

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

**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023**

Domiciled in Malaysia
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OCBC BANK (MALAYSIA) BERHAD
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**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023**

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OCBC BANK (MALAYSIA) BERHAD
AND ITS SUBSIDIARY COMPANIES
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**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2023**

	Note	Group		Bank	
		30 September	31 December	30 September	31 December
		2023	2022	2023	2022
		RM'000	RM'000	RM'000	RM'000
ASSETS					
Cash and cash equivalents	10	2,492,403	6,952,345	1,097,136	5,591,793
Deposits and placements with banks and other financial institutions	11	444,030	1,863,600	444,030	2,107,603
Investment account placements	12	-	-	3,548,382	3,093,946
Financial assets at fair value through profit or loss ("FVTPL")	13	1,922,572	566,098	1,917,543	561,059
Financial investments at fair value through other comprehensive income ("FVOCI")	14	23,862,653	22,901,346	19,292,703	19,702,128
Loans, advances and financing	15	63,739,790	64,298,998	51,465,156	51,563,714
Derivative financial assets	17	1,407,535	1,307,652	1,407,627	1,307,663
Other assets	18	470,195	364,470	465,774	420,034
Statutory deposits with Bank Negara Malaysia ("BNM")		960,210	903,160	768,210	703,160
Investments in subsidiaries		-	-	557,051	557,051
Property and equipment		128,069	133,974	125,643	130,853
Right-of-use ("ROU") assets		26,794	14,814	24,346	12,775
Tax recoverable		767	5,770	-	81
Deferred tax assets		207,581	231,043	172,793	190,656
Total assets		95,662,599	99,543,270	81,286,394	85,942,516
LIABILITIES					
Deposits from customers	19	71,560,916	77,717,263	58,952,866	65,747,671
Deposits and placements of banks and other financial institutions	20	6,031,346	5,720,234	6,001,119	5,676,869
Obligations on securities sold under repurchase agreements		1,284,067	-	1,284,067	-
Bills and acceptances payable		73,494	114,286	66,021	102,529
Derivative financial liabilities	17	1,109,467	1,447,264	1,110,929	1,447,629
Other liabilities	21	4,735,906	4,100,040	4,598,586	3,946,907
Tax payable and zakat		25,685	117,204	22,448	105,030
Subordinated bonds	22	1,050,000	1,050,000	1,050,000	1,050,000
Total liabilities		85,870,881	90,266,291	73,086,036	78,076,635
EQUITY					
Share capital		754,000	754,000	754,000	754,000
Reserves		9,037,718	8,522,979	7,446,358	7,111,881
Total equity		9,791,718	9,276,979	8,200,358	7,865,881
Total liabilities and equity		95,662,599	99,543,270	81,286,394	85,942,516
Commitments and contingencies	31	126,949,917	117,466,765	122,946,658	113,725,526

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 2022 and the accompanying explanatory notes to the unaudited condensed interim financial statements.

OCBC BANK (MALAYSIA) BERHAD
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**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023**

Group	Note	Quarter ended		Year to date ended	
		30 September 2023 RM'000	30 September 2022 RM'000	30 September 2023 RM'000	30 September 2022 RM'000
Interest/Finance income		866,759	723,649	2,559,154	1,945,542
Interest income for financial assets at FVTPL		16,103	9,603	49,956	33,565
Interest/Finance expense		(432,447)	(283,888)	(1,258,593)	(730,600)
Net interest/finance income	23	450,415	449,364	1,350,517	1,248,507
Income from Islamic banking operations	24	132,569	122,577	399,672	350,411
Net fee and commission income	25	78,395	79,647	245,768	276,583
Net trading income	26	94,617	46,612	322,664	182,744
Other operating income/(expense)	27	7,965	(2,781)	36,592	(35,763)
Operating income		763,961	695,419	2,355,213	2,022,482
Operating expenses	28	(375,444)	(322,182)	(1,092,971)	(932,884)
Operating profit before impairment allowances and provisions		388,517	373,237	1,262,242	1,089,598
Impairment allowance and provisions (charge)/writeback	29	(139,365)	169,477	(54,116)	314,360
Profit before income tax and zakat		249,152	542,714	1,208,126	1,403,958
Income tax expense	30	(61,353)	(174,138)	(312,451)	(445,067)
Zakat		(12)	(12)	(37)	(37)
Profit for the period		187,787	368,564	895,638	958,854
Other comprehensive income, net of income tax					
Items that will not be reclassified to profit or loss					
Change in fair value reserve (equity instruments)		-	-	3,078	3,993
Items that are or may be reclassified subsequently to profit or loss					
FVOCI reserve (debt instruments)					
- Change in fair value		(32,837)	(29,729)	82,071	(289,850)
- Amount transferred to profit or loss		5,634	9,752	(17,382)	57,233
- Related tax		6,529	4,796	(15,525)	55,830
Change in expected credit loss ("ECL") reserve on debt instruments at FVOCI		596	324	984	362
Other comprehensive (expense)/income for the period		(20,078)	(14,857)	53,226	(172,432)
Total comprehensive income for the period		167,709	353,707	948,864	786,422
Profit attributable to owner of the Bank		187,787	368,564	895,638	958,854
Total comprehensive income attributable to owner of the Bank		948,864	353,707	948,864	786,422
Basic earnings per ordinary share (sen)		65.3	128.2	311.5	333.5

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 2022 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 SEPTEMBER 2023**

	Note	Quarter ended		Year to date ended	
		30 September 2023 RM'000	30 September 2022 RM'000	30 September 2023 RM'000	30 September 2022 RM'000
Bank					
Interest/Finance income		899,963	744,606	2,655,385	1,997,600
Interest income for financial assets at FVTPL		16,103	9,603	49,956	33,565
Interest/Finance expense		(463,504)	(302,386)	(1,344,216)	(773,756)
Net interest/finance income	23	452,562	451,823	1,361,125	1,257,409
Net fee and commission income	25	78,305	78,522	242,966	273,465
Net trading income	26	94,617	46,612	322,664	182,744
Other operating income	27	42,706	25,107	134,442	45,914
Operating income		668,190	602,064	2,061,197	1,759,532
Operating expenses	28	(358,295)	(307,118)	(1,044,098)	(888,675)
Operating profit before impairment allowance and provision		309,895	294,946	1,017,099	870,857
Impairment allowances and provisions (charge)/writeback	29	(93,318)	203,420	(29,007)	353,764
Profit before income tax		216,577	498,366	988,092	1,224,621
Income tax expense	30	(53,525)	(161,255)	(259,622)	(399,913)
Profit for the period		163,052	337,111	728,470	824,708
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)		-	-	3,078	3,993
<i>Items that are or may be reclassified subsequently to profit or loss</i>					
FVOCI reserve (debt instruments)					
- Change in fair value		(30,799)	(25,553)	64,163	(249,990)
- Amount transferred to profit or loss		5,970	9,752	(16,646)	57,603
- Related tax		5,959	3,793	(11,404)	46,174
Change in expected credit loss ("ECL") reserve on debt instruments at FVOCI		615	222	941	259
Other comprehensive (expense)/income for the period		(18,255)	(11,786)	40,132	(141,961)
Total comprehensive income for the period		144,797	325,325	768,602	682,747
Profit attributable to owner of the Bank		163,052	337,111	728,470	824,708
Total comprehensive income attributable to owner of the Bank		144,797	325,325	768,602	682,747
Basic earnings per ordinary share (sen)		56.7	117.3	253.4	286.9

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OCBC BANK (MALAYSIA) BERHAD
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UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023

<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 2023	754,000	600,000	671	(52,598)	7,974,906	9,276,979
Fair value reserve						
- Change in fair value	-	-	-	85,149	-	85,149
- Transferred to profit or loss	-	-	-	(17,382)	-	(17,382)
- Related tax	-	-	-	(15,525)	-	(15,525)
Change in ECL reserve	-	-	984	-	-	984
Total other comprehensive income for the period	-	-	984	52,242	-	53,226
Profit for the period	-	-	-	-	895,638	895,638
Total comprehensive income for the period	-	-	984	52,242	895,638	948,864
Contributions by and distributions to owner of the Bank						
Final 2022 ordinary dividend paid	-	-	-	-	(434,125)	(434,125)
At 30 September 2023	754,000	600,000	1,655	(356)	8,436,419	9,791,718
At 1 January 2022	754,000	600,000	446	30,069	7,542,579	8,927,094
Fair value reserve						
- Change in fair value	-	-	-	(285,857)	-	(285,857)
- Transferred to profit or loss	-	-	-	57,233	-	57,233
- Related tax	-	-	-	55,830	-	55,830
Change in ECL reserve	-	-	362	-	-	362
Total other comprehensive income/(expense) for the period	-	-	362	(172,794)	-	(172,432)
Profit for the period	-	-	-	-	958,854	958,854
Total comprehensive income/(expense) for the period	-	-	362	(172,794)	958,854	786,422
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 September 2022	754,000	600,000	808	(152,875)	8,077,458	9,279,391

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UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023

Bank	<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	
At 1 January 2023	754,000	509,000	524	(25,441)	6,627,798	7,865,881
Fair value reserve						
- Change in fair value	-	-	-	67,241	-	67,241
- Transferred to profit or loss	-	-	-	(16,646)	-	(16,646)
- Related tax	-	-	-	(11,404)	-	(11,404)
Change in ECL reserve	-	-	941	-	-	941
Total other comprehensive income for the period	-	-	941	39,191	-	40,132
Profit for the period	-	-	-	-	728,470	728,470
Total comprehensive income for the period	-	-	941	39,191	728,470	768,602
Contributions by and distributions to owner of the Bank						
Final 2022 ordinary dividend paid	-	-	-	-	(434,125)	(434,125)
At 30 September 2023	754,000	509,000	1,465	13,750	6,922,143	8,200,358
At 1 January 2022	754,000	509,000	392	35,539	6,389,841	7,688,772
Fair value reserve						
- Change in fair value	-	-	-	(245,997)	-	(245,997)
- Transferred to profit or loss	-	-	-	57,603	-	57,603
- Related tax	-	-	-	46,174	-	46,174
Change in ECL reserve	-	-	259	-	-	259
Total other comprehensive income/(expense) for the period	-	-	259	(142,220)	-	(141,961)
Profit for the period	-	-	-	-	824,708	824,708
Total comprehensive income/(expense) for the period	-	-	259	(142,220)	824,708	682,747
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 September 2022	754,000	509,000	651	(116,831)	6,790,574	7,937,394

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UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023

	Group		Bank	
	Year to date ended		Year to date ended	
	30 September	30 September	30 September	30 September
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Cash flows from operating activities				
Profit before income tax and zakat	1,208,126	1,403,958	988,092	1,224,621
<i>Adjustments for:</i>				
Depreciation of property, plant and equipment	15,009	16,989	14,208	15,903
Depreciation of right-of-use assets	9,650	9,553	8,526	8,444
Dividends received from financial investments at FVOCI	(599)	(599)	(599)	(599)
Impairment allowances and provisions	103,338	(261,698)	65,916	(318,647)
Finance expense on lease liabilities	114	379	102	335
Net (gain)/loss on disposal of:				
- Financial investments at FVOCI	(17,382)	57,233	(16,646)	57,603
- Property and equipment	8	147	8	-
Share-based costs	11,552	12,197	11,245	11,905
Unrealised loss/(gain) on:				
- Financial assets at FVTPL	8,137	2,966	8,137	2,820
- Hedging derivatives	565	220	565	220
- Trading derivatives	(488,045)	(282,674)	(488,045)	(282,766)
- Subordinated bonds	-	9,541	-	9,541
Operating profit before changes in working capital	850,473	968,212	591,509	729,380
<i>Changes in operating assets and operating liabilities:</i>				
Deposits and placements with banks and other financial institutions	1,419,618	(1,691,720)	1,663,621	(2,052,705)
Investment account placements	-	-	(447,240)	(162,015)
Financial assets at FVTPL	(1,364,611)	1,280,065	(1,364,621)	1,275,170
Loans, advances and financing	483,357	1,025,408	56,227	1,244,635
Other assets	(107,484)	(88,228)	(47,523)	(77,420)
Statutory deposits with Bank Negara Malaysia	(57,050)	10,765	(65,050)	10,765
Derivative financial assets and liabilities	44,431	82,028	45,447	81,996
Deposits from customers	(6,156,347)	(606,463)	(6,794,805)	(69,923)
Deposits and placements of banks and other financial institutions	311,112	3,484,936	324,250	3,467,416
Obligations on securities sold under repurchase agreements	1,284,067	242,023	1,284,067	242,023
Bills and acceptances payable	(40,792)	(1,277)	(36,508)	637
Other liabilities	590,050	1,115,408	603,236	1,168,912
Cash (used in)/generated from operations	(2,743,176)	5,821,157	(4,187,390)	5,858,871
Income tax and zakat paid	(391,067)	(176,452)	(335,664)	(168,574)
Net cash (used in)/generated from operating activities	(3,134,243)	5,644,705	(4,523,054)	5,690,297

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UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023 (continued)

	Group		Bank	
	Year to date ended		Year to date ended	
	30 September	30 September	30 September	30 September
	2023	2022	2023	2022
	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	(27,783,869)	(16,411,203)	(22,530,079)	(12,084,783)
Acquisition of property and equipment	(9,112)	(7,363)	(8,985)	(7,115)
Dividends received from financial investments at FVOCI	599	599	599	599
Proceeds from disposal of financial investments at FVOCI	26,913,080	15,074,421	23,012,114	10,682,556
Proceeds from disposal of property and equipment	3	429	1	429
Net cash (used in)/generated from investing activities	(879,299)	(1,343,117)	473,650	(1,208,314)
Cash flows from financing activities				
Dividends paid to owner of the Bank	(434,125)	(434,125)	(434,125)	(434,125)
Redemption of subordinated bonds	-	(468,820)	-	(468,820)
Payment of lease liabilities	(12,275)	(10,079)	(11,128)	(8,920)
Net cash used in financing activities	(446,400)	(913,024)	(445,253)	(911,865)
Net (decrease)/increase in cash and cash equivalents	(4,459,942)	3,388,564	(4,494,657)	3,570,118
Cash and cash equivalents at 1 January	6,952,345	4,828,559	5,591,793	2,916,924
Cash and cash equivalents at 30 September	2,492,403	8,217,123	1,097,136	6,487,042

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

OCBC BANK (MALAYSIA) BERHAD
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UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2023 (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 September RM'000
2023						
<u>Group</u>						
Subordinated bonds	1,050,000	-	-	-	-	1,050,000
Lease liabilities	13,286	(12,275)	-	21,630	114	22,755
Total liabilities from financing activities	<u>1,063,286</u>	<u>(12,275)</u>	<u>-</u>	<u>21,630</u>	<u>114</u>	<u>1,072,755</u>
<u>Bank</u>						
Subordinated bonds	1,050,000	-	-	-	-	1,050,000
Lease liabilities	11,205	(11,128)	-	20,097	102	20,276
Total liabilities from financing activities	<u>2,508,834</u>	<u>(11,128)</u>	<u>-</u>	<u>20,097</u>	<u>102</u>	<u>1,070,276</u>
2022						
<u>Group</u>						
Subordinated bonds	1,509,279	(468,820)	9,541	-	-	1,050,000
Lease liabilities	24,429	(10,079)	-	796	379	15,525
Total liabilities from financing activities	<u>1,533,708</u>	<u>(478,899)</u>	<u>9,541</u>	<u>796</u>	<u>379</u>	<u>1,065,525</u>
<u>Bank</u>						
Subordinated bonds	1,509,279	(468,820)	9,541	-	-	1,050,000
Lease liabilities	21,620	(8,920)	-	75	335	13,110
Total liabilities from financing activities	<u>1,530,899</u>	<u>(477,740)</u>	<u>9,541</u>	<u>75</u>	<u>335</u>	<u>1,063,110</u>

* Acquisition of new leases includes changes in lease terms.

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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 30 SEPTEMBER 2023

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 RM896 million for the financial period ended 30 September 2023; RM63 million or 7% lower compared to the corresponding period last year. This was mainly contributed by higher net charge in expected credit loss allowances of RM54 million as opposed to net writeback of RM314 million in the same period last year following expiry of relief assistance programs and resumption of repayments last year partially offset by higher operating income.

The Group generated higher total operating income of RM2.36 billion (up RM333 million) from higher net trading income (up RM140 million, 77%) and gain on disposal of FVOCI securities (up RM74 million, 129%) as well as higher net interest/finance income (up RM102 million, 8%) together with income from Islamic Banking operations (up RM49 million, 14%) on improved net interest margin. Operating expenses increased by RM160 million mainly from higher personnel costs.

After deducting proposed dividends, the Group and the Bank remained well capitalised with Common Equity Tier 1 capital ratios of 15.710% and 14.240%, Tier 1 capital ratios of 15.710% and 14.240% and Total capital ratios of 18.238% and 17.154%, respectively.

ECONOMIC PERFORMANCE AND PROSPECTS

Malaysia's economy expanded moderately by 2.9% in the second quarter of 2023 against the previous quarter's 5.6%, affected by slower external demand and decline in commodity production.

The Malaysian economy is projected to expand close to lower end of 4.0% to 5.0% range in 2023. Growth will continue to be supported by domestic expenditure amid the challenging external environment. Continued employment and wage growth remain supportive of household spending. Tourist arrivals and spending are expected to improve further while investment activity will be supported by continued progress of multi-year infrastructure projects and implementation of initiatives under the New Industrial Master Plan 2030.

Bank Negara Malaysia maintained its Overnight Policy Rate ("OPR") at 3.00% at its Monetary Policy Committee meeting on 7 September 2023. At the current OPR level, the monetary policy stance remains supportive of the economy.

Domestic financial conditions remain conducive to financial intermediation amid sustained credit growth against previous quarter's 5.6%, affected by slower external demand with banks in Malaysia well-capitalised and the banking system underpinned by sound asset quality.

1 BASIS OF PREPARATION

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

The unaudited condensed interim financial statements of the Group and the Bank have been prepared under the historical cost convention except for the assets and liabilities which are stated at fair values as disclosed in the notes to the unaudited condensed interim financial statements: financial assets at FVTPL, financial investments at FVOCI and derivative financial instruments. The unaudited condensed interim financial statements are presented in Ringgit Malaysia ("RM"), which is the Bank's functional currency. All financial information presented in RM have been rounded to the nearest thousand, unless otherwise stated.

(a) Statement of compliance

The unaudited condensed interim financial statements have been prepared in accordance with Malaysian Financial Reporting Standard ("MFRS") 134, *Interim Financial Reporting*, International Accounting Standard 34, *Interim Financial Reporting* and applicable Shariah requirements (operations of Islamic Banking).

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

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 30 SEPTEMBER 2023 (continued)

1 BASIS OF PREPARATION (continued)

(a) Statement of compliance (continued)

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

- Amendments to MFRS 101, *Presentation of Financial Statements 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*
- *Amendments to MFRS 112, Income Taxes - International Tax Reform - Pillar Two Model Rules*

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 2024

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

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 2022.

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 30 SEPTEMBER 2023 (continued)**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 2022 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 2022 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

There were no other issuances, cancellations, repurchases and repayments of debt and securities by the Bank during the financial period ended 30 September 2023.

6 CHANGES IN COMPOSITION OF THE GROUP

There was no change in the composition of the Group during the financial period ended 30 September 2023.

7 DIVIDENDS

Final dividend of 152 sen per ordinary share totalling RM434,125,000 in respect of the financial year ended 31 December 2022 was paid on 25 May 2023.

An interim dividend of 163 sen per ordinary share totalling RM468,625,000 in respect of the financial period ended 30 June 2023 was paid on 24 October 2023.

8 SUBSEQUENT EVENTS

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

9 UNUSUAL ITEMS DUE TO THEIR NATURE, SIZE OR INCIDENCE

There 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 September 2023.

10 CASH AND CASH EQUIVALENTS

	Group		Bank	
	30 September 2023 RM'000	31 December 2022 RM'000	30 September 2023 RM'000	31 December 2022 RM'000
Cash and balances with banks and other financial institutions	413,041	542,616	302,708	433,049
Money at call and deposit placements with financial institutions maturing within one month	-	892,873	46,186	1,185,591
Deposit placements with Bank Negara Malaysia	2,081,125	5,516,914	750,000	3,973,200
Stage 1 ECL allowance	(1,763)	(58)	(1,758)	(47)
	<u>2,492,403</u>	<u>6,952,345</u>	<u>1,097,136</u>	<u>5,591,793</u>

Included in the Bank's cash and cash equivalents are deposits and placements with its Islamic Banking subsidiary, OCBC Al-Amin Bank Berhad, of RM46 million (31 December 2022: RM293 million), which are unsecured and profit bearing.

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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 30 SEPTEMBER 2023 (continued)

10 CASH AND CASH EQUIVALENTS (continued)

(a) Movements in ECL allowance

	Group		Bank	
	30 September	31 December	30 September	31 December
	2023	2022	2023	2022
Stage 1 ECL	RM'000	RM'000	RM'000	RM'000
At 1 January	58	31	47	31
New financial assets originated or purchased	1,693	16	1,693	16
Financial assets derecognised	(3)	(4)	(3)	(4)
Net remeasurement during their period/year	13	15	19	4
Other movements	2	-	2	-
At 30 September/31 December	1,763	58	1,758	47

11 DEPOSITS AND PLACEMENTS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS

	Group		Bank	
	30 September	31 December	30 September	31 December
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Bank Negara Malaysia	6,609	-	6,609	-
Licensed banks	437,433	1,863,660	437,433	2,107,663
Stage 1 ECL allowance	(12)	(60)	(12)	(60)
	444,030	1,863,600	444,030	2,107,603

Included in the Bank's deposits and placements with licensed banks as at 31 December 2022 are deposits and placements with its Islamic Banking subsidiary, OCBC Al-Amin Bank Berhad, of RM244 million which are unsecured and profit bearing.

(a) Movements in ECL allowance

<u>Group and Bank</u>	30 September 2023			31 December 2022		
	Stage 1	Stage 2	Total ECL	Stage 1	Stage 2	Total ECL
	12 months	Lifetime	non credit-	12 months	Lifetime	non credit-
	RM'000	RM'000	impaired	RM'000	RM'000	impaired
			RM'000			RM'000
At 1 January	60	-	60	8	-	8
Transferred to Stage 2	(30)	30	-	-	-	-
New financial assets originated or purchased	71	-	71	92	-	92
Financial assets derecognised	(28)	-	(28)	(15)	-	(15)
Net remeasurement during the period/year	(61)	(30)	(91)	(25)	-	(25)
At 30 September/31 December	12	-	12	60	-	60

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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 30 SEPTEMBER 2023 (continued)

12 INVESTMENT ACCOUNT PLACEMENTS

	Bank	
	30 September 2023 RM'000	31 December 2022 RM'000
Restricted Profit Sharing Investment Accounts	3,581,896	3,134,656
ECL allowance	(33,514)	(40,710)
	3,548,382	3,093,946

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

(a) Movements in ECL allowance

Bank	<i>Non credit-impaired</i>		<i>Credit-impaired</i>	Total RM'000
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	
30 September 2023				
At 1 January	3,326	12,378	25,006	40,710
New financial assets originated or purchased	1,598	-	-	1,598
Net remeasurement during the period	2,036	(3,796)	(7,034)	(8,794)
At 30 September	6,960	8,582	17,972	33,514
31 December 2022				
At 1 January	2,970	701	32,769	36,440
New financial assets originated or purchased	906	10,156	-	11,062
Financial assets derecognised	(605)	-	-	(605)
Net remeasurement during the year	16	1,521	(7,763)	(6,226)
Other movements	39	-	-	39
At 31 December	3,326	12,378	25,006	40,710

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

	Group		Bank	
	30 September 2023 RM'000	31 December 2022 RM'000	30 September 2023 RM'000	31 December 2022 RM'000
At fair value				
Malaysian Government Investment Issues	395,455	68,761	395,455	68,761
Malaysian Government Securities	378,718	477,196	378,718	477,196
Malaysian Government Treasury Bills	470,952	-	470,952	-
Bank Negara Malaysia Monetary Notes	449,587	-	449,587	-
Corporate Bonds and Sukuk	227,860	20,141	222,831	15,102
	1,922,572	566,098	1,917,543	561,059

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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 30 SEPTEMBER 2023 (continued)

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

	Group		Bank	
	30 September	31 December	30 September	31 December
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
At fair value				
Malaysian Government Investment Issues	7,701,599	5,758,688	5,451,837	3,773,562
Malaysian Government Securities	6,116,133	6,155,399	6,116,133	6,155,399
Malaysian Treasury Bills and Islamic Treasury Bills	668,187	1,547,820	668,187	1,184,615
Malaysian Government Debt Securities and Sukuk	-	30,077	-	30,077
Bank Negara Malaysia Monetary Notes	499,408	-	-	-
Foreign Government Debt Securities	206,574	-	206,574	-
Negotiable Instruments of Deposit and Islamic				
Negotiable Instruments of Deposit	5,429,777	6,995,336	4,534,474	6,596,563
Corporate and Islamic Corporate Bonds, Sukuk and				
Sanadat Mudharabah Cagamas	3,128,358	2,304,486	2,202,881	1,852,372
Unquoted shares in Malaysia				
- Cagamas Holdings Berhad	85,595	85,595	85,595	85,595
- Others	27,022	23,945	27,022	23,945
	23,862,653	22,901,346	19,292,703	19,702,128

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

Group	30 September 2023			31 December 2022		
	Stage 1	Stage 2	Total	Stage 1	Stage 2	Total
	RM'000	RM'000	non credit-	RM'000	RM'000	non credit-
			impaired			impaired
			RM'000			RM'000
At 1 January	632	39	671	415	31	446
Transferred to Stage 1	1	(1)	-	-	-	-
Transferred to Stage 2	(100)	100	-	(26)	26	-
New financial assets						
originated or purchased	1,543	1	1,544	895	-	895
Financial assets derecognised	(242)	(9)	(251)	(341)	(16)	(357)
Net remeasurement during						
the period/year	(312)	(3)	(315)	(325)	(2)	(327)
Other movements	5	1	6	14	-	14
At 30 September/31 December	1,527	128	1,655	632	39	671
Bank						
At 1 January	485	39	524	361	31	392
Transferred to Stage 1	1	(1)	-	-	-	-
Transferred to Stage 2	(100)	100	-	(26)	26	-
New financial assets						
originated or purchased	1,281	1	1,282	671	-	671
Financial assets derecognised	(105)	(9)	(114)	(275)	(16)	(291)
Net remeasurement during						
the period/year	(230)	(3)	(233)	(260)	(2)	(262)
Other movements	5	1	6	14	-	14
At 30 September/31 December	1,337	128	1,465	485	39	524

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 30 SEPTEMBER 2023 (continued)**15 LOANS, ADVANCES AND FINANCING**

	Group		Bank	
	30 September 2023 RM'000	31 December 2022 RM'000	30 September 2023 RM'000	31 December 2022 RM'000
At amortised cost				
Overdrafts	2,705,338	2,530,791	2,163,292	2,035,037
Term loans/financing:				
- Housing loans/financing	18,437,076	19,752,258	16,859,518	18,095,328
- Syndicated term loans/financing	7,656,959	7,417,938	5,724,743	5,578,093
- Hire purchase receivables	273,562	284,183	57,935	47,156
- Other term loans/financing	20,055,441	20,737,068	15,236,921	15,849,279
Credit cards	502,346	522,666	502,346	522,666
Bills receivable	136,163	180,673	44,466	113,281
Trust receipts	15,941	32,793	15,815	32,309
Claims on customers under acceptance credits	2,616,296	2,843,233	2,433,896	2,554,259
Revolving credit	10,289,465	9,487,215	7,100,009	5,877,252
Staff loans/financing	40,268	42,022	40,268	42,022
Other loans/financing	2,178,513	1,736,751	2,066,062	1,645,649
Gross loans, advances and financing	64,907,368	65,567,591	52,245,271	52,392,331
ECL allowance	(1,167,578)	(1,268,593)	(780,115)	(828,617)
Net loans, advances and financing	63,739,790	64,298,998	51,465,156	51,563,714
(a) By type of customer				
Domestic non-bank financial institutions	3,439,025	3,266,364	1,834,491	1,358,622
Domestic business enterprises				
- Small and medium enterprises	12,178,187	12,328,093	9,922,695	9,989,121
- Others	26,789,310	25,814,507	19,914,647	18,947,544
Individuals	20,500,863	21,948,651	18,804,497	20,149,035
Foreign entities	1,999,983	2,209,976	1,768,941	1,948,009
	64,907,368	65,567,591	52,245,271	52,392,331
(b) By interest/profit rate sensitivity				
Fixed rate				
- Housing loans/financing	103,013	92,830	13,132	12,446
- Hire purchase receivables	183,357	186,643	43,323	32,472
- Other fixed rate loans/financing	7,029,523	7,432,400	6,362,866	6,180,938
Variable rate				
- Base rate/Base lending rate/Base financing rate plus	30,053,250	31,736,883	26,446,917	28,030,303
- Cost plus	26,540,014	25,197,049	18,460,923	17,265,592
- Other variable rates	998,211	921,786	918,110	870,580
	64,907,368	65,567,591	52,245,271	52,392,331

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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 30 SEPTEMBER 2023 (continued)

15 LOANS, ADVANCES AND FINANCING (continued)

	Group		Bank	
	30 September 2023 RM'000	31 December 2022 RM'000	30 September 2023 RM'000	31 December 2022 RM'000
(c) By sector				
Agriculture, hunting, forestry and fishing	1,640,239	1,861,704	1,473,756	1,574,281
Mining and quarrying	73,543	159,646	57,828	66,127
Manufacturing	7,133,016	6,754,012	6,136,940	5,527,020
Electricity, gas and water	639,982	600,182	426,371	468,170
Construction	1,269,184	1,365,812	842,760	934,739
Real estate	7,557,329	6,739,612	6,308,536	5,645,109
Wholesale & retail trade and restaurants & hotels	7,163,478	7,213,726	6,027,270	6,154,067
Transport, storage and communication	1,535,152	1,548,505	796,396	808,762
Finance, insurance and business services	13,901,086	13,907,495	8,561,211	8,297,900
Community, social and personal services	2,040,979	1,897,893	1,447,643	1,294,762
Household				
- Purchase of residential properties	19,156,196	20,547,323	17,570,767	18,882,491
- Purchase of non-residential properties	636,082	692,624	591,124	646,004
- Others	2,161,102	2,279,057	2,004,669	2,092,899
	64,907,368	65,567,591	52,245,271	52,392,331
(d) By geography determined based on where the credit risk resides				
Malaysia	63,069,678	63,532,347	50,619,759	50,592,639
Singapore	1,103,357	1,214,290	1,047,841	1,152,043
Other ASEAN countries	231,046	238,387	224,159	231,954
Rest of the world	503,287	582,567	353,512	415,695
	64,907,368	65,567,591	52,245,271	52,392,331
(e) By residual contractual maturity				
Up to one year	19,618,729	18,647,546	15,498,365	14,008,300
Over one year to three years	6,272,506	6,179,765	4,408,694	5,144,936
Over three years to five years	8,659,812	8,562,621	6,154,057	5,510,390
Over five years	30,356,321	32,177,659	26,184,155	27,728,705
	64,907,368	65,567,591	52,245,271	52,392,331

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16 IMPAIRED LOANS, ADVANCES AND FINANCING

(i) Movements in impaired loans, advances and financing

	Group		Bank	
	30 September 2023 RM'000	31 December 2022 RM'000	30 September 2023 RM'000	31 December 2022 RM'000
At 1 January	2,960,361	2,443,262	2,227,933	1,898,710
Impaired during the period/year	659,488	1,825,968	572,031	1,485,174
Reclassified as non-credit impaired	(473,172)	(321,501)	(399,321)	(276,099)
Amount recovered	(681,042)	(849,238)	(585,068)	(772,528)
Amount written off	(152,335)	(138,130)	(69,553)	(107,324)
At 30 September/31 December	2,313,300	2,960,361	1,746,022	2,227,933
Stage 3 ECL allowance	(700,944)	(816,365)	(422,878)	(499,066)
Net impaired loans, advances and financing	1,612,356	2,143,996	1,323,144	1,728,867

(a) By sector

Agriculture, hunting, forestry and fishing	2,957	23,113	1,326	21,542
Mining and quarrying	11,080	13,023	11,080	13,023
Manufacturing	365,019	447,198	265,818	346,973
Electricity, gas and water	41,976	89,492	41,855	89,296
Construction	176,440	109,818	83,875	45,815
Real estate	103,588	193,751	101,165	158,428
Wholesale & retail trade and restaurants & hotels	504,492	608,587	317,314	403,323
Transport, storage and communication	28,468	39,052	5,998	6,429
Finance, insurance and business services	69,561	127,047	61,455	51,733
Community, social and personal services	10,945	18,030	10,455	16,137
Household				
- Purchase of residential properties	879,932	1,131,856	746,031	943,551
- Purchase of non-residential properties	26,385	30,642	22,821	28,653
- Others	92,457	128,752	76,829	103,030
	2,313,300	2,960,361	1,746,022	2,227,933

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

Malaysia	2,230,100	2,856,964	1,673,670	2,134,502
Singapore	52,509	69,205	49,980	64,725
Other ASEAN countries	2,812	2,824	1,432	1,422
Rest of the world	27,879	31,368	20,940	27,284
	2,313,300	2,960,361	1,746,022	2,227,933

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 30 SEPTEMBER 2023 (continued)**16 IMPAIRED LOANS, ADVANCES AND FINANCING (continued)**

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

Group	30 September 2023				31 December 2022			
	Non credit-impaired		Credit-impaired	Total	Non credit-impaired		Credit-impaired	Total
	Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January	112,411	339,817	816,365	1,268,593	164,509	1,226,893	531,926	1,923,328
Transferred to Stage 1	164,530	(137,478)	(27,052)	-	361,351	(344,599)	(16,752)	-
Transferred to Stage 2	(32,566)	104,491	(71,925)	-	(20,317)	58,185	(37,868)	-
Transferred to Stage 3	(189)	(155,622)	155,811	-	(344)	(317,848)	318,192	-
New financial assets originated or purchased	87,219	93,481	-	180,700	121,505	181,891	-	303,396
Financial assets derecognised	(60,805)	(107,298)	(58,134)	(226,237)	(51,535)	(151,227)	(52,845)	(255,607)
Net remeasurement during the period/year	(141,906)	197,640	62,744	118,478	(422,644)	(108,793)	248,686	(282,751)
Written off	-	-	(152,335)	(152,335)	-	-	(138,130)	(138,130)
Reclassified to Other Liabilities	-	-	-	-	(41,323)	(207,290)	-	(248,613)
Other movements	854	2,055	(24,530)	(21,621)	1,209	2,605	(36,844)	(33,030)
At 30 September/31 December	129,548	337,086	700,944	1,167,578	112,411	339,817	816,365	1,268,593

During the financial year ended 31 December 2022, the Group and the Bank have reclassified the ECL Stage 1 and Stage 2 allowances on loan commitments and financial guarantees from Note 15 : Loans, Advances and Financing to Note 21 : Other Liabilities.

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16 IMPAIRED LOANS, ADVANCES AND FINANCING (continued)

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

	Credit- 30 September				Credit- 31 December			
	<i>Non credit-impaired</i>		<i>impaired</i>	2023	<i>Non credit-impaired</i>		<i>impaired</i>	2022
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Bank	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January	91,539	238,012	499,066	828,617	130,289	1,007,717	311,031	1,449,037
Transferred to Stage 1	118,693	(100,093)	(18,600)	-	311,456	(298,147)	(13,309)	-
Transferred to Stage 2	(28,484)	86,465	(57,981)	-	(11,796)	41,295	(29,499)	-
Transferred to Stage 3	(135)	(113,825)	113,960	-	(162)	(237,149)	237,311	-
New financial assets originated or purchased	75,193	72,359	-	147,552	108,033	140,041	-	248,074
Financial assets derecognised	(54,608)	(94,075)	(57,138)	(205,821)	(42,448)	(114,454)	(46,469)	(203,371)
Net remeasurement during the period/year	(97,658)	162,114	34,405	98,861	(366,796)	(126,479)	176,538	(316,737)
Written off	-	-	(69,553)	(69,553)	-	-	(107,324)	(107,324)
Reclassified to Other Liabilities	-	-	-	-	(38,150)	(176,117)	-	(214,267)
Other movements	728	1,012	(21,281)	(19,541)	1,113	1,305	(29,213)	(26,795)
At 30 September/31 December	105,268	251,969	422,878	780,115	91,539	238,012	499,066	828,617

During the financial year ended 31 December 2022, the Group and the Bank have reclassified the ECL Stage 1 and Stage 2 allowances on loan commitments and financial guarantees from Note 15 : Loans, Advances and Financing to Note 21 : Other Liabilities.

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17 DERIVATIVE FINANCIAL ASSETS AND LIABILITIES

Group	30 September 2023			31 December 2022		
	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	6,186,364	102,656	17,560	5,540,884	41,230	99,394
- Swaps	31,750,916	795,514	599,175	33,373,090	660,279	793,290
- Options	986,087	6,325	1,669	1,459,862	18,804	494
Interest rate derivatives						
- Swaps	46,656,832	418,193	409,055	39,674,806	450,672	441,809
- Futures	1,806,936	373	584	35,202	-	11
Equity and other derivatives						
- Swaps	1,343,361	64,002	64,002	400,574	17,387	17,387
- Exchange traded futures	-	-	-	4,444	38	-
- Options	1,127,077	12,404	12,404	1,062,796	87,532	87,532
- Commodity related contracts	-	-	-	9,008	1,090	1,090
- Credit linked notes	1,430,254	2,988	2,988	1,341,773	3,894	3,894
- Credit default swaps	394,954	878	878	387,224	883	883
	91,682,781	1,403,333	1,108,315	83,289,663	1,281,809	1,445,784
Hedging						
Interest rate derivatives						
- Swaps	410,000	4,202	1,152	1,085,000	25,843	1,480
	92,092,781	1,407,535	1,109,467	84,374,663	1,307,652	1,447,264
Bank						
Trading						
Foreign exchange derivatives						
- Forwards	6,180,418	102,617	16,995	5,541,525	41,009	99,392
- Swaps	32,464,045	795,645	601,202	33,438,290	660,510	793,695
- Options	986,087	6,325	1,669	1,459,862	18,804	494
Interest rate derivatives						
- Swaps	46,656,832	418,193	409,055	39,674,806	450,673	441,771
- Futures	1,806,936	373	584	35,202	-	11
Equity and other derivatives						
- Swaps	1,343,361	64,002	64,002	400,574	17,387	17,387
- Exchange traded futures	-	-	-	4,444	38	-
- Options	1,127,077	12,404	12,404	1,062,796	87,532	87,532
- Commodity related contracts	-	-	-	9,008	1,090	1,090
- Credit linked notes	1,430,254	2,988	2,988	1,341,773	3,894	3,894
- Credit default swaps	394,954	878	878	387,224	883	883
	92,389,964	1,403,425	1,109,777	83,355,504	1,281,820	1,446,149
Hedging						
Interest rate derivatives						
- Swaps	410,000	4,202	1,152	1,085,000	25,843	1,480
	92,799,964	1,407,627	1,110,929	84,440,504	1,307,663	1,447,629

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18 OTHER ASSETS

	Note	Group		Bank	
		30 September	31 December	30 September	31 December
		2023	2022	2023	2022
		RM'000	RM'000	RM'000	RM'000
Amount due from subsidiary	(a)	-	-	37,478	76,201
Interest/Profit receivable		237,311	137,642	200,579	120,747
Other receivables, deposits and prepayments		230,748	225,773	225,785	222,565
Amount due from holding company		2,136	1,055	1,932	521
		<u>470,195</u>	<u>364,470</u>	<u>465,774</u>	<u>420,034</u>

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

19 DEPOSITS FROM CUSTOMERS

	Group		Bank	
	30 September	31 December	30 September	31 December
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
(a) By type of deposit				
Demand deposits	23,583,515	24,261,679	17,213,583	18,157,074
Saving deposits	11,851,843	13,438,063	11,077,882	12,573,718
Fixed/General investment deposits	32,924,447	32,126,180	28,786,522	27,407,129
Negotiable instruments of deposit	-	4,444,278	-	4,444,278
Short-term money market deposits	3,201,111	3,447,063	1,874,879	3,165,472
	<u>71,560,916</u>	<u>77,717,263</u>	<u>58,952,866</u>	<u>65,747,671</u>
(b) By type of customer				
Government and statutory bodies	226,283	210,292	68,015	109,125
Non-bank financial institutions	3,731,436	3,047,330	1,653,565	1,845,413
Business enterprises	27,615,004	28,089,634	21,502,298	21,734,236
Individuals	35,147,635	36,368,556	31,787,211	32,408,180
Foreign entities	4,091,423	9,264,626	3,258,252	8,985,285
Others	749,135	736,825	683,525	665,432
	<u>71,560,916</u>	<u>77,717,263</u>	<u>58,952,866</u>	<u>65,747,671</u>
(c) By residual maturity for fixed/term/general investment deposits, negotiable instruments of deposit and short-term money market deposits				
Up to six months	24,702,326	32,193,659	20,723,500	28,238,961
Over six months to one year	11,282,591	7,495,515	9,806,416	6,479,186
Over one year to three years	138,782	325,644	130,626	297,179
Over three years to five years	1,859	2,703	859	1,553
	<u>36,125,558</u>	<u>40,017,521</u>	<u>30,661,401</u>	<u>35,016,879</u>

20 DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	Group		Bank	
	30 September	31 December	30 September	31 December
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Licensed banks and other financial institutions	6,031,346	5,720,234	6,001,119	5,676,869

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21 OTHER LIABILITIES

	Note	Group		Bank	
		30 September 2023	31 December 2022	30 September 2023	31 December 2022
		RM'000	RM'000	RM'000	RM'000
Amount due to subsidiary	(a)	-	-	14,755	2,113
Equity compensation benefits		26,588	25,371	25,948	24,759
Interest/Profit payable		350,517	321,504	315,607	288,881
Structured investments		3,405,838	2,893,894	3,405,838	2,893,894
Lease liabilities		22,755	13,286	20,276	11,205
Other payables and accruals		643,255	583,827	597,918	535,938
ECL allowance for loan commitments and financial guarantees	(b)	286,953	262,158	218,244	190,117
		4,735,906	4,100,040	4,598,586	3,946,907

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

(b) ECL allowance for loan commitments and financial guarantees.

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

Group	Non credit-impaired			Credit-impaired	Total RM'000
	Stage 1	Stage 2	Stage 3		
	RM'000	RM'000	RM'000		
30 September 2023					
At 1 January	40,145	177,094	44,919		262,158
Transferred to Stage 1	46,903	(46,903)	-		-
Transferred to Stage 2	(6,784)	6,784	-		-
Transferred to Stage 3	(12)	(14,784)	14,796		-
New financial assets originated or purchased	13,522	17,308	28,951		59,781
Financial assets derecognised	(6,404)	(29,444)	-		(35,848)
Net remeasurement during the period	(38,962)	71,229	(31,973)		294
Other movements	347	222	-		569
At 30 September	48,755	181,506	56,693		286,954
31 December 2022					
At 1 January	-	-	31,990		31,990
Transferred to Stage 1	48,066	(48,066)	-		-
Transferred to Stage 2	(5,836)	5,836	-		-
Transferred to Stage 3	(28)	(5,056)	5,084		-
New financial assets originated or purchased	21,122	27,478	-		48,600
Financial assets derecognised	(7,995)	(40,406)	(2,034)		(50,435)
Net remeasurement during the year	(56,874)	29,758	9,879		(17,237)
Reclassified from ECL allowance on Loans, Advances and Financing*	41,323	207,290	-		248,613
Other movements	367	260	-		627
At 31 December	40,145	177,094	44,919		262,158

* During the financial year ended 31 December 2022, the Group and the Bank reclassified the ECL Stage 1 and 2 allowances on loan commitments and financial guarantees previously reported in Note 15: Loans, Advances and Financing and Note 16(ii) to Note 21: Other Liabilities.

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21 OTHER LIABILITIES (continued)

	<i>Non credit-impaired</i>		<i>Credit-impaired</i>	Total RM'000
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	
<u>Bank</u>				
30 September 2023				
At 1 January	36,888	136,052	17,177	190,117
Transferred to Stage 1	42,031	(42,031)	-	-
Transferred to Stage 2	(5,828)	5,828	-	-
Transferred to Stage 3	(12)	(13,622)	13,634	-
New financial assets originated or purchased	11,059	14,778	28,951	54,788
Financial assets derecognised	(5,359)	(20,163)	-	(25,522)
Net remeasurement during the period	(35,180)	64,446	(30,811)	(1,545)
Other movements	322	85	-	407
At 30 September	43,921	145,373	28,951	218,245
31 December 2022				
At 1 January	-	-	17,211	17,211
Transferred to Stage 1	43,272	(43,272)	-	-
Transferred to Stage 2	(4,793)	4,793	-	-
Transferred to Stage 3	(28)	(3,030)	3,058	-
New financial assets originated or purchased	18,457	19,654	-	38,111
Financial assets derecognised	(6,853)	(37,362)	-	(44,215)
Net remeasurement during the year	(51,664)	19,100	(3,092)	(35,656)
Reclassified from ECL allowance on Loans, Advances and Financing*	38,150	176,117	-	214,267
Other movements	347	52	-	399
At 31 December	36,888	136,052	17,177	190,117

* During the financial year ended 31 December 2022, the Group and the Bank reclassified the ECL Stage 1 and 2 allowances on loan commitments and financial guarantees previously reported in Note 15: Loans, Advances and Financing and Note 16(ii) to Note 21: Other Liabilities.

22 SUBORDINATED BONDS

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

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23 NET INTEREST/FINANCE INCOME

Group	Quarter ended		Year to date ended	
	30 September 2023	30 September 2022	30 September 2023	30 September 2022
	RM'000	RM'000	RM'000	RM'000
Interest/Finance income				
Loans, advances and financing				
- Interest income other than recoveries	647,620	522,283	1,867,620	1,431,692
- Recoveries from impaired loans, advances and financing	22,643	39,386	90,188	91,617
- Discount unwind from impaired loans, advances and financing	6,314	6,329	21,280	20,804
Money at call and deposit placements with banks and other financial institutions	24,277	36,047	82,374	80,352
Financial investments at FVOCI	154,662	112,788	475,718	306,421
Others	11,243	6,816	21,974	14,656
	<u>866,759</u>	<u>723,649</u>	<u>2,559,154</u>	<u>1,945,542</u>
Financial assets at FVTPL	16,103	9,603	49,956	33,565
	<u>882,862</u>	<u>733,252</u>	<u>2,609,110</u>	<u>1,979,107</u>
Interest/Finance expense				
Deposits from customers	(331,774)	(232,788)	(956,272)	(631,988)
Deposits and placements of banks and other financial institutions	(64,857)	(27,719)	(217,760)	(37,868)
Subordinated bonds	(10,208)	(9,881)	(30,292)	(34,177)
Lease liabilities	(178)	(97)	(429)	(335)
Others	(25,430)	(13,403)	(53,840)	(26,232)
	<u>(432,447)</u>	<u>(283,888)</u>	<u>(1,258,593)</u>	<u>(730,600)</u>
Net interest/finance income	<u>450,415</u>	<u>449,364</u>	<u>1,350,517</u>	<u>1,248,507</u>
	Quarter ended		Year to date ended	
Bank	30 September 2023	30 September 2022	30 September 2023	30 September 2022
	RM'000	RM'000	RM'000	RM'000
Interest/Finance income				
Loans, advances and financing				
- Interest income other than recoveries	647,620	522,283	1,867,620	1,431,692
- Recoveries from impaired loans, advances and financing	22,643	39,386	90,188	91,617
- Discount unwind from impaired loans, advances and financing	6,314	6,329	21,280	20,804
Money at call and deposit placements with banks and other financial institutions	57,481	57,004	178,605	128,649
Financial investments at FVOCI	154,662	112,788	475,718	306,421
Unquoted Islamic subordinated bond of subsidiary	-	-	-	3,761
Others	11,243	6,816	21,974	14,656
	<u>899,963</u>	<u>744,606</u>	<u>2,655,385</u>	<u>1,997,600</u>
Financial assets at FVTPL	16,103	9,603	49,956	33,565
	<u>916,066</u>	<u>754,209</u>	<u>2,705,341</u>	<u>2,031,165</u>
Interest/Finance expense				
Deposits from customers	(331,707)	(232,756)	(956,096)	(631,902)
Deposits and placements of banks and other financial institutions	(75,751)	(34,205)	(247,790)	(53,003)
Subordinated bonds	(10,208)	(9,881)	(30,292)	(34,177)
Lease liabilities	(178)	(97)	(430)	(335)
Others	(45,660)	(25,447)	(109,608)	(54,339)
	<u>(463,504)</u>	<u>(302,386)</u>	<u>(1,344,216)</u>	<u>(773,756)</u>
Net interest/finance income	<u>452,562</u>	<u>451,823</u>	<u>1,361,125</u>	<u>1,257,409</u>

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24 INCOME FROM ISLAMIC BANKING OPERATIONS

<u>Group</u>	Quarter ended		Year to date ended	
	30 September	30 September	30 September	30 September
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds and others	143,501	126,917	412,528	361,257
Income derived from investment of specific investment account funds	44,463	26,043	122,570	60,427
Income derived from investment of shareholder's funds	40,030	34,870	120,976	101,502
Income attributable to depositors	(64,295)	(46,723)	(170,598)	(129,533)
Income attributable to investment account holder	(31,130)	(18,530)	(85,804)	(43,242)
	<u>132,569</u>	<u>122,577</u>	<u>399,672</u>	<u>350,411</u>

25 NET FEE AND COMMISSION INCOME

<u>Group</u>	Quarter ended		Year to date ended	
	30 September	30 September	30 September	30 September
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Commission	41,680	53,184	135,923	159,804
Service charges and fees	34,625	24,653	104,046	112,356
Guarantee fees	-	35	6	205
Other fee income	2,090	1,775	5,793	4,218
	<u>78,395</u>	<u>79,647</u>	<u>245,768</u>	<u>276,583</u>
<u>Bank</u>				
Commission	41,590	52,059	133,121	156,686
Service charges and fees	34,625	24,653	104,046	112,356
Guarantee fees	-	35	6	205
Other fee income	2,090	1,775	5,793	4,218
	<u>78,305</u>	<u>78,522</u>	<u>242,966</u>	<u>273,465</u>

26 NET TRADING INCOME

<u>Group and Bank</u>	Quarter ended		Year to date ended	
	30 September	30 September	30 September	30 September
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Foreign exchange loss	(17,437)	(242,040)	(488,079)	(479,630)
Realised gain/(loss) on financial assets at FVTPL	2,478	244	27,068	(32,052)
Realised gain on trading derivatives	136,782	214,224	303,767	414,480
Unrealised loss on financial assets at FVTPL	(2,708)	(3,449)	(8,137)	(2,820)
Unrealised (loss)/gain on trading derivatives	(24,498)	77,633	488,045	282,766
	<u>94,617</u>	<u>46,612</u>	<u>322,664</u>	<u>182,744</u>

27 OTHER OPERATING INCOME/(EXPENSE)

<u>Group</u>	Quarter ended		Year to date ended	
	30 September	30 September	30 September	30 September
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
(Loss)/Gain on disposal:				
- Financial investments at FVOCI	(5,970)	(9,752)	16,646	(57,603)
- Property and equipment	(5)	-	(8)	-
Gross dividends from financial investments at FVOCI in Malaysia	149	149	599	599
Rental of premises	986	1,033	2,949	3,100
Rental of safe deposit boxes	1,597	1,361	4,827	4,633
Shared services income received from related companies	5,853	4,452	17,635	13,058
Unrealised gain/(loss) on hedging derivatives	5,243	(59)	(565)	(220)
Others	112	35	(5,491)	670
	<u>7,965</u>	<u>(2,781)</u>	<u>36,592</u>	<u>(35,763)</u>

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27 OTHER OPERATING INCOME/(EXPENSE) (continued)

<u>Bank</u>	Quarter ended		Year to date ended	
	30 September	30 September	30 September	30 September
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
(Loss)/Gain on disposal:				
- Financial investments at FVOCI	(5,970)	(9,752)	16,646	(57,603)
- Property and equipment	(5)	-	(8)	-
Gross dividends from financial investments at FVOCI in Malaysia	149	149	599	599
Rental of premises	999	1,047	2,989	3,141
Rental of safe deposit boxes	1,597	1,361	4,827	4,633
Shared services income received from subsidiaries	34,870	27,943	98,170	81,820
Shared services income received from related companies	5,853	4,452	17,635	13,058
Unrealised gain/(loss) on hedging derivatives	5,243	(59)	(565)	(220)
Others	(30)	(34)	(5,851)	486
	<u>42,706</u>	<u>25,107</u>	<u>134,442</u>	<u>45,914</u>

28 OPERATING EXPENSES

<u>Group</u>	Quarter ended		Year to date ended	
	30 September	30 September	30 September	30 September
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Personnel expenses				
Wages, salaries and bonus	154,674	128,019	444,371	363,795
Employees Provident Fund contributions	24,095	20,187	67,848	57,280
Share-based expenses	4,683	4,961	11,552	12,197
Others	16,944	15,268	51,333	41,913
	<u>200,396</u>	<u>168,435</u>	<u>575,104</u>	<u>475,185</u>
Establishment expenses				
Depreciation of property and equipment	5,034	5,666	15,009	16,989
Depreciation of ROU assets	3,526	3,005	9,650	9,553
Rental of premises	211	-	242	13
Repair and maintenance	3,744	3,194	9,216	9,763
Information technology costs	11,058	10,342	30,571	29,064
Hire of equipment	257	261	697	717
Others	4,523	4,367	13,299	13,276
	<u>28,353</u>	<u>26,835</u>	<u>78,684</u>	<u>79,375</u>
Marketing expenses				
Advertisement and business promotion	4,275	4,703	11,387	11,471
Transport and travelling	1,127	837	3,554	1,733
Others	911	717	2,254	1,406
	<u>6,313</u>	<u>6,257</u>	<u>17,195</u>	<u>14,610</u>
General administrative expenses				
Transaction processing fees	102,102	86,545	312,633	260,472
Others	38,280	34,110	109,355	103,242
	<u>140,382</u>	<u>120,655</u>	<u>421,988</u>	<u>363,714</u>
Total other operating expenses	<u>375,444</u>	<u>322,182</u>	<u>1,092,971</u>	<u>932,884</u>

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28 OPERATING EXPENSES (continued)

Bank	Quarter ended		Year to date ended	
	30 September	30 September	30 September	30 September
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Personnel expenses				
Wages, salaries and bonus	149,202	123,083	428,884	349,906
Employees Provident Fund contributions	23,249	19,411	65,462	55,012
Share-based expenses	4,559	4,847	11,245	11,905
Others	16,142	14,593	48,784	39,846
	<u>193,152</u>	<u>161,934</u>	<u>554,375</u>	<u>456,669</u>
Establishment expenses				
Depreciation of property and equipment	4,809	5,310	14,208	15,903
Depreciation of ROU assets	3,150	2,633	8,526	8,444
Rental of premises	211	-	240	12
Repair and maintenance	3,564	3,054	8,785	9,267
Information technology costs	10,930	10,199	30,193	28,639
Hire of equipment	238	241	646	655
Others	4,117	3,874	11,903	11,757
	<u>27,019</u>	<u>25,311</u>	<u>74,501</u>	<u>74,677</u>
Marketing expenses				
Advertisement and business promotion	4,139	4,652	11,107	11,261
Transport and travelling	1,089	809	3,464	1,671
Others	915	713	2,192	1,396
	<u>6,143</u>	<u>6,174</u>	<u>16,763</u>	<u>14,328</u>
General administrative expenses				
Transaction processing fees	96,711	81,252	296,145	244,930
Others	35,270	32,447	102,314	98,071
	<u>131,981</u>	<u>113,699</u>	<u>398,459</u>	<u>343,001</u>
Total other operating expenses	<u>358,295</u>	<u>307,118</u>	<u>1,044,098</u>	<u>888,675</u>

29 IMPAIRMENT ALLOWANCES AND PROVISIONS (CHARGE)/WRITEBACK

Group	Quarter ended		Year to date ended	
	30 September	30 September	30 September	30 September
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Loans, advances, financing and commitments				
Stage 1 and 2 ECL net (charge)/writeback during the period	(19,284)	373,096	(27,428)	680,914
Stage 3 ECL				
- Net charge during the period	(131,637)	(215,501)	(73,218)	(418,791)
- Recovered during the period	13,851	12,303	49,222	52,658
Financial investments at FVOCI				
Stage 1 and 2 ECL net charge during the period	(596)	(324)	(984)	(362)
Other financial assets				
Stage 1 and 2 ECL net charge during the period	(1,681)	(90)	(1,658)	(95)
Stage 3 ECL net (charge)/writeback during the period	(18)	(7)	(50)	36
	<u>(139,365)</u>	<u>169,477</u>	<u>(54,116)</u>	<u>314,360</u>

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

	Quarter ended		Year to date ended	
	30 September 2023	30 September 2022	30 September 2023	30 September 2022
Bank	RM'000	RM'000	RM'000	RM'000
Loans, advances, financing and commitments				
Stage 1 and 2 ECL net (charge)/ writeback during the period	(39,097)	325,302	(44,040)	586,417
Stage 3 ECL				
- Net charge during the period	(71,049)	(133,754)	(26,418)	(270,901)
- Recovered during the period	10,143	7,718	36,909	35,113
Investment account placements				
Stage 1 and 2 ECL net writeback/(charge) during the period	7,036	1,941	162	(1,209)
Stage 3 ECL net writeback during the period	1,964	2,524	7,034	4,652
Financial investments at FVOCI				
Stage 1 and 2 ECL net charge during the period	(615)	(222)	(941)	(259)
Other financial assets				
Stage 1 and 2 ECL net charge during the period	(1,682)	(82)	(1,663)	(85)
Stage 3 ECL net (charge)/ writeback during the period	(18)	(7)	(50)	36
	<u>(93,318)</u>	<u>203,420</u>	<u>(29,007)</u>	<u>353,764</u>

30 INCOME TAX EXPENSE

	Quarter ended		Year to date ended	
	30 September 2023	30 September 2022	30 September 2023	30 September 2022
Group	RM'000	RM'000	RM'000	RM'000
Malaysian income tax				
- Current period	78,674	170,633	304,513	431,264
- Prior years	-	-	-	(5,168)
Deferred tax				
- Origination and reversal of temporary differences	(17,321)	3,505	(10,861)	18,971
- Prior years under provision	-	-	18,799	-
	<u>61,353</u>	<u>174,138</u>	<u>312,451</u>	<u>445,067</u>
Bank				
Malaysian income tax				
- Current period	71,924	163,914	253,162	387,207
- Prior years	-	-	-	1,878
Deferred tax				
- Origination and reversal of temporary differences	(18,399)	(2,659)	(12,339)	10,828
- Prior years under provision	-	-	18,799	-
	<u>53,525</u>	<u>161,255</u>	<u>259,622</u>	<u>399,913</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. Apart from the provision for commitments and contingencies already made in the condensed interim financial statements, 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	Credit equivalent amount	Risk weighted amount
	RM'000	RM'000	RM'000
30 September 2023			
Direct credit substitutes	51,181	51,181	49,636
Transaction-related contingent items	3,427,691	1,754,812	919,699
Short-term self-liquidating trade-related contingencies	291,743	61,262	34,288
Foreign exchange related contracts			
- One year or less	32,803,853	495,810	280,083
- Over one year to five years	6,098,846	887,136	148,701
- Over five years	20,668	-	-
Interest rate contracts			
- One year or less	16,977,722	14,474	1,563
- Over one year to five years	30,162,862	346,415	56,429
- Over five years	1,733,184	60,688	29,021
Equity and commodity related contracts	2,470,438	61,630	25,542
Credit derivative contracts	1,825,208	-	-
Formal standby facilities and credit lines			
- Maturity not exceeding one year	46,337	34,753	38,741
- Original maturity over one year	5,777,020	4,698,616	3,162,372
Other unconditionally cancellable commitments	25,113,164	2,194,457	264,087
Total	<u>126,949,917</u>	<u>10,811,234</u>	<u>5,060,285</u>
31 December 2022			
Direct credit substitutes	109,820	109,820	134,220
Transaction-related contingent items	3,631,151	1,856,232	1,007,593
Short-term self-liquidating trade-related contingencies	351,092	78,308	44,161
Foreign exchange related contracts			
- One year or less	35,921,175	221,776	103,450
- Over one year to five years	4,430,978	834,168	391,185
- Over five years	21,683	3,693	3,750
Interest rate contracts			
- One year or less	9,247,422	366	179
- Over one year to five years	28,333,779	452,047	65,132
- Over five years	3,213,807	71,704	42,768
Equity and commodity related contracts	1,476,822	126,759	31,031
Credit derivative contracts	1,728,997	70	5
Formal standby facilities and credit lines			
- Maturity not exceeding one year	762,522	571,892	522,078
- Original maturity over one year	4,226,697	3,578,914	2,121,821
Other unconditionally cancellable commitments	24,010,820	2,208,317	375,084
Total	<u>117,466,765</u>	<u>10,114,066</u>	<u>4,842,457</u>

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31 COMMITMENTS AND CONTINGENCIES (continued)

Bank	Principal amount RM'000	Credit equivalent amount RM'000	Risk weighted amount RM'000
30 September 2023			
Direct credit substitutes	15,769	15,769	1,715
Transaction-related contingent items	3,014,143	1,544,063	792,701
Short-term self-liquidating trade-related contingencies	235,511	49,803	26,861
Foreign exchange related contracts			
- One year or less	34,269,504	496,246	279,927
- Over one year to five years	5,340,378	887,136	129,051
- Over five years	20,668	-	-
Interest rate contracts			
- One year or less	16,977,722	14,474	1,563
- Over one year to five years	30,162,862	346,415	56,429
- Over five years	1,733,184	60,688	29,021
Equity and commodity related contracts	2,470,438	61,630	25,542
Credit derivative contracts	1,825,208	-	-
Formal standby facilities and credit lines			
- Maturity not exceeding one year	44,587	33,441	37,545
- Original maturity over one year	4,820,423	3,960,422	2,677,960
Other unconditionally cancellable commitments	22,016,261	2,007,678	240,303
Total	<u>122,946,658</u>	<u>9,477,765</u>	<u>4,298,618</u>
31 December 2022			
Direct credit substitutes	63,776	63,776	62,804
Transaction-related contingent items	3,127,846	1,601,421	849,283
Short-term self-liquidating trade-related contingencies	281,148	63,504	33,704
Foreign exchange related contracts			
- One year or less	35,986,195	221,148	102,828
- Over one year to five years	4,431,799	834,168	363,147
- Over five years	21,683	3,693	3,750
Interest rate contracts			
- One year or less	9,247,422	366	179
- Over one year to five years	28,333,779	452,047	65,132
- Over five years	3,213,807	71,704	43,673
Equity and commodity related contracts	1,476,822	126,759	31,031
Credit derivative contracts	1,728,997	70	5
Formal standby facilities and credit lines			
- Maturity not exceeding one year	752,522	564,392	521,368
- Original maturity over one year	3,687,080	3,154,870	1,779,245
Other unconditionally cancellable commitments	21,372,650	2,040,962	346,943
Total	<u>113,725,526</u>	<u>9,198,880</u>	<u>4,203,092</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 duty of care towards the Borrower. On 22 January 2021, the High Court awarded the Borrower with RM289 million as damages together with statutory interest as well as aggravated and exemplary damages which amounts were to be assessed. The High Court decision dated 22 January 2021 was set aside by the Court of Appeal on 30 January 2023 and the Borrower's suit dismissed with a cost of RM80,000 in favour of the Bank. On 3 July 2023, the Federal Court dismissed the Borrower's application to appeal against the Court of Appeal decision and awarded cost of RM30,000 (subject to allocator) to the Bank. The Borrower had filed a Review Application and Leave Application to the Federal Court, which was fixed for case management on 8 December 2023 and hearing on 12 December 2023 respectively.

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32 CAPITAL COMMITMENTS

	Group		Bank	
	30 September 2023 RM'000	31 December 2022 RM'000	30 September 2023 RM'000	31 December 2022 RM'000
Capital expenditure commitments in respect of property and equipment contracted but not provided for	7,603	3,873	7,563	3,835

33 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	Over-the counter ("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	
		Other assets	
Type of financial liabilities	OTC derivatives	OTC derivatives	OTC derivatives
		Deposits from customer	
		Deposits and placement of banks and other financial institutions	
		Other liabilities	
		Subordinated bonds/sukuk	

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33 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy of financial instruments (continued)

<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 September 2023				
Financial assets at fair value				
Financial assets at FVTPL	1,872,690	49,882	-	1,922,572
Financial investments at FVOCI	18,312,344	5,437,692	112,617	23,862,653
Derivative financial assets	1,116	1,332,316	74,103	1,407,535
	<u>20,186,150</u>	<u>6,819,890</u>	<u>186,720</u>	<u>27,192,760</u>
Financial liabilities at fair value				
Derivative financial liabilities	1,316	1,034,226	73,925	1,109,467
31 December 2022				
Financial assets at fair value				
Financial assets at FVTPL	566,098	-	-	566,098
Financial investments at FVOCI	15,796,470	6,995,336	109,540	22,901,346
Derivative financial assets	1,201	1,272,986	33,465	1,307,652
	<u>16,363,769</u>	<u>8,268,322</u>	<u>143,005</u>	<u>24,775,096</u>
Financial liabilities at fair value				
Derivative financial liabilities	968	1,416,216	30,080	1,447,264
Bank				
30 September 2023				
Financial assets at fair value				
Financial assets at FVTPL	1,867,661	49,882	-	1,917,543
Financial investments at FVOCI	14,637,697	4,542,389	112,617	19,292,703
Derivative financial assets	1,098	1,332,441	74,088	1,407,627
	<u>16,506,456</u>	<u>5,924,712</u>	<u>186,705</u>	<u>22,617,873</u>
Financial liabilities at fair value				
Derivative financial liabilities	1,334	1,035,670	73,925	1,110,929
31 December 2022				
Financial assets at fair value				
Financial assets at FVTPL	561,059	-	-	561,059
Financial investments at FVOCI	12,996,025	6,596,563	109,540	19,702,128
Derivative financial assets	1,352	1,272,893	33,418	1,307,663
	<u>13,558,436</u>	<u>7,869,456</u>	<u>142,958</u>	<u>21,570,850</u>
Financial liabilities at fair value				
Derivative financial liabilities	968	1,416,581	30,080	1,447,629

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 30 SEPTEMBER 2023 (continued)**33 FAIR VALUE 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	
	30 September 2023 RM'000	31 December 2022 RM'000	30 September 2023 RM'000	31 December 2022 RM'000
Financial assets at fair value				
At 1 January	143,005	119,726	142,958	119,690
Purchased	-	43	-	43
Settled/disposed	-	(350)	-	(350)
Transferred to Level 3	-	120,796	-	120,796
Realised loss				
- Recognised in net trading income	(29,074)	(115,297)	(29,074)	(115,297)
Unrealised gain/(loss)				
- Recognised in net trading income	69,711	24,233	69,743	24,233
- Recognised in other comprehensive income	3,078	(6,146)	3,078	(6,157)
At 30 September/31 December	<u>186,720</u>	<u>143,005</u>	<u>186,705</u>	<u>142,958</u>
Financial liabilities at fair value				
At 1 January	30,080	6,124	30,080	6,123
Issued	-	43	-	43
Transferred to Level 3	-	120,796	-	120,796
Realised gain				
- Recognised in net trading income	(25,646)	(117,634)	(25,646)	(117,634)
Unrealised loss				
- Recognised in net trading income	69,491	20,751	69,491	20,752
At 30 September/31 December	<u>73,925</u>	<u>30,080</u>	<u>73,925</u>	<u>30,080</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 September 2023 Fair value RM'000	31 December 2023 Fair value RM'000	Classification	Valuation technique	Unobservable input
Assets					
Financial investments at FVOCI	112,617	109,540	FVOCI	Net asset value approach	Net asset value
Derivative financial assets	<u>74,103</u>	<u>33,465</u>	Hedge for trading	Option pricing model	Standard deviation
	<u>186,720</u>	<u>143,005</u>			
Liabilities					
Derivative financial liabilities	<u>73,925</u>	<u>30,080</u>	Hedge for trading	Option pricing model	Standard deviation

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33 FAIR VALUE 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:

<u>Bank</u>	30 September	31 December	Classification	Valuation technique	Unobservable input
	2023	2023			
	Fair value	Fair value			
	RM'000	RM'000			
Assets					
Financial investments at FVOCI	112,617	109,540	FVOCI	Net asset value approach	Net asset value
Derivative financial assets	74,088	33,418	Hedge for trading	Option pricing model	Standard deviation
	<u>186,705</u>	<u>142,958</u>			
Liabilities					
Derivative financial liabilities	<u>73,925</u>	<u>30,080</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.

34 CAPITAL ADEQUACY

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

	Group		Bank	
	30 September 2023	31 December 2022	30 September 2023	31 December 2022
	RM'000	RM'000	RM'000	RM'000
Common Equity Tier 1 ("CET 1") capital				
Paid-up ordinary share capital	754,000	754,000	754,000	754,000
Retained earnings	8,248,632	7,974,906	6,759,091	6,627,799
Other reserves	599,644	547,402	522,751	483,559
Regulatory adjustment	(818,702)	(836,683)	(1,259,443)	(1,290,368)
Tier 1 capital	<u>8,783,574</u>	<u>8,439,625</u>	<u>6,776,399</u>	<u>6,574,990</u>
Stage 1 and Stage 2 ECL and qualifying regulatory reserves under the Standardised Approach	20,835	13,676	18,677	11,419
Surplus eligible provisions over expected losses	266,999	268,246	221,939	218,557
Subordinated bonds	1,050,000	1,050,000	1,050,000	1,050,000
Tier 2 capital	<u>1,337,834</u>	<u>1,331,922</u>	<u>1,290,616</u>	<u>1,279,976</u>
Capital base	<u>10,121,408</u>	<u>9,771,547</u>	<u>8,067,015</u>	<u>7,854,966</u>

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34 CAPITAL ADEQUACY (continued)

	Group		Bank	
	30 September 2023 RM'000	31 December 2022 RM'000	30 September 2023 RM'000	31 December 2022 RM'000
Before deducting proposed dividend				
CET 1 capital ratio	16.596%	16.146%	15.298%	15.313%
Tier 1 capital ratio	16.596%	16.146%	15.298%	15.313%
Total capital ratio	19.124%	18.694%	18.211%	18.294%
After deducting proposed dividend				
CET 1 capital ratio	15.710%	15.315%	14.240%	14.302%
Tier 1 capital ratio	15.710%	15.315%	14.240%	14.302%
Total capital ratio	18.238%	17.863%	17.154%	17.283%

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 Bank's capital adequacy ratios would be as follows:

After deducting proposed dividend				
CET 1 capital ratio	15.610%	15.206%	14.144%	14.235%
Tier 1 capital ratio	15.610%	15.206%	14.144%	14.235%
Total capital ratio	18.138%	17.754%	17.058%	17.217%

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

	Group		Bank	
	30 September 2023 RM'000	31 December 2022 RM'000	30 September 2023 RM'000	31 December 2022 RM'000
Total RWA for credit risk	46,166,573	45,801,679	38,483,911	37,339,687
Total RWA for market risk	944,791	1,015,989	930,356	1,019,125
Total RWA for operational risk	5,814,785	5,454,005	4,882,141	4,578,109
	52,926,149	52,271,673	44,296,408	42,936,921

The capital adequacy ratios of OCBC Al-Amin Bank Berhad are computed in accordance with BNM's Capital Adequacy Framework for Islamic Banks (Capital Components), applying the transitional arrangements in 2020. 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 has adopted the Standardised Approach and the Basic Indicator Approach respectively.

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

	30 September 2023	31 December 2022
CET1/Tier 1 capital ratio	22.936%	19.667%
Total capital ratio	23.487%	20.226%

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	22.811%	19.364%
Total capital ratio	23.362%	19.923%