	42,955	55,141	75,522
Impaired loans, advances and financing				
- Recovered during the period	14,028	10,598	27,395	17,239
Investment account placements				
Stage 1 and 2 ECL net charge during the period	(3,867)	(288)	(3,150)	(404)
Stage 3 ECL net write back during the period	2,128	-	2,128	-
Financial investments at FVOCI				
Stage 1 and 2 ECL net (charge)/write back during the period	(110)	793	(37)	972
Other financial assets				
Stage 1 and 2 ECL net charge during the period	(10)	(31)	(3)	(27)
Stage 3 ECL net (charge)/write back during the period	(11)	(62)	43	(67)
Commitments and contingencies				
Net write back during the period	34	-	34	-
	<u>83,541</u>	<u>(126,069)</u>	<u>150,344</u>	<u>(137,682)</u>

30 INCOME TAX EXPENSE

	Quarter ended		Year to date ended	
	30 June 2022 RM'000	30 June 2021 RM'000	30 June 2022 RM'000	30 June 2021 RM'000
Group				
Malaysian income tax				
- Current period	145,497	62,162	260,631	143,376
- Prior year overprovision	(1)	-	(5,168)	
Deferred tax				
- Origination and reversal of temporary differences	(10,897)	(18,744)	15,466	2,734
	<u>134,599</u>	<u>43,418</u>	<u>270,929</u>	<u>146,110</u>
Bank				
Malaysian income tax				
- Current period	127,439	69,851	223,293	129,010
- Prior year overprovision	-	-	1,878	-
Deferred tax				
- Origination and reversal of temporary differences	(9,673)	(14,741)	13,487	6,556
	<u>117,766</u>	<u>55,110</u>	<u>238,658</u>	<u>135,566</u>

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31 COMMITMENTS AND CONTINGENCIES

In the normal course of business, the Group and the Bank make various commitments and incur certain contingent liabilities with legal recourse to their customers. No material losses are anticipated as a result of these transactions.

The credit equivalent and risk weighted amounts were computed using the credit conversion factors and risk weights as defined in BNM's Capital Adequacy Framework (Basel II) - Internal Ratings Approach.

<u>Group</u>	<u>Principal amount</u>	<u>Credit equivalent amount</u>	<u>Risk weighted amount</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
30 June 2022			
Direct credit substitutes	120,528	120,528	112,210
Transaction-related contingent items	3,156,417	1,619,200	911,085
Short-term self-liquidating trade-related contingencies	305,251	69,781	33,907
Foreign exchange related contracts			
- One year or less	29,747,289	250,788	154,419
- Over one year to five years	5,544,170	986,439	460,499
- Over five years	49,732	3,548	3,603
Interest rate contracts			
- One year or less	15,066,005	3,802	1,552
- Over one year to five years	26,308,457	355,470	69,381
- Over five years	3,707,731	81,127	42,636
Equity and commodity related contracts	1,860,253	92,415	29,929
Credit derivative contracts	1,388,547	21,888	2,014
Formal standby facilities and credit lines			
- Original maturity up to one year	77,000	57,750	63,823
- Original maturity over one year	4,442,486	3,786,466	2,182,397
Other unconditionally cancellable commitments	20,182,837	2,252,840	375,926
Total	<u>111,956,703</u>	<u>9,702,042</u>	<u>4,443,381</u>
31 December 2021			
Direct credit substitutes	139,131	139,131	127,908
Transaction-related contingent items	3,053,501	1,564,286	927,029
Short-term self-liquidating trade-related contingencies	333,585	70,936	40,619
Foreign exchange related contracts			
- One year or less	17,335,062	100,889	49,402
- Over one year to five years	5,228,375	684,349	428,700
- Over five years	534,729	46,272	52,597
Interest rate contracts			
- One year or less	19,303,544	12,228	4,682
- Over one year to five years	22,539,814	381,716	84,008
- Over five years	4,527,874	221,425	147,019
Equity and commodity related contracts	2,355,529	48,207	13,957
Credit derivative contracts	724,002	13,350	1,701
Formal standby facilities and credit lines			
- Original maturity up to one year	13,000	9,750	6,060
- Original maturity over one year	4,930,354	4,163,894	2,437,543
Other unconditionally cancellable commitments	19,677,745	2,301,934	393,645
Total	<u>100,696,245</u>	<u>9,758,367</u>	<u>4,714,870</u>

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31 COMMITMENTS AND CONTINGENCIES (continued)

<u>Bank</u>	<u>Principal amount</u>	<u>Credit equivalent amount</u>	<u>Risk weighted amount</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
30 June 2022			
Direct credit substitutes	74,883	74,883	74,505
Transaction-related contingent items	2,717,269	1,396,441	767,638
Short-term self-liquidating trade-related contingencies	244,318	57,594	25,932
Foreign exchange related contracts			
- One year or less	29,814,514	250,175	153,997
- Over one year to five years	5,522,189	986,439	460,499
- Over five years	49,732	3,548	3,603
Interest rate contracts			
- One year or less	15,066,005	3,802	1,552
- Over one year to five years	26,308,457	355,470	69,381
- Over five years	3,707,731	81,127	43,618
Equity and commodity related contracts	1,860,253	92,415	29,929
Credit derivative contracts	1,388,547	21,888	2,014
Formal standby facilities and credit lines			
- Original maturity over one year	3,933,260	3,383,826	1,910,055
Other unconditionally cancellable commitments	17,693,485	2,091,042	348,345
Total	<u>108,388,643</u>	<u>8,804,650</u>	<u>3,896,786</u>
31 December 2021			
Direct credit substitutes	93,587	93,587	79,901
Transaction-related contingent items	2,687,912	1,378,217	803,846
Short-term self-liquidating trade-related contingencies	282,802	60,550	34,376
Foreign exchange related contracts			
- One year or less	17,435,091	101,180	48,978
- Over one year to five years	5,227,825	684,348	427,812
- Over five years	534,729	46,272	52,596
Interest rate contracts			
- One year or less	19,303,544	12,227	4,682
- Over one year to five years	22,539,814	381,716	84,008
- Over five years	4,527,874	221,424	122,747
Equity and commodity related contracts	2,355,529	48,206	13,957
Credit derivative contracts	724,002	13,350	1,701
Formal standby facilities and credit lines			
- Original maturity up to one year	10,000	7,500	4,078
- Original maturity over one year	4,330,085	3,690,104	2,076,388
Other unconditionally cancellable commitments	17,475,939	2,127,938	362,342
Total	<u>97,528,733</u>	<u>8,866,619</u>	<u>4,117,412</u>

(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 its duty of care towards the Borrower. On 22 January 2021, the Borrower was awarded RM289 million as damages together with statutory interest of 5% per annum from 25 January 2019, the date of the writ of summons, until the date of realisation as well as aggravated and exemplary damages which amounts are to be assessed. The Bank has filed an appeal against the said decision on 26 January 2021. The hearing of the Bank's appeal has been rescheduled to 22 August 2022.

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32 CAPITAL COMMITMENTS

	Group		Bank	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
	RM'000	RM'000	RM'000	RM'000
Capital expenditure commitments in respect of property and equipment contracted but not provided for	3,464	4,267	3,464	4,078

33 CREDIT EXPOSURE ARISING FROM CREDIT TRANSACTIONS WITH CONNECTED PARTIES

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

	Group		Bank	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
	RM'000	RM'000	RM'000	RM'000
Aggregate value of outstanding credit exposure to connected parties[^]:				
Credit facility and leasing (except guarantee)	717,154	730,317	712,316	722,548
Commitments and contingencies*	763,616	849,442	849,133	849,133
	<u>1,480,770</u>	<u>1,579,759</u>	<u>1,561,449</u>	<u>1,571,681</u>
Credit-impaired or in default	-	-	-	-
Outstanding credit exposures to connected parties:				
As a proportion of total credit exposures	1.88%	1.95%	2.12%	2.19%

[^] Comprises total outstanding balances and unutilised limits

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

34 CREDIT RISK

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

	Note	Group		Bank	
		30 June 2022	31 December 2021	30 June 2022	31 December 2021
		RM'000	RM'000	RM'000	RM'000
Cash and cash equivalents*	10	9,846,709	4,655,031	7,209,166	2,770,853
Deposits and placements with banks and other financial institutions	11	483,291	449,227	747,732	670,103
Investment account placements	12	-	-	3,183,755	2,567,432
Financial assets at FVTPL		1,271,528	1,833,268	1,266,460	1,823,178
Financial investments at FVOCI**		16,973,070	18,780,550	14,015,961	15,261,656
Loans, advances and financing	15	65,148,447	65,831,689	52,328,354	53,398,910
Derivative financial assets		1,445,864	927,507	1,445,633	928,246
Other assets***		292,395	335,539	364,685	594,926
Contingent liabilities and commitments		28,284,519	28,147,316	24,671,215	24,880,325
		<u>123,745,823</u>	<u>120,960,127</u>	<u>105,232,961</u>	<u>102,895,629</u>

* Excluding cash in hand

** Excluding unquoted shares

*** Excluding prepayments

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34 CREDIT RISK (continued)

(a) Credit quality analysis

Group	30 June 2022					31 December 2021				
	Financial assets at FVTPL RM'000	Financial investments at FVOCI RM'000	Loans, advances and financing* RM'000	Derivative financial assets RM'000	Contingent liabilities and credit commitments RM'000	Financial assets at FVTPL RM'000	Financial investments at FVOCI RM'000	Loans, advances and financing* RM'000	Derivative financial assets RM'000	Contingent liabilities and credit commitments RM'000
(i) By issuer/counterparty										
Government and Central Bank	1,251,472	12,166,904	-	-	-	1,788,160	14,355,503	-	-	-
Foreign government	-	-	-	-	-	-	161,227	-	-	-
Public sector	9,973	1,186,812	-	-	-	-	892,076	-	-	-
Banks	10	2,177,527	-	936,914	453,364	28	540,442	-	529,295	147,975
Non-bank financial institutions	-	728,045	51	114,760	570,158	34,990	1,798,757	81	116,322	527,504
Business enterprise	10,073	713,782	21,586	141,635	17,288,699	10,090	1,032,545	10,005	199,136	18,005,040
Small and medium enterprises	-	-	53,254	-	4,853,875	-	-	60,354	-	4,641,470
Individuals	-	-	166,594	252,555	5,118,423	-	-	79,806	82,754	4,825,327
	<u>1,271,528</u>	<u>16,973,070</u>	<u>241,485</u>	<u>1,445,864</u>	<u>28,284,519</u>	<u>1,833,268</u>	<u>18,780,550</u>	<u>150,246</u>	<u>927,507</u>	<u>28,147,316</u>
(ii) By geographical distribution										
Malaysia	1,271,395	16,660,534	224,368	1,169,849	27,150,451	1,833,240	17,957,508	140,136	721,707	27,077,405
Singapore	16	-	7,710	100,100	221,555	-	62,722	7,561	24,697	191,522
Other ASEAN countries	-	-	795	8,049	534,328	-	281,351	-	901	552,912
Rest of the world	117	312,536	8,612	167,866	378,185	28	478,969	2,549	180,202	325,477
	<u>1,271,528</u>	<u>16,973,070</u>	<u>241,485</u>	<u>1,445,864</u>	<u>28,284,519</u>	<u>1,833,268</u>	<u>18,780,550</u>	<u>150,246</u>	<u>927,507</u>	<u>28,147,316</u>

* Past due but not credit-impaired at gross loans, advances and financing. The analysis of loans, advances and financing by sector and residual contractual maturity are detailed in Note 15(c) and Note 15(e) respectively.

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34 CREDIT RISK (continued)

(a) Credit quality analysis (continued)

Group (continued)	30 June 2022					31 December 2021				
	Financial assets at FVTPL RM'000	Financial investments at FVOCI RM'000	Loans, advances and financing* RM'000	Derivative financial assets RM'000	Contingent liabilities and credit commitments RM'000	Financial assets at FVTPL RM'000	Financial investments at FVOCI RM'000	Loans, advances and financing* RM'000	Derivative financial assets RM'000	Contingent liabilities and credit commitments RM'000
(iii) By sector										
Agriculture, hunting, forestry and fishing	-	-	342	8,872	879,613	-	-	2,300	5,796	1,068,409
Mining and quarrying	-	42,011	-	80,342	343,015	-	175,445	-	133,051	320,373
Manufacturing	1	999	9,353	20,397	6,932,782	-	999	10,897	12,152	6,477,255
Electricity, gas and water	9,975	207,011	-	-	227,141	-	340,802	-	-	220,796
Construction	-	-	14,224	482	3,769,428	-	22,847	12,074	3,786	3,999,034
Real estate	4,900	-	7,711	7,662	1,937,990	-	-	8,106	4,311	2,184,414
Wholesale & retail trade and restaurants & hotels	-	29,918	31,741	19,710	4,111,083	-	51,459	28,395	5,728	3,884,438
Transport, storage and communication	19	195,559	2,958	3,557	683,900	-	216,809	2,590	32,536	682,440
Finance, insurance and business services	79	3,590,005	8,384	1,052,236	3,612,844	35,018	2,425,872	5,022	647,330	3,393,029
Community, social and personal services	5,068	706,769	177	-	843,969	10,090	984,442	1,056	-	1,050,729
Household										
- Purchase of residential properties	-	-	149,398	-	-	-	-	65,930	-	1,879,511
- Purchase of non-residential properties	-	-	5,021	-	-	-	-	4,967	-	-
- Others	-	-	12,176	252,558	4,915,527	-	-	8,909	82,816	2,979,877
Others	1,251,486	12,200,798	-	5	16,574	1,788,160	14,561,875	-	1	7,011
	1,271,528	16,973,070	241,485	1,445,821	28,273,866	1,833,268	18,780,550	150,246	927,507	28,147,316

* Past due but not credit-impaired at gross loans, advances and financing. The analysis of loans, advances and financing by sector and residual contractual maturity are detailed in Note 15(c) and Note 15(e) respectively.

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34 CREDIT RISK (continued)

(a) Credit quality analysis (continued)

Group (continued)	30 June 2022					31 December 2021				
	Financial assets at FVTPL RM'000	Financial investments at FVOCI RM'000	Loans, advances and financing* RM'000	Derivative financial assets RM'000	Contingent liabilities and credit commitments RM'000	Financial assets at FVTPL RM'000	Financial investments at FVOCI RM'000	Loans, advances and financing* RM'000	Derivative financial assets RM'000	Contingent liabilities and credit commitments RM'000
(iv) By residual contractual maturity										
Within one year	572,480	5,568,980	10,015	485,506	18,149,597	515,027	6,503,369	21,199	270,323	17,454,051
One to five years	369,766	10,081,012	32,780	781,728	2,985,823	965,691	10,298,954	17,852	341,929	3,058,152
Over five years	329,282	1,323,078	198,690	178,630	7,149,099	352,550	1,978,227	111,195	315,255	7,635,113
	<u>1,271,528</u>	<u>16,973,070</u>	<u>241,485</u>	<u>1,445,864</u>	<u>28,284,519</u>	<u>1,833,268</u>	<u>18,780,550</u>	<u>150,246</u>	<u>927,507</u>	<u>28,147,316</u>
Bank										
(i) By issuer/counterparty										
Government and central bank	1,251,472	10,117,421	-	-	-	1,788,160	11,730,485	-	-	-
Foreign government	-	-	-	-	-	-	161,226	-	-	-
Public sector	9,973	943,463	-	-	-	-	628,494	-	-	-
Banks	10	1,778,215	-	937,028	153,364	28	240,697	-	530,973	147,975
Non-bank financial institutions	-	513,414	51	114,755	566,393	34,990	1,534,037	81	116,317	520,811
Business enterprises	5,005	663,448	-	141,295	14,073,500	-	966,717	-	198,202	14,844,812
Small and medium enterprises	-	-	53,254	-	4,853,875	-	-	60,354	-	4,641,470
Individuals	-	-	151,903	252,555	5,024,083	-	-	67,297	82,754	4,725,257
	<u>1,266,460</u>	<u>14,015,961</u>	<u>205,208</u>	<u>1,445,633</u>	<u>24,671,215</u>	<u>1,823,178</u>	<u>15,261,656</u>	<u>127,732</u>	<u>928,246</u>	<u>24,880,325</u>
(ii) By geographical distribution										
Malaysia	1,266,327	13,703,425	189,444	1,169,618	23,549,297	1,823,150	14,438,614	118,105	722,451	23,825,605
Singapore	16	-	7,152	100,100	219,731	-	62,722	7,078	24,697	190,356
Other ASEAN countries	-	-	-	8,049	526,093	-	281,351	-	896	542,207
Rest of the world	117	312,536	8,612	167,866	376,094	28	478,969	2,549	180,202	322,157
	<u>1,266,460</u>	<u>14,015,961</u>	<u>205,208</u>	<u>1,445,633</u>	<u>24,671,215</u>	<u>1,823,178</u>	<u>15,261,656</u>	<u>127,732</u>	<u>928,246</u>	<u>24,880,325</u>

* Past due but not credit-impaired at gross loans, advances and financing. The analysis of loans, advances and financing by sector and residual contractual maturity are detailed in Note 15(c) and Note 15(e) respectively.

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34 CREDIT RISK (continued)

(a) Credit quality analysis (continued)

	30 June 2022					31 December 2021				
	Financial assets at FVTPL RM'000	Financial investments at FVOCI RM'000	Loans, advances and financing* RM'000	Derivative financial assets RM'000	Contingent liabilities and credit commitments RM'000	Financial assets at FVTPL RM'000	Financial investments at FVOCI RM'000	Loans, advances and financing* RM'000	Derivative financial assets RM'000	Contingent liabilities and credit commitments RM'000
Bank (continued)										
(iii) By sector										
Agriculture, hunting, forestry and fishing	-	-	342	8,872	854,717	-	-	2,300	5,796	1,049,043
Mining and quarrying	-	42,011	-	80,342	309,976	-	175,445	-	133,051	288,683
Manufacturing	1	-	8,852	20,108	6,156,369	-	-	6,376	12,115	5,715,705
Electricity, gas and water	9,975	147,465	-	-	115,607	-	265,447	-	-	217,013
Construction	-	-	8,785	481	2,974,948	-	22,847	11,226	3,786	3,240,901
Real estate	4,900	-	3,205	7,662	1,547,360	-	-	7,658	3,513	1,731,134
Wholesale & retail trade and restaurants & hotels	-	29,918	26,753	19,710	3,693,780	-	51,459	25,127	5,630	3,480,319
Transport, storage and communication	19	175,453	2,958	3,557	372,358	-	196,457	2,301	32,536	392,443
Finance, insurance and business services	79	2,976,063	2,232	1,052,345	2,977,248	35,018	1,861,408	4,391	649,003	2,969,584
Community, social and personal services	-	527,630	177	-	837,012	-	751,738	1,056	-	1,036,183
Household										
- Purchase of residential properties	-	-	137,189	-	-	-	-	57,413	-	1,792,457
- Purchase of non-residential properties	-	-	5,021	-	-	-	-	4,967	-	-
- Others	-	-	9,694	252,556	4,831,840	-	-	4,917	82,816	2,966,860
Others	1,251,486	10,117,421	-	-	-	1,788,160	11,936,855	-	-	-
	1,266,460	14,015,961	205,208	1,445,633	24,671,215	1,823,178	15,261,656	127,732	928,246	24,880,325

* Past due but not credit-impaired at gross loans, advances and financing. The analysis of loans, advances and financing by sector and residual contractual maturity are detailed in Note 15(c) and Note 15(e) respectively.

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34 CREDIT RISK (continued)

(a) Credit quality analysis (continued)

	30 June 2022					31 December 2021				
	Financial assets at FVTPL RM'000	Financial investments at FVOCI RM'000	Loans, advances and financing* RM'000	Derivative financial assets RM'000	Contingent liabilities and credit commitments RM'000	Financial assets at FVTPL RM'000	Financial investments at FVOCI RM'000	Loans, advances and financing* RM'000	Derivative financial assets RM'000	Contingent liabilities and credit commitments RM'000
Bank (continued)										
(iv) By residual contractual maturity										
Within one year	572,480	4,315,247	5,751	485,274	15,508,585	510,015	4,857,251	18,191	270,502	15,332,454
One to five years	364,698	8,634,641	27,076	781,728	2,487,990	960,613	8,632,999	13,532	341,929	2,495,799
Over five years	329,282	1,066,073	172,381	178,631	6,674,640	352,550	1,771,406	96,009	315,815	7,052,072
	<u>1,266,460</u>	<u>14,015,961</u>	<u>205,208</u>	<u>1,445,633</u>	<u>24,671,215</u>	<u>1,823,178</u>	<u>15,261,656</u>	<u>127,732</u>	<u>928,246</u>	<u>24,880,325</u>

* Past due but not credit-impaired at gross loans, advances and financing. The analysis of loans, advances and financing by sector and residual contractual maturity are detailed in Note 15(c) and Note 15(e) respectively.

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

Group	30 June 2022				31 December 2021			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Cash and cash equivalents	9,846,709	-	-	9,846,709	4,655,031	-	-	4,655,031
Deposits and placements with banks and other financial institutions	483,291	-	-	483,291	449,227	-	-	449,227

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34 CREDIT RISK (continued)

(a) Credit quality analysis (continued)

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

<u>Group</u> (continued)	30 June 2022				31 December 2021			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Financial assets at FVTPL*								
Government and central bank (unrated)	-	-	-	873,255	-	-	-	1,339,164
Government (AAA to BBB)	-	-	-	378,217	-	-	-	448,995
Investment grade (AAA to BBB)	-	-	-	20,039	-	-	-	10,119
Unrated	-	-	-	17	-	-	-	34,990
	-	-	-	1,271,528	-	-	-	1,833,268
Financial investments at FVOCI								
Government (AAA to BBB)	4,590,428	-	-	4,590,428	4,063,813	-	-	4,063,813
Government and central bank (unrated)	7,576,476	-	-	7,576,476	10,291,692	-	-	10,291,692
Foreign government (AAA to BBB)	-	-	-	-	161,225	-	-	161,225
Investment grade (AAA to BBB)	1,541,592	-	-	1,541,592	2,135,589	72,185	-	2,207,774
Unrated	3,244,468	20,106	-	3,264,574	2,035,694	20,352	-	2,056,046
	16,952,964	20,106	-	16,973,070	18,688,013	92,537	-	18,780,550
Contingent liabilities and commitments (excluding derivative assets)								
Pass	25,012,108	2,797,624	-	27,809,732	24,964,481	2,639,656	-	27,604,137
Special Mention	-	305,702	-	305,702	-	390,980	-	390,980
Credit-impaired	-	-	169,085	169,085	-	-	152,199	152,199
	25,012,108	3,103,326	169,085	28,284,519	24,964,481	3,030,636	152,199	28,147,316

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

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34 CREDIT RISK (continued)

(a) Credit quality analysis (continued)

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

Bank	30 June 2022				31 December 2021			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Cash and cash equivalents	7,209,166	-	-	7,209,166	2,770,853	-	-	2,770,853
Deposits and placements with banks and other financial institutions	747,732	-	-	747,732	670,103	-	-	670,103
Investment account placements	3,054,149	129,606	-	3,183,755	2,480,045	82,446	4,941	2,567,432
Financial assets at FVTPL*								
Government and central bank (unrated)	-	-	-	873,255	-	-	-	1,339,164
Government (AAA to BBB)	-	-	-	378,217	-	-	-	448,995
Investment grade (AAA to BBB)	-	-	-	14,971	-	-	-	29
Unrated	-	-	-	17	-	-	-	34,990
	-	-	-	1,266,460	-	-	-	1,823,178
Financial investments at FVOCI								
Government (AAA to BBB)	4,428,429	-	-	4,428,429	3,793,474	-	-	3,793,474
Government and central bank (unrated)	5,688,992	-	-	5,688,992	7,937,011	-	-	7,937,011
Foreign government (AAA to BBB)	-	-	-	-	161,225	-	-	161,225
Investment grade (AAA to BBB)	1,368,329	-	-	1,368,329	1,929,965	72,185	-	2,002,150
Unrated	2,530,211	-	-	2,530,211	1,367,796	-	-	1,367,796
	14,015,961	-	-	14,015,961	15,189,471	72,185	-	15,261,656

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

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34 CREDIT RISK (continued)

(a) Credit quality analysis (continued)

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

	30 June 2022				31 December 2021			
	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)								
Contingent liabilities and commitments (excluding derivative assets)								
Pass	22,605,144	1,691,694	-	24,296,838	22,753,512	1,703,514	-	24,457,026
Special Mention	-	265,507	-	265,507	-	337,520	-	337,520
Credit-impaired	-	-	108,870	108,870	-	-	85,779	85,779
	22,605,144	1,957,201	108,870	24,671,215	22,753,512	2,041,034	85,779	24,880,325

(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.

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34 CREDIT RISK (continued)

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

Credit quality and ECL stage

<u>Group</u>	30 June 2022				31 December 2021			
	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								
(i) By internal grading								
Pass	46,057,221	9,876,680	-	55,933,901	45,418,447	7,562,545	-	52,980,992
Special Mention	-	6,811,399	-	6,811,399	-	10,813,930	-	10,813,930
	46,057,221	16,688,079	-	62,745,300	45,418,447	18,376,475	-	63,794,922
Past due but not credit-impaired								
(i) By period overdue								
Less than 2 months	-	155,791	-	155,791	-	92,208	-	92,208
2 months to less than 3 months	-	55,142	-	55,142	-	33,223	-	33,223
	-	210,933	-	210,933	-	125,431	-	125,431
Credit-impaired								
Past due	-	-	1,314,763	1,314,763	-	-	925,147	925,147
Not past due	-	-	877,451	877,451	-	-	986,189	986,189
	-	-	2,192,214	2,192,214	-	-	1,911,336	1,911,336
Total	46,057,221	16,899,012	2,192,214	65,148,447	45,418,447	18,501,906	1,911,336	65,831,689

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34 CREDIT RISK (continued)

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

Credit quality and ECL stage (continued)

	30 June 2022				31 December 2021			
	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								
(i) By internal grading								
Pass	36,268,044	7,917,439	-	44,185,483	36,261,983	5,923,345	-	42,185,328
Special Mention	-	6,103,521	-	6,103,521	-	9,522,286	-	9,522,286
	<u>36,268,044</u>	<u>14,020,960</u>	<u>-</u>	<u>50,289,004</u>	<u>36,261,983</u>	<u>15,445,631</u>	<u>-</u>	<u>51,707,614</u>
Past due but not credit-impaired								
(i) By period overdue								
Less than 2 months	-	129,698	-	129,698	-	80,204	-	80,204
2 months to less than 3 months	-	44,958	-	44,958	-	23,413	-	23,413
	<u>-</u>	<u>174,656</u>	<u>-</u>	<u>174,656</u>	<u>-</u>	<u>103,617</u>	<u>-</u>	<u>103,617</u>
Credit-impaired								
Past due	-	-	1,155,828	1,155,828	-	-	748,688	748,688
Not past due	-	-	708,866	708,866	-	-	838,991	838,991
	<u>-</u>	<u>-</u>	<u>1,864,694</u>	<u>1,864,694</u>	<u>-</u>	<u>-</u>	<u>1,587,679</u>	<u>1,587,679</u>
Total	<u>36,268,044</u>	<u>14,195,616</u>	<u>1,864,694</u>	<u>52,328,354</u>	<u>36,261,983</u>	<u>15,549,248</u>	<u>1,587,679</u>	<u>53,398,910</u>

The 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 is disclosed in Note 16.

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 30 JUNE 2022 (continued)

34 CREDIT RISK (continued)

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

Collateral

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

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

As at 30 June 2022 and 31 December 2021, there were no assets repossessed by the Group and the Bank as a result of taking possession of collateral held as security, or by calling upon other credit enhancements.

(ii) 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.

	Group		Bank	
	30 June 2022 RM'000	31 December 2021 RM'000	30 June 2022 RM'000	31 December 2021 RM'000
Fair value of collateral held against the covered portion of credit-impaired loans, advances and financing	2,392,390	2,521,672	1,934,341	2,096,478
Covered portion of credit-impaired loans, advances and financing	1,994,780	1,754,050	1,655,841	1,409,776
Uncovered portion of credit-impaired loans, advances and financing	839,818	689,212	598,469	488,934
	2,834,598	2,443,262	2,254,310	1,898,710

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35 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value hierarchy of financial instruments

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

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

	Level 1	Level 2	Level 3
Fair value determined	Level 1 fair value is derived from quoted price (unadjusted) in active markets for identical financial assets and financial liabilities that the entity can access at the measurement date.	Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the financial assets and liabilities, either directly or indirectly.	Level 3 fair value is estimated using unobservable inputs for the financial assets and liabilities.
Type of financial assets	Actively traded government and agency securities	Corporate and other government bonds/sukuk and loans	Private debt equity investments
	Actively traded quoted equity securities of corporations	OTC derivatives	Corporate bonds/sukuk with illiquid markets
	Over-the-counter ("OTC") derivatives	Cash and cash equivalents	Loans, advances and financing
		Deposits and placements with banks and other financial institutions	Unquoted shares
		Investment account placements	OTC derivatives
		Other assets	
Type of financial liabilities	OTC derivatives	OTC derivatives	OTC derivatives
		Deposits from customer	
		Deposits and placement of banks and other financial institutions	
		Subordinated bonds/sukuk	
		Other liabilities	

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35 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy of financial instruments carried at fair value

<u>Group</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
30 June 2022				
Financial assets at fair value				
Financial assets at FVTPL	1,271,399	129	-	1,271,528
Financial investments at FVOCI	14,595,801	2,377,269	109,540	17,082,610
Derivative financial assets	740	1,417,940	27,184	1,445,864
	<u>15,867,940</u>	<u>3,795,338</u>	<u>136,724</u>	<u>19,800,002</u>

Financial liabilities at fair value

Derivative financial liabilities	<u>1,199</u>	<u>1,188,435</u>	<u>2,137</u>	<u>1,191,771</u>
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31 December 2021

Financial assets at fair value

Financial assets at FVTPL	1,833,240	28	-	1,833,268
Financial investments at FVOCI	17,532,344	1,248,206	116,047	18,896,597
Derivative financial assets	570	923,258	3,679	927,507
	<u>19,366,154</u>	<u>2,171,492</u>	<u>119,726</u>	<u>21,657,372</u>

Financial liabilities at fair value

Derivative financial liabilities	<u>388</u>	<u>853,562</u>	<u>6,124</u>	<u>860,074</u>
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Bank

30 June 2022

Financial assets at fair value

Financial assets at FVTPL	1,266,331	129	-	1,266,460
Financial investments at FVOCI	12,237,747	1,778,214	109,540	14,125,501
Derivative financial assets	765	1,417,979	26,889	1,445,633
	<u>13,504,843</u>	<u>3,196,322</u>	<u>136,429</u>	<u>16,837,594</u>

Financial liabilities at fair value

Derivative financial liabilities	<u>1,237</u>	<u>1,188,334</u>	<u>2,137</u>	<u>1,191,708</u>
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31 December 2021

Financial assets at fair value

Financial assets at FVTPL	1,823,150	28	-	1,823,178
Financial investments at FVOCI	14,562,945	698,711	116,047	15,377,703
Derivative financial assets	575	924,028	3,643	928,246
	<u>16,386,670</u>	<u>1,622,767</u>	<u>119,690</u>	<u>18,129,127</u>

Financial liabilities at fair value

Derivative financial liabilities	<u>458</u>	<u>853,858</u>	<u>6,123</u>	<u>860,439</u>
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35 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

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

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

	Group		Bank	
	30 June 2022 RM'000	31 December 2021 RM'000	30 June 2022 RM'000	31 December 2021 RM'000
Financial assets at fair value				
At 1 January	119,726	130,399	119,690	130,398
Settled/Disposed	(350)	(10,324)	(350)	(10,324)
Realised loss				
- Recognised in net trading income	(3,284)	(6,987)	(3,284)	(6,987)
Unrealised gain				
- Recognised in net trading income	26,530	2,440	26,530	2,405
- Recognised in other comprehensive income	(5,898)	4,198	(6,157)	4,198
At 30 June/31 December	<u>136,724</u>	<u>119,726</u>	<u>136,429</u>	<u>119,690</u>
Financial liabilities at fair value				
At 1 January	6,124	38,149	6,123	38,145
Realised loss				
- Recognised in net trading income	(5,968)	(38,145)	(5,968)	(38,145)
Unrealised (loss)/gain				
- Recognised in net trading income	1,981	6,120	1,982	6,123
At 30 June/31 December	<u>2,137</u>	<u>6,124</u>	<u>2,137</u>	<u>6,123</u>

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

Group	30 June 2022 Fair value RM'000	31 December 2021 Fair value RM'000	Classification	Valuation technique	Unobservable input
Assets					
Financial investments at FVOCI	109,540	116,047	FVOCI	Net asset value approach	Net asset value
Derivative financial assets	<u>27,184</u>	<u>3,679</u>	Hedge for trading	Option pricing model	Standard deviation
	<u>136,724</u>	<u>119,726</u>			
Liabilities					
Derivative financial liabilities	<u>2,137</u>	<u>6,124</u>	Hedge for trading	Option pricing model	Standard deviation

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35 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

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

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

Bank	30 June 2022 Fair value RM'000	31 December 2021 Fair value RM'000	Classification	Valuation technique	Unobservable input
Assets					
Financial investments at FVOCI	109,540	116,047	FVOCI	Net asset value approach	Net asset value
Derivative financial assets	26,889	3,643	Hedge for trading	Option pricing model	Standard deviation
	<u>136,429</u>	<u>119,690</u>			
Liabilities					
Derivative financial liabilities	<u>136,429</u>	<u>6,123</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.

36 CAPITAL ADEQUACY

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

	Group		Bank	
	30 June 2022 RM'000	31 December 2021 RM'000	30 June 2022 RM'000	31 December 2021 RM'000
CET 1 capital				
Paid-up ordinary share capital	754,000	754,000	754,000	754,000
Retained earnings	7,708,894	7,542,579	6,453,464	6,389,841
Other reserves	462,306	630,069	404,177	544,539
Regulatory adjustment for CET 1 capital	(613,626)	(176,049)	(1,095,586)	(731,913)
	<u>8,311,574</u>	<u>8,750,599</u>	<u>6,516,055</u>	<u>6,956,467</u>
Additional Tier 1 capital	-	459,279	-	459,279
Tier 1 capital	<u>8,311,574</u>	<u>9,209,878</u>	<u>6,516,055</u>	<u>7,415,746</u>
Stage 1 and Stage 2 ECL and qualifying regulatory reserves under the Standardised Approach				
	16,404	20,945	13,964	17,810
Surplus eligible provisions over expected losses	261,644	261,287	211,048	209,144
Subordinated bonds	1,050,000	1,050,000	1,050,000	1,050,000
Regulatory adjustment for Tier 2 capital	-	-	-	(200,000)
Tier 2 capital	<u>1,328,048</u>	<u>1,332,232</u>	<u>1,275,012</u>	<u>1,076,954</u>
Capital base	<u>9,639,622</u>	<u>10,542,110</u>	<u>7,791,067</u>	<u>8,492,700</u>

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36 CAPITAL ADEQUACY (continued)

	Group		Bank	
	30 June 2022	31 December 2021	30 June 2022	31 December 2021
Before deducting proposed dividend				
CET 1 capital ratio	16.285%	16.897%	15.679%	16.556%
Tier 1 capital ratio	16.285%	17.784%	15.679%	17.649%
Total capital ratio	18.887%	20.356%	18.746%	20.213%
After deducting proposed dividend				
CET 1 capital ratio	15.508%	16.058%	14.724%	15.523%
Tier 1 capital ratio	15.508%	16.945%	14.724%	16.616%
Total capital ratio	18.110%	19.518%	17.792%	19.179%

The Bank has elected to apply the transitional arrangements for regulatory capital treatment of accounting provisions for four financial years commencing in 2020. Had the transitional arrangements not been applied, the capital adequacy ratios of the Group and the Bank would be as follows:

After deducting proposed dividend				
CET 1 capital ratio	14.788%	14.518%	13.996%	13.949%
Tier 1 capital ratio	14.788%	15.405%	13.996%	15.042%
Total capital ratio	17.390%	17.977%	17.064%	17.605%

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

	Group		Bank	
	30 June 2022 RM'000	31 December 2021 RM'000	30 June 2022 RM'000	31 December 2021 RM'000
Total RWA for credit risk	44,919,697	45,223,466	36,291,863	36,282,141
Total RWA for market risk	814,575	1,361,434	815,461	1,364,705
Total RWA for operational risk	5,303,225	5,203,983	4,452,802	4,370,118
	51,037,497	51,788,883	41,560,126	42,016,964

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

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

	30 June 2021	31 December 2021
CET 1/Tier 1 capital ratio	18.734%	18.179%
Total capital ratio	19.297%	20.782%

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

CET 1/Tier 1 capital ratio	18.054%	16.790%
Total capital ratio	18.616%	19.393%