

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

**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022**

Domiciled in Malaysia
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50050 Kuala Lumpur

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

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022

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

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2022

	Note	Group		Bank	
		31 March 2022 RM'000	31 December 2021 RM'000	31 March 2022 RM'000	31 December 2021 RM'000
ASSETS					
Cash and cash equivalents	9	6,346,131	4,828,528	4,231,459	2,916,893
Deposits and placements with banks and other financial institutions	10	495,518	449,227	545,518	670,103
Investment account placements	11	-	-	2,557,014	2,567,432
Financial assets at fair value through profit or loss ("FVTPL")	12	1,557,392	1,833,268	1,547,295	1,823,178
Financial investments at fair value through other comprehensive income ("FVOCI")	13	18,445,218	18,896,597	15,100,299	15,377,703
Loans, advances and financing	14	64,561,260	65,831,689	52,434,216	53,398,910
Derivative financial assets	16	1,008,255	927,507	1,008,535	928,246
Other assets	17	348,491	350,468	716,092	609,400
Statutory deposits with Bank Negara Malaysia		103,699	63,937	103,699	63,937
Investments in subsidiaries		-	-	557,051	557,051
Property and equipment		143,362	147,231	139,289	142,856
Right-of-use ("ROU") assets		22,583	25,523	20,247	22,769
Tax recoverable		7,089	15,575	-	-
Deferred tax assets		278,439	285,075	237,745	243,465
Total assets		93,317,437	93,654,625	79,198,459	79,321,943
LIABILITIES					
Deposits from customers	18	73,101,612	73,986,617	60,470,410	61,046,763
Deposits and placements of banks and other financial institutions	19	6,137,295	5,648,806	6,098,094	5,620,070
Bills and acceptances payable		67,594	56,827	58,067	44,497
Derivative financial liabilities	16	877,875	860,074	877,953	860,439
Other liabilities	20	2,864,888	2,643,802	2,718,843	2,532,919
Tax payable and zakat		45,673	22,126	45,579	19,204
Subordinated bonds	21	1,050,000	1,509,279	1,050,000	1,509,279
Total liabilities		84,144,937	84,727,531	71,318,946	71,633,171
EQUITY					
Share capital		754,000	754,000	754,000	754,000
Reserves		8,418,500	8,173,094	7,125,513	6,934,772
Total equity		9,172,500	8,927,094	7,879,513	7,688,772
Total liabilities and equity		93,317,437	93,654,625	79,198,459	79,321,943
Commitments and contingencies	30	106,230,815	100,696,245	102,609,050	97,528,733

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Group and Bank for the financial year ended 31 December 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
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022**

	Note	Group		Bank	
		Year to date ended		Year to date ended	
		31 March 2022 RM'000	31 March 2021 RM'000	31 March 2022 RM'000	31 March 2021 RM'000
Interest income		592,306	617,830	607,953	629,354
Interest income for financial assets at FVTPL		12,536	11,441	12,536	11,441
Interest expense		(213,899)	(247,606)	(225,633)	(255,460)
Net interest income	22	390,943	381,665	394,856	385,335
Income from Islamic banking operations	23	110,729	120,810	-	-
Net fee and commission income	24	95,208	119,958	93,758	115,368
Net trading income	25	66,005	37,544	66,005	37,544
Other operating (expense)/income	26	(6,825)	17,188	19,118	42,385
Operating income		656,060	677,165	573,737	580,632
Operating expenses	27	(291,806)	(275,054)	(278,291)	(262,234)
Operating profit before impairment allowances and provisions		364,254	402,111	295,446	318,398
Impairment allowances and provisions writeback/(charge)	28	75,371	(2,950)	66,803	(11,613)
Profit before income tax and zakat		439,625	399,161	362,249	306,785
Income tax expense	29	(136,330)	(102,692)	(120,892)	(80,456)
Zakat		(12)	(12)	-	-
Profit for the period		303,283	296,457	241,357	226,329
Items that will not be reclassified to profit or loss					
Change in fair value reserve (equity instruments)		4,686	198	4,686	198
Items that are or may be reclassified subsequently to profit or loss					
Fair value reserve (debt instruments)					
- Change in fair value		(94,404)	(190,461)	(86,622)	(158,895)
- Amount transferred to profit or loss		12,202	(14,993)	13,952	(10,386)
- Related tax		19,728	49,309	17,441	40,628
Change in expected credit loss ("ECL") reserve on debt instruments at FVOCI		(89)	(156)	(73)	(179)
Other comprehensive expense for the period		(57,877)	(156,103)	(50,616)	(128,634)
Total comprehensive income for the period		245,406	140,354	190,741	97,695
Profit attributable to owner of the Bank		303,283	296,457	241,357	226,329
Total comprehensive income attributable to owner of the Bank		245,406	140,354	190,741	97,695
Basic earnings per ordinary share (sen)		105.5	103.1	84.0	78.7

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Group and Bank for the financial year ended 31 December 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
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022

<u>Group</u>	<i>Non-distributable</i>			<i>Distributable</i>		Total equity RM'000
	Share capital RM'000	Regulatory reserve RM'000	ECL reserve RM'000	Fair value reserve RM'000	Retained earnings RM'000	
At 1 January 2022	754,000	600,000	446	30,069	7,542,579	8,927,094
Fair value reserve						
- Change in fair value	-	-	-	(89,718)	-	(89,718)
- Transferred to profit or loss	-	-	-	12,202	-	12,202
- Related tax	-	-	-	19,728	-	19,728
Change in ECL reserve	-	-	(89)	-	-	(89)
Total other comprehensive expense for the period	-	-	(89)	(57,788)	-	(57,877)
Profit for the period	-	-	-	-	303,283	303,283
Total comprehensive (expense)/income for the period	-	-	(89)	(57,788)	303,283	245,406
Transfer upon disposal of equity investment designated at FVOCI	-	-	-	(10,150)	10,150	-
At 31 March 2022	754,000	600,000	357	(37,869)	7,856,012	9,172,500
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	-	-	-	(190,263)	-	(190,263)
- Transferred to profit or loss	-	-	-	(14,993)	-	(14,993)
- Related tax	-	-	-	49,309	-	49,309
Change in ECL reserve	-	-	(156)	-	-	(156)
Total other comprehensive expense for the period	-	-	(156)	(155,947)	-	(156,103)
Profit for the period	-	-	-	-	296,457	296,457
Total comprehensive (expense)/income for the period	-	-	(156)	(155,947)	296,457	140,354
At 31 March 2021	754,000	600,000	1,760	177,432	7,381,748	8,914,940

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

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UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022

	Share capital RM'000	Non-distributable		Fair value reserve RM'000	Distributable	Total equity RM'000
		Regulatory reserve RM'000	ECL 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	-	-	-	(81,936)	-	(81,936)
- Transferred to profit or loss	-	-	-	13,952	-	13,952
- Related tax	-	-	-	17,441	-	17,441
Change in ECL reserve	-	-	(73)	-	-	(73)
Total other comprehensive expense for the period	-	-	(73)	(50,543)	-	(50,616)
Profit for the period	-	-	-	-	241,357	241,357
Total comprehensive (expense)/income for the period	-	-	(73)	(50,543)	241,357	190,741
Transfer upon disposal of equity investment designated at FVOCI	-	-	-	(10,150)	10,150	-
At 31 March 2022	754,000	509,000	319	(25,154)	6,641,348	7,879,513
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	-	-	-	(158,697)	-	(158,697)
- Transferred to profit or loss	-	-	-	(10,386)	-	(10,386)
- Related tax	-	-	-	40,628	-	40,628
Change in ECL reserve	-	-	(179)	-	-	(179)
Total other comprehensive expense for the period	-	-	(179)	(128,455)	-	(128,634)
Profit for the period	-	-	-	-	226,329	226,329
Total comprehensive (expense)/income for the period	-	-	(179)	(128,455)	226,329	97,695
At 31 March 2021	754,000	509,000	1,647	156,984	6,253,024	7,674,655

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OCBC BANK (MALAYSIA) BERHAD
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UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022

	<u>Group</u>		<u>Bank</u>	
	<u>Year to date ended</u>		<u>Year to date ended</u>	
	<u>31 March</u>	<u>31 March</u>	<u>31 March</u>	<u>31 March</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>
Cash flows from operating activities				
Profit before income tax and zakat	439,625	399,161	362,249	306,785
<i>Adjustments for:</i>				
Depreciation of property and equipment	5,616	6,381	5,255	5,999
Depreciation of right-of-use assets	3,358	4,198	2,985	3,743
Impairment allowances and provisions (writeback)/charge	(55,871)	14,739	(53,436)	18,254
Finance expense on lease liabilities	145	176	127	176
Net loss/(gain) on disposal of:				
- Financial investments at FVOCI	12,202	(14,993)	13,952	(10,386)
Share-based expense	3,254	2,767	3,165	2,664
Unrealised (gain)/loss on:				
- Financial assets at FVPTL	(1,273)	6,762	(1,266)	6,739
- Hedging derivatives	(44)	(2)	(44)	(2)
- Trading derivatives	(58,250)	(240,484)	(58,049)	(240,834)
- Subordinated bonds	9,541	14,747	9,541	14,747
Operating profit before changes in working capital	358,303	193,452	284,479	107,885
<i>Changes in operating assets and operating liabilities:</i>				
Deposits and placements with banks and other financial institutions	(46,289)	59,038	124,587	(27,303)
Investment account placements	-	-	11,135	9,572
Financial assets at FVTPL	277,149	(847,255)	277,149	(847,256)
Loans, advances and financing	1,339,112	391,077	1,017,278	292,839
Other assets	2,031	60,281	(106,641)	62,456
Statutory deposits with Bank Negara Malaysia	(39,762)	74,539	(39,762)	74,539
Derivative financial assets and liabilities	4,817	23,296	4,788	23,987
Deposits from customers	(885,005)	2,311,709	(576,353)	826,158
Deposits and placements of banks and other financial institutions	488,489	949,526	478,024	939,224
Bills and acceptances payable	10,767	3,754	13,570	604
Other liabilities	207,736	(206,552)	185,209	(207,791)
Cash generated from operations	1,717,348	3,012,865	1,673,463	1,254,914
Income tax and zakat paid	(77,945)	(65,245)	(71,356)	(57,367)
Net cash generated from operating activities	1,639,403	2,947,620	1,602,107	1,197,547
Cash flows from investing activities				
Acquisition of financial investments at FVOCI	(3,389,076)	(4,450,500)	(2,183,356)	(2,515,500)
Acquisition of property and equipment	(1,746)	(5,114)	(1,684)	(5,051)
Proceeds from disposal of financial investments at FVOCI	3,741,267	6,324,773	2,369,354	4,251,438
Proceeds from disposal of property and equipment	-	43	-	43
Net cash generated from investing activities	350,445	1,869,202	184,314	1,730,930

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STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022 (continued)

	Group		Bank	
	Year to date ended		Year to date ended	
	31 March	31 March	31 March	31 March
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Cash flows from financing activities				
Redemption of subordinated bonds	(468,820)	-	(468,820)	-
Payment of lease liabilities	(3,430)	(3,614)	(3,040)	(3,167)
Net cash used in financing activities	(472,250)	(3,614)	(471,860)	(3,167)
Net increase in cash and cash equivalents	1,517,598	4,813,208	1,314,561	2,925,310
Cash and cash equivalents at 1 January	4,828,559	2,926,224	2,916,924	3,056,716
Cash and cash equivalents at 31 March	6,346,157	7,739,432	4,231,485	5,982,026

Details of cash and cash equivalents are disclosed in Note 9 to the unaudited condensed interim financial statements.

OCBC BANK (MALAYSIA) BERHAD
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UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 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 31 March RM'000
2022						
<u>Group</u>						
Subordinated bonds	1,509,279	(468,820)	9,541	-	-	1,050,000
Lease liabilities	24,429	(3,430)	-	418	145	21,562
Total liabilities from financing activities	<u>1,533,708</u>	<u>(472,250)</u>	<u>9,541</u>	<u>418</u>	<u>145</u>	<u>1,071,562</u>
<u>Bank</u>						
Subordinated bonds	1,509,279	(468,820)	9,541	-	-	1,050,000
Lease liabilities	21,620	(3,040)	-	463	127	19,170
Total liabilities from financing activities	<u>2,230,899</u>	<u>(471,860)</u>	<u>9,541</u>	<u>463</u>	<u>127</u>	<u>1,069,170</u>
2021						
<u>Group</u>						
Recourse obligation on loans sold to Cagamas Berhad	700,000	-	-	-	-	700,000
Subordinated bonds	1,491,327	-	14,747	-	-	1,506,074
Lease liabilities	27,739	(3,614)	-	3,680	176	27,981
Total liabilities from financing activities	<u>2,219,066</u>	<u>(3,614)</u>	<u>14,747</u>	<u>3,680</u>	<u>176</u>	<u>2,234,055</u>
<u>Bank</u>						
Recourse obligation on loans sold to Cagamas Berhad	700,000	-	-	-	-	700,000
Subordinated bonds	1,491,327	-	14,747	-	-	1,506,074
Lease liabilities	23,259	(3,167)	-	2,974	176	23,242
Total liabilities from financing activities	<u>2,214,586</u>	<u>(3,167)</u>	<u>14,747</u>	<u>2,974</u>	<u>176</u>	<u>2,229,316</u>

* Acquisition of new leases includes changes in lease terms.

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

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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 31 MARCH 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 net profit of RM303 million for the financial period ended 31 March 2022; an increase of RM7 million or 2.3% compared to the corresponding period last year. This was mainly due to net writeback in expected credit loss allowances of RM75 million as opposed to net charge of RM3 million on the back of better economic prospects in 2022.

The Group's total income declined by RM21 million or 3% mainly due to lower commission income and loss of disposal on off-the-run financial investments at FVOCI, partially offset by higher net trading income and net interest income improved by 76% and 2% respectively.

The Group and the Bank remained well capitalised with Common Equity Tier 1 capital ratios of 15.563% and 15.008%, Tier 1 capital ratios of 15.563% and 15.008% and Total Capital ratios of 18.158% and 17.594%, respectively.

ECONOMIC PERFORMANCE AND PROSPECTS

BNM expects Malaysia's Gross Domestic Product to grow by between 5.3% and 6.3% in 2022, driven by expansion in global demand and higher private sector expenditure, amid improvements in the labour market and continued targeted policy support. However, the risks to the growth outlook remain tilted to the downside due to external and domestic factors. These include the economic impact from the recent increase in COVID-19 Omicron variant cases, a weaker than expected global growth, on-going geopolitical conflicts including the military conflict in Ukraine, worsening risks of prolonged global supply disruptions, and heightened financial market volatility amid adjustments in monetary policy in major economies.

Banks are expected to face some tightening in funding conditions in 2022 due to policy normalisation in advanced economies and sourcing of funds to support increased loan demand as the economy recovers. The impact of these developments on banks is, however, expected to remain manageable owing to their strong liquidity and funding positions.

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, International Accounting Standards 34 and Shariah requirements (operations of Islamic Banking).

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

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

(b) Use of estimates and judgements

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

In preparing these unaudited condensed interim financial statements, the significant judgements made by management in applying the Group's 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.

2 SIGNIFICANT ACCOUNTING POLICIES

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

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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 31 MARCH 2022 (continued)

3 SEASONALITY OF OPERATIONS

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

4 SHARE CAPITAL

There were no changes in the share capital of the Bank during the financial period.

5 CHANGES IN COMPOSITION OF THE GROUP

There were no changes in the composition of the Group during the financial period ended 31 March 2022.

6 DIVIDENDS

No dividend has been proposed for the financial period ended 31 March 2022.

7 SUBSEQUENT EVENTS

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

8 UNUSUAL ITEMS DUE TO THEIR NATURE, SIZE OR INCIDENCE

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group and the Bank for the financial period ended 31 March 2022.

9 CASH AND CASH EQUIVALENTS

	Group		Bank	
	31 March 2022 RM'000	31 December 2021 RM'000	31 March 2022 RM'000	31 December 2021 RM'000
Cash and balances with banks and other financial institutions	582,590	597,312	456,017	505,341
Money at call and deposit placements with financial institutions maturing within one month	57,909	148,818	307,568	417,583
Deposit placements with Bank Negara Malaysia	5,705,658	4,082,429	3,467,900	1,994,000
	6,346,157	4,828,559	4,231,485	2,916,924
Stage 1 ECL allowance	(26)	(31)	(26)	(31)
	6,346,131	4,828,528	4,231,459	2,916,893

Included in the Bank's cash and cash equivalents are deposits and placements with its Islamic Banking subsidiary, OCBC Al-Amin Bank Berhad, of RM250 million (31 December 2021: RM269 million), which are unsecured and profit bearing.

(i) Movements in ECL allowance

	Group		Bank	
	31 March 2022 RM'000	31 December 2021 RM'000	31 March 2022 RM'000	31 December 2021 RM'000
Stage 1 ECL				
At 1 January	31	18	31	18
New financial assets originated or purchased	-	930	-	930
Financial assets derecognised	(1)	(935)	(1)	(935)
Net remeasurement during the period/year	(4)	12	(4)	12
Other movements	-	6	-	6
At 31 March/31 December	26	31	26	31

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10 DEPOSITS AND PLACEMENTS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS

	Group		Bank	
	31 March 2022	31 December 2021	31 March 2022	31 December 2021
	RM'000	RM'000	RM'000	RM'000
Licensed banks	495,523	449,235	545,523	670,111
Stage 1 ECL allowance	(5)	(8)	(5)	(8)
	495,518	449,227	545,518	670,103

Included in the Bank's deposits and placements with licensed banks are deposits and placements with OCBC Al-Amin of RM50 million (31 December 2021: RM221 million), which are unsecured and profit bearing.

(i) Movements in ECL allowance

	Group		Bank	
	31 March 2022	31 December 2021	31 March 2022	31 December 2021
	RM'000	RM'000	RM'000	RM'000
Stage 1 ECL				
At 1 January	8	-	8	-
New financial assets originated or purchased	2	50	2	50
Financial assets derecognised	-	(15)	-	(15)
Net remeasurement during the period/year	(5)	(27)	(5)	(27)
At 31 March/31 December	5	8	5	8

11 INVESTMENT ACCOUNT PLACEMENTS

Bank	31 March 2022	31 December 2021
	RM'000	RM'000
Restricted Profit Sharing Investment Accounts	2,592,737	2,603,872
ECL allowance	(35,723)	(36,440)
	2,557,014	2,567,432

The exposures to Restricted Profit Sharing Investment Accounts ("RPSIA") is an arrangement with its subsidiary, OCBC Al-Amin, which the 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.

(i) Movements in ECL allowance

Bank	<i>Non credit-impaired</i>		<i>Credit-impaired</i>	Total
	Stage 1	Stage 2	Stage 3	
	12 months	Lifetime	Lifetime	RM'000
	RM'000	RM'000	RM'000	
2022				
At 1 January	2,970	701	32,769	36,440
Net remeasurement during the period	(871)	152	-	(719)
Other Movements	2	-	-	2
At 31 March	2,101	853	32,769	35,723

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11 INVESTMENT ACCOUNT PLACEMENTS (continued)

	<i>Non credit-impaired</i>		<i>Credit-impaired</i>	Total RM'000
	Stage 1	Stage 2	Stage 3	
	12 months RM'000	Lifetime RM'000	Lifetime RM'000	
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>

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

	Group		Bank	
	31 March 2022	31 December 2021	31 March 2022	31 December 2021
	RM'000	RM'000	RM'000	RM'000
At fair value				
Malaysian Government Investment Issues	193,853	574,337	193,853	574,337
Malaysian Government Securities	1,343,899	957,467	1,343,899	957,467
Malaysian Government Treasury Bills	-	256,356	-	256,356
Corporate Bonds and Sukuk	19,640	45,108	9,543	35,018
	<u>1,557,392</u>	<u>1,833,268</u>	<u>1,547,295</u>	<u>1,823,178</u>

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

	Group		Bank	
	31 March 2022	31 December 2021	31 March 2022	31 December 2021
	RM'000	RM'000	RM'000	RM'000
At fair value				
Malaysian Government Investment Issues	6,666,143	7,772,731	4,759,055	5,694,130
Malaysian Government Securities	5,172,800	4,549,807	5,172,800	4,549,807
Malaysian Treasury Bills and Islamic Treasury Bills	1,873,116	2,002,423	1,161,901	1,456,004
Malaysian Government Debt Securities and Sukuk	30,449	30,543	30,449	30,543
Foreign Government Debt Securities and Sukuk	-	161,226	-	161,226
Negotiable Instruments of Deposit and Islamic Negotiable Instruments of Deposit	1,745,534	1,248,206	1,345,897	698,711
Corporate and Islamic Corporate Bonds, Sukuk and Sanadat Mudharabah Cagamas	2,846,943	3,015,614	2,519,964	2,671,235
Unquoted shares in Malaysia				
- Cagamas Holdings Berhad	83,597	83,597	83,597	83,597
- Others	26,636	32,450	26,636	32,450
	<u>18,445,218</u>	<u>18,896,597</u>	<u>15,100,299</u>	<u>15,377,703</u>

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

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

	31 March 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	50	-	50	574	-	574
Financial assets derecognised	(72)	(14)	(86)	(736)	(10)	(746)
Net remeasurement during the period/year	(46)	(8)	(54)	(1,336)	17	(1,319)
Other movements	1	-	1	21	-	21
At 31 March/31 December	348	9	357	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	37	-	37	393	-	393
Financial assets derecognised	(55)	(14)	(69)	(634)	(4)	(638)
Net remeasurement during the period/year	(34)	(8)	(42)	(1,228)	18	(1,210)
Other movements	1	-	1	21	-	21
At 31 March/31 December	310	9	319	361	31	392

14 LOANS, ADVANCES AND FINANCING

	Group		Bank	
	31 March 2022 RM'000	31 December 2021 RM'000	31 March 2022 RM'000	31 December 2021 RM'000
At amortised cost				
Overdrafts	2,665,371	2,585,536	2,184,941	2,145,481
Term loans/financing:				
- Housing loans/financing	21,223,074	21,667,064	19,474,857	19,870,536
- Syndicated term loans/financing	7,220,506	7,389,689	5,053,253	5,201,915
- Hire purchase receivables	296,341	285,998	33,958	32,116
- Other term loans/financing	20,860,864	21,207,975	16,206,039	16,463,917
Credit cards	462,063	500,460	462,063	500,460
Bills receivable	105,155	137,955	63,534	105,279
Trust receipts	35,174	30,395	34,697	30,395
Claims on customers under acceptance credits	2,917,439	2,583,166	2,564,981	2,240,143
Revolving credit	8,553,549	8,986,911	5,794,402	6,009,014
Staff loans/financing	42,250	42,684	42,250	42,684
Other loans/financing	1,988,474	2,337,184	1,884,896	2,206,007
Gross loans, advances and financing	66,370,260	67,755,017	53,799,871	54,847,947
ECL allowance	(1,809,000)	(1,923,328)	(1,365,655)	(1,449,037)
Net loans, advances and financing	64,561,260	65,831,689	52,434,216	53,398,910

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14 LOANS, ADVANCES AND FINANCING (continued)

	Group		Bank	
	31 March 2022 RM'000	31 December 2021 RM'000	31 March 2022 RM'000	31 December 2021 RM'000
a) By type of customer				
Domestic banking institutions	8,768	-	8,768	-
Domestic non-bank financial institutions	2,112,672	2,524,749	1,080,301	1,216,049
Domestic business enterprises				
- Small and medium enterprises	13,493,040	13,935,576	11,110,028	11,534,668
- Others	24,753,307	24,608,190	17,901,931	17,838,253
Individuals	23,526,381	24,035,508	21,590,781	22,045,361
Foreign entities	2,476,092	2,650,994	2,108,062	2,213,616
	<u>66,370,260</u>	<u>67,755,017</u>	<u>53,799,871</u>	<u>54,847,947</u>
b) By interest/profit rate sensitivity				
Fixed rate				
- Housing loans/financing	101,089	109,722	18,929	20,503
- Hire purchase receivables	169,894	179,736	12,719	21,778
- Other fixed rate loans/financing	7,468,260	7,096,688	6,392,083	5,975,709
Variable rate				
- Base rate/base lending rate/base financing rate plus	33,627,211	35,054,619	29,759,251	31,142,775
- Cost plus	23,484,331	23,339,108	16,127,350	15,742,111
- Other variable rates	1,519,475	1,975,144	1,489,539	1,945,071
	<u>66,370,260</u>	<u>67,755,017</u>	<u>53,799,871</u>	<u>54,847,947</u>
c) By sector				
Agriculture, hunting, forestry and fishing	3,639,932	3,828,870	2,321,063	2,460,396
Mining and quarrying	485,409	547,050	269,106	284,851
Manufacturing	8,441,729	8,440,462	6,495,354	6,489,915
Electricity, gas and water	582,049	577,508	538,391	531,369
Construction	2,595,963	2,637,464	1,488,592	1,605,714
Real estate	8,754,197	8,737,219	7,546,728	7,592,183
Wholesale & retail trade and restaurants & hotels	7,847,090	7,891,526	6,735,706	6,765,437
Transport, storage and communication	2,052,513	2,165,923	882,146	998,322
Finance, insurance and business services	2,966,774	3,414,895	1,609,369	1,778,669
Community, social and personal services	3,566,264	3,529,469	2,514,812	2,453,906
Household				
- Purchase of residential properties	22,071,968	22,536,086	20,315,055	20,730,743
- Purchase of non-residential properties	764,707	785,409	713,701	734,208
- Others	2,368,694	2,432,794	2,141,710	2,193,890
Others	232,971	230,342	228,138	228,344
	<u>66,370,260</u>	<u>67,755,017</u>	<u>53,799,871</u>	<u>54,847,947</u>
d) By geography based on where the credit risk resides				
Malaysia	64,070,828	65,333,495	51,833,671	52,795,891
Singapore	1,294,803	1,366,595	1,231,301	1,297,966
Other ASEAN countries	282,609	309,316	247,250	253,004
Rest of the world	722,020	745,611	487,649	501,086
	<u>66,370,260</u>	<u>67,755,017</u>	<u>53,799,871</u>	<u>54,847,947</u>

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14 LOANS, ADVANCES AND FINANCING (continued)

	Group		Bank	
	31 March 2022 RM'000	31 December 2021 RM'000	31 March 2022 RM'000	31 December 2021 RM'000
e) By residual contractual maturity				
Up to one year	18,014,088	18,867,220	13,768,177	14,517,255
Over one year to three years	5,571,519	5,132,932	4,691,333	4,018,451
Over three years to five years	8,150,873	7,744,271	5,253,462	4,997,280
Over five years	34,633,780	36,010,594	30,086,899	31,314,961
	<u>66,370,260</u>	<u>67,755,017</u>	<u>53,799,871</u>	<u>54,847,947</u>

15 IMPAIRED LOANS, ADVANCES AND FINANCING

(i) Movements in impaired loans, advances and financing

	Group		Bank	
	31 March 2022 RM'000	31 December 2021 RM'000	31 March 2022 RM'000	31 December 2021 RM'000
At 1 January	2,443,262	1,929,115	1,898,710	1,314,024
Impaired during the period/year	353,800	1,862,420	319,572	1,606,597
Reclassified as unimpaired	(19,729)	(263,113)	(14,879)	(238,893)
Amount recovered	(129,886)	(830,963)	(115,764)	(597,967)
Amount written off	(36,689)	(254,771)	(23,878)	(185,625)
Effect of foreign exchange difference	-	574	-	574
At 31 March/31 December	<u>2,610,758</u>	<u>2,443,262</u>	<u>2,063,761</u>	<u>1,898,710</u>
Stage 3 ECL allowance	<u>(556,210)</u>	<u>(531,926)</u>	<u>(335,210)</u>	<u>(311,031)</u>
Net impaired loans, advances and financing	<u>2,054,548</u>	<u>1,911,336</u>	<u>1,728,551</u>	<u>1,587,679</u>

a) By sector

Agriculture, hunting, forestry and fishing	26,320	27,451	23,529	24,489
Mining and quarrying	16,390	14,442	16,390	14,442
Manufacturing	537,818	528,549	506,973	496,781
Construction	115,315	101,510	53,334	40,105
Real estate	198,990	197,791	193,389	192,160
Wholesale & retail trade and restaurants & hotels	495,643	491,015	300,778	294,246
Transport, storage and communication	50,637	51,505	10,754	8,092
Finance, insurance and business services	26,205	43,740	15,729	27,336
Community, social and personal services	56,878	47,518	48,344	39,292
Household				
- Purchase of residential properties	921,299	796,033	761,578	649,118
- Purchase of non-residential properties	19,754	20,020	18,617	18,883
- Others	144,986	123,688	114,346	93,766
Others	523	-	-	-
	<u>2,610,758</u>	<u>2,443,262</u>	<u>2,063,761</u>	<u>1,898,710</u>

b) By geography based on where the credit risk resides

Malaysia	2,519,679	2,366,972	1,979,037	1,828,599
Singapore	60,916	56,198	58,369	50,070
Rest of the world	30,163	20,092	26,355	20,041
	<u>2,610,758</u>	<u>2,443,262</u>	<u>2,063,761</u>	<u>1,898,710</u>

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

Group	31 March 2022			31 December 2021				
	Non credit-impaired		Credit-impaired	Non credit-impaired		Credit-impaired		
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000	
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	39,596	(38,976)	(620)	-	296,613	(281,464)	(15,149)	-
Transferred to Stage 2	(4,583)	6,219	(1,636)	-	(149,027)	176,670	(27,643)	-
Transferred to Stage 3	(22)	(61,610)	61,632	-	(2,183)	(212,362)	214,545	-
New financial assets originated or purchased	29,626	54,317	-	83,943	163,988	262,368	-	426,356
Financial assets derecognised	(22,731)	(57,155)	(5,734)	(85,620)	(129,502)	(266,794)	(34,752)	(431,048)
Net remeasurement during the period/year	(68,989)	(14,650)	16,286	(67,353)	(333,368)	865,868	208,499	740,999
Written off	-	-	(36,689)	(36,689)	-	-	(254,771)	(254,771)
Other movements	41	305	(8,955)	(8,609)	1,597	1,530	(23,555)	(20,428)
At 31 March/31 December	137,447	1,115,343	556,210	1,809,000	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 31 March/31 December								
- Loans, advances and financing	100,398	938,468	556,210	1,595,076	123,186	1,019,603	531,926	1,674,715
- Credit commitments and financial guarantees	37,049	176,875	-	213,924	41,323	207,290	-	248,613
	137,447	1,115,343	556,210	1,809,000	164,509	1,226,893	531,926	1,923,328

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15 IMPAIRED LOANS, ADVANCES AND FINANCING (continued)

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

	<i>Non credit-impaired</i>			<i>Credit-</i>	31 March	<i>Non credit-impaired</i>			<i>Credit-</i>	31 December
	Stage 1	Stage 2	Stage 3	<i>impaired</i>	2022	Stage 1	Stage 2	Stage 3	<i>impaired</i>	2021
Bank	RM'000	RM'000	RM'000		Total	RM'000	RM'000	RM'000		Total
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	35,324	(34,791)	(533)		-	235,166	(222,579)	(12,587)		-
Transferred to Stage 2	(3,984)	5,203	(1,219)		-	(110,909)	136,496	(25,587)		-
Transferred to Stage 3	(20)	(53,440)	53,460		-	(1,391)	(159,803)	161,194		-
New financial assets originated or purchased	25,707	41,500	-		67,207	138,263	221,234	-		359,497
Financial asset derecognised	(20,258)	(43,806)	(4,486)		(68,550)	(116,256)	(222,275)	(27,336)		(365,867)
Net remeasurement during the period/year	(55,898)	(3,249)	7,754		(51,393)	(263,692)	714,475	102,005		552,788
Written off	-	-	(23,878)		(23,878)	-	-	(185,625)		(185,625)
Other movements	27	124	(6,919)		(6,768)	926	1,217	(16,470)		(14,327)
At 31 March/31 December	111,187	919,258	335,210		1,365,655	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 31 March/31 December										
- Loans, advances and financing	76,690	765,564	335,210		1,177,464	92,139	831,600	311,031		1,234,770
- Credit commitments and financial guarantees	34,497	153,694	-		188,191	38,150	176,117	-		214,267
	111,187	919,258	335,210		1,365,655	130,289	1,007,717	311,031		1,449,037

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16 DERIVATIVE FINANCIAL ASSETS AND LIABILITIES

<u>Group</u>	31 March 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	5,781,887	24,140	14,184	5,893,921	15,665	23,195
- Swaps	23,097,387	335,489	269,273	16,613,329	328,149	221,604
- Options	522,283	3,341	3	590,916	3,991	126
Interest rate derivatives						
- Swaps	44,307,616	358,054	324,866	45,434,944	341,219	384,858
- Futures	344,733	35	171	200,412	13	29
Equity and other derivatives						
- Swaps	1,121,861	135,437	135,438	1,361,364	111,160	111,160
- Exchange traded futures	29,201	65	-	4,910	-	32
- Options	922,122	103,217	103,217	915,805	103,074	103,074
- Commodity related contracts	38,238	10,750	10,750	73,450	5,612	5,611
- Credit linked notes	740,800	19,776	19,776	690,600	9,636	9,636
- Credit default swaps	33,632	47	47	33,402	35	35
	<u>76,939,760</u>	<u>990,351</u>	<u>877,725</u>	<u>71,813,053</u>	<u>918,554</u>	<u>859,360</u>
Hedging						
Interest rate derivatives						
- Swaps	736,020	17,904	150	735,876	8,953	714
	<u>77,675,780</u>	<u>1,008,255</u>	<u>877,875</u>	<u>72,548,929</u>	<u>927,507</u>	<u>860,074</u>
Bank						
Trading						
Foreign exchange derivatives						
- Forwards	5,809,875	23,584	14,205	5,849,651	15,270	23,207
- Swaps	23,152,867	336,042	269,359	16,757,078	328,723	221,957
- Options	522,283	3,341	3	590,916	3,991	126
Interest rate derivatives						
- Swaps	44,307,616	358,337	324,837	45,434,944	341,779	384,858
- Futures	344,733	35	171	200,412	13	29
Equity and other derivatives						
- Swaps	1,121,861	135,437	135,438	1,361,364	111,160	111,160
- Exchange traded futures	29,201	65	-	4,910	-	32
- Options	922,122	103,217	103,217	915,805	103,074	103,074
- Commodity related contracts	38,238	10,750	10,750	73,450	5,612	5,611
- Credit linked notes	740,800	19,776	19,776	690,600	9,636	9,636
- Credit default swaps	33,632	47	47	33,402	35	35
	<u>77,023,228</u>	<u>990,631</u>	<u>877,803</u>	<u>71,912,532</u>	<u>919,293</u>	<u>859,725</u>
Hedging						
Interest rate derivatives						
- Swaps	736,020	17,904	150	735,876	8,953	714
	<u>77,759,248</u>	<u>1,008,535</u>	<u>877,953</u>	<u>72,648,408</u>	<u>928,246</u>	<u>860,439</u>

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17 OTHER ASSETS

	Note	Group		Bank	
		31 March	31 December	31 March	31 December
		2022	2021	2022	2021
		RM'000	RM'000	RM'000	RM'000
Amount due from subsidiaries	(a)	-	-	236,592	85,745
Interest/Profit receivable		153,855	136,557	132,697	117,595
Unquoted redeemable Islamic subordinated sukuk of a subsidiary	(b)	-	-	200,000	200,000
Other receivables, deposits and prepayments		194,405	213,229	146,572	205,378
Amount due from holding company		231	682	231	682
		348,491	350,468	716,092	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 with the last Periodic Profit Payment to be made up to (but excluding) the maturity date or early redemption of the Murabahah subordinated bond, whichever is earlier.

18 DEPOSITS FROM CUSTOMERS

	Group		Bank	
	31 March	31 December	31 March	31 December
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
a) By type of deposit				
Demand deposits	23,106,295	23,353,343	16,965,057	17,369,548
Saving deposits	15,888,682	15,800,784	14,955,947	14,895,468
Fixed/General investment deposits	29,772,361	30,774,338	24,879,174	25,665,250
Short-term money market deposits	4,334,274	4,058,152	3,670,232	3,116,497
	73,101,612	73,986,617	60,470,410	61,046,763
b) By type of customer				
Government and statutory bodies	319,695	180,795	36,484	16,451
Non-bank financial institutions	4,309,732	4,679,027	2,740,182	2,832,093
Business enterprises	27,220,686	27,572,365	20,828,648	21,312,232
Individuals	36,539,505	37,149,206	32,477,226	32,859,783
Foreign entities	3,911,979	3,568,506	3,687,363	3,303,694
Others	800,015	836,718	700,507	722,510
	73,101,612	73,986,617	60,470,410	61,046,763
c) By residual maturity structure for fixed/term/general investment deposits and short-term money market deposits				
Up to six months	29,223,621	29,594,961	24,675,696	24,277,343
Over six months to one year	4,775,896	5,152,713	3,775,037	4,424,481
Over one year to three years	104,178	76,694	96,896	71,964
Over three years to five years	2,940	8,122	1,777	7,959
	34,106,635	34,832,490	28,549,406	28,781,747

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19 DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	Group		Bank	
	31 March 2022	31 December 2021	31 March 2022	31 December 2021
	RM'000	RM'000	RM'000	RM'000
Licensed banks and other financial institutions	6,137,295	5,648,806	6,098,094	5,620,070

20 OTHER LIABILITIES

	Group		Bank	
	31 March 2022	31 December 2021	31 March 2022	31 December 2021
	RM'000	RM'000	RM'000	RM'000
Amount due to subsidiaries	-	-	504	1,753
Equity compensation benefits	25,059	21,553	24,126	20,712
Interest/Profit payable	186,025	185,491	157,692	156,205
Structured investments	2,088,917	1,845,729	2,088,917	1,845,729
Lease liabilities	21,562	24,429	19,170	21,620
Other payables and accruals	498,406	534,610	411,257	469,689
Provision for commitments and contingencies	44,919	31,990	17,177	17,211
	2,864,888	2,643,802	2,718,843	2,532,919

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

21 SUBORDINATED BONDS

	Group and Bank	
	31 March 2022	31 December 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.

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22 NET INTEREST INCOME

	Group		Bank	
	Year to date ended		Year to date ended	
	31 March 2022 RM'000	31 March 2021 RM'000	31 March 2022 RM'000	31 March 2021 RM'000
Interest income				
Loans, advances and financing				
- Interest income other than recoveries	442,811	474,599	442,811	474,599
- Recoveries from impaired loans, advances and financing	25,547	21,090	25,547	21,090
- Discount unwind from impaired loans, advances and financing	6,954	4,562	6,954	4,562
Money at call and deposit placements with banks and other financial institutions	15,866	14,183	29,146	23,340
Financial investments at FVOCI	97,457	101,415	97,457	101,415
Unquoted Islamic subordinated sukuk of subsidiary	-	-	2,367	2,367
Others	3,671	1,981	3,671	1,981
	592,306	617,830	607,953	629,354
Financial assets at FVTPL	12,536	11,441	12,536	11,441
	604,842	629,271	620,489	640,795
Interest expense				
Deposits from customers	(193,734)	(223,107)	(193,709)	(223,116)
Deposits and placements of banks and other financial institutions	(927)	(571)	(5,043)	(3,709)
Recourse obligation on loans sold to Cagamas Berhad	-	(7,608)	-	(7,608)
Subordinated bonds	(14,523)	(15,215)	(14,523)	(15,215)
Lease liabilities	(129)	(176)	(127)	(176)
Others	(4,586)	(929)	(12,231)	(5,636)
	(213,899)	(247,606)	(225,633)	(255,460)
Net interest income	390,943	381,665	394,856	385,335

23 INCOME FROM ISLAMIC BANKING OPERATIONS

	Group	
	Year to date ended	
	31 March 2022 RM'000	31 March 2021 RM'000
Income derived from investment of depositors' funds and others	115,026	124,805
Income derived from investment of specific investment account funds	16,323	11,222
Income derived from investment of shareholder's funds	32,382	36,782
Income attributable to depositors	(41,244)	(44,153)
Income attributable to investment account holder	(11,758)	(7,846)
	110,729	120,810

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24 NET FEE AND COMMISSION INCOME

	Group		Bank	
	Year to date ended		Year to date ended	
	31 March	31 March	31 March	31 March
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Commission	51,208	86,819	49,758	82,229
Service charges and fees	42,636	31,693	42,636	31,693
Guarantee fees	43	237	43	237
Other fee income	1,321	1,209	1,321	1,209
	95,208	119,958	93,758	115,368

25 NET TRADING INCOME

	Group		Bank	
	Year to date ended		Year to date ended	
	31 March	31 March	31 March	31 March
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Foreign exchange loss	(30,421)	(106,780)	(30,421)	(106,780)
Realised loss on financial assets at FVTPL	(8,677)	(6,437)	(8,677)	(6,437)
Realised gain/(loss) on trading derivatives	45,788	(83,334)	45,788	(83,334)
Unrealised gain/(loss) on financial assets at FVTPL	1,266	(6,739)	1,266	(6,739)
Unrealised gain on trading derivatives	58,049	240,834	58,049	240,834
	66,005	37,544	66,005	37,544

26 OTHER OPERATING (EXPENSE)/INCOME

	Group		Bank	
	Year to date ended		Year to date ended	
	31 March	31 March	31 March	31 March
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
(Loss)/gain on disposal of financial investments at FVOCI	(13,952)	10,386	(13,952)	10,386
Rental of premises	1,039	1,096	1,052	1,111
Rental of safe deposit boxes	1,713	1,727	1,713	1,727
Shared services income received from subsidiaries	-	-	25,985	25,182
Shared services income received from related companies	3,907	3,679	3,907	3,679
Unrealised gain on hedging derivatives	44	2	44	2
Others	424	298	369	298
	(6,825)	17,188	19,118	42,385

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27 OPERATING EXPENSES

	Group		Bank	
	Year to date ended		Year to date ended	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Note	RM'000	RM'000	RM'000	RM'000
Personnel expenses				
Wages, salaries and bonus	106,645	107,986	102,849	104,571
Employees Provident Fund contributions	16,474	18,546	15,796	17,727
Equity settled share-based payment transactions	3,254	2,767	3,165	2,664
Others	14,201	11,634	13,433	10,771
	<u>140,574</u>	<u>140,933</u>	<u>135,243</u>	<u>135,733</u>
Establishment expenses				
Depreciation of property and equipment	5,616	6,381	5,255	5,999
Depreciation of ROU assets	3,358	4,198	2,985	3,743
Rental of premises (a)	13	21	12	23
Repair and maintenance	3,369	2,322	3,201	2,124
Information technology costs	8,815	9,753	8,680	9,584
Hire of equipment (a)	233	212	210	184
Others	4,505	4,637	3,937	4,033
	<u>25,909</u>	<u>27,524</u>	<u>24,280</u>	<u>25,690</u>
Marketing expenses				
Advertisement and business promotion	2,229	1,310	2,129	1,247
Transport and travelling	341	295	327	285
Others	397	398	395	397
	<u>2,967</u>	<u>2,003</u>	<u>2,851</u>	<u>1,929</u>
General administrative expenses				
Transaction processing fees	86,457	80,891	81,357	75,535
Others	35,899	23,703	34,560	23,347
	<u>122,356</u>	<u>104,594</u>	<u>115,917</u>	<u>98,882</u>
Total operating expenses	<u>291,806</u>	<u>275,054</u>	<u>278,291</u>	<u>262,234</u>

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

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28 IMPAIRMENT ALLOWANCES AND PROVISIONS WRITE BACK/(CHARGE)

	Group		Bank	
	Year to date ended		Year to date ended	
	31 March	31 March	31 March	31 March
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Loans, advances and financing				
Stage 1 and 2 ECL net write back during the period	138,612	30,340	107,561	12,322
Stage 3 ECL				
- Made during the period	(88,095)	(84,609)	(68,789)	(63,205)
- Write back during the period	18,167	39,375	13,813	32,567
Impaired loans, advances and financing				
- Recovered during the period	19,500	11,789	13,367	6,641
Investment account placements				
Stage 1 and 2 ECL net write back/ (charge) during the period	-	-	717	(116)
Financial investments at FVOCI				
Stage 1 and 2 ECL net write back during the period	89	156	73	179
Other financial assets				
Stage 1 and 2 ECL net write back during the period	7	4	7	4
Stage 3 ECL net write back/(charge) during the period	54	(5)	54	(5)
Commitments and contingencies				
Net charge during the period	(12,963)	-	-	-
	<u>75,371</u>	<u>(2,950)</u>	<u>66,803</u>	<u>(11,613)</u>

29 INCOME TAX EXPENSE

	Group		Bank	
	Year to date ended		Year to date ended	
	31 March	31 March	31 March	31 March
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Malaysian income tax				
- Current period	115,134	81,214	95,854	59,159
- Prior years (over)/under provision	(5,167)	-	1,878	-
Expenses not deductible for tax purposes				
- Origination and reversal of temporary differences	26,363	21,478	23,160	21,297
	<u>136,330</u>	<u>102,692</u>	<u>120,892</u>	<u>80,456</u>

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30 COMMITMENTS AND CONTINGENCIES

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

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

<u>Group</u>	Principal amount RM'000	Credit equivalent amount RM'000	Risk weighted amount RM'000
31 March 2022			
Direct credit substitutes	134,398	134,398	117,015
Transaction-related contingent items	3,072,674	1,575,573	920,999
Short-term self-liquidating trade-related contingencies	356,586	79,397	39,241
Forward asset purchases, forward deposits, partly paid shares and securities	20,320	20,320	-
Foreign exchange related contracts			
- One year or less	23,508,486	113,725	64,300
- Over one year to five years	5,635,104	757,849	421,545
- Over five years	257,967	3,611	3,666
Interest rate contracts			
- One year or less	17,968,209	10,307	4,519
- Over one year to five years	23,303,672	463,339	76,372
- Over five years	4,116,488	123,571	89,446
Equity and commodity related contracts	2,111,422	110,304	35,411
Credit derivative contracts	774,432	13,052	1,504
Formal standby facilities and credit lines			
- Maturity not exceeding one year	2,000	1,500	816
- Original maturity exceeding one year	4,706,568	3,984,406	2,345,086
Other unconditionally cancellable commitments	20,262,489	2,290,761	385,012
Total	106,230,815	9,682,113	4,504,932
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			
- Maturity not exceeding one year	13,000	9,750	6,060
- Original maturity exceeding one year	4,930,354	4,163,894	2,437,543
Other unconditionally cancellable commitments	19,677,745	2,301,934	393,645
Total	100,696,245	9,758,367	4,714,870

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30 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>
31 March 2022			
Direct credit substitutes	88,674	88,674	79,332
Transaction-related contingent items	2,697,326	1,383,986	803,722
Short-term self-liquidating trade-related contingencies	305,366	68,121	33,372
Foreign exchange related contracts			
- One year or less	23,592,586	113,692	63,741
- Over one year to five years	5,634,472	757,849	420,904
- Over five years	257,967	3,611	3,666
Interest rate contracts			
- One year or less	17,968,209	10,307	4,519
- Over one year to five years	23,303,672	463,339	76,372
- Over five years	4,116,488	123,571	66,475
Equity and commodity related contracts	2,111,422	110,304	35,411
Credit derivative contracts	774,432	13,052	1,504
Formal standby facilities and credit lines			
- Maturity not exceeding one year	2,000	1,500	816
- Original maturity exceeding one year	4,106,132	3,512,286	2,000,270
Other unconditionally cancellable commitments	17,650,304	2,123,579	356,103
Total	<u>102,609,050</u>	<u>8,773,871</u>	<u>3,946,207</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	101,181	48,978
- Over one year to five years	5,227,825	684,349	427,812
- Over five years	534,729	46,272	52,596
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	122,747
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			
- Maturity not exceeding one year	10,000	7,500	4,078
- Original maturity exceeding 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>8,866,624</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 acceptance 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 fixed for 7 July 2022.

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31 CAPITAL COMMITMENTS

	Group		Bank	
	31 March 2022 RM'000	31 December 2021 RM'000	31 March 2022 RM'000	31 December 2021 RM'000
Capital expenditure commitments in respect of property and equipment contracted but not provided for	3,719	4,267	3,642	4,078

32 FAIR VALUES 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 Actively traded quoted equity securities of corporations Over-the counter ("OTC") derivatives	Corporate and other government bonds/sukuk and loans OTC derivatives Cash and cash equivalents Deposits and placements with banks and other financial institutions Investment account placements Other assets	Private debt equity investments Corporate bonds/sukuk with illiquid markets Loans, advances and financing OTC derivatives Unquoted equity instruments
Type of financial liabilities	OTC derivatives	OTC derivatives Deposits from customers Deposits and placement of banks and other financial institutions Subordinated bonds/sukuk Other liabilities	OTC derivatives

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32 FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy of financial instruments (continued)

Group	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000
31 March 2022				
Financial assets at fair value				
Financial assets at FVTPL	1,557,376	16	-	1,557,392
Financial investments at FVOCI	16,589,450	1,745,534	110,234	18,445,218
Derivative financial assets	635	1,003,429	4,191	1,008,255
	18,147,461	2,748,979	114,425	21,010,865
Financial liabilities at fair value				
Derivative financial liabilities	1,764	874,352	1,759	877,875
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
	19,366,154	2,171,492	119,726	21,657,372
Financial liabilities at fair value				
Derivative financial liabilities	388	853,562	6,124	860,074
Bank				
31 March 2022				
Financial assets at fair value				
Financial assets at FVTPL	1,547,279	16	-	1,547,295
Financial investments at FVOCI	13,644,168	1,345,897	110,234	15,100,299
Derivative financial assets	692	1,003,659	4,184	1,008,535
	15,192,139	2,349,572	114,418	17,656,129
Financial liabilities at fair value				
Derivative financial liabilities	1,781	874,413	1,759	877,953
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
	16,386,670	1,622,767	119,690	18,129,127
Financial liabilities at fair value				
Derivative financial liabilities	458	853,858	6,123	860,439

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32 FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy of financial instruments (continued)

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

	Group		Bank	
	31 March 2022 RM'000	31 December 2021 RM'000	31 March 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	(2,438)	(6,987)	(2,438)	(6,987)
Unrealised gain/(loss)				
- Recognised in net trading income	2,945	2,440	2,980	2,405
- Recognised in other comprehensive income	(5,458)	4,198	(5,464)	4,198
At 31 March/31 December	<u>114,425</u>	<u>119,726</u>	<u>114,418</u>	<u>119,690</u>
Financial liabilities at fair value				
At 1 January	6,124	38,149	6,123	38,145
Realised gain				
- Recognised in net trading income	(2,297)	(38,145)	(2,297)	(38,145)
Unrealised (gain)/loss				
- Recognised in net trading income	(2,068)	6,120	(2,067)	6,123
At 31 March/31 December	<u>1,759</u>	<u>6,124</u>	<u>1,759</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	31 March 2022 Fair value RM'000	31 December 2021 Fair value RM'000	Classification	Valuation technique	Unobservable input
Assets					
Financial investments at FVOCI	110,234	116,047	FVOCI	Net asset value approach	Net asset value
Derivative financial assets	<u>4,191</u>	<u>3,679</u>	Hedge for trading	Option pricing model	Standard deviation
	<u>114,425</u>	<u>119,726</u>			
Liabilities					
Derivative financial liabilities	<u>1,759</u>	<u>6,124</u>	Hedge for trading	Option pricing model	Standard deviation

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32 FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy of financial instruments (continued)

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

Bank	31 March 2022 Fair value RM'000	31 December 2021 Fair value RM'000	Classification	Valuation technique	Unobservable input
Assets					
Financial investments at FVOCI	110,234	116,047	FVOCI	Net asset value approach	Net asset value
Derivative financial assets	4,184	3,643	Hedge for trading	Option pricing model	Standard deviation
	<u>114,418</u>	<u>119,690</u>			
Liabilities					
Derivative financial liabilities	<u>1,759</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.

33 CAPITAL ADEQUACY

The capital ratios are computed in accordance with BNM's Capital Adequacy Framework (Capital Components) whereby recognition of the Group's and the Bank's Additional Tier 1 and Tier 2 capital instruments are subject to a gradual phase out.

	Group		Bank	
	31 March 2022 RM'000	31 December 2021 RM'000	31 March 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	7,552,729	7,542,579	6,399,992	6,389,841
Other reserves	562,131	630,069	483,846	544,539
Regulatory adjustment for CET 1 capital	<u>(460,229)</u>	<u>(176,049)</u>	<u>(961,232)</u>	<u>(731,913)</u>
	8,408,631	8,750,599	6,676,606	6,956,467
Additional Tier 1 capital	-	459,279	-	459,279
Tier 1 capital	<u>8,408,631</u>	<u>9,209,878</u>	<u>6,676,606</u>	<u>7,415,746</u>

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33 CAPITAL ADEQUACY (continued)

	Group		Bank	
	31 March 2022 RM'000	31 December 2021 RM'000	31 March 2022 RM'000	31 December 2021 RM'000
Stage 1 and Stage 2 ECL and qualifying regulatory reserves under the Standardised Approach	18,450	20,945	15,675	17,810
Surplus eligible provisions over expected losses	261,315	261,287	209,840	209,144
Subordinated bonds	1,050,000	1,050,000	1,050,000	1,050,000
Regulatory adjustment for Tier 2 capital	-	-	(200,000)	(200,000)
Tier 2 capital	1,329,765	1,332,232	1,075,515	1,076,954
Capital base	9,738,396	10,542,110	7,752,121	8,492,700
Before deducting proposed dividend				
CET 1 capital ratio	16.410%	16.897%	16.052%	16.556%
Tier 1 capital ratio	16.410%	17.784%	16.052%	17.649%
Total capital ratio	19.005%	20.356%	18.638%	20.213%
After deducting proposed dividend				
CET 1 capital ratio	15.563%	16.058%	15.008%	15.523%
Tier 1 capital ratio	15.563%	16.945%	15.008%	16.616%
Total capital ratio	18.158%	19.518%	17.594%	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	14.598%	14.518%	14.011%	13.949%
Tier 1 capital ratio	14.598%	15.405%	14.011%	15.042%
Total capital ratio	17.913%	17.977%	16.597%	17.605%

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

Total RWA for credit risk	45,028,510	45,223,466	36,227,296	36,282,141
Total RWA for market risk	970,594	1,361,434	964,182	1,364,705
Total RWA for operational risk	5,242,051	5,203,983	4,402,309	4,370,118
	51,241,155	51,788,883	41,593,787	42,016,964

The capital adequacy ratios of OCBC Al-Amin, OCBC Malaysia's Islamic Banking subsidiary, are computed in accordance with BNM's Capital Adequacy Framework for Islamic Banks (Capital Components). OCBC Al-Amin 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 has adopted the Standardised Approach and the Basic Indicator Approach respectively.

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

	31 March 2022	31 December 2021
CET 1/Tier 1 capital ratio	17.796%	18.179%
Total capital ratio	20.425%	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	16.975%	16.790%
Total capital ratio	19.604%	19.393%