

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

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020

Domiciled in Malaysia
Registered office:
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18 Jalan Tun Perak
50050 Kuala Lumpur

OCBC BANK (MALAYSIA) BERHAD
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**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020**

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OCBC BANK (MALAYSIA) BERHAD
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UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2020

	Note	Group		Bank	
		30 June 2020 RM'000	31 December 2019 RM'000	30 June 2020 RM'000	31 December 2019 RM'000
ASSETS					
Cash and cash equivalents	10	5,529,972	4,804,851	4,653,963	4,132,830
Deposits and placements with banks and other financial institutions	11	27,454	-	503,082	434,376
Investment account placements	12	-	-	1,442,098	1,958,154
Financial assets at fair value through profit or loss ("FVTPL")	13	3,393,224	1,176,469	3,376,895	1,160,139
Financial investments at fair value through other comprehensive income ("FVOCI")	14	17,287,060	15,555,244	13,101,268	11,426,798
Loans, advances and financing	15	68,566,690	69,058,329	57,224,643	57,280,940
Derivative financial assets	17	1,535,220	749,732	1,536,813	749,830
Other assets	18	455,885	375,557	654,493	553,854
Statutory deposits with Bank Negara Malaysia		48,548	1,686,883	48,548	1,377,583
Investments in subsidiaries		-	-	557,051	557,051
Property and equipment		149,375	154,493	143,002	147,072
Right-of-use ("ROU") assets		30,874	25,805	27,947	22,831
Tax recoverable		6,209	6,457	-	-
Deferred tax assets		35,554	46,437	32,628	43,737
Total assets		97,066,065	93,640,257	83,302,431	79,845,195
LIABILITIES					
Deposits from customers	19	76,523,318	75,095,805	64,104,319	62,583,956
Deposits and placements of banks and other financial institutions	20	5,368,695	4,196,309	5,345,856	4,153,615
Bills and acceptances payable		61,628	89,047	48,846	71,512
Recourse obligation on loans sold to Cagamas Berhad		700,000	700,000	700,000	700,000
Derivative financial liabilities	17	1,442,322	700,023	1,442,295	699,968
Other liabilities	21	2,907,457	3,075,514	2,760,497	2,953,977
Tax payable and zakat		63,910	44,018	63,835	43,968
Subordinated bonds	22	1,527,693	1,482,439	1,527,693	1,482,439
Total liabilities		88,595,023	85,383,155	75,993,341	72,689,435
EQUITY					
Share capital		754,000	754,000	754,000	754,000
Reserves		7,717,042	7,503,102	6,555,090	6,401,760
Total equity		8,471,042	8,257,102	7,309,090	7,155,760
Total liabilities and equity		97,066,065	93,640,257	83,302,431	79,845,195
Commitments and contingencies	31	107,904,498	111,312,514	104,760,141	107,672,746

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Group and of the Bank for the financial year ended 31 December 2019 and the accompanying explanatory notes to the unaudited condensed interim financial statements.

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UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020

Group	Note	Quarter ended		Year to date ended	
		30 June 2020 RM'000	30 June 2019 RM'000	30 June 2020 RM'000	30 June 2019 RM'000
Interest income	23	721,030	886,638	1,521,644	1,824,875
Interest income for financial assets at FVTPL	23	19,008	27,830	39,098	40,709
Interest expense	23	(380,449)	(539,407)	(819,259)	(1,110,075)
Net interest income	23	359,589	375,061	741,483	755,509
Income from Islamic banking operations	24	102,281	113,370	222,380	221,687
Net fee and commission income	25	91,991	97,558	184,021	182,080
Net trading income	26	49,972	32,270	98,729	72,818
Other operating income	27	24,838	60,964	83,224	79,583
Operating income		628,671	679,223	1,329,837	1,311,677
Operating expenses	28	(301,643)	(310,436)	(610,143)	(604,798)
Operating profit before impairment allowance and provision		327,028	368,787	719,694	706,879
Impairment allowance and provisions	29	(134,394)	(49,235)	(316,063)	(163,433)
Profit before income tax and zakat		192,634	319,552	403,631	543,446
Income tax expense	30	(46,116)	(75,342)	(97,990)	(127,939)
Zakat		(12)	(17)	(25)	(17)
Profit for the period		146,506	244,193	305,616	415,490
Other comprehensive income, net of income tax					
Items that will not be reclassified to profit or loss					
Change in fair value reserve (equity instruments)		4,234	2,555	4,234	2,555
Items that are or may be reclassified subsequently to profit or loss					
FVOCI reserve (debt instruments)					
- Change in fair value		166,162	70,453	191,163	212,985
- Amount transferred to profit or loss		(20,346)	(60,078)	(80,145)	(73,269)
- Related tax		(35,003)	(2,494)	(26,651)	(33,532)
Change in expected credit loss (ECL) reserve on debt instruments at FVOCI		282	(168)	848	(564)
Other comprehensive income for the period		115,329	10,268	89,449	108,175
Total comprehensive income for the period		261,835	254,461	395,065	523,665
Profit attributable to owner of the Bank		146,506	244,193	305,616	415,490
Total comprehensive income attributable to owner of the Bank		261,835	254,461	395,065	523,665
Basic earnings per ordinary share (sen)		51.0	84.9	106.3	144.5

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Group and of the Bank for the financial year ended 31 December 2019 and the accompanying explanatory notes to the unaudited condensed interim financial statements.

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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020

Bank	Note	Quarter ended		Year to date ended	
		30 June 2020 RM'000	30 June 2019 RM'000	30 June 2020 RM'000	30 June 2019 RM'000
Interest income	23	735,648	905,627	1,559,324	1,864,653
Interest income for financial assets at FVTPL	23	19,008	27,830	39,098	40,709
Interest expense	23	(389,414)	(550,144)	(842,269)	(1,131,510)
Net interest income	23	365,242	383,313	756,153	773,852
Net fee and commission income	25	91,991	97,558	183,367	181,929
Net trading income	26	49,972	32,270	98,729	72,818
Other operating income	27	52,063	89,496	139,829	134,573
Operating income		559,268	602,637	1,178,078	1,163,172
Operating expenses	28	(282,284)	(290,205)	(573,307)	(564,883)
Operating profit before impairment allowance and provision		276,984	312,432	604,771	598,289
Impairment allowance and provisions	29	(105,784)	(27,679)	(246,398)	(114,399)
Profit before income tax and zakat		171,200	284,753	358,373	483,890
Income tax expense	30	(43,238)	(70,031)	(90,766)	(117,564)
Profit for the period		127,962	214,722	267,607	366,326
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)		4,234	2,555	4,234	2,555
<i>Items that are or may be reclassified subsequently to profit or loss</i>					
FVOCI reserve (debt instruments)					
- Change in fair value		137,195	58,915	151,226	186,740
- Amount transferred to profit or loss		(17,926)	(53,898)	(69,916)	(66,408)
- Related tax		(28,630)	(1,204)	(19,522)	(28,878)
Change in expected credit loss (ECL) reserve on debt instruments at FVOCI		254	(104)	826	(429)
Other comprehensive income for the period		95,127	6,264	66,848	93,580
Total comprehensive income for the period		223,089	220,986	334,455	459,906
Profit attributable to owner of the Bank		127,962	214,722	267,607	366,326
Total comprehensive income attributable to owner of the Bank		223,089	220,986	334,455	459,906
Basic earnings per ordinary share (sen)		44.5	74.7	93.1	127.4

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UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020

<u>Group</u>	<i>Non-distributable</i>				<i>Distributable</i>		Total equity RM'000
	Share capital RM'000	Regulatory reserve RM'000	Capital reserve RM'000	ECL reserve RM'000	Fair value reserve RM'000	Retained earnings RM'000	
At 1 January 2020	754,000	600,000	56,619	641	200,536	6,645,306	8,257,102
Fair value reserve							
- Change in fair value	-	-	-	-	195,397	-	195,397
- Transferred to profit or loss	-	-	-	-	(80,145)	-	(80,145)
- Related tax	-	-	-	-	(26,651)	-	(26,651)
Change in ECL reserve	-	-	-	848	-	-	848
Total other comprehensive income for the period	-	-	-	848	88,601	-	89,449
Profit for the period	-	-	-	-	-	305,616	305,616
Total comprehensive income for the period	-	-	-	848	88,601	305,616	395,065
Contributions by and distributions to owner of the Bank							
Final 2019 ordinary dividend paid	-	-	-	-	-	(181,125)	(181,125)
At 30 June 2020	754,000	600,000	56,619	1,489	289,137	6,769,797	8,471,042
At 1 January 2019	754,000	600,000	56,619	1,405	83,650	5,967,779	7,463,453
Fair value reserve							
- Change in fair value	-	-	-	-	215,540	-	215,540
- Transferred to profit or loss	-	-	-	-	(73,269)	-	(73,269)
- Related tax	-	-	-	-	(33,532)	-	(33,532)
Change in ECL reserve	-	-	-	(564)	-	-	(564)
Total other comprehensive (expense)/income for the period	-	-	-	(564)	108,739	-	108,175
Profit for the period	-	-	-	-	-	415,490	415,490
Total comprehensive (expense)/income for the period	-	-	-	(564)	108,739	415,490	523,665
Contributions by and distributions to owner of the Bank							
Final 2018 ordinary dividend paid	-	-	-	-	-	(138,000)	(138,000)
At 30 June 2019	754,000	600,000	56,619	841	192,389	6,245,269	7,849,118

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STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020

<u>Bank</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 2020	754,000	509,000	488	177,118	5,715,154	7,155,760
Fair value reserve						
- Change in fair value	-	-	-	155,460	-	155,460
- Transferred to profit or loss	-	-	-	(69,916)	-	(69,916)
- Related tax	-	-	-	(19,522)	-	(19,522)
Change in ECL reserve	-	-	826	-	-	826
Total other comprehensive income for the period	-	-	826	66,022	-	66,848
Profit for the period	-	-	-	-	267,607	267,607
Total comprehensive income for the period	-	-	826	66,022	267,607	334,455
Contributions by and distributions to owners of the Bank						
Final 2019 ordinary dividend paid	-	-	-	-	(181,125)	(181,125)
At 30 June 2020	754,000	509,000	1,314	243,140	5,801,636	7,309,090
At 1 January 2019	754,000	509,000	1,156	81,458	5,202,243	6,547,857
Fair value reserve						
- Change in fair value	-	-	-	189,295	-	189,295
- Transferred to profit or loss	-	-	-	(66,408)	-	(66,408)
- Related tax	-	-	-	(28,878)	-	(28,878)
Change in ECL reserve	-	-	(429)	-	-	(429)
Total other comprehensive (expense)/income for the period	-	-	(429)	94,009	-	93,580
Profit for the period	-	-	-	-	366,326	366,326
Total comprehensive (expense)/income for the period	-	-	(429)	94,009	366,326	459,906
Contributions by and distributions to owners of the Bank						
Final 2018 ordinary dividend payable	-	-	-	-	(138,000)	(138,000)
At 30 June 2019	754,000	509,000	727	175,467	5,430,569	6,869,763

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UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020

	Group		Bank	
	Year to date ended		Year to date ended	
	30 June	30 June	30 June	30 June
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Cash flows from operating activities				
Profit before income tax and zakat	403,631	543,446	358,373	483,890
<i>Adjustments for:</i>				
Depreciation of property, plant and equipment	13,631	14,667	12,394	13,268
Depreciation of right-of-use assets	9,703	9,189	8,585	7,899
Dividends received from financial investments at FVOCI	(450)	(450)	(450)	(450)
Impairment allowance and provisions	316,063	163,433	246,398	114,399
Finance cost	526	449	487	383
Net (gain)/loss on disposal of:				
- Financial investments at FVOCI	(80,145)	(73,269)	(69,916)	(66,408)
- Property and equipment	-	19	-	16
Share-based expense	5,248	4,316	5,072	4,115
Unrealised (gain)/loss on:				
- Financial assets at FVTPL	(744)	(3,601)	(803)	(3,624)
- Hedging derivatives	(2)	29	(2)	29
- Trading derivatives	(44,032)	95,121	(45,506)	95,951
- Subordinated bonds	45,254	(450)	45,254	(450)
Operating profit before changes in working capital	668,683	752,899	559,886	649,018
<i>Changes in operating assets and operating liabilities:</i>				
Deposits and placements with banks and other financial institutions	(27,468)	358,373	(68,720)	407,288
Investment account placements	-	-	500,487	(753,950)
Financial assets at FVTPL	(2,216,011)	(1,436,658)	(2,215,953)	(1,430,448)
Loans, advances and financing	177,610	(1,187,555)	(172,521)	163,655
Other assets	(80,346)	(107,497)	(100,656)	(156,006)
Statutory deposits with Bank Negara Malaysia	1,638,335	(175,390)	1,329,035	(167,990)
Derivative financial assets and liabilities	213	8,915	220	8,926
Deposits from customers	1,427,513	1,907,026	1,520,363	1,813,104
Deposits and placements of banks and other financial institutions	1,172,386	(3,306,184)	1,192,241	(3,294,561)
Bills and acceptances payable	(27,419)	2,010	(22,666)	3,278
Other liabilities	(177,923)	209,780	(203,217)	210,721
Cash generated from/(used in) operations	2,555,573	(2,974,281)	2,318,499	(2,546,965)
Income tax and zakat paid	(93,641)	(137,892)	(79,311)	(111,708)
Net cash generated from/(used in) operating activities	2,461,932	(3,112,173)	2,239,188	(2,658,673)

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STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2020 (continued)

	Group		Bank	
	Year to date ended		Year to date ended	
	30 June	30 June	30 June	30 June
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Cash flows from investing activities				
Acquisition of financial investments at FVOCI	(15,001,091)	(9,564,642)	(9,226,091)	(6,239,642)
Acquisition of property and equipment	(8,514)	(8,066)	(8,324)	(8,002)
Dividends received from financial investments at FVOCI	450	450	450	450
Proceeds from disposal of financial investments at FVOCI	13,465,304	12,189,504	7,707,713	8,331,926
Proceeds from disposal of property and equipment	-	44	-	44
Net cash (used in)/generated from investing activities	(1,543,851)	2,617,290	(1,526,252)	2,084,776
Cash flows from financing activities				
Payment of lease liabilities	(10,680)	(9,391)	(9,523)	(8,061)
Dividends paid to owner of the Bank	(181,125)	(138,000)	(181,125)	(138,000)
Redemption of subordinated bonds	-	(400,000)	-	(400,000)
Net cash used in financing activities	(191,805)	(547,391)	(190,648)	(546,061)
Net increase/(decrease) in cash and cash equivalents	726,276	(1,042,274)	522,288	(1,119,958)
Cash and cash equivalents at 1 January	4,805,233	4,898,851	4,133,211	4,348,837
Cash and cash equivalents at 30 June	5,531,509	3,856,577	4,655,499	3,228,879

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

The unaudited condensed interim financial statements should be read in conjunction with the audited financial statements of the Group and Bank for the financial year ended 31 December 2019 and the accompanying explanatory notes to the unaudited condensed interim financial statements.

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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 30 JUNE 2020

GENERAL INFORMATION

The unaudited condensed consolidated interim financial statements of the Bank as at and for the financial period ended 30 June 2020 comprise the Bank and its subsidiaries (together referred to as the "Group" and individually referred to as "Group entities").

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

FINANCIAL PERFORMANCE

The Group recorded a net profit of RM306 million for the first 6 months of 2020, a decline of RM110 million or 26% compared to the corresponding period last year. This was mainly due to the higher impairment allowances of RM153 million stemming from a greater expected credit losses under worsened market conditions brought about by the COVID-19 pandemic.

The Group's total income for the six-month financial period increased by RM18 million or 1%, derived mainly from a RM26 million or 36% increase in trading income and higher gains on disposal of financial instruments of RM4 million or 5%.

Overhead expenses increased marginally by 1% or RM5 million to RM610 million.

Total assets expanded by RM3.4 billion or 4% to RM97.1 billion mainly from an increase in holdings of FVTPL and FVOCI financial assets.

The Group and the Bank remained well capitalised with Common Equity Tier 1 capital ratios of 15.088% and 14.705%, Tier 1 capital ratios of 16.016% and 15.848% and Total Capital ratios of 18.642% and 18.468%, respectively.

ECONOMIC PERFORMANCE AND PROSPECTS

The Malaysian economy contracted sharply in the second quarter of the year due to measures introduced to contain the COVID-19 pandemic globally and domestically. Following the gradual and progressive reopening of the economy since early May, economic activities have begun to recover. The fiscal stimulus packages, alongside monetary and financial measures as well as the gradual recovery in global market conditions, will continue to help improve the Malaysian economic outlook. The pace and strength of the recovery, however, will remain subject to downside risks emanating from both domestic and external factors. These include the prospect of further outbreaks of the pandemic leading to a potential re-imposition of containment measures, persistent weaknesses in labour market conditions, the weaker global oil and commodity prices and a weaker-than-expected recovery in global growth.

Bank Negara Malaysia ("BNM") reduced the Overnight Policy Rate ("OPR") on 7 July 2020 for the fourth time this year, by a further 25 basis points to 1.75%. The low interest rate environment could spur some improvement in business and market sentiment.

The Group, together with the Bank, will continue to support and assist selected customers with banking solutions for those businesses facing COVID-19 related short term financial difficulties. The Group and the Bank will continue to monitor their asset quality, capital and liquidity closely.

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 by Group entities, 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.

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NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 30 JUNE 2020 (continued)

1 BASIS OF PREPARATION (continued)

(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, the requirements of the Companies Act 2016 in Malaysia and Shariah requirements (operations of Islamic Banking).

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

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

- Amendments to MFRS 3, *Business Combinations*
- Amendments to MFRS 101, *Presentation of Financial Statements* and MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors*
- Amendments to MFRS 9, *Financial Instruments*, MFRS 139, *Financial Instruments: Recognition and Measurement* and MFRS 7, *Financial Instruments: Disclosures - Interest Rate Benchmark Reform*
- Amendment to MFRS 16 *Leases - Covid-19-Related Rent Concessions*

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

Effective for annual periods commencing on or after 1 January 2022

- Amendments to MFRS 9 *Financial Instruments - Annual Improvements to MFRS Standards 2018 - 2020*
- Amendments to MFRS 3 *Business Combinations - Reference to the Conceptual Framework*
- Amendments to MFRS 116 *Property, Plant and Equipment - Proceeds before Intended Use*
- Amendments to MFRS 137 *Provisions, Contingent Liabilities and Contingent Assets Onerous Contracts - Cost of Fulfilling a Contract*

Effective date to be announced by MASB

- Amendments to MFRS 10 and MFRS 128, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The Group and the Bank plan to apply the abovementioned accounting standards and amendments 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 that applied to the audited financial statements as at and for the financial year ended 31 December 2019.

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2 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied by the Group and the Bank in these unaudited condensed interim financial statements are the same as those applied by the Group and the Bank in its audited financial statements as at and for the financial year ended 31 December 2019, 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 2019 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.

6 CHANGES IN COMPOSITION OF THE GROUP

There were no changes in the composition of the Group during the financial period ended 30 June 2020.

7 DIVIDENDS

No dividend has been proposed for the financial period ended 30 June 2020.

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 June 2020.

10 CASH AND CASH EQUIVALENTS

	Group		Bank	
	30 June 2020 RM'000	31 December 2019 RM'000	30 June 2020 RM'000	31 December 2019 RM'000
Cash and balances with banks and other financial institutions	509,039	716,740	418,599	606,244
Money at call and deposit placements with financial institutions maturing within one month	604,113	225,848	846,900	511,967
Deposit placements with Bank Negara Malaysia	4,418,357	3,862,645	3,390,000	3,015,000
	5,531,509	4,805,233	4,655,499	4,133,211
ECL allowance	(1,537)	(382)	(1,536)	(381)
	5,529,972	4,804,851	4,653,963	4,132,830

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10 CASH AND CASH EQUIVALENTS (continued)

	Group		Bank	
	30 June 2020 RM'000	31 December 2019 RM'000	30 June 2020 RM'000	31 December 2019 RM'000
(a) By geography determined based on where the credit risk resides				
Malaysia	4,946,591	4,439,604	4,131,121	3,827,249
Singapore	350,550	162,673	323,789	145,365
Other ASEAN countries	3,692	6,826	2,804	6,072
Rest of the world	230,676	196,130	197,785	154,525
	5,531,509	4,805,233	4,655,499	4,133,211

(b) Included in the Bank's cash and cash equivalents are deposits and placements with OCBC Al-Amin of RM243 million (31 December 2019: RM286 million), which are unsecured and profit bearing.

(c) Movements in ECL allowance

	30 June 2020			31 December 2019		
	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	382	-	382	1,345	-	1,345
New financial assets originated or purchased	94	-	94	172	-	172
Financial assets derecognised	(3)	-	(3)	(24)	-	(24)
Net remeasurement during the period/year	1,053	-	1,053	(1,091)	-	(1,091)
Other movements	11	-	11	(20)	-	(20)
At 30 June/31 December	1,537	-	1,537	382	-	382
Bank						
At 1 January	381	-	381	1,345	-	1,345
New financial assets originated or purchased	94	-	94	172	-	172
Financial assets derecognised	(3)	-	(3)	(24)	-	(24)
Net remeasurement during the period/year	1,053	-	1,053	(1,092)	-	(1,092)
Other movements	11	-	11	(20)	-	(20)
At 30 June/31 December	1,536	-	1,536	381	-	381

11 DEPOSITS AND PLACEMENTS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS

	Group		Bank	
	30 June 2020 RM'000	31 December 2019 RM'000	30 June 2020 RM'000	31 December 2019 RM'000
Licensed banks	27,458	-	503,086	434,376
Stage 1 ECL allowance	(4)	-	(4)	-
	27,454	-	503,082	434,376

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

	Group		Bank	
	30 June 2020 RM'000	31 December 2019 RM'000	30 June 2020 RM'000	31 December 2019 RM'000
(a) By geography determined based on where the credit risk resides				
Malaysia	27,458	-	503,086	434,376
(b) By residual contractual maturity				
Maturity within one year	27,458	-	503,086	434,376

(c) Included in the Bank's deposits and placements with licensed banks are deposits and placements with OCBC Al-Amin of RM476 million (31 December 2019: RM434 million), which are unsecured and profit bearing.

(d) Movements in ECL allowance

Group and Bank	30 June 2020			31 December 2019		
	Stage 1 ECL RM'000	Stage 2 ECL RM'000	Total ECL non credit- impaired RM'000	Stage 1 ECL RM'000	Stage 2 ECL RM'000	Total ECL non credit- impaired RM'000
At 1 January	-	-	-	44	-	44
New financial assets originated or purchased	3	-	3	-	-	-
Net remeasurement during the period/year	1	-	1	(44)	-	(44)
At 30 June/31 December	4	-	4	-	-	-

12 INVESTMENT ACCOUNT PLACEMENTS

	30 June 2020 RM'000	31 December 2019 RM'000
Bank		
Restricted Profit Sharing Investment Accounts	1,518,336	2,018,823
ECL allowance	(76,238)	(60,669)
	1,442,098	1,958,154

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

Malaysia	1,518,336	1,518,811
Singapore	-	500,012
	1,518,336	2,018,823

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12 INVESTMENT ACCOUNT PLACEMENTS (continued)

	30 June 2020 RM'000	31 December 2019 RM'000
(b) By residual contractual maturity		
Within one year	1,467,026	1,960,296
Over five years	51,310	58,527
	<u>1,518,336</u>	<u>2,018,823</u>

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

(c) Movements in ECL allowance

<u>Bank</u>	<i>Non credit-impaired</i>		<i>Credit-impaired</i>	TOTAL ECL RM'000
	Stage 1 ECL RM'000	Stage 2 ECL RM'000	Stage 3 ECL RM'000	
<u>2020</u>				
At 1 January	1,285	26,615	32,769	60,669
Financial assets derecognised	(669)	-	-	(669)
Net remeasurement during the period	441	15,797	-	16,238
At 30 June	<u>1,057</u>	<u>42,412</u>	<u>32,769</u>	<u>76,238</u>
<u>2019</u>				
At 1 January	3,392	-	57,118	60,510
Transferred to Stage 2	(5,189)	5,189	-	-
New financial assets originated or purchased	316	-	-	316
Net remeasurement during the year	2,766	21,426	29,794	53,986
Written Off	-	-	(54,143)	(54,143)
At 31 December	<u>1,285</u>	<u>26,615</u>	<u>32,769</u>	<u>60,669</u>

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

	<u>Group</u>		<u>Bank</u>	
	30 June 2020 RM'000	31 December 2019 RM'000	30 June 2020 RM'000	31 December 2019 RM'000
At fair value				
Malaysian Government Investment Issues	198,429	589,121	198,429	589,121
Malaysian Government Securities	1,035,192	275,024	1,035,192	275,024
Malaysian Government Treasury Bills	1,980,750	295,732	1,980,750	295,732
Corporate Bonds and Sukuk	176,232	16,592	159,903	262
Quoted shares in Malaysia	2,621	-	2,621	-
	<u>3,393,224</u>	<u>1,176,469</u>	<u>3,376,895</u>	<u>1,160,139</u>

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

	Group		Bank	
	30 June 2020 RM'000	31 December 2019 RM'000	30 June 2020 RM'000	31 December 2019 RM'000
At fair value				
Malaysian Government Investment Issues	7,794,883	6,107,784	5,309,992	3,846,724
Malaysian Government Securities	3,718,954	3,129,096	3,718,954	3,129,096
Malaysian Treasury Bills and Islamic Treasury Bills	916,109	39,840	688,939	39,840
Malaysian Government Debt Securities and Sukuk	157,118	125,283	60,788	30,437
Bank Negara Malaysia Monetary Notes	-	497,441	-	497,441
Foreign Government Debt Securities and Sukuk	214,725	204,109	188,705	179,222
Negotiable Instruments of Deposit and Islamic Negotiable Instruments of Deposit	1,843,015	2,768,686	924,253	1,471,815
Corporate and Islamic Corporate Bonds, Sukuk and Sanadat Mudharabah Cagamas	2,532,744	2,577,728	2,100,125	2,126,946
Unquoted shares in Malaysia	109,512	105,277	109,512	105,277
	17,287,060	15,555,244	13,101,268	11,426,798

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

	30 June 2020			31 December 2019		
	Stage 1 ECL RM'000	Stage 2 ECL RM'000	Total ECL non credit- impaired RM'000	Stage 1 ECL RM'000	Stage 2 ECL RM'000	Total ECL non credit- impaired RM'000
Group						
At 1 January	641	-	641	1,355	50	1,405
Transferred to Stage 2	(79)	79	-	-	-	-
New financial assets originated or purchased	359	-	359	276	-	276
Financial assets derecognised	(158)	-	(158)	(716)	(41)	(757)
Net remeasurement during the period/year	337	307	644	(272)	(9)	(281)
Other movements	9	(6)	3	(2)	-	(2)
At 30 June/31 December	1,109	380	1,489	641	-	641
Bank						
At 1 January	488	-	488	1,156	-	1,156
Transferred to Stage 2	(79)	79	-	-	-	-
New financial assets originated or purchased	254	-	254	71	-	71
Financial assets derecognised	(123)	-	(123)	(650)	-	(650)
Net remeasurement during the period/year	385	307	692	(87)	-	(87)
Other movements	9	(6)	3	(2)	-	(2)
At 30 June/31 December	934	380	1,314	488	-	488

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15 LOANS, ADVANCES AND FINANCING

	Group		Bank	
	30 June 2020 RM'000	31 December 2019 RM'000	30 June 2020 RM'000	31 December 2019 RM'000
At amortised cost				
Overdrafts	3,166,852	3,398,207	2,686,630	2,944,597
Term loans/financing:				
- Housing loans/financing	23,824,168	24,189,809	21,894,358	22,247,391
- Syndicated term loans/financing	4,147,888	4,392,816	3,448,050	3,765,013
- Hire purchase receivables	339,477	344,785	10	10
- Other term loans/financing	21,607,651	21,500,426	17,339,928	17,349,480
Credit cards	564,510	673,849	564,510	673,849
Bills receivable	156,000	189,342	108,220	136,611
Trust receipts	34,499	33,364	34,499	33,229
Claims on customers under acceptance credits	1,983,863	3,121,354	1,808,656	2,701,054
Revolving credit	11,132,049	10,293,142	7,618,411	6,387,825
Staff loans/financing	46,900	48,156	46,900	48,156
Other loans/financing	2,722,308	1,833,851	2,517,047	1,704,249
	<u>69,726,165</u>	<u>70,019,101</u>	<u>58,067,219</u>	<u>57,991,464</u>
At fair value				
Other term loans/financing	10,492	10,560	10,492	10,560
Gross loans, advances and financing	<u>69,736,657</u>	<u>70,029,661</u>	<u>58,077,711</u>	<u>58,002,024</u>
ECL allowance	<u>(1,169,967)</u>	<u>(971,332)</u>	<u>(853,068)</u>	<u>(721,084)</u>
Net loans, advances and financing	<u>68,566,690</u>	<u>69,058,329</u>	<u>57,224,643</u>	<u>57,280,940</u>
(a) By type of customer				
Domestic banking institutions	11,313	23,358	11,313	23,358
Domestic non-bank financial institutions	1,762,071	2,818,760	756,804	1,791,640
Domestic business enterprises				
- Small and medium enterprises	14,490,914	10,912,492	12,041,265	8,855,747
- Others	23,792,187	25,626,000	18,385,482	20,015,048
Individuals	26,491,456	26,986,984	24,304,100	24,774,846
Foreign entities	3,188,716	3,662,067	2,578,747	2,541,385
	<u>69,736,657</u>	<u>70,029,661</u>	<u>58,077,711</u>	<u>58,002,024</u>
(b) By interest/profit rate sensitivity				
Fixed rate				
- Housing loans/financing	57,356	54,597	13,693	7,084
- Hire purchase receivables	170,320	165,105	10	10
- Other fixed rate loans/financing	6,172,880	7,088,138	4,836,779	5,538,079
Variable rate				
- Base rate/Base lending rate/Base financing rate plus	39,621,333	39,487,376	35,349,587	35,345,541
- Cost plus	22,541,763	22,442,446	16,759,506	16,362,580
- Other variable rates	1,173,005	791,999	1,118,136	748,730
	<u>69,736,657</u>	<u>70,029,661</u>	<u>58,077,711</u>	<u>58,002,024</u>

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15 LOANS, ADVANCES AND FINANCING (continued)

	Group		Bank	
	30 June 2020 RM'000	31 December 2019 RM'000	30 June 2020 RM'000	31 December 2019 RM'000
(c) By sector				
Agriculture, hunting, forestry and fishing	4,003,588	4,073,759	2,355,558	2,407,460
Mining and quarrying	518,005	523,637	217,919	222,802
Manufacturing	8,274,108	7,906,235	6,724,173	6,402,766
Electricity, gas and water	490,626	440,404	444,563	409,895
Construction	3,417,809	3,156,404	2,615,179	2,394,540
Real estate	7,732,036	7,808,439	6,474,608	6,595,715
Wholesale & retail trade and restaurants & hotels	7,667,842	7,694,879	6,448,027	6,451,997
Transport, storage and communication	2,154,195	1,261,715	1,902,178	1,066,123
Finance, insurance and business services	2,587,065	3,650,396	1,393,365	2,435,541
Community, social and personal services	2,685,039	2,361,993	2,093,695	1,796,782
Household				
- Purchase of residential properties	24,797,118	25,165,317	22,857,916	23,213,270
- Purchase of non-residential properties	886,821	908,656	838,183	862,296
- Others	2,705,140	2,796,820	2,386,902	2,464,555
Others	1,817,265	2,281,007	1,325,445	1,278,282
	69,736,657	70,029,661	58,077,711	58,002,024
(d) By geography determined based on where the credit risk resides				
Malaysia	66,608,007	66,421,116	55,496,234	55,454,801
Singapore	1,383,410	1,865,837	1,302,921	1,285,905
Other ASEAN countries	509,854	511,654	371,541	349,494
Rest of the world	1,235,386	1,231,054	907,015	911,824
	69,736,657	70,029,661	58,077,711	58,002,024
(e) By residual contractual maturity				
Up to one year	22,638,480	22,536,861	18,140,850	17,626,038
Over one year to three years	3,386,540	3,519,191	2,641,231	2,699,713
Over three years to five years	6,679,897	6,009,591	4,999,688	4,584,009
Over five years	37,031,740	37,964,018	32,295,942	33,092,264
	69,736,657	70,029,661	58,077,711	58,002,024

16 IMPAIRED LOANS, ADVANCES AND FINANCING

(i) Movements in impaired loans, advances and financing

	Group		Bank	
	30 June 2020 RM'000	31 December 2019 RM'000	30 June 2020 RM'000	31 December 2019 RM'000
At 1 January	1,402,168	1,333,041	1,056,476	957,941
Impaired during the period/year	808,175	1,391,456	693,369	1,012,998
Reclassified as non credit-impaired	(165,442)	(574,881)	(147,751)	(432,701)
Amount recovered	(251,854)	(556,154)	(198,813)	(386,305)
Amount written off	(117,467)	(191,643)	(96,550)	(95,523)
Effect of foreign exchange difference	631	349	631	66
At 30 June/31 December	1,676,211	1,402,168	1,307,362	1,056,476
Stage 3 ECL allowance	(393,062)	(378,350)	(290,078)	(269,142)
Net impaired loans, advances and financing	1,283,149	1,023,818	1,017,284	787,334

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16 IMPAIRED LOANS, ADVANCES AND FINANCING (continued)

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

	Group		Bank	
	30 June 2020 RM'000	31 December 2019 RM'000	30 June 2020 RM'000	31 December 2019 RM'000
(a) By sector				
Agriculture, hunting, forestry and fishing	9,016	9,343	5,817	5,708
Mining and quarrying	19,660	14,895	19,660	14,895
Manufacturing	446,370	152,905	416,854	116,677
Construction	128,179	80,081	41,309	38,165
Real estate	201,408	206,934	200,843	206,268
Wholesale & retail trade and restaurants & hotels	203,896	205,976	106,610	101,470
Transport, storage and communication	33,195	34,591	30,098	31,123
Finance, insurance and business services	17,504	15,927	8,698	8,315
Community, social and personal services	5,999	4,214	5,375	3,481
Household				
- Purchase of residential properties	462,689	488,748	389,895	423,115
- Purchase of non-residential properties	18,708	22,216	17,943	21,455
- Others	78,276	90,409	64,260	68,402
Others	51,311	75,929	-	17,402
	1,676,211	1,402,168	1,307,362	1,056,476
(b) By geography determined based on where the credit risk resides				
Malaysia	1,642,372	1,359,309	1,273,615	1,017,534
Singapore	22,381	20,578	22,289	16,679
Rest of the world	11,458	22,281	11,458	22,263
	1,676,211	1,402,168	1,307,362	1,056,476
(c) By period overdue				
Up to 3 months	625,466	375,071	555,815	311,198
Over 3 months to 6 months	127,003	157,791	93,343	127,299
Over 6 months to 9 months	221,486	208,698	193,621	98,892
Over 9 months	702,256	660,608	464,583	519,087
	1,676,211	1,402,168	1,307,362	1,056,476
(d) By collateral type				
Property	1,007,248	875,899	911,930	782,413
Fixed deposits	5,665	7,080	5,665	5,800
Stock and shares	41,952	5,859	5,029	79
Machinery	52	4,019	-	-
Secured - others	66,116	71,033	24,506	25,484
Unsecured - corporate and other guarantees	194,596	128,659	90,536	69,216
Unsecured - clean	360,582	309,619	269,696	173,484
	1,676,211	1,402,168	1,307,362	1,056,476

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16 IMPAIRED LOANS, ADVANCES AND FINANCING (continued)

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

	<i>Non credit-impaired</i>		<i>Credit-</i>	30 June	<i>Non credit-impaired</i>		<i>Credit-</i>	31 December
	Stage 1	Stage 2	<i>impaired</i>	2020	Stage 1	Stage 2	<i>impaired</i>	2019
	ECL	ECL	Stage 3	Total	ECL	ECL	Stage 3	Total
	RM'000	RM'000	ECL	RM'000	RM'000	RM'000	ECL	RM'000
Group								
At 1 January	258,799	334,183	378,350	971,332	241,198	288,505	368,702	898,405
Transferred to Stage 1	106,610	(90,791)	(15,819)	-	301,333	(273,828)	(27,505)	-
Transferred to Stage 2	(77,045)	84,398	(7,353)	-	(79,351)	112,225	(32,874)	-
Transferred to Stage 3	(2,359)	(117,900)	120,259	-	(4,299)	(191,863)	196,162	-
New financial assets originated or purchased	91,826	53,499	-	145,325	199,067	65,193	-	264,260
Financial assets derecognised	(69,954)	(58,450)	(16,664)	(145,068)	(150,741)	(89,491)	(34,139)	(274,371)
Net remeasurement during the period/year	(5,288)	265,617	63,528	323,857	(247,872)	423,730	115,461	291,319
Written off	-	-	(117,467)	(117,467)	-	-	(191,643)	(191,643)
Other movements	2,497	1,264	(11,773)	(8,012)	(536)	(288)	(15,814)	(16,638)
At 30 June/31 December	305,086	471,820	393,061	1,169,967	258,799	334,183	378,350	971,332
At 1 January								
- Loans, advances and financing	245,984	308,572	378,350	932,906	228,310	274,791	368,702	871,803
- Credit commitments and financial guarantees	12,814	25,612	-	38,426	12,888	13,714	-	26,602
	258,798	334,184	378,350	971,332	241,198	288,505	368,702	898,405
At 30 June/31 December								
- Loans, advances and financing	300,749	443,055	393,061	1,136,865	245,984	308,572	378,350	932,906
- Credit commitments and financial guarantees	4,337	28,765	-	33,102	12,814	25,612	-	38,426
	305,086	471,820	393,061	1,169,967	258,798	334,184	378,350	971,332

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16 IMPAIRED LOANS, ADVANCES AND FINANCING (continued)

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

	<i>Non credit-impaired</i>		<i>Credit-</i>	30 June	<i>Non credit-impaired</i>		<i>Credit-</i>	31 December
	Stage 1	Stage 2	<i>impaired</i>	2020	Stage 1	Stage 2	<i>impaired</i>	2019
	ECL	ECL	Stage 3	Total	ECL	ECL	Stage 3	Total
	RM'000	RM'000	ECL	ECL	RM'000	RM'000	ECL	RM'000
			RM'000	RM'000			RM'000	RM'000
Bank								
At 1 January	197,808	254,134	269,142	721,084	178,849	231,340	248,504	658,693
Transferred to Stage 1	81,444	(69,977)	(11,467)	-	236,510	(217,700)	(18,810)	-
Transferred to Stage 2	(60,897)	66,616	(5,719)	-	(55,639)	80,428	(24,789)	-
Transferred to Stage 3	(102)	(99,317)	99,419	-	(2,346)	(133,554)	135,900	-
New financial assets originated or purchased	77,994	40,116	-	118,110	167,070	57,121	-	224,191
Financial assets derecognised	(58,242)	(48,347)	(11,804)	(118,393)	(126,543)	(75,121)	(22,968)	(224,632)
Net remeasurement during the period/year	(1,853)	180,585	54,017	232,749	(199,713)	311,913	56,246	168,446
Written off	-	-	(96,550)	(96,550)	-	-	(95,523)	(95,523)
Other movements	1,768	1,260	(6,960)	(3,932)	(380)	(293)	(9,418)	(10,091)
At 30 June/31 December	237,920	325,070	290,078	853,068	197,808	254,134	269,142	721,084
At 1 January								
- Loans, advances and financing	188,645	235,221	269,142	693,008	169,102	217,864	248,504	635,470
- Credit commitments and financial guarantees	9,163	18,913	-	28,076	9,747	13,476	-	23,223
	197,808	254,134	269,142	721,084	178,849	231,340	248,504	658,693
At 30 June/31 December								
- Loans, advances and financing	234,375	317,065	290,078	841,518	188,645	235,221	269,142	693,008
- Credit commitments and financial guarantees	3,545	8,005	-	11,550	9,163	18,913	-	28,076
	237,920	325,070	290,078	853,068	197,808	254,134	269,142	721,084

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16 IMPAIRED LOANS, ADVANCES AND FINANCING (continued)

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

(a) By sector

	Group				Bank			
	<i>Non credit- impaired</i>	<i>Credit- impaired</i>	Stage 3 ECL		<i>Non credit- impaired</i>	<i>Credit- impaired</i>	Stage 3 ECL	
	Stage 1 and 2 ECL RM'000	Stage 3 ECL RM'000	Made during the period (Note 29) RM'000	Written off RM'000	Stage 1 and 2 ECL RM'000	Stage 3 ECL RM'000	Made during the period (Note 29) RM'000	Written off RM'000
30 June 2020								
Agriculture, hunting, forestry and fishing	127,158	777	31	172	68,404	701	24	39
Mining and quarrying	7,637	2,060	2,068	-	3,288	2,060	2,068	-
Manufacturing	141,493	74,557	76,170	26,927	107,107	66,813	67,894	22,072
Electricity, gas and water	19,452	-	-	-	18,992	-	-	-
Construction	109,253	34,646	6,969	1,952	70,183	18,256	2,485	1,473
Real estate	45,970	40,378	4,271	3,056	38,588	40,378	4,271	3,056
Wholesale & retail trade and restaurants & hotels	105,270	66,603	35,717	21,542	89,270	53,716	32,821	19,011
Transport, storage and communication	14,791	18,051	798	1,050	12,570	17,475	430	783
Finance, insurance and business services	17,381	3,257	1,974	2,136	15,303	1,309	1,316	1,901
Community, social and personal services	6,741	357	139	450	-	218	98	339
Household								
- Purchase of residential properties	42,225	80,430	58,191	40,353	36,732	62,752	46,435	37,248
- Purchase of non-residential properties	4,364	2,619	1,420	1,283	3,728	2,348	1,416	1,283
- Others	104,110	36,558	23,765	18,546	85,368	24,052	16,393	9,345
Others	31,061	32,768	-	-	13,457	-	-	-
	776,906	393,061	211,513	117,467	562,990	290,078	175,651	96,550

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16 IMPAIRED LOANS, ADVANCES AND FINANCING (continued)

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

(a) By sector (continued)

	Group				Bank			
	<i>Non credit- impaired</i>	<i>Credit- impaired</i>	Stage 3 ECL		<i>Non credit- impaired</i>	<i>Credit- impaired</i>	Stage 3 ECL	
	Stage 1 and 2 ECL	Stage 3 ECL	Made during		Stage 1 and 2 ECL	Stage 3 ECL	Made during	
			the year (Note 29)	Written off			the year (Note 29)	Written off
RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
31 December 2019								
Agriculture, hunting, forestry and fishing	82,054	1,049	1,298	104	47,237	751	881	104
Mining and quarrying	6,292	91	203	-	4,639	91	203	-
Manufacturing	107,238	32,662	39,536	56,176	89,950	23,939	22,565	48,019
Electricity, gas and water	13,131	-	-	-	13,038	-	-	-
Construction	74,908	32,706	34,584	881	55,725	18,039	19,262	356
Real estate	36,375	42,896	44,136	184	28,464	42,896	43,844	-
Wholesale & retail trade and restaurants & hotels	74,811	60,504	33,134	12,113	61,817	43,551	21,226	7,398
Transport, storage and communication	8,611	27,509	2,804	2,094	7,247	27,001	1,696	781
Finance, insurance and business services	14,726	4,295	3,464	1,359	13,904	2,699	2,090	861
Community, social and personal services	4,577	987	1,486	721	-	757	916	522
Household								
- Purchase of residential properties	44,305	93,569	89,828	21,459	38,989	79,485	75,998	18,063
- Purchase of non-residential properties	3,526	3,140	3,338	2,459	3,201	2,873	3,076	2,459
- Others	98,144	46,173	87,520	39,950	78,946	27,060	46,530	16,960
Others	24,284	32,769	29,794	54,143	8,785	-	-	-
	592,982	378,350	371,125	191,643	451,942	269,142	238,287	95,523

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16 IMPAIRED LOANS, ADVANCES AND FINANCING (continued)

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

(b) By geographical distribution

	Group			Bank		
	<i>Non credit- impaired</i>	<i>Credit- impaired</i>	Total	<i>Non credit- impaired</i>	<i>Credit- impaired</i>	Total
	Stage 1 and 2 ECL	Stage 3 ECL		Stage 1 and 2 ECL	Stage 3 ECL	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
30 June 2020						
Malaysia	723,528	384,034	1,107,562	527,726	281,088	808,814
Singapore	6,049	6,353	12,402	5,699	6,315	12,014
Other ASEAN countries	12,454	-	12,454	12,435	-	12,435
Rest of the world	34,875	2,674	37,549	17,130	2,675	19,805
	776,906	393,061	1,169,967	562,990	290,078	853,068
31 December 2019						
Malaysia	551,304	372,540	923,844	425,618	263,332	688,950
Singapore	6,001	3,069	9,070	5,002	3,069	8,071
Other ASEAN countries	17,762	-	17,762	17,754	-	17,754
Rest of the world	17,915	2,741	20,656	3,568	2,741	6,309
	592,982	378,350	971,332	451,942	269,142	721,084

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17 DERIVATIVE FINANCIAL ASSETS AND LIABILITIES

Group	30 June 2020			31 December 2019		
	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	5,045,480	54,421	23,296	4,368,293	11,504	42,376
- Swaps	21,443,736	553,317	398,211	15,361,383	454,265	334,840
- Options	1,174,692	15,308	108	704,214	6,907	294
Interest rate derivatives						
- Swaps	49,178,812	719,114	826,122	56,748,918	236,667	284,147
- Futures	42,821	-	13	286,545	63	-
Equity and other derivatives						
- Swaps	1,040,766	75,252	75,252	803,309	16,660	16,660
- Exchange traded futures	32,378	-	311	-	-	-
- Commodity futures	9,434	105	102	74,620	2,574	41
- Credit linked notes	1,015,024	117,703	117,703	953,135	21,092	21,092
	78,983,143	1,535,220	1,441,118	79,300,417	749,732	699,450
Hedging						
Interest rate derivatives						
- Swaps	71,410	-	1,204	20,467	-	573
	79,054,553	1,535,220	1,442,322	79,320,884	749,732	700,023
Bank						
Trading						
Foreign exchange derivatives						
- Forwards	5,059,945	54,282	23,274	4,360,330	11,209	42,321
- Swaps	21,441,935	553,316	398,206	15,361,208	454,269	334,840
- Options	1,174,692	15,308	108	704,214	6,907	294
Interest rate derivatives						
- Swaps	49,178,812	720,847	826,122	56,748,918	237,056	284,147
- Futures	42,821	-	13	286,545	63	-
Equity and other derivatives						
- Swaps	1,040,766	75,252	75,252	803,309	16,660	16,660
- Exchange traded futures	32,378	-	311	-	-	-
- Commodity futures	9,434	105	102	74,620	2,574	41
- Credit linked notes	1,015,024	117,703	117,703	953,135	21,092	21,092
	78,995,807	1,536,813	1,441,091	79,292,279	749,830	699,395
Hedging						
Interest rate derivatives						
- Swaps	71,410	-	1,204	20,467	-	573
	79,067,217	1,536,813	1,442,295	79,312,746	749,830	699,968

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18 OTHER ASSETS

	Note	Group		Bank	
		30 June 2020	31 December 2019	30 June 2020	31 December 2019
		RM'000	RM'000	RM'000	RM'000
Amount due from subsidiaries	(a)	-	-	44,803	12,223
Interest/Profit receivable		171,053	138,747	142,595	112,404
Unquoted redeemable Islamic subordinated bonds of subsidiary	(b)	-	-	200,000	200,000
Other receivables, deposits and prepayments		284,832	236,810	267,095	229,227
		<u>455,885</u>	<u>375,557</u>	<u>654,493</u>	<u>553,854</u>

(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.

19 DEPOSITS FROM CUSTOMERS

	Group		Bank	
	30 June 2020	31 December 2019	30 June 2020	31 December 2019
	RM'000	RM'000	RM'000	RM'000
(a) By type of deposit				
Demand deposits	18,157,710	17,238,374	13,875,376	13,028,179
Saving deposits	13,642,299	12,520,313	12,881,508	11,825,379
Fixed/General investment deposits	38,545,572	38,693,976	31,689,826	32,063,682
Negotiable instruments of deposit	3,853,847	4,284,146	3,853,847	3,684,146
Short-term money market deposits	2,323,890	2,358,996	1,803,762	1,982,570
	<u>76,523,318</u>	<u>75,095,805</u>	<u>64,104,319</u>	<u>62,583,956</u>
(b) By type of customer				
Government and statutory bodies	1,110,836	957,967	124,775	189,645
Non-bank financial institutions	2,658,431	3,854,813	1,925,945	2,086,313
Business enterprises	26,063,799	26,446,757	20,469,851	20,632,967
Individuals	38,545,554	36,002,821	33,776,986	32,129,591
Foreign entities	7,270,912	6,947,700	7,066,763	6,800,530
Others	873,786	885,747	739,999	744,910
	<u>76,523,318</u>	<u>75,095,805</u>	<u>64,104,319</u>	<u>62,583,956</u>
(c) By maturity structure for fixed/term/general investment deposits, negotiable instruments of deposit and short-term money market deposits				
Up to six months	32,134,195	38,711,401	26,970,804	32,605,459
Over six months to one year	12,277,038	6,371,164	10,091,072	4,883,328
Over one year to three years	300,400	247,121	274,183	234,179
Over three years to five years	11,676	7,432	11,376	7,432
	<u>44,723,309</u>	<u>45,337,118</u>	<u>37,347,435</u>	<u>37,730,398</u>

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20 DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	Group		Bank	
	30 June 2020 RM'000	31 December 2019 RM'000	30 June 2020 RM'000	31 December 2019 RM'000
Licensed banks and other financial institutions	5,368,695	3,991,634	5,345,856	3,948,940
Bank Negara Malaysia	-	204,675	-	204,675
	5,368,695	4,196,309	5,345,856	4,153,615

21 OTHER LIABILITIES

	Group		Bank	
	30 June 2020 RM'000	31 December 2019 RM'000	30 June 2020 RM'000	31 December 2019 RM'000
Amount due to subsidiaries	-	-	1,521	31,954
Equity compensation benefits	15,361	14,284	14,762	13,592
Interest/Profit payable	330,537	531,528	271,124	456,909
Structured investments	2,145,189	2,068,458	2,145,189	2,068,458
Lease liabilities	30,005	25,387	27,047	22,382
Other payables and accruals	384,163	433,655	300,686	360,514
Provision for commitments and contingencies	2,202	2,202	168	168
	2,907,457	3,075,514	2,760,497	2,953,977

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

22 SUBORDINATED BONDS

	Group and Bank	
	30 June 2020 RM'000	31 December 2019 RM'000
USD110 million Additional Tier 1 Capital Securities	471,026	450,285
USD130 million Redeemable Subordinated Bonds 2015/2025	556,667	532,154
RM390 million Redeemable Subordinated Bonds 2017/2027	390,000	390,000
RM110 million Redeemable Subordinated Bonds 2017/2027	110,000	110,000
	1,527,693	1,482,439

23 NET INTEREST INCOME

Group	Quarter ended		Year to date ended	
	30 June 2020 RM'000	30 June 2019 RM'000	30 June 2020 RM'000	30 June 2019 RM'000
Interest income				
Loans, advances and financing				
- Interest income other than recoveries	588,018	728,442	1,254,495	1,468,230
- Recoveries from impaired loans, advances and financing	10,445	15,707	30,046	27,462
- Discount unwind from impaired loans, advances and financing	4,157	3,170	6,960	7,121
Money at call and deposit placements with banks and other financial institutions	26,028	26,045	34,663	58,176
Financial investments at FVOCI	91,993	110,237	194,847	242,287
Others	389	3,037	633	21,599
	721,030	886,638	1,521,644	1,824,875
Financial assets at FVTPL	19,008	27,830	39,098	40,709
	740,038	914,468	1,560,742	1,865,584

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23 NET INTEREST INCOME (continued)

	Quarter ended		Year to date ended	
	30 June 2020 RM'000	30 June 2019 RM'000	30 June 2020 RM'000	30 June 2019 RM'000
Interest expense				
Deposits from customers	(334,368)	(479,508)	(730,577)	(954,348)
Deposits and placements of banks and other financial institutions	(11,564)	(13,377)	(19,522)	(40,362)
Recourse obligation on loans sold to Cagamas Berhad	(7,692)	(7,702)	(15,385)	(15,352)
Subordinated bonds	(17,041)	(17,629)	(33,600)	(40,527)
Lease liabilities	(245)	(179)	(487)	(384)
Others	(9,539)	(21,012)	(19,688)	(59,102)
	<u>(380,449)</u>	<u>(539,407)</u>	<u>(819,259)</u>	<u>(1,110,075)</u>
Net interest income	359,589	375,061	741,483	755,509
Bank				
Interest income				
Loans, advances and financing				
- Interest income other than recoveries	588,018	728,442	1,254,495	1,468,230
- Recoveries from impaired loans, advances and financing	10,445	15,707	30,046	27,462
- Discount unwind from impaired loans, advances and financing	4,157	2,763	6,960	5,902
Money at call and deposit placements with banks and other financial institutions	37,408	41,832	65,876	91,593
Financial investments at FVOCI	92,837	111,046	196,527	243,888
Unquoted Islamic subordinated bond of subsidiary	2,394	2,394	4,787	4,761
Others	389	3,443	633	22,817
	<u>735,648</u>	<u>905,627</u>	<u>1,559,324</u>	<u>1,864,653</u>
Financial assets at FVTPL	19,008	27,830	39,098	40,709
	<u>754,656</u>	<u>933,457</u>	<u>1,598,422</u>	<u>1,905,362</u>
Interest expense				
Deposits from customers	(334,374)	(479,508)	(730,583)	(954,348)
Deposits and placements of banks and other financial institutions	(16,939)	(24,115)	(33,324)	(61,798)
Recourse obligation on loans sold to Cagamas Berhad	(7,692)	(7,702)	(15,385)	(15,352)
Subordinated bonds	(17,041)	(17,629)	(33,600)	(40,527)
Lease liabilities	(245)	(178)	(487)	(383)
Others	(13,123)	(21,012)	(28,890)	(59,102)
	<u>(389,414)</u>	<u>(550,144)</u>	<u>(842,269)</u>	<u>(1,131,510)</u>
Net interest income	365,242	383,313	756,153	773,852

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24 INCOME FROM ISLAMIC BANKING OPERATIONS

	Quarter ended		Year to date ended	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019
<u>Group</u>	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds and others	134,602	164,668	295,651	323,226
Income derived from investment of specific investment account funds	12,702	14,016	32,935	28,359
Income derived from investment of shareholder's fund	30,282	33,811	63,434	61,379
Income attributable to depositors	(66,346)	(88,387)	(146,636)	(169,841)
Income attributable to investment account holder	(8,959)	(10,738)	(23,004)	(21,436)
	<u>102,281</u>	<u>113,370</u>	<u>222,380</u>	<u>221,687</u>

25 NET FEE AND COMMISSION INCOME

	Quarter ended		Year to date ended	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019
<u>Group</u>	RM'000	RM'000	RM'000	RM'000
Commission	51,948	56,554	107,039	94,130
Service charges and fees	37,728	37,488	71,825	81,267
Guarantee fees	462	1,126	1,199	2,067
Other fee income	1,853	2,390	3,958	4,616
	<u>91,991</u>	<u>97,558</u>	<u>184,021</u>	<u>182,080</u>
<u>Bank</u>				
Commission	51,948	56,554	107,039	93,979
Service charges and fees	37,728	37,488	71,171	81,267
Guarantee fees	462	1,126	1,199	2,067
Other fee income	1,853	2,390	3,958	4,616
	<u>91,991</u>	<u>97,558</u>	<u>183,367</u>	<u>181,929</u>

26 NET TRADING INCOME

	Quarter ended		Year to date ended	
	30 June 2020	30 June 2019	30 June 2020	30 June 2019
<u>Group</u>	RM'000	RM'000	RM'000	RM'000
Foreign exchange gain/(loss)	44,933	(71,938)	(107,287)	2,289
Realised gain on financial assets at FVTPL	10,607	10,067	39,115	23,919
Realised gain on trading derivatives	74,050	103,720	120,592	138,937
Unrealised gain on financial assets at FVTPL	3,688	532	803	3,624
Unrealised (loss)/gain on trading derivatives	(83,306)	(10,111)	45,506	(95,951)
	<u>49,972</u>	<u>32,270</u>	<u>98,729</u>	<u>72,818</u>
<u>Bank</u>				
Foreign exchange gain/(loss)	44,933	(71,938)	(107,287)	2,289
Realised gain on financial assets at FVTPL	10,607	10,067	39,115	23,919
Realised gain on trading derivatives	74,050	103,720	120,592	138,937
Unrealised gain on financial assets at FVTPL	3,688	532	803	3,624
Unrealised (loss)/gain on trading derivatives	(83,306)	(10,111)	45,506	(95,951)
	<u>49,972</u>	<u>32,270</u>	<u>98,729</u>	<u>72,818</u>

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27 OTHER OPERATING INCOME

Group	Quarter ended		Year to date ended	
	30 June	30 June	30 June	30 June
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Gain/(Loss) on disposal:				
- Financial investments at FVOCI	17,926	53,898	69,916	66,408
- Property and equipment	-	(8)	-	(16)
Gross dividends from financial investments at FVOCI in Malaysia	450	450	450	450
Rental of premises	1,006	1,043	2,055	2,085
Rental of safe deposit boxes	1,605	1,619	3,298	3,321
Shared services income received from related company	3,738	3,812	7,306	7,065
Unrealised gain/(loss) on hedging derivatives	6	(24)	2	(29)
Others	107	174	197	299
	24,838	60,964	83,224	79,583

Bank

Gain/(Loss) on disposal:				
- Financial investments at FVOCI	17,926	53,898	69,916	66,408
- Property and equipment	-	(8)	-	(16)
Gross dividends from financial investments at FVOCI in Malaysia	450	450	450	450
Rental of premises	1,012	1,058	2,076	2,115
Rental of safe deposit boxes	1,605	1,619	3,298	3,321
Shared services income received from subsidiary	27,219	28,518	56,584	54,960
Shared services income received from related company	3,738	3,812	7,306	7,065
Unrealised gain/(loss) on hedging derivatives	6	(24)	2	(29)
Others	107	173	197	299
	52,063	89,496	139,829	134,573

28 OPERATING EXPENSES

Group	Quarter ended		Year to date ended	
	30 June	30 June	30 June	30 June
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Personnel expenses				
Wages, salaries and bonus	123,882	126,637	246,482	246,770
Employees Provident Fund contributions	18,661	19,032	37,525	37,457
Share-based expenses	2,943	2,461	5,248	4,316
Others	12,826	13,841	25,036	27,345
	158,312	161,971	314,291	315,888

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28 OPERATING EXPENSES (continued)

<u>Group (continued)</u>	Quarter ended		Year to date ended	
	30 June 2020 RM'000	30 June 2019 RM'000	30 June 2020 RM'000	30 June 2019 RM'000
Establishment expenses				
Depreciation of property and equipment	6,245	7,286	13,631	14,667
Depreciation of ROU assets	4,628	4,573	9,703	9,189
Rental of premises	-	8	-	8
Repair and maintenance	2,616	3,434	5,920	5,719
Information technology costs	11,442	11,038	23,174	18,992
Hire of equipment	250	439	492	680
Others	4,661	4,826	9,690	9,413
	<u>29,842</u>	<u>31,604</u>	<u>62,610</u>	<u>58,668</u>
Marketing expenses				
Advertisement and business promotion	1,951	4,112	4,923	8,256
Transport and travelling	362	1,225	1,312	2,250
Others	389	652	1,409	1,292
	<u>2,702</u>	<u>5,989</u>	<u>7,644</u>	<u>11,798</u>
General administrative expenses				
Transaction processing fees	82,275	84,457	170,317	168,025
Others	28,512	26,415	55,281	50,419
	<u>110,787</u>	<u>110,872</u>	<u>225,598</u>	<u>218,444</u>
Total operating expenses	<u>301,643</u>	<u>310,436</u>	<u>610,143</u>	<u>604,798</u>
<u>Bank</u>				
Personnel expenses				
Wages, salaries and bonus	117,103	119,505	234,171	233,050
Employees Provident Fund contributions	17,693	17,984	35,584	35,348
Share-based expenses	2,872	2,349	5,072	4,115
Others	11,831	12,833	23,049	25,383
	<u>149,499</u>	<u>152,671</u>	<u>297,876</u>	<u>297,896</u>
Establishment expenses				
Depreciation of property and equipment	5,638	6,613	12,394	13,268
Depreciation of ROU assets	4,066	3,946	8,585	7,899
Rental of premises	-	11	1	11
Repair and maintenance	2,495	3,130	5,686	5,189
Information technology costs	11,272	10,730	22,835	18,529
Hire of equipment	215	401	427	609
Others	3,971	4,144	8,300	8,004
	<u>27,657</u>	<u>28,975</u>	<u>58,228</u>	<u>53,509</u>
Marketing expenses				
Advertisement and business promotion	1,932	3,980	4,813	7,996
Transport and travelling	350	1,143	1,249	2,090
Others	387	615	1,380	1,240
	<u>2,669</u>	<u>5,738</u>	<u>7,442</u>	<u>11,326</u>

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28 OPERATING EXPENSES (continued)

	Quarter ended		Year to date ended	
	30 June 2020 RM'000	30 June 2019 RM'000	30 June 2020 RM'000	30 June 2019 RM'000
<u>Bank (continued)</u>				
General administrative expenses				
Transaction processing fees	75,574	77,429	156,229	153,980
Others	26,885	25,392	53,532	48,172
	<u>102,459</u>	<u>102,821</u>	<u>209,761</u>	<u>202,152</u>
Total operating expenses	<u>282,284</u>	<u>290,205</u>	<u>573,307</u>	<u>564,883</u>

29 IMPAIRMENT ALLOWANCE AND PROVISIONS

	Quarter ended		Year to date ended	
	30 June 2020 RM'000	30 June 2019 RM'000	30 June 2020 RM'000	30 June 2019 RM'000
<u>Group</u>				
Loans, advances and financing				
Stage 1 and 2 ECL net charge during the period	20,687	28,668	183,924	78,864
Stage 3 ECL				
- Charge during the period	147,045	77,973	211,513	187,886
- Write back	(27,677)	(45,492)	(67,562)	(79,957)
Impaired loans, advances and financing				
- Recovered during the period	(5,689)	(11,907)	(13,846)	(22,872)
Financial investments at FVOCI				
Stage 1 and 2 ECL net charge/(write back) during the period	283	(168)	849	(564)
Other financial assets				
Stage 1 and 2 ECL net (write back)/charge during the period	(263)	128	1,159	29
Stage 3 ECL net charge during the period	8	36	26	50
Commitments and contingencies				
Net write back during the period	-	(3)	-	(3)
	<u>134,394</u>	<u>49,235</u>	<u>316,063</u>	<u>163,433</u>

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29 IMPAIRMENT ALLOWANCE AND PROVISIONS (continued)

	Quarter ended		Year to date ended	
	30 June 2020 RM'000	30 June 2019 RM'000	30 June 2020 RM'000	30 June 2019 RM'000
Bank				
Loans, advances and financing				
Stage 1 and 2 ECL net (write back)/charge during the period	(12,812)	19,691	111,048	49,710
Stage 3 ECL				
- Charge during the period	129,172	48,467	175,651	104,576
- Write back	(20,403)	(34,207)	(51,205)	(58,769)
Impaired loans, advances and financing				
- Recovered during the period	(2,747)	(6,520)	(6,676)	(11,780)
Investment account placements				
Stage 1 and 2 ECL net charge during the period	12,575	191	15,569	1,221
Stage 3 ECL net charge during the period	-	-	-	29,794
Financial investments at FVOCI				
Stage 1 and 2 ECL net charge/(write back) during the period	254	(104)	826	(429)
Other financial assets				
Stage 1 and 2 ECL net (write back)/charge during the period	(263)	128	1,159	29
Stage 3 ECL net charge during the period	8	36	26	50
Commitments and contingencies				
Net write back during the period	-	(3)	-	(3)
	<u>105,784</u>	<u>27,679</u>	<u>246,398</u>	<u>114,399</u>

30 INCOME TAX EXPENSE

	Quarter ended		Year to date ended	
	30 June 2020 RM'000	30 June 2019 RM'000	30 June 2020 RM'000	30 June 2019 RM'000
Group				
Malaysian income tax				
- Current period	56,697	86,496	113,756	131,902
Deferred tax				
- Origination and reversal of temporary differences	(10,581)	(11,154)	(15,766)	(3,963)
	<u>46,116</u>	<u>75,342</u>	<u>97,990</u>	<u>127,939</u>
Bank				
Malaysian income tax				
- Current period	50,308	80,280	99,178	117,254
Deferred tax				
- Origination and reversal of temporary differences	(7,070)	(10,249)	(8,412)	310
	<u>43,238</u>	<u>70,031</u>	<u>90,766</u>	<u>117,564</u>

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31 COMMITMENTS AND CONTINGENCIES

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

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

<u>Group</u>	Principal amount	Credit equivalent amount	Risk weighted amount
	RM'000	RM'000	RM'000
30 June 2020			
Direct credit substitutes	421,153	421,153	310,141
Transaction-related contingent items	2,953,078	1,512,739	968,589
Short-term self-liquidating trade-related contingencies	249,719	54,620	32,725
Forward asset purchases, forward deposits, partly paid shares and securities	73,903	73,903	-
Foreign exchange related contracts			
- Less than one year	23,324,363	158,736	86,026
- One year to less than five years	1,961,277	877,296	170,045
- Five years and above	2,378,268	55,488	63,955
Interest rate contracts			
- Less than one year	12,276,985	16,961	15,827
- One year to less than five years	24,172,651	442,345	123,507
- Five years and above	12,843,407	444,711	278,310
Equity and commodity related contracts	1,082,578	17,611	10,059
Credit derivative contracts	1,015,024	25,291	4,963
Formal standby facilities and credit lines			
- Original maturity exceeding one year	4,090,929	3,514,314	1,716,761
Other unconditionally cancellable commitments	21,061,163	2,342,912	358,187
Total	107,904,498	9,958,080	4,139,095
31 December 2019			
Direct credit substitutes	556,783	556,783	382,333
Transaction-related contingent items	2,894,812	1,481,544	964,121
Short-term self-liquidating trade-related contingencies	317,254	70,341	38,329
Foreign exchange related contracts			
- Less than one year	16,056,853	102,797	42,975
- One year to less than five years	2,039,038	830,982	168,652
- Five years and above	2,337,999	61,013	70,317
Interest rate contracts			
- Less than one year	19,615,753	7,217	3,924
- One year to less than five years	25,424,297	435,591	95,183
- Five years and above	12,015,880	268,183	167,717
Equity and commodity related contracts	877,929	27,053	12,084
Credit derivative contracts	953,135	34,227	7,724
Formal standby facilities and credit lines			
- Original maturity exceeding one year	4,751,921	4,015,159	2,118,291
Other unconditionally cancellable commitments	23,470,860	2,293,492	373,892
Total	111,312,514	10,184,382	4,445,542

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31 COMMITMENTS AND CONTINGENCIES (continued)

<u>Bank</u>	Principal amount	Credit equivalent amount	Risk weighted amount
	RM'000	RM'000	RM'000
30 June 2020			
Direct credit substitutes	325,284	325,284	216,954
Transaction-related contingent items	2,568,865	1,317,016	831,419
Short-term self-liquidating trade-related contingencies	234,085	50,569	30,103
Forward asset purchases, forward deposits, partly paid shares and securities	73,903	73,903	-
Foreign exchange related contracts			
- Less than one year	23,339,027	158,261	85,692
- One year to less than five years	1,959,278	877,296	168,980
- Five years and above	2,378,267	55,488	63,955
Interest rate contracts			
- Less than one year	12,276,985	16,961	15,827
- One year to less than five years	24,172,651	442,345	123,507
- Five years and above	12,843,407	444,711	247,934
Equity and commodity related contracts	1,082,578	17,611	10,059
Credit derivative contracts	1,015,024	25,291	4,963
Formal standby facilities and credit lines			
- Original maturity exceeding one year	3,630,152	3,145,991	1,406,322
Other unconditionally cancellable commitments	18,860,635	2,187,269	332,504
Total	<u>104,760,141</u>	<u>9,137,996</u>	<u>3,538,219</u>
31 December 2019			
Direct credit substitutes	459,747	459,747	288,691
Transaction-related contingent items	2,520,793	1,291,025	833,504
Short-term self-liquidating trade-related contingencies	299,674	63,864	34,528
Foreign exchange related contracts			
- Less than one year	16,048,890	102,203	42,359
- One year to less than five years	2,038,863	830,982	167,062
- Five years and above	2,337,999	61,014	70,316
Interest rate contracts			
- Less than one year	19,615,753	7,217	3,924
- One year to less than five years	25,424,297	435,592	95,183
- Five years and above	12,015,880	268,184	147,831
Equity and commodity related contracts	877,929	27,054	12,084
Credit derivative contracts	953,135	34,228	7,724
Formal standby facilities and credit lines			
- Original maturity exceeding one year	4,329,396	3,680,439	1,850,839
Other unconditionally cancellable commitments	20,750,390	2,166,807	353,465
Total	<u>107,672,746</u>	<u>9,428,354</u>	<u>3,907,511</u>

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32 CAPITAL COMMITMENTS

	Group		Bank	
	30 June 2020 RM'000	31 December 2019 RM'000	30 June 2020 RM'000	31 December 2019 RM'000
Capital expenditure commitments in respect of property and equipment contracted but not provided for	10,186	6,000	10,146	5,953

33 CREDIT EXPOSURE ARISING FROM CREDIT TRANSACTIONS WITH CONNECTED PARTIES

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

	Group		Bank	
	30 June 2020 RM'000	31 December 2019 RM'000	30 June 2020 RM'000	31 December 2019 RM'000
Aggregate value of outstanding credit exposure to connected parties[^]:				
Credit facility and leasing (except guarantee)	740,939	743,552	733,075	734,845
Commitments and contingencies*	738,316	576,063	738,009	575,759
	<u>1,479,255</u>	<u>1,319,615</u>	<u>1,471,084</u>	<u>1,310,604</u>
Credit-impaired or in default	-	-	-	-
Outstanding credit exposures to connected parties:				
As a proportion of total credit exposures	1.79%	1.59%	2.11%	1.88%

[^] Comprises total outstanding balances and unutilised limits

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

34 CREDIT RISK

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

	Note	Group		Bank	
		30 June 2020 RM'000	31 December 2019 RM'000	30 June 2020 RM'000	31 December 2019 RM'000
Cash and cash equivalents*	10	5,531,509	4,805,233	4,655,499	4,133,211
Deposits and placements with banks and other financial institutions*	11	27,458	-	503,086	434,376
Investment account placements*	12	-	-	1,518,336	2,018,823
Financial assets at FVTPL		3,393,224	1,176,469	3,376,895	1,160,139
Financial investments at FVOCI		17,287,060	15,555,244	13,101,268	11,426,798
Loans, advances and financing*	15	69,736,657	70,029,661	58,077,711	58,002,024
Derivative financial assets		1,535,220	749,732	1,536,813	749,830
Other assets*		455,885	375,557	654,493	553,854
Contingent liabilities and commitments		28,849,945	31,991,630	25,692,924	28,360,000
		<u>126,816,958</u>	<u>124,683,526</u>	<u>109,117,025</u>	<u>106,839,055</u>

* Stated at gross before ECL allowance

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34 CREDIT RISK (continued)

(a) Credit quality analysis

<u>Group</u>	30 June 2020					31 December 2019				
	Financial assets at FVTPL RM'000	Financial investments at FVOCI RM'000	Loans, advances and financing* RM'000	Derivative financial assets RM'000	Contingent liabilities and credit commitments RM'000	Financial assets at FVTPL RM'000	Financial investments at FVOCI RM'000	Loans, advances and financing* RM'000	Derivative financial assets RM'000	Contingent liabilities and credit commitments RM'000
(i) By issuer/counterparty										
Government and Central Bank	3,214,371	12,587,065	-	-	-	1,159,877	9,899,444	-	-	-
Foreign government	-	214,724	-	-	-	-	204,109	-	-	-
Public sector	-	482,406	-	-	-	-	518,518	-	-	-
Banks	19,741	2,054,826	-	917,797	78,525	7	2,183,967	-	515,105	211,436
Non-bank financial institutions	24	856,543	-	64,238	103,100	-	1,751,772	-	6,978	56,538
Business enterprise	116,428	1,091,496	110,058	384,990	17,639,952	16,585	997,434	26,220	200,034	21,088,100
Small and medium enterprises	-	-	105,295	-	5,909,971	-	-	136,172	-	5,763,279
Individuals	-	-	149,846	168,195	5,118,397	-	-	380,807	27,615	4,872,277
Others	42,660	-	-	-	-	-	-	-	-	-
	3,393,224	17,287,060	365,199	1,535,220	28,849,945	1,176,469	15,555,244	543,199	749,732	31,991,630
(ii) By geographical distribution										
Malaysia	3,371,629	16,418,794	353,119	1,320,796	27,717,065	1,170,080	14,655,259	510,351	630,723	29,067,644
Singapore	15,386	64,309	7,593	46,725	81,869	114	102,704	19,960	28,932	86,204
Other ASEAN countries	6,145	324,112	2,199	8,029	687,172	6,127	328,320	3,122	25	2,484,754
Rest of the world	64	479,845	2,288	159,670	363,839	148	468,961	9,766	90,052	353,028
	3,393,224	17,287,060	365,199	1,535,220	28,849,945	1,176,469	15,555,244	543,199	749,732	31,991,630

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

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34 CREDIT RISK (continued)

(a) Credit quality analysis (continued)

Group (continued)	30 June 2020					31 December 2019				
	Financial assets at FVTPL RM'000	Financial investments at FVOCI RM'000	Loans, advances and financing* RM'000	Derivative financial assets RM'000	Contingent liabilities and credit commitments RM'000	Financial assets at FVTPL RM'000	Financial investments at FVOCI RM'000	Loans, advances and financing* RM'000	Derivative financial assets RM'000	Contingent liabilities and credit commitments RM'000
(iii) By sector										
Agriculture, hunting, forestry and fishing	-	31,508	3,034	11,952	1,093,209	-	31,046	2,852	4,290	2,284,641
Mining and quarrying	-	227,533	153	244,196	417,020	-	186,492	248	121,442	493,707
Manufacturing	-	46,614	82,401	18,538	6,788,917	25	23,484	27,280	11,722	6,719,515
Electricity, gas and water	-	170,134	-	-	189,986	-	187,114	-	-	232,884
Construction	-	5,090	30,501	9,340	4,788,845	-	5,074	13,755	4,120	5,156,681
Real estate	39	-	16,718	2,100	2,340,610	230	-	23,401	1,166	2,598,410
Wholesale & retail trade and restaurants & hotels	-	281,816	65,377	6,308	4,340,914	-	237,578	66,645	4,934	4,393,968
Transport, storage and communication	2,622	130,152	2,873	80,491	543,448	-	185,516	5,951	31,353	1,438,810
Finance, insurance and business services	140,122	2,917,016	9,381	994,095	2,514,214	7	4,433,593	11,403	543,089	2,746,495
Community, social and personal services	-	-	5,163	5	741,908	-	-	10,857	1	1,033,291
Household										
- Purchase of residential properties	-	-	114,283	-	-	-	-	334,718	-	98,424
- Purchase of non-residential properties	-	-	3,957	-	-	-	-	9,307	-	-
- Others	-	-	31,358	168,195	5,074,827	-	-	36,782	27,615	4,781,999
Others	3,250,441	13,477,197	-	-	16,047	1,176,207	10,265,347	-	-	12,805
	3,393,224	17,287,060	365,199	1,535,220	28,849,945	1,176,469	15,555,244	543,199	749,732	31,991,630

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

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34 CREDIT RISK (continued)

(a) Credit quality analysis (continued)

Group (continued)	30 June 2020					31 December 2019				
	Financial assets at FVTPL RM'000	Financial investments at FVOCI RM'000	Loans, advances and financing* RM'000	Derivative financial assets RM'000	Contingent liabilities and credit commitments RM'000	Financial assets at FVTPL RM'000	Financial investments at FVOCI RM'000	Loans, advances and financing* RM'000	Derivative financial assets RM'000	Contingent liabilities and credit commitments RM'000
(iv) By residual contractual maturity										
Within one year	2,244,487	5,045,376	127,495	425,895	18,320,026	311,916	5,448,654	42,691	214,272	21,358,222
One to five years	937,387	9,151,094	28,316	768,056	2,470,680	487,391	9,311,465	30,765	356,287	3,180,653
Over five years	211,350	3,090,590	209,388	341,269	8,059,239	377,162	795,125	469,743	179,173	7,452,755
	3,393,224	17,287,060	365,199	1,535,220	28,849,945	1,176,469	15,555,244	543,199	749,732	31,991,630
Bank										
(i) By issuer/counterparty										
Government and central bank	3,214,372	9,778,675	-	-	-	1,159,877	7,543,538	-	-	-
Foreign government	-	188,704	-	-	-	-	179,222	-	-	-
Public sector	-	174,464	-	-	-	-	201,219	-	-	-
Banks	19,741	1,136,064	-	920,996	78,525	7	887,096	-	516,142	72,257
Non-bank financial institutions	24	805,428	-	64,237	101,517	-	1,690,931	-	6,975	54,955
Business enterprises	100,098	1,017,933	102	383,385	14,601,275	255	924,792	3,069	199,098	17,699,914
Small and medium enterprises	-	-	105,295	-	5,909,971	-	-	136,172	-	5,763,279
Individuals	-	-	125,687	168,195	5,001,636	-	-	328,170	27,615	4,769,595
Others	42,660	-	-	-	-	-	-	-	-	-
	3,376,895	13,101,268	231,084	1,536,813	25,692,924	1,160,139	11,426,798	467,411	749,830	28,360,000
(ii) By geographical distribution										
Malaysia	3,361,445	12,259,022	221,203	1,322,389	24,598,965	1,159,877	10,551,700	437,700	630,822	25,493,948
Singapore	15,386	64,309	7,593	46,725	81,869	114	102,704	19,960	28,932	86,204
Other ASEAN countries	-	298,092	-	8,029	677,850	-	303,433	-	24	2,455,032
Rest of the world	64	479,845	2,288	159,670	334,240	148	468,961	9,751	90,052	324,816
	3,376,895	13,101,268	231,084	1,536,813	25,692,924	1,160,139	11,426,798	467,411	749,830	28,360,000

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

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34 CREDIT RISK (continued)

(a) Credit quality analysis (continued)

Bank (continued)	30 June 2020					31 December 2019				
	Financial assets at FVTPL RM'000	Financial investments at FVOCI RM'000	Loans, advances and financing* RM'000	Derivative financial assets RM'000	Contingent liabilities and credit commitments RM'000	Financial assets at FVTPL RM'000	Financial investments at FVOCI RM'000	Loans, advances and financing* RM'000	Derivative financial assets RM'000	Contingent liabilities and credit commitments RM'000
(iii) By sector										
Agriculture, hunting, forestry and fishing	-	-	1,293	11,952	1,079,551	-	-	2,703	4,290	2,193,341
Mining and quarrying	-	227,533	-	244,196	290,408	-	186,492	-	121,442	367,190
Manufacturing	-	46,614	16,039	18,445	6,102,998	25	23,484	21,598	11,167	5,883,237
Electricity, gas and water	-	71,598	-	-	186,647	-	89,617	-	-	228,029
Construction	-	5,090	14,772	9,340	3,999,507	-	5,074	12,481	4,120	4,206,465
Real estate	39	-	12,871	2,100	1,976,364	230	-	20,060	1,166	2,228,736
Wholesale & retail trade and restaurants & hotels	-	281,816	48,665	6,200	3,945,661	-	237,578	59,025	4,556	4,028,971
Transport, storage and communication	2,622	99,245	2,354	80,491	416,825	-	139,980	4,079	31,351	1,286,394
Finance, insurance and business services	140,122	1,947,140	4,381	995,894	1,993,205	7	3,075,881	9,141	544,123	2,130,685
Community, social and personal services	-	-	5,023	-	731,938	-	-	10,154	-	1,018,668
Household										
- Purchase of residential properties	-	-	111,478	-	-	-	-	295,057	-	-
- Purchase of non-residential properties	-	-	3,957	-	-	-	-	9,307	-	-
- Others	-	-	10,251	168,195	4,958,065	-	-	23,806	27,615	4,777,740
Others	3,234,112	10,422,232	-	-	11,755	1,159,877	7,668,692	-	-	10,544
	3,376,895	13,101,268	231,084	1,536,813	25,692,924	1,160,139	11,426,798	467,411	749,830	28,360,000

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

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34 CREDIT RISK (continued)

(a) Credit quality analysis (continued)

	30 June 2020					31 December 2019				
	Financial assets at FVTPL RM'000	Financial investments at FVOCI RM'000	Loans, advances and financing* RM'000	Derivative financial assets RM'000	Contingent liabilities and credit commitments RM'000	Financial assets at FVTPL RM'000	Financial investments at FVOCI RM'000	Loans, advances and financing* RM'000	Derivative financial assets RM'000	Contingent liabilities and credit commitments RM'000
Bank (continued)										
(iv) By residual contractual maturity										
Within one year	2,238,342	3,218,317	39,396	425,755	16,169,318	305,789	3,378,976	36,031	213,977	18,648,445
One to five years	927,203	7,158,628	16,727	767,827	2,071,392	477,188	7,449,047	18,129	356,291	2,748,780
Over five years	211,350	2,724,323	174,961	343,231	7,452,214	377,162	598,775	413,251	179,562	6,962,775
	<u>3,376,895</u>	<u>13,101,268</u>	<u>231,084</u>	<u>1,536,813</u>	<u>25,692,924</u>	<u>1,160,139</u>	<u>11,426,798</u>	<u>467,411</u>	<u>749,830</u>	<u>28,360,000</u>

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

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

	30 June 2020				31 December 2019			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Group								
Cash and cash equivalents	5,531,509	-	-	5,531,509	4,805,233	-	-	4,805,233
Deposits and placements with banks and other financial institutions	27,458	-	-	27,458	-	-	-	-

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34 CREDIT RISK (continued)

(a) Credit quality analysis (continued)

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

	30 June 2020				31 December 2019			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Group (continued)								
Financial assets at FVTPL*								
Government and central bank (unrated)	-	-	-	2,347,026	-	-	-	943,154
Government (AAA to BBB)	-	-	-	867,345	-	-	-	216,723
Investment grade (AAA to BBB)	-	-	-	25,217	-	-	-	10,328
Unrated	-	-	-	153,636	-	-	-	6,264
	-	-	-	3,393,224	-	-	-	1,176,469
Financial investments at FVOCI								
Government (A to AAA)	4,693,052	-	-	4,693,052	5,636,503	-	-	5,636,503
Government and central bank (unrated)	7,894,014	-	-	7,894,014	4,262,942	-	-	4,262,942
Foreign government (AAA to BBB)	214,724	-	-	214,724	-	-	-	-
Foreign government (unrated)	-	-	-	-	204,108	-	-	204,108
Investment grade (AAA to BBB)	1,716,994	102,125	-	1,819,119	1,975,941	-	-	1,975,941
Unrated	2,666,151	-	-	2,666,151	3,475,750	-	-	3,475,750
	17,184,935	102,125	-	17,287,060	15,555,244	-	-	15,555,244
Contingent liabilities and commitments (excluding derivative assets)								
Pass	27,204,415	1,111,964	-	28,316,379	30,797,026	802,345	-	31,599,371
Special Mention	-	428,118	-	428,118	-	330,834	-	330,834
Credit-impaired	-	-	105,448	105,448	-	-	61,425	61,425
	27,204,415	1,540,082	105,448	28,849,945	30,797,026	1,133,179	61,425	31,991,630

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

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34 CREDIT RISK (continued)

(a) Credit quality analysis (continued)

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

	30 June 2020				31 December 2019			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Bank								
Cash and cash equivalents	4,655,499	-	-	4,655,499	4,133,211	-	-	4,133,211
Deposits and placements with banks and other financial institutions	503,086	-	-	503,086	434,376	-	-	434,376
Investment account placements	1,271,026	196,000	51,310	1,518,336	1,750,297	210,000	58,526	2,018,823
Financial assets at FVTPL*								
Government and central bank (unrated)	-	-	-	2,347,026	-	-	-	943,154
Government (AAA to BBB)	-	-	-	867,345	-	-	-	216,723
Investment grade (AAA to BBB)	-	-	-	15,033	-	-	-	125
Unrated	-	-	-	147,491	-	-	-	137
	-	-	-	3,376,895	-	-	-	1,160,139
Financial investments at FVOCI								
Government (A to AAA)	4,308,141	-	-	4,308,141	3,700,406	-	-	3,700,406
Government and central bank (unrated)	5,470,534	-	-	5,470,534	3,843,133	-	-	3,843,133
Foreign government (AAA to BBB)	188,704	-	-	188,704	-	-	-	-
Foreign government (unrated)	-	-	-	-	179,221	-	-	179,221
Investment grade (AAA to BBB)	1,592,317	102,125	-	1,694,442	1,842,457	-	-	1,842,457
Unrated	1,439,447	-	-	1,439,447	1,861,581	-	-	1,861,581
	12,999,143	102,125	-	13,101,268	11,426,798	-	-	11,426,798

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

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34 CREDIT RISK (continued)

(a) Credit quality analysis (continued)

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

	30 June 2020				31 December 2019			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Bank (continued)								
Contingent liabilities and commitments (excluding derivative assets)								
Pass	24,793,147	712,415	-	25,505,562	27,664,251	457,316	-	28,121,567
Special Mention	-	147,476	-	147,476	-	212,057	-	212,057
Credit-impaired	-	-	39,886	39,886	-	-	26,376	26,376
	24,793,147	859,891	39,886	25,692,924	27,664,251	669,373	26,376	28,360,000

(b) Credit quality of loans, advances and financing

Credit quality

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

Loans, advances and financing classified as Pass and Special Mention are not credit-impaired whereas Substandard, Doubtful and Loss are credit-impaired.

Past due but not credit-impaired are loans, advances and financing where the customer has failed to make a principal or interest/profit payment when contractually due, and includes financing which are past due one or more days after the contractual due date but less than 3 months.

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34 CREDIT RISK (continued)

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

Credit quality and ECL stage

<u>Group</u>	30 June 2020				31 December 2019			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Neither past due nor credit-impaired								
(i) By internal grading								
Pass	59,705,422	7,359,013	-	67,064,435	62,272,906	4,987,148	-	67,260,054
Special Mention	-	630,813	-	630,813	-	824,240	-	824,240
	<u>59,705,422</u>	<u>7,989,826</u>	<u>-</u>	<u>67,695,248</u>	<u>62,272,906</u>	<u>5,811,388</u>	<u>-</u>	<u>68,084,294</u>
Past due but not credit-impaired								
(i) By period overdue								
Less than 2 months	-	322,974	-	322,974	-	436,142	-	436,142
2 months to less than 3 months	-	42,225	-	42,225	-	107,057	-	107,057
	<u>-</u>	<u>365,199</u>	<u>-</u>	<u>365,199</u>	<u>-</u>	<u>543,199</u>	<u>-</u>	<u>543,199</u>
Credit-impaired								
Past due	-	-	1,075,637	1,075,637	-	-	1,089,850	1,089,850
Not past due	-	-	600,573	600,573	-	-	312,318	312,318
	<u>-</u>	<u>-</u>	<u>1,676,210</u>	<u>1,676,210</u>	<u>-</u>	<u>-</u>	<u>1,402,168</u>	<u>1,402,168</u>
Total	<u>59,705,422</u>	<u>8,355,025</u>	<u>1,676,210</u>	<u>69,736,657</u>	<u>62,272,906</u>	<u>6,354,587</u>	<u>1,402,168</u>	<u>70,029,661</u>

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34 CREDIT RISK (continued)

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

Credit quality and ECL stage (continued)

	30 June 2020				31 December 2019			
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
Bank								
Neither past due nor credit-impaired								
(i) By internal grading								
Pass	49,931,209	6,313,307	-	56,244,516	51,620,743	4,300,180	-	55,920,923
Special Mention	-	294,750	-	294,750	-	557,214	-	557,214
	<u>49,931,209</u>	<u>6,608,057</u>	<u>-</u>	<u>56,539,266</u>	<u>51,620,743</u>	<u>4,857,394</u>	<u>-</u>	<u>56,478,137</u>
Past due but not credit-impaired								
(i) By period overdue								
Less than 2 months	-	216,742	-	216,742	-	373,523	-	373,523
2 months to less than 3 months	-	14,342	-	14,342	-	93,888	-	93,888
	<u>-</u>	<u>231,084</u>	<u>-</u>	<u>231,084</u>	<u>-</u>	<u>467,411</u>	<u>-</u>	<u>467,411</u>
Credit-impaired								
Past due	-	-	769,987	769,987	-	-	793,038	793,038
Not past due	-	-	537,374	537,374	-	-	263,438	263,438
	<u>-</u>	<u>-</u>	<u>1,307,361</u>	<u>1,307,361</u>	<u>-</u>	<u>-</u>	<u>1,056,476</u>	<u>1,056,476</u>
Total	<u>49,931,209</u>	<u>6,839,141</u>	<u>1,307,361</u>	<u>58,077,711</u>	<u>51,620,743</u>	<u>5,324,805</u>	<u>1,056,476</u>	<u>58,002,024</u>

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

The analysis of credit-impaired loans, advances and financing is disclosed in Note 16.

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34 CREDIT RISK (continued)

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

Collateral

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

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

As at 30 June 2020 and 31 December 2019, there were no assets repossessed by the Group and the Bank as a result of taking possession of collateral held as security, or by calling upon other credit enhancements.

(ii) Quantification of the extent to which collateral and other credit enhancements mitigate credit risk and that best represents the maximum exposure to credit risk for credit-impaired loans, advances and financing.

	Group		Bank	
	30 June 2020 RM'000	31 December 2019 RM'000	30 June 2020 RM'000	31 December 2019 RM'000
Fair value of collateral held against the covered portion of credit-impaired loans, advances and financing	1,698,928	1,366,171	1,480,210	1,139,537
Covered portion of credit-impaired loans, advances and financing	1,121,033	963,890	947,130	813,776
Uncovered portion of credit-impaired loans, advances and financing	555,178	438,278	360,232	242,700
	1,676,211	1,402,168	1,307,362	1,056,476

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35 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value hierarchy of financial instruments

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

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

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

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35 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy of financial instruments (continued)

Group	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
30 June 2020				
Financial assets at fair value				
Financial assets at FVTPL	3,301,784	91,440	-	3,393,224
Financial investments at FVOCI	12,679,439	4,498,109	109,512	17,287,060
Loans, advances and financing	-	-	10,492	10,492
Derivative financial assets	433	1,525,799	8,988	1,535,220
	<u>15,981,656</u>	<u>6,115,348</u>	<u>128,992</u>	<u>22,225,996</u>
Financial liabilities at fair value				
Derivative financial liabilities	776	1,434,565	6,981	1,442,322
31 December 2019				
Financial assets at fair value				
Financial assets at FVTPL	864,145	312,324	-	1,176,469
Financial investments at FVOCI	9,236,880	6,213,087	105,277	15,555,244
Loans, advances and financing	-	-	10,560	10,560
Derivative financial assets	1,507	726,577	21,648	749,732
	<u>10,102,532</u>	<u>7,251,988</u>	<u>137,485</u>	<u>17,492,005</u>
Financial liabilities at fair value				
Derivative financial liabilities	888	667,470	31,665	700,023
Bank				
30 June 2020				
Financial assets at fair value				
Financial assets at FVTPL	3,301,784	75,111	-	3,376,895
Financial investments at FVOCI	9,967,378	3,024,378	109,512	13,101,268
Loans, advances and financing	-	-	10,492	10,492
Derivative financial assets	496	1,527,345	8,972	1,536,813
	<u>13,269,658</u>	<u>4,626,834</u>	<u>128,976</u>	<u>18,025,468</u>
Financial liabilities at fair value				
Derivative financial liabilities	784	1,434,545	6,966	1,442,295
31 December 2019				
Financial assets at fair value				
Financial assets at FVTPL	864,145	295,994	-	1,160,139
Financial investments at FVOCI	6,975,820	4,345,701	105,277	11,426,798
Loans, advances and financing	-	-	10,560	10,560
Derivative financial assets	1,590	726,592	21,648	749,830
	<u>7,841,555</u>	<u>5,368,287</u>	<u>137,485</u>	<u>13,347,327</u>
Financial liabilities at fair value				
Derivative financial liabilities	894	667,409	31,665	699,968

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35 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy of financial assets and liabilities (continued)

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

	Group		Bank	
	30 June 2020 RM'000	31 December 2019 RM'000	30 June 2020 RM'000	31 December 2019 RM'000
Financial assets at fair value				
At 1 January	137,485	197,081	137,485	197,081
Purchased	-	10,000	-	10,000
Settled/Disposed	(13)	(24,661)	(13)	(24,655)
Transferred (from)/to Level 3	(21,092)	3,576	(21,092)	3,570
Realised loss				
- Recognised in net trading income	(481)	(71,182)	(481)	(71,182)
Unrealised gain/(loss)				
- Recognised in net trading income	8,858	16,612	8,842	16,612
- Recognised in other comprehensive income/(expense)	4,235	6,059	4,235	6,059
At 30 June/31 December	<u>128,992</u>	<u>137,485</u>	<u>128,976</u>	<u>137,485</u>
Financial liabilities at fair value				
At 1 January	31,665	73,283	31,665	73,283
Transferred (from)/to Level 3	(21,092)	4,161	(21,092)	4,161
Realised gain				
- Recognised in net trading income	(9,747)	(72,030)	(9,747)	(72,030)
Unrealised loss				
- Recognised in net trading income	6,155	26,251	6,140	26,251
At 30 June/31 December	<u>6,981</u>	<u>31,665</u>	<u>6,966</u>	<u>31,665</u>

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

Group	30 June 2020 Fair value RM'000	31 December 2019 Fair value RM'000	Classification	Valuation technique	Unobservable input
Assets					
Financial investments at FVOCI	109,512	105,277	FVOCI	Net asset value approach	Net asset value
Loans, advances and financing	10,492	10,560	FVTPL	Discounted cash flow analysis and market approach	Implied equity value, incentive fee and discount factor
Derivative financial assets	8,988	21,648	Hedge for trading	Option pricing model	Standard deviation
	<u>128,992</u>	<u>137,485</u>			
Liabilities					
Derivative financial liabilities	6,981	31,665	Hedge for trading	Option pricing model	Standard deviation

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35 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy of financial assets and liabilities (continued)

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

Bank	30 June 2020 Fair value RM'000	31 December 2019 Fair value RM'000	Classification	Valuation technique	Unobservable input
Assets					
Financial investments at FVOCI	109,512	105,277	FVOCI	Net asset value approach	Net asset value
Loans, advances and financing	10,492	10,560	FVTPL	Discounted cash flow analysis and market approach	Implied equity value, incentive fee and discount factor
Derivative financial assets	8,972	21,648	Hedge for trading	Option pricing model	Standard deviation
	<u>128,976</u>	<u>137,485</u>			
Liabilities					
Derivative financial liabilities	128,976	31,665	Hedge for trading	Option pricing model	Standard deviation

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

36 CAPITAL ADEQUACY

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

	Group		Bank	
	30 June 2020 RM'000	31 December 2019 RM'000	30 June 2020 RM'000	31 December 2019 RM'000
Common Equity Tier 1 ("CET 1") capital				
Paid-up ordinary share capital	754,000	754,000	754,000	754,000
Retained earnings	6,769,797	6,645,307	5,801,636	5,715,154
Other reserves	945,756	857,156	752,141	686,118
Regulatory adjustment	(814,550)	(768,876)	(1,252,384)	(1,218,797)
CET 1 capital	<u>7,655,003</u>	<u>7,487,587</u>	<u>6,055,393</u>	<u>5,936,475</u>
Additional Tier 1 capital				
Additional Tier 1 capital	471,026	450,285	471,026	450,285
Tier 1 capital	<u>8,126,029</u>	<u>7,937,872</u>	<u>6,526,418</u>	<u>6,386,760</u>
Tier 2 capital				
Stage 1 and Stage 2 ECL and qualifying regulatory reserves under the Standardised Approach	15,879	13,191	13,310	10,473
Surplus eligible provisions over expected losses	259,954	260,207	208,667	211,418
Subordinated bonds	1,056,667	1,032,154	1,056,667	1,032,154
Regulatory adjustment	-	-	(200,000)	(200,000)
Tier 2 capital	<u>1,332,500</u>	<u>1,305,552</u>	<u>1,078,644</u>	<u>1,054,045</u>
Capital base	<u>9,458,529</u>	<u>9,243,424</u>	<u>7,605,062</u>	<u>7,440,805</u>

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36 CAPITAL ADEQUACY (continued)

	Group		Bank	
	30 June 2020 RM'000	31 December 2019 RM'000	30 June 2020 RM'000	31 December 2019 RM'000
Before deducting proposed dividend				
CET 1 capital ratio	15.088%	14.736%	14.705%	14.250%
Tier 1 capital ratio	16.016%	15.622%	15.848%	15.331%
Total capital ratio	18.642%	18.192%	18.468%	17.861%
After deducting proposed dividend				
CET 1 capital ratio	15.088%	14.380%	14.705%	13.815%
Tier 1 capital ratio	16.016%	15.266%	15.848%	14.896%
Total capital ratio	18.642%	17.835%	18.468%	17.426%

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

	Group		Bank	
	30 June 2020 RM'000	31 December 2019 RM'000	30 June 2020 RM'000	31 December 2019 RM'000
Total RWA for credit risk	44,595,931	44,422,981	35,842,592	36,074,121
Total RWA for market risk	1,193,895	1,503,354	1,199,327	1,510,830
Total RWA for operational risk	4,947,300	4,884,966	4,138,587	4,074,650
	50,737,126	50,811,301	41,180,505	41,659,601

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:

	30 June 2020	31 December 2019
CET 1 capital ratio	16.508%	16.704%
Tier 1 capital ratio	16.508%	16.704%
Total capital ratio	19.141%	19.425%