

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

**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS**

**FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021**

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

OCBC BANK (MALAYSIA) BERHAD  
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**FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021**

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OCBC BANK (MALAYSIA) BERHAD  
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**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS  
STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2021**

	Note	Group		Bank	
		31 March 2021 RM'000	31 December 2020 RM'000	31 March 2021 RM'000	31 December 2020 RM'000
<b>ASSETS</b>					
Cash and cash equivalents	9	7,739,418	2,926,206	5,982,012	3,056,698
Deposits and placements with banks and other financial institutions	10	285,146	344,182	692,452	665,147
Investment account placements	11	-	-	1,468,780	1,478,468
Financial assets at fair value through profit or loss ("FVTPL")	12	2,153,968	1,313,475	2,143,837	1,303,320
Financial investments at fair value through other comprehensive income ("FVOCI")	13	18,040,042	20,112,853	14,005,392	15,908,302
Loans, advances and financing	14	65,867,592	66,273,563	54,719,191	55,030,346
Derivative financial assets	16	1,018,390	1,151,754	1,019,164	1,153,095
Other assets	17	314,621	374,921	500,371	562,845
Statutory deposits with Bank Negara Malaysia		23,062	97,601	23,062	97,601
Investments in subsidiaries		-	-	557,051	557,051
Property and equipment		150,713	152,014	145,594	146,575
Right-of-use ("ROU") assets		30,239	30,757	25,540	26,309
Tax recoverable		-	11,068	-	-
Deferred tax assets		96,629	68,797	80,063	60,733
<b>Total assets</b>		<b>95,719,820</b>	<b>92,857,191</b>	<b>81,362,509</b>	<b>80,046,490</b>
<b>LIABILITIES</b>					
Deposits from customers	18	75,687,241	73,375,532	62,708,471	61,882,313
Deposits and placements of banks and other financial institutions	19	6,145,207	5,195,681	6,096,512	5,157,288
Bills and acceptances payable		92,491	88,737	74,277	73,673
Recourse obligation on loans sold to Cagamas Berhad		700,000	700,000	700,000	700,000
Derivative financial liabilities	16	870,961	1,229,790	870,771	1,229,826
Other liabilities	21	1,753,550	1,957,093	1,685,564	1,890,708
Tax payable and zakat		49,356	44,445	46,185	44,395
Subordinated bonds	20	1,506,074	1,491,327	1,506,074	1,491,327
<b>Total liabilities</b>		<b>86,804,880</b>	<b>84,082,605</b>	<b>73,687,854</b>	<b>72,469,530</b>
<b>EQUITY</b>					
Share capital		754,000	754,000	754,000	754,000
Reserves		8,160,940	8,020,586	6,920,655	6,822,960
<b>Total equity</b>		<b>8,914,940</b>	<b>8,774,586</b>	<b>7,674,655</b>	<b>7,576,960</b>
<b>Total liabilities and equity</b>		<b>95,719,820</b>	<b>92,857,191</b>	<b>81,362,509</b>	<b>80,046,490</b>
<b>Commitments and contingencies</b>	30	<b>98,334,449</b>	<b>97,610,426</b>	<b>95,227,702</b>	<b>94,493,687</b>

*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 2020 and the accompanying explanatory notes to the unaudited condensed interim financial statements.*

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**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS  
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021**

	Note	Group		Bank	
		Year to date ended		Year to date ended	
		31 March 2021 RM'000	31 March 2020 RM'000	31 March 2021 RM'000	31 March 2020 RM'000
Interest income	22	617,830	800,614	629,354	823,676
Interest income for financial assets at FVTPL	22	11,441	20,090	11,441	20,090
Interest expense	22	(247,606)	(438,810)	(255,460)	(452,855)
Net interest income	22	381,665	381,894	385,335	390,911
Income from Islamic banking operations	23	120,810	120,099	-	-
Net fee and commission income	24	119,958	92,030	115,368	91,376
Net trading income	25	37,544	48,757	37,544	48,757
Other operating income	26	17,188	58,386	42,385	87,766
<b>Operating income</b>		677,165	701,166	580,632	618,810
Operating expenses	27	(275,054)	(308,500)	(262,234)	(291,023)
<b>Operating profit before impairment allowance and provision</b>		402,111	392,666	318,398	327,787
Impairment allowances and provisions	28	(2,950)	(181,669)	(11,613)	(140,614)
<b>Profit before income tax and zakat</b>		399,161	210,997	306,785	187,173
Income tax expense	29	(102,692)	(51,874)	(80,456)	(47,528)
Zakat		(12)	(13)	-	-
<b>Profit for the period</b>		296,457	159,110	226,329	139,645
<b>Items that will not be reclassified to profit or loss</b>					
Change in fair value reserve (equity instruments)		198	-	198	-
<b>Items that are or may be reclassified subsequently to profit or loss</b>					
Fair value reserve (debt instruments)					
- Change in fair value		(190,461)	25,001	(158,895)	14,031
- Amount transferred to profit or loss		(14,993)	(59,799)	(10,386)	(51,990)
- Related tax		49,309	8,352	40,628	9,108
Change in expected credit loss (ECL) reserve on debt instruments at FVOCI		(156)	566	(179)	572
<b>Other comprehensive expense for the period</b>		(156,103)	(25,880)	(128,634)	(28,279)
<b>Total comprehensive income for the period</b>		140,354	133,230	97,695	111,366
<b>Profit attributable to owner of the Bank</b>		296,457	159,110	226,329	139,645
<b>Total comprehensive income attributable to owner of the Bank</b>		140,354	133,230	97,695	111,366
Basic earnings per ordinary share (sen)		103.1	55.3	78.7	48.6

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 2020 and the accompanying explanatory notes to the unaudited condensed interim financial statements.

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**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021**

<u>Group</u>	<i>Non-distributable</i>				<i>Distributable</i>		<b>Total equity</b> RM'000
	<b>Share capital</b> RM'000	<b>Regulatory reserve</b> RM'000	<b>Capital reserve</b> RM'000	<b>ECL reserve</b> RM'000	<b>Fair value reserve</b> RM'000	<b>Retained earnings</b> RM'000	
At 1 January 2021	754,000	600,000	-	1,916	333,379	7,085,291	8,774,586
Fair value reserve							
- Change in fair value	-	-	-	-	(190,263)	-	(190,263)
- Transferred to profit or loss	-	-	-	-	(14,993)	-	(14,993)
- Related tax	-	-	-	-	49,309	-	49,309
Change in ECL reserve	-	-	-	(156)	-	-	(156)
<b>Total other comprehensive expense for the period</b>	-	-	-	(156)	(155,947)	-	(156,103)
Profit for the period	-	-	-	-	-	296,457	296,457
<b>Total comprehensive (expense)/income for the period</b>	-	-	-	(156)	(155,947)	296,457	140,354
At 31 March 2021	<b>754,000</b>	<b>600,000</b>	-	<b>1,760</b>	<b>177,432</b>	<b>7,381,748</b>	<b>8,914,940</b>
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	-	-	-	-	25,001	-	25,001
- Transferred to profit or loss	-	-	-	-	(59,799)	-	(59,799)
- Related tax	-	-	-	-	8,352	-	8,352
Change in ECL reserve	-	-	-	566	-	-	566
<b>Total other comprehensive income/(expense) for the period</b>	-	-	-	566	(26,446)	-	(25,880)
Profit for the period	-	-	-	-	-	159,110	159,110
<b>Total comprehensive income/(expense) for the period</b>	-	-	-	566	(26,446)	159,110	133,230
At 31 March 2020	<b>754,000</b>	<b>600,000</b>	<b>56,619</b>	<b>1,207</b>	<b>174,090</b>	<b>6,804,416</b>	<b>8,390,332</b>

*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 2020 and the accompanying explanatory notes to the unaudited condensed interim financial statements.*

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**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS**  
**STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021**

<u>Bank</u>	<i>Non-distributable</i>			<i>Distributable</i>		<b>Total equity</b> <b>RM'000</b>
	<b>Share capital</b> <b>RM'000</b>	<b>Regulatory reserve</b> <b>RM'000</b>	<b>ECL reserve</b> <b>RM'000</b>	<b>Fair value reserve</b> <b>RM'000</b>	<b>Retained earnings</b> <b>RM'000</b>	
At 1 January 2021	754,000	509,000	1,826	285,439	6,026,695	7,576,960
Fair value reserve						
- Change in fair value	-	-	-	(158,697)	-	(158,697)
- Transferred to profit or loss	-	-	-	(10,386)	-	(10,386)
- Related tax	-	-	-	40,628	-	40,628
Change in ECL reserve	-	-	(179)	-	-	(179)
<b>Total other comprehensive expense for the period</b>	-	-	(179)	(128,455)	-	(128,634)
Profit for the period	-	-	-	-	226,329	226,329
<b>Total comprehensive (expense)/income for the period</b>	-	-	(179)	(128,455)	226,329	97,695
At 31 March 2021	<b>754,000</b>	<b>509,000</b>	<b>1,647</b>	<b>156,984</b>	<b>6,253,024</b>	<b>7,674,655</b>
At 1 January 2020	754,000	509,000	488	177,118	5,715,154	7,155,760
Fair value reserve						
- Change in fair value	-	-	-	14,031	-	14,031
- Transferred to profit or loss	-	-	-	(51,990)	-	(51,990)
- Related tax	-	-	-	9,108	-	9,108
Change in ECL reserve	-	-	572	-	-	572
<b>Total other comprehensive income/(expense) for the period</b>	-	-	572	(28,851)	-	(28,279)
Profit for the period	-	-	-	-	139,645	139,645
<b>Total comprehensive income/(expense) for the period</b>	-	-	572	(28,851)	139,645	111,366
At 31 March 2020	<b>754,000</b>	<b>509,000</b>	<b>1,060</b>	<b>148,267</b>	<b>5,854,799</b>	<b>7,267,126</b>

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**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS**  
**STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021**

	<b>Group</b>		<b>Bank</b>	
	<b>Year to date ended</b>		<b>Year to date ended</b>	
	<b>31 March</b>	<b>31 March</b>	<b>31 March</b>	<b>31 March</b>
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from operating activities</b>				
Profit before income tax and zakat	399,161	210,997	306,785	187,173
<i>Adjustments for:</i>				
Depreciation of property and equipment	6,381	7,386	5,999	6,756
Depreciation of right-of-use assets	4,198	5,075	3,743	4,519
Impairment allowance and provisions	14,739	181,669	18,254	140,614
Finance expense on lease liabilities	176	242	176	242
Net (gain)/loss on disposal of:				
- Financial investments at FVOCI	(14,993)	(59,799)	(10,386)	(51,990)
Share-based expense	2,767	2,305	2,664	2,200
Unrealised loss/(gain) on:				
- Financial assets at FVPTL	6,762	2,948	6,739	2,885
- Hedging derivatives	(2)	3	(2)	3
- Trading derivatives	(240,484)	(128,268)	(240,834)	(128,812)
- Subordinated bonds	14,747	53,711	14,747	53,711
Operating profit before changes in working capital	193,452	276,269	107,885	217,301
<i>Changes in operating assets and operating liabilities:</i>				
Deposits and placements with banks and other financial institutions	59,038	(116,345)	(27,303)	(247,764)
Investment account placements	-	-	9,572	(22,446)
Financial assets at FVTPL	(847,255)	(991,803)	(847,256)	(991,820)
Loans, advances and financing	391,077	(1,062,684)	292,839	(912,096)
Other assets	60,281	62,001	62,456	375
Statutory deposits with Bank Negara Malaysia	74,539	1,317,112	74,539	1,247,912
Derivative financial assets and liabilities	23,296	4,756	23,987	4,757
Deposits from customers	2,311,709	489,660	826,158	891,901
Deposits and placements of banks and other financial institutions	949,526	849,796	939,224	877,508
Bills and acceptances payable	3,754	(13,076)	604	(14,184)
Other liabilities	(206,552)	(11,084)	(207,791)	(7,975)
<b>Cash generated from operations</b>	<b>3,012,865</b>	<b>804,602</b>	<b>1,254,914</b>	<b>1,043,469</b>
Income tax and zakat paid	(65,245)	(72,879)	(57,367)	(61,958)
<b>Net cash generated from operating activities</b>	<b>2,947,620</b>	<b>731,723</b>	<b>1,197,547</b>	<b>981,511</b>
<b>Cash flows from investing activities</b>				
Acquisition of financial investments at FVOCI	(4,450,500)	(8,211,677)	(2,515,500)	(4,536,677)
Acquisition of property and equipment	(5,114)	(4,729)	(5,051)	(4,676)
Proceeds from disposal of financial investments at FVOCI	6,324,773	7,874,251	4,251,438	4,274,806
Proceeds from disposal of property and equipment	43	-	43	-
<b>Net cash generated from/(used in) investing activities</b>	<b>1,869,202</b>	<b>(342,155)</b>	<b>1,730,930</b>	<b>(266,547)</b>

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**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS**  
**STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2021 (continued)**

	<b>Group</b>		<b>Bank</b>	
	<b>Year to date ended</b>		<b>Year to date ended</b>	
	<b>31 March</b>	<b>31 March</b>	<b>31 March</b>	<b>31 March</b>
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from financing activities</b>				
Payment of lease liabilities	(3,614)	(4,173)	(3,167)	(3,619)
<b>Net cash used in financing activities</b>	<b>(3,614)</b>	<b>(4,173)</b>	<b>(3,167)</b>	<b>(3,619)</b>
<b>Net increase in cash and cash equivalents</b>	<b>4,813,208</b>	<b>385,395</b>	<b>2,925,310</b>	<b>711,345</b>
<b>Cash and cash equivalents at 1 January</b>	<b>2,926,224</b>	<b>4,805,233</b>	<b>3,056,716</b>	<b>4,133,211</b>
<b>Cash and cash equivalents at 31 March</b>	<b>7,739,432</b>	<b>5,190,628</b>	<b>5,982,026</b>	<b>4,844,556</b>

Details of cash and cash equivalents are disclosed in Note 9 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 2020 and the accompanying explanatory notes to the unaudited condensed interim financial statements.*



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## **NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 31 MARCH 2021**

### **GENERAL INFORMATION**

The unaudited condensed consolidated interim financial statements of the Bank as at and for the financial period ended 31 March 2021 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 the 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's net profit for the quarter ended 31 March 2021 increased by 86%, an increase of RM137 million against the corresponding quarter last year, mainly due to lower impairment allowances of RM179 million, from lower Stage 1 and 2 expected credit loss attributed to better economic outlook for 2021.

The Group's total income reduced by RM24 million or 3% mainly due to lower gain of disposal on financial investments at FVOCI partially offset by higher net fee and commission income.

Operating expenses were well managed and recorded a decrease by 11% against the corresponding quarter last year attributable to lower personnel expenses and transaction processing fees.

Total assets size stood at RM95.7 billion; RM2.8 billion or 3% higher compared against 31 December 2020, mainly due to increase in cash and cash equivalents by RM4.8 billion offset by RM2 billion reduction in financial investments at FVOCI.

The Group and the Bank remained well capitalised with Common Equity Tier 1 capital ratios of 15.307% and 14.974%, Tier 1 capital ratios of 16.185% and 16.062% and Total Capital ratios of 18.751% and 18.633%, respectively.

### **ECONOMIC PERFORMANCE AND PROSPECTS**

The year 2021 is expected to be a turning point from last year's recession, with the International Monetary Fund projecting global economic growth of 6% and Bank Negara Malaysia ("BNM") projecting growth ranging from 6.0% - 7.5% for Malaysia this year. The ongoing roll-out of vaccination programmes will pave the way for some normalisation of economic activities worldwide but downside risks to growth remain as we cannot rule out the risk of COVID-19 becoming persistent and the country having to endure the pandemic longer than expected. For Malaysia, growth will be driven by stronger external demand and higher private and public sector expenditure amid continued support from Government policy measures.

The financial system in Malaysia continues to be in a strong position to support the economic recovery, with strong capitalisation levels to absorb potential credit losses and ample liquidity to facilitate financial intermediation activity. While downward pressure on bank earnings is likely to persist in 2021, the credit cost impact is expected to be less severe than in 2020 owing to the front-loading of provisions by banks.

### **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 - 31 MARCH 2021 (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 value 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 the Malaysian Financial Reporting Standard ("MFRS") 134, International Accounting Standard 34, the requirements of the Companies Act 2016 in Malaysia and BNM's 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 amendments to accounting standards have been adopted by the Group and the Bank during the current period:

- Amendment to MFRS 16, *Leases - Covid-19-Related Rent Concessions beyond 30 June 2021*
- Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16, *Interest Rate Benchmark Reform - Phase 2*

Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16 - *Interest Rate Benchmark Reform - Phase 2* addresses issues that might affect the Group and the Bank as a result of the reform of an interest rate benchmark, including the effects of changes to contractual cash flows or hedging relationships arising from the replacement of an interest rate benchmark with an alternative benchmark rate.

(i) Change in basis for determining cash flows

The amendments require the Group and the Bank to account for a change in the basis for determining the contractual cash flows of a financial asset or financial liability that is required by interest rate benchmark reform by updating the effective interest rate of the financial asset or financial liability. As a result, no immediate gain or loss is recognised. This applies only when the change is necessary as a direct consequence of the reform, and the new basis for determining the contractual cash flows is economically equivalent to the previous basis.

(ii) Hedge accounting

The amendments provide exceptions to the hedge accounting requirements that will assist the Group and the Bank to maintain their existing hedging relationships post transition to the alternative benchmark rate. The Group and the Bank will continue to record any ongoing hedge ineffectiveness in profit or loss.

(iii) Disclosure

The amendments require the Group and the Bank to disclose additional information about the Group's and the Bank's exposure to risks arising from interest rate benchmark reform and related risk management activities.

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

Effective for annual periods commencing on or after 1 January 2022

- Amendments to MFRS 3, *Business Combinations - Reference to the Conceptual Framework*
- Amendments to MFRS 9, *Financial Instruments - Annual Improvements to MFRS Standards 2018-2020*
- Amendments to MFRS 116, *Property, Plant and Equipment - Proceeds before Intended Use*

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## NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 31 MARCH 2021 (continued)

### 1 BASIS OF PREPARATION (continued)

#### (a) Statement of compliance

Effective for annual periods commencing on or after 1 January 2022 (continued)

- Amendments to MFRS 137, *Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts - Cost of Fulfilling a Contract*

Effective for annual periods commencing on or after 1 January 2023

- Amendments to MFRS 101, *Presentation of Financial Statements - Disclosure of Accounting Policies*
- Amendments to MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates*

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 amendments and accounting standards 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 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 2020.

### 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 2020, except as disclosed in Note 1(a).

### 3 SEASONALITY OF OPERATIONS

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

### 4 SHARE CAPITAL

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

### 5 CHANGES IN COMPOSITION OF THE GROUP

There were no changes in the composition of the Group during the financial period ended 31 March 2021.

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### 6 DIVIDENDS

No dividend has been proposed for the financial period ended 31 March 2021.

### 7 SUBSEQUENT EVENTS

The Bank's RM700 million recourse obligation on loans sold to Cagamas Berhad matured and was redeemed by the Bank on 20 April 2021. There was no other material event subsequent to the end of the reporting period that requires disclosure or adjustments to the unaudited condensed interim financial statements.

### 8 UNUSUAL ITEMS DUE TO THEIR NATURE, SIZE OR INCIDENCE

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group and the Bank for the financial period ended 31 March 2021.

### 9 CASH AND CASH EQUIVALENTS

	Group		Bank	
	31 March 2021 RM'000	31 December 2020 RM'000	31 March 2021 RM'000	31 December 2020 RM'000
Cash and balances with banks and other financial institutions	487,143	420,339	405,234	337,560
Money at call and deposit placements with financial institutions maturing within one month	43,466	57,941	355,292	474,156
Deposit placements with Bank Negara Malaysia	7,208,823	2,447,944	5,221,500	2,245,000
	<u>7,739,432</u>	<u>2,926,224</u>	<u>5,982,026</u>	<u>3,056,716</u>
Stage 1 ECL allowance	(14)	(18)	(14)	(18)
	<u>7,739,418</u>	<u>2,926,206</u>	<u>5,982,012</u>	<u>3,056,698</u>

Included in the Bank's cash and cash equivalents are deposits and placements with OCBC Al-Amin of RM312 million (31 December 2020: RM416 million), which are unsecured and profit bearing.

Movements in ECL allowance

	31 March 2021			31 December 2020		
	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
<b>Group</b>						
At 1 January	18	-	18	382	-	382
New financial assets originated or purchased	-	-	-	94	-	94
Financial assets derecognised	-	-	-	(927)	-	(927)
Net remeasurement during the period/year	(4)	-	(4)	519	-	519
Other movements	-	-	-	(50)	-	(50)
At 31 March/31 December	<u>14</u>	<u>-</u>	<u>14</u>	<u>18</u>	<u>-</u>	<u>18</u>

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**9 CASH AND CASH EQUIVALENTS (continued)**

	31 March 2021			31 December 2020		
	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
<b>Bank</b>						
At 1 January	18	-	18	381	-	381
New financial assets originated or purchased	-	-	-	94	-	94
Financial assets derecognised	-	-	-	(927)	-	(927)
Net remeasurement during the period/year	(4)	-	(4)	520	-	520
Other movements	-	-	-	(50)	-	(50)
At 31 March/31 December	14	-	14	18	-	18

**10 DEPOSITS AND PLACEMENTS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS**

	Group		Bank	
	31 March 2021 RM'000	31 December 2020 RM'000	31 March 2021 RM'000	31 December 2020 RM'000
Licensed banks	285,146	344,182	692,452	665,147

Included in the Bank's deposits and placements with licensed banks are deposits and placements with OCBC Al-Amin of RM407 million (31 December 2020: RM321 million), which are unsecured and profit bearing.

Movements in ECL allowance

	31 March 2021			31 December 2020		
	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
<b>Group and Bank</b>						
At 1 January	-	-	-	-	-	-
New financial assets originated or purchased	2	-	2	23	-	23
Net remeasurement during the period/year	(2)	-	(2)	(23)	-	(23)
At 31 March/31 December	-	-	-	-	-	-

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**11 INVESTMENT ACCOUNT PLACEMENTS**

<b>Bank</b>	<b>31 March</b>	<b>31 December</b>
	<b>2021</b>	<b>2020</b>
	<b>RM'000</b>	<b>RM'000</b>
Restricted Profit Sharing Investment Accounts	1,503,440	1,513,013
ECL allowance	(34,660)	(34,545)
	<u>1,468,780</u>	<u>1,478,468</u>

The exposures to Restricted Profit Sharing Investment Accounts ("RPSIA") is an arrangement with its subsidiary, OCBC AI-Amin, which the contract is based on Mudharabah principle to fund a specific business venture where the Bank solely provides capital and the business venture is managed solely by OCBC AI-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.

Movements in ECL allowance

<b>Bank</b>	<i>Non credit-impaired</i>		<i>Credit-impaired</i>	<b>Total</b>
	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	
	<b>12 months</b>	<b>Lifetime</b>	<b>Lifetime</b>	
	<b>ECL</b>	<b>ECL</b>	<b>ECL</b>	<b>ECL</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>2021</b>				
At 1 January	1,776	-	32,769	34,545
Net remeasurement during the period	115	-	-	115
At 31 March	<u>1,891</u>	<u>-</u>	<u>32,769</u>	<u>34,660</u>
<b>2020</b>				
At 1 January	1,285	26,615	32,769	60,669
Transferred to Stage 3	-	(42,229)	42,229	-
New financial assets originated or purchased	586	-	-	586
Financial assets derecognised	(669)	-	-	(669)
Net remeasurement during the year	574	15,614	(42,229)	(26,041)
At 31 December	<u>1,776</u>	<u>-</u>	<u>32,769</u>	<u>34,545</u>

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

	<b>Group</b>		<b>Bank</b>	
	<b>31 March</b>	<b>31 December</b>	<b>31 March</b>	<b>31 December</b>
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>At fair value</b>				
Malaysian Government Investment Issues	203,202	397,195	203,202	397,195
Malaysian Government Securities	234,865	280,306	234,865	280,306
Malaysian Government Treasury Bills	1,656,977	466,658	1,656,977	466,658
Corporate Bonds and Sukuk	58,924	169,316	48,793	159,161
	<u>2,153,968</u>	<u>1,313,475</u>	<u>2,143,837</u>	<u>1,303,320</u>

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

	<b>Group</b>		<b>Bank</b>	
	<b>31 March 2021 RM'000</b>	<b>31 December 2020 RM'000</b>	<b>31 March 2021 RM'000</b>	<b>31 December 2020 RM'000</b>
<b>At fair value</b>				
Malaysian Government Investment Issues	6,593,170	8,414,541	4,419,831	5,938,271
Malaysian Government Securities	4,067,890	4,081,419	4,067,890	4,081,419
Malaysian Treasury Bills and Islamic Treasury Bills	917,936	1,313,006	748,296	1,094,184
Malaysian Government Debt Securities and Sukuk	109,128	137,466	35,076	63,649
Foreign Government Debt Securities and Sukuk	262,039	203,273	262,039	179,033
Negotiable Instruments of Deposit and Islamic Negotiable Instruments of Deposit	3,373,631	3,344,587	2,175,343	2,345,362
Corporate and Islamic Corporate Bonds, Sukuk and Sanadat Mudharabah Cagamas	2,604,201	2,506,531	2,184,870	2,094,354
Unquoted shares in Malaysia	112,047	112,030	112,047	112,030
<i>Of which:</i>				
<i>Cagamas Holdings Berhad</i>	80,537	80,538	80,537	80,538
<i>Others</i>	31,510	31,492	31,510	31,492
	<b>18,040,042</b>	<b>20,112,853</b>	<b>14,005,392</b>	<b>15,908,302</b>

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

	<b>31 March 2021</b>			<b>31 December 2020</b>		
	<b>Stage 1 12 months ECL RM'000</b>	<b>Stage 2 Lifetime ECL RM'000</b>	<b>Total ECL non credit- impaired RM'000</b>	<b>Stage 1 12 months ECL RM'000</b>	<b>Stage 2 Lifetime ECL RM'000</b>	<b>Total ECL non credit- impaired RM'000</b>
<b>Group</b>						
At 1 January	1,916	-	1,916	641	-	641
Transferred to Stage 1	-	-	-	766	(766)	-
Transferred to Stage 2	-	-	-	(79)	79	-
New financial assets originated or purchased	160	-	160	764	-	764
Financial assets derecognised	(29)	-	(29)	(736)	(275)	(1,011)
Net remeasurement during the period/year	(308)	-	(308)	585	974	1,559
Other movements	21	-	21	(25)	(12)	(37)
At 31 March/31 December	<b>1,760</b>	<b>-</b>	<b>1,760</b>	<b>1,916</b>	<b>-</b>	<b>1,916</b>
<b>Bank</b>						
At 1 January	1,826	-	1,826	488	-	488
Transferred to Stage 1	-	-	-	766	(766)	-
Transferred to Stage 2	-	-	-	(79)	79	-
New financial assets originated or purchased	103	-	103	496	-	496
Financial assets derecognised	(11)	-	(11)	(524)	(275)	(799)
Net remeasurement during the period/year	(292)	-	(292)	704	974	1,678
Other movements	21	-	21	(25)	(12)	(37)
At 31 March/31 December	<b>1,647</b>	<b>-</b>	<b>1,647</b>	<b>1,826</b>	<b>-</b>	<b>1,826</b>

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**14 LOANS, ADVANCES AND FINANCING**

	Group		Bank	
	31 March 2021 RM'000	31 December 2020 RM'000	31 March 2021 RM'000	31 December 2020 RM'000
<b>At amortised cost</b>				
Overdrafts	2,861,966	2,922,818	2,387,730	2,435,896
Term loans/financing:				
- Housing loans/financing	22,789,417	23,220,572	20,924,408	21,320,542
- Syndicated term loans/financing	5,485,001	4,887,639	4,457,880	3,966,961
- Hire purchase receivables	323,920	341,654	29,762	27,874
- Other term loans/financing	21,349,030	21,565,380	16,901,863	17,109,687
Credit cards	537,389	590,170	537,389	590,170
Bills receivable	161,581	201,503	106,105	146,240
Trust receipts	23,817	31,699	23,690	31,278
Claims on customers under acceptance credits	2,631,277	2,458,990	2,339,161	2,101,364
Revolving credit	9,060,449	9,491,988	6,145,670	6,467,563
Staff loans/financing	44,843	45,484	44,843	45,484
Other loans/financing	2,052,704	1,966,505	1,926,187	1,878,477
	<u>67,321,394</u>	<u>67,724,402</u>	<u>55,824,688</u>	<u>56,121,536</u>
<b>At fair value</b>				
Other term loans/financing	2,778	11,381	2,778	11,381
Gross loans, advances and financing	<u>67,324,172</u>	<u>67,735,783</u>	<u>55,827,466</u>	<u>56,132,917</u>
ECL allowance	<u>(1,456,580)</u>	<u>(1,462,220)</u>	<u>(1,108,275)</u>	<u>(1,102,571)</u>
Net loans, advances and financing	<u>65,867,592</u>	<u>66,273,563</u>	<u>54,719,191</u>	<u>55,030,346</u>
a) By type of customer				
Domestic banking institutions	1,206	2,419	1,206	2,419
Domestic non-bank financial institutions	2,003,508	2,132,030	995,267	1,113,628
Domestic business enterprises				
- Small and medium enterprises	14,483,176	14,554,161	12,048,583	12,069,643
- Others	22,388,359	22,118,893	16,973,586	16,718,969
Individuals	25,305,081	25,852,361	23,211,356	23,709,454
Foreign entities	3,142,842	3,075,919	2,597,468	2,518,804
	<u>67,324,172</u>	<u>67,735,783</u>	<u>55,827,466</u>	<u>56,132,917</u>
b) By interest/profit rate sensitivity				
Fixed rate				
- Housing loans/financing	82,683	72,969	35,217	33,760
- Hire purchase receivables	179,986	182,505	17,398	15,308
- Other fixed rate loans/financing	7,193,929	6,907,966	5,739,386	5,407,183
Variable rate				
- Base rate/base lending rate/base financing rate plus	37,014,945	37,972,083	32,876,693	33,730,626
- Cost plus	21,675,967	21,219,485	16,035,415	15,614,762
- Other variable rates	1,176,662	1,380,775	1,123,357	1,331,278
	<u>67,324,172</u>	<u>67,735,783</u>	<u>55,827,466</u>	<u>56,132,917</u>



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### 14 LOANS, ADVANCES AND FINANCING (continued)

	Group		Bank	
	31 March 2021 RM'000	31 December 2020 RM'000	31 March 2021 RM'000	31 December 2020 RM'000
c) By sector				
Agriculture, hunting, forestry and fishing	4,020,181	4,049,154	2,605,923	2,620,779
Mining and quarrying	577,474	488,973	304,917	211,084
Manufacturing	8,100,795	8,234,720	6,602,967	6,738,361
Electricity, gas and water	489,091	411,600	437,364	362,300
Construction	2,786,880	2,893,317	1,694,084	1,889,874
Real estate	8,737,162	8,304,924	7,690,469	7,104,523
Wholesale & retail trade and restaurants & hotels	8,072,803	7,968,964	6,509,500	6,393,521
Transport, storage and communication	1,117,045	1,117,674	739,151	753,752
Finance, insurance and business services	2,770,776	3,008,845	1,588,873	1,811,703
Community, social and personal services	3,455,838	3,497,343	2,666,079	2,748,113
Household				
- Purchase of residential properties	23,718,990	24,157,473	21,844,838	22,248,230
- Purchase of non-residential properties	836,230	853,164	787,207	804,849
- Others	2,577,767	2,700,184	2,294,987	2,398,429
Others	63,140	49,448	61,107	47,399
	<b>67,324,172</b>	<b>67,735,783</b>	<b>55,827,466</b>	<b>56,132,917</b>
d) By geography based on where the credit risk resides				
Malaysia	64,217,594	64,687,991	53,223,706	53,597,130
Singapore	1,422,654	1,359,384	1,348,574	1,280,428
Other ASEAN countries	479,730	438,491	371,250	323,717
Rest of the world	1,204,194	1,249,917	883,936	931,642
	<b>67,324,172</b>	<b>67,735,783</b>	<b>55,827,466</b>	<b>56,132,917</b>
e) By residual contractual maturity				
Up to one year	19,722,281	19,919,974	15,853,672	16,039,243
Over one year to three years	4,282,772	4,660,054	3,216,313	3,591,102
Over three years to five years	7,267,265	6,482,295	5,670,861	4,889,278
Over five years	36,051,854	36,673,460	31,086,620	31,613,294
	<b>67,324,172</b>	<b>67,735,783</b>	<b>55,827,466</b>	<b>56,132,917</b>

### 15 IMPAIRED LOANS, ADVANCES AND FINANCING

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

	Group		Bank	
	31 March 2021 RM'000	31 December 2020 RM'000	31 March 2021 RM'000	31 December 2020 RM'000
At 1 January	1,929,115	1,402,168	1,314,024	1,056,476
Impaired during the period/year	551,963	1,662,021	498,233	1,212,245
Reclassified as unimpaired	(35,524)	(226,458)	(31,606)	(196,966)
Amount recovered	(222,395)	(705,360)	(192,337)	(595,907)
Amount written off	(13,739)	(202,979)	(8,293)	(161,547)
Effect of foreign exchange difference	101	(277)	101	(277)
At 31 March/31 December	<b>2,209,521</b>	<b>1,929,115</b>	<b>1,580,122</b>	<b>1,314,024</b>
Stage 3 ECL allowance	<b>(489,452)</b>	<b>(464,752)</b>	<b>(333,463)</b>	<b>(315,437)</b>
Net impaired loans, advances and financing	<b>1,720,069</b>	<b>1,464,363</b>	<b>1,246,659</b>	<b>998,587</b>

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**15 IMPAIRED LOANS, ADVANCES AND FINANCING (continued)**

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

	<b>Group</b>		<b>Bank</b>	
	<b>31 March 2021</b>	<b>31 December 2020</b>	<b>31 March 2021</b>	<b>31 December 2020</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
a) By sector				
Agriculture, hunting, forestry and fishing	189,617	201,509	8,541	6,305
Mining and quarrying	14,515	14,450	14,515	14,450
Manufacturing	435,612	429,898	403,126	400,624
Construction	132,954	137,833	36,442	38,978
Real estate	208,908	199,323	202,928	193,147
Wholesale & retail trade and restaurants & hotels	357,357	197,758	256,905	104,810
Transport, storage and communication	74,210	80,068	27,311	31,589
Finance, insurance and business services	30,436	19,930	10,639	8,713
Community, social and personal services	10,160	6,894	9,562	6,288
Household				
- Purchase of residential properties	610,749	503,872	492,507	396,269
- Purchase of non-residential properties	22,136	28,273	21,427	28,273
- Others	122,867	109,307	96,219	84,578
	<b>2,209,521</b>	<b>1,929,115</b>	<b>1,580,122</b>	<b>1,314,024</b>
b) By geography based on where the credit risk resides				
Malaysia	2,143,311	1,888,705	1,520,883	1,278,254
Singapore	48,214	28,312	41,330	23,720
Rest of the world	17,996	12,098	17,909	12,050
	<b>2,209,521</b>	<b>1,929,115</b>	<b>1,580,122</b>	<b>1,314,024</b>

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

Group	<i>Non credit-impaired</i>			<i>Credit-</i>	<b>31 March</b>	<i>Non credit-impaired</i>			<i>Credit-</i>	<b>31 December</b>
	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<i>impaired</i>	<b>2021</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<i>impaired</i>	<b>2020</b>
	<b>ECL</b>	<b>ECL</b>	<b>ECL</b>		<b>ECL</b>	<b>ECL</b>	<b>ECL</b>	<b>ECL</b>		<b>ECL</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>		<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>		<b>RM'000</b>
At 1 January	316,391	681,077	464,752		1,462,220	258,799	334,183	378,350		971,332
Transferred to Stage 1	55,299	(51,772)	(3,527)		-	254,387	(226,146)	(28,241)		-
Transferred to Stage 2	(24,204)	27,709	(3,505)		-	(181,422)	191,406	(9,984)		-
Transferred to Stage 3	(675)	(43,556)	44,231		-	(3,673)	(256,356)	260,029		-
New financial assets originated or purchased	55,755	63,433	-		119,188	186,958	172,686	-		359,644
Financial assets derecognised	(40,624)	(80,705)	(10,048)		(131,377)	(149,965)	(197,917)	(27,724)		(375,606)
Net remeasurement during the period/year	(51,307)	57,704	18,083		24,480	(48,594)	664,720	120,736		736,862
Written off	-	-	(13,739)		(13,739)	-	-	(202,979)		(202,979)
Other movements	1,461	1,142	(6,795)		(4,192)	(99)	(1,499)	(25,435)		(27,033)
At 31 March/31 December	<b>312,096</b>	<b>655,032</b>	<b>489,452</b>		<b>1,456,580</b>	<b>316,391</b>	<b>681,077</b>	<b>464,752</b>		<b>1,462,220</b>
At 1 January										
- Loans, advances and financing	300,181	639,830	464,752		1,404,763	245,984	308,572	378,350		932,906
- Credit commitments and financial guarantees	16,210	41,247	-		57,457	12,814	25,612	-		38,426
	<b>316,391</b>	<b>681,077</b>	<b>464,752</b>		<b>1,462,220</b>	<b>258,798</b>	<b>334,184</b>	<b>378,350</b>		<b>971,332</b>
At 31 March/31 December										
- Loans, advances and financing	297,884	618,938	489,452		1,406,274	300,181	639,830	464,752		1,404,763
- Credit commitments and financial guarantees	14,212	36,094	-		50,306	16,210	41,247	-		57,457
	<b>312,096</b>	<b>655,032</b>	<b>489,452</b>		<b>1,456,580</b>	<b>316,391</b>	<b>681,077</b>	<b>464,752</b>		<b>1,462,220</b>

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

Bank	<i>Non credit-impaired</i>			<i>Credit-</i>	<b>31 March</b>	<i>Non credit-impaired</i>			<i>Credit-</i>	<b>31 December</b>
	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<i>impaired</i>	<b>2021</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<i>impaired</i>	<b>2020</b>
	<b>ECL</b>	<b>ECL</b>	<b>ECL</b>	<b>ECL</b>	<b>ECL</b>	<b>ECL</b>	<b>ECL</b>	<b>ECL</b>	<b>ECL</b>	<b>ECL</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
At 1 January	248,182	538,952	315,437	1,102,571	197,808	254,134	269,142	721,084		
Transferred to Stage 1	49,761	(46,752)	(3,009)	-	166,981	(149,153)	(17,828)	-		
Transferred to Stage 2	(21,922)	24,331	(2,409)	-	(134,337)	142,039	(7,702)	-		
Transferred to Stage 3	(550)	(32,907)	33,457	-	(698)	(156,360)	157,058	-		
New financial assets originated or purchased	51,331	52,816	-	104,147	163,054	135,031	-	298,085		
Financial asset derecognised	(37,367)	(68,187)	(9,518)	(115,072)	(130,606)	(158,591)	(22,072)	(311,269)		
Net remeasurement during the period/year	(47,255)	62,454	12,117	27,316	(14,295)	472,503	115,118	573,326		
Written off	-	-	(8,293)	(8,293)	-	-	(161,547)	(161,547)		
Other movements	792	1,133	(4,319)	(2,394)	275	(651)	(16,732)	(17,108)		
At 31 March/31 December	<b>242,972</b>	<b>531,840</b>	<b>333,463</b>	<b>1,108,275</b>	<b>248,182</b>	<b>538,952</b>	<b>315,437</b>	<b>1,102,571</b>		
At 1 January										
- Loans, advances and financing	233,730	513,328	315,437	1,062,495	188,645	235,221	269,142	693,008		
- Credit commitments and financial guarantees	14,452	25,624	-	40,076	9,163	18,913	-	28,076		
	<b>248,182</b>	<b>538,952</b>	<b>315,437</b>	<b>1,102,571</b>	<b>197,808</b>	<b>254,134</b>	<b>269,142</b>	<b>721,084</b>		
At 31 March/31 December										
- Loans, advances and financing	230,287	508,265	333,463	1,072,015	233,730	513,328	315,437	1,062,495		
- Credit commitments and financial guarantees	12,685	23,575	-	36,260	14,452	25,624	-	40,076		
	<b>242,972</b>	<b>531,840</b>	<b>333,463</b>	<b>1,108,275</b>	<b>248,182</b>	<b>538,952</b>	<b>315,437</b>	<b>1,102,571</b>		

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**16 DERIVATIVE FINANCIAL ASSETS AND LIABILITIES**

<b>Group</b>	<b>31 March 2021</b>			<b>31 December 2020</b>		
	<b>Contract or underlying principal amount RM'000</b>	<b>Fair value</b>		<b>Contract or underlying principal amount RM'000</b>	<b>Fair value</b>	
		<b>Assets RM'000</b>	<b>Liabilities RM'000</b>		<b>Assets RM'000</b>	<b>Liabilities RM'000</b>
<b>Trading</b>						
Foreign exchange derivatives						
- Forwards	6,780,670	92,094	18,637	6,288,275	26,177	132,937
- Swaps	13,777,112	427,829	286,529	14,707,771	492,925	368,271
- Options	413,333	2,248	1,989	1,008,722	7,917	3,824
Interest rate derivatives						
- Forwards	1,300,000	27,333	27,333	1,600,000	6,421	6,421
- Swaps	45,430,653	411,557	486,428	43,722,009	554,280	653,473
- Futures	41,461	-	13	40,121	-	69
Equity and other derivatives						
- Swaps	894,439	32,373	32,373	790,144	23,637	23,637
- Exchange traded futures	12,058	-	38	-	-	-
- Commodity related contracts	71,820	5,196	5,165	79,436	6,947	6,735
- Credit linked notes	861,678	11,683	11,683	923,051	33,129	33,129
	<u>69,583,224</u>	<u>1,010,313</u>	<u>870,188</u>	<u>69,159,529</u>	<u>1,151,433</u>	<u>1,228,496</u>
<b>Hedging</b>						
Interest rate derivatives						
- Swaps	420,731	8,077	773	420,060	321	1,294
	<u>70,003,955</u>	<u>1,018,390</u>	<u>870,961</u>	<u>69,579,589</u>	<u>1,151,754</u>	<u>1,229,790</u>
<b>Bank</b>						
<b>Trading</b>						
Foreign exchange derivatives						
- Forwards	6,778,876	92,041	18,447	6,293,279	26,005	132,973
- Swaps	13,777,082	427,833	286,529	14,708,278	492,933	368,271
- Options	413,333	2,248	1,989	1,008,722	7,917	3,824
Interest rate derivatives						
- Forwards	1,300,000	27,333	27,333	1,600,000	6,421	6,421
- Swaps	45,430,653	412,380	486,428	43,722,009	555,785	653,473
- Futures	41,461	-	13	40,121	-	69
Equity and other derivatives						
- Swaps	894,439	32,373	32,373	790,144	23,637	23,637
- Exchange traded futures	12,058	-	38	-	-	-
- Commodity related contracts	71,820	5,196	5,165	79,436	6,947	6,735
- Credit linked notes	861,678	11,683	11,683	923,051	33,129	33,129
	<u>69,581,400</u>	<u>1,011,087</u>	<u>869,998</u>	<u>69,165,040</u>	<u>1,152,774</u>	<u>1,228,532</u>
<b>Hedging</b>						
Interest rate derivatives						
- Swaps	420,731	8,077	773	420,060	321	1,294
	<u>70,002,131</u>	<u>1,019,164</u>	<u>870,771</u>	<u>69,585,100</u>	<u>1,153,095</u>	<u>1,229,826</u>

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**17 OTHER ASSETS**

	Note	Group		Bank	
		31 March 2021	31 December 2020	31 March 2021	31 December 2020
		RM'000	RM'000	RM'000	RM'000
Amount due from subsidiaries	(a)	-	-	16,650	17,142
Interest/Profit receivable		128,116	161,442	105,137	136,500
Unquoted redeemable Islamic subordinated sukuk of a subsidiary	(b)	-	-	200,000	200,000
Other receivables, deposits and prepayments		189,893	216,867	181,972	212,591
ECL/Impairment allowance on an other receivable		(3,388)	(3,388)	(3,388)	(3,388)
		<u>314,621</u>	<u>374,921</u>	<u>500,371</u>	<u>562,845</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.

**18 DEPOSITS FROM CUSTOMERS**

	Group		Bank	
	31 March 2021	31 December 2020	31 March 2021	31 December 2020
	RM'000	RM'000	RM'000	RM'000
a) By type of deposit				
Demand deposits	20,983,248	20,124,779	15,784,906	15,421,232
Saving deposits	15,689,164	15,938,290	14,846,870	15,112,670
Fixed/General investment deposits	34,117,607	34,197,811	28,533,863	29,008,624
Short-term money market deposits	4,897,222	3,114,652	3,542,832	2,339,787
	<u>75,687,241</u>	<u>73,375,532</u>	<u>62,708,471</u>	<u>61,882,313</u>
b) By type of customer				
Government and statutory bodies	719,489	357,011	32,294	32,180
Non-bank financial institutions	4,330,524	2,872,064	2,649,151	1,574,260
Business enterprises	26,954,306	26,401,843	20,847,058	20,923,473
Individuals	39,413,218	39,440,098	35,229,097	35,361,947
Foreign entities	3,455,363	3,453,965	3,267,194	3,270,799
Others	814,341	850,551	683,677	719,654
	<u>75,687,241</u>	<u>73,375,532</u>	<u>62,708,471</u>	<u>61,882,313</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	31,892,916	32,676,693	26,519,067	27,259,593
Over six months to one year	6,867,985	4,557,115	5,321,749	4,013,882
Over one year to three years	242,057	66,874	224,471	63,468
Over three years to five years	11,871	11,781	11,408	11,468
	<u>39,014,829</u>	<u>37,312,463</u>	<u>32,076,695</u>	<u>31,348,411</u>

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**19 DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS**

	<b>Group</b>		<b>Bank</b>	
	<b>31 March 2021</b>	<b>31 December 2020</b>	<b>31 March 2021</b>	<b>31 December 2020</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Licensed banks and other financial institutions	6,145,207	5,195,681	6,096,512	5,157,288

**20 SUBORDINATED BONDS**

	<b>Group and Bank</b>	
	<b>31 March 2021</b>	<b>31 December 2020</b>
	<b>RM'000</b>	<b>RM'000</b>
USD110 million Additional Tier 1 Capital Securities	456,074	441,327
RM390 million Redeemable Subordinated Bonds 2017/2027	390,000	390,000
RM110 million Redeemable Subordinated Bonds 2017/2027	110,000	110,000
RM550 million Redeemable Subordinated Bond 2020/2030	550,000	550,000
	<b>1,506,074</b>	<b>1,491,327</b>

**21 OTHER LIABILITIES**

	<b>Group</b>		<b>Bank</b>	
	<b>31 March 2021</b>	<b>31 December 2020</b>	<b>31 March 2021</b>	<b>31 December 2020</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Amount due to subsidiaries	-	-	36,538	69,065
Equity compensation benefits	22,010	18,813	21,125	18,042
Interest/Profit payable	272,765	303,202	240,610	254,472
Structured investments	996,404	1,087,406	996,404	1,087,406
Lease liabilities	27,981	27,739	23,242	23,259
Other payables and accruals	432,356	517,899	367,645	438,464
Provision for commitments and contingencies	2,034	2,034	-	-
	<b>1,753,550</b>	<b>1,957,093</b>	<b>1,685,564</b>	<b>1,890,708</b>

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

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**22 NET INTEREST INCOME**

	<b>Group</b>		<b>Bank</b>	
	<b>Year to date ended</b>		<b>Year to date ended</b>	
	<b>31 March</b>	<b>31 March</b>	<b>31 March</b>	<b>31 March</b>
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Interest income</b>				
Loans, advances and financing				
- Interest income other than recoveries	474,599	666,477	474,599	666,477
- Recoveries from impaired loans, advances and financing	21,090	19,601	21,090	19,601
- Discount unwind from impaired loans, advances and financing	4,562	2,803	4,562	2,803
Money at call and deposit placements with banks and other financial institutions	14,183	8,635	23,340	28,468
Financial investments at FVOCI	101,415	102,854	101,415	103,690
Unquoted Islamic subordinated sukuk of subsidiary	-	-	2,367	2,393
Others	1,981	244	1,981	244
	<u>617,830</u>	<u>800,614</u>	<u>629,354</u>	<u>823,676</u>
Financial assets at FVTPL	11,441	20,090	11,441	20,090
	<u>629,271</u>	<u>820,704</u>	<u>640,795</u>	<u>843,766</u>
<b>Interest expense</b>				
Deposits from customers	(223,107)	(396,209)	(223,116)	(396,209)
Deposits and placements of banks and other financial institutions	(571)	(7,958)	(3,709)	(16,385)
Recourse obligation on loans sold to Cagamas Berhad	(7,608)	(7,693)	(7,608)	(7,693)
Subordinated bonds	(15,215)	(16,559)	(15,215)	(16,559)
Lease liabilities	(176)	(242)	(176)	(242)
Others	(929)	(10,149)	(5,636)	(15,767)
	<u>(247,606)</u>	<u>(438,810)</u>	<u>(255,460)</u>	<u>(452,855)</u>
<b>Net interest income</b>	<u>381,665</u>	<u>381,894</u>	<u>385,335</u>	<u>390,911</u>

**23 INCOME FROM ISLAMIC BANKING OPERATIONS**

	<b>Group</b>	
	<b>Year to date ended</b>	
	<b>31 March</b>	<b>31 March</b>
	<b>2021</b>	<b>2020</b>
	<b>RM'000</b>	<b>RM'000</b>
Income derived from investment of depositors' funds and others	124,805	161,049
Income derived from investment of specific investment account funds	11,222	20,233
Income derived from investment of shareholder's funds	36,782	33,152
Income attributable to depositors	(44,153)	(80,290)
Income attributable to investment account holder	(7,846)	(14,045)
	<u>120,810</u>	<u>120,099</u>



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**24 NET FEE AND COMMISSION INCOME**

	<b>Group</b>		<b>Bank</b>	
	<b>Year to date ended</b>		<b>Year to date ended</b>	
	<b>31 March</b>	<b>31 March</b>	<b>31 March</b>	<b>31 March</b>
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Commission	86,819	55,091	82,229	55,091
Service charges and fees	31,693	34,097	31,693	33,443
Guarantee fees	237	737	237	737
Other fee income	1,209	2,105	1,209	2,105
	<b>119,958</b>	<b>92,030</b>	<b>115,368</b>	<b>91,376</b>

**25 NET TRADING INCOME**

	<b>Group</b>		<b>Bank</b>	
	<b>Year to date ended</b>		<b>Year to date ended</b>	
	<b>31 March</b>	<b>31 March</b>	<b>31 March</b>	<b>31 March</b>
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Foreign exchange loss	(106,780)	(152,220)	(106,780)	(152,220)
Realised (loss)/gain on financial assets at FVTPL	(6,437)	28,508	(6,437)	28,508
Realised (loss)/gain on trading derivatives	(83,334)	46,542	(83,334)	46,542
Unrealised loss on financial assets at FVTPL	(6,739)	(2,885)	(6,739)	(2,885)
Unrealised gain on trading derivatives	240,834	128,812	240,834	128,812
	<b>37,544</b>	<b>48,757</b>	<b>37,544</b>	<b>48,757</b>

**26 OTHER OPERATING INCOME**

	<b>Group</b>		<b>Bank</b>	
	<b>Year to date ended</b>		<b>Year to date ended</b>	
	<b>31 March</b>	<b>31 March</b>	<b>31 March</b>	<b>31 March</b>
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Gain on disposal of financial investments at FVOCI	10,386	51,990	10,386	51,990
Rental of premises	1,096	1,049	1,111	1,064
Rental of safe deposit boxes	1,727	1,693	1,727	1,693
Shared services income received from subsidiaries	-	-	25,182	29,365
Shared services income received from related companies	3,679	3,568	3,679	3,568
Unrealised gain/(loss) on hedging derivatives	2	(4)	2	(4)
Others	298	90	298	90
	<b>17,188</b>	<b>58,386</b>	<b>42,385</b>	<b>87,766</b>

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**27 OPERATING EXPENSES**

	Note	Group		Bank	
		Year to date ended		Year to date ended	
		31 March 2021 RM'000	31 March 2020 RM'000	31 March 2021 RM'000	31 March 2020 RM'000
<b>Personnel expenses</b>					
Wages, salaries and bonus		107,986	122,600	104,571	117,068
Employees Provident Fund contributions		18,546	18,864	17,727	17,891
Equity settled share-based payment transactions		2,767	2,305	2,664	2,200
Others		11,634	12,210	10,771	11,218
		<u>140,933</u>	<u>155,979</u>	<u>135,733</u>	<u>148,377</u>
<b>Establishment expenses</b>					
Depreciation of property and equipment		6,381	7,386	5,999	6,756
Depreciation of ROU assets		4,198	5,075	3,743	4,519
Rental of premises	(a)	21	-	23	1
Repair and maintenance		2,322	3,304	2,124	3,191
Information technology costs		9,753	11,732	9,584	11,563
Hire of equipment	(a)	212	242	184	212
Others		4,637	5,029	4,033	4,329
		<u>27,524</u>	<u>32,768</u>	<u>25,690</u>	<u>30,571</u>
<b>Marketing expenses</b>					
Advertisement and business promotion		1,310	2,972	1,247	2,881
Transport and travelling		295	950	285	899
Others		398	1,020	397	993
		<u>2,003</u>	<u>4,942</u>	<u>1,929</u>	<u>4,773</u>
<b>General administrative expenses</b>					
Transaction processing fees		80,891	88,042	75,535	80,655
Others		23,703	26,769	23,347	26,647
		<u>104,594</u>	<u>114,811</u>	<u>98,882</u>	<u>107,302</u>
<b>Total operating expenses</b>		<u>275,054</u>	<u>308,500</u>	<u>262,234</u>	<u>291,023</u>

(a) These expenses are in respect of short-term and/or leases of low-value items which the Group and the Bank elected not to recognise as ROU assets and lease liabilities under MFRS16.

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**28 IMPAIRMENT ALLOWANCES**

	<b>Group</b>		<b>Bank</b>	
	<b>Year to date ended</b>		<b>Year to date ended</b>	
	<b>31 March</b>	<b>31 March</b>	<b>31 March</b>	<b>31 March</b>
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Loans, advances and financing</b>				
Stage 1 and 2 ECL (write back)/ net charge during the period	(30,340)	163,237	(12,322)	123,860
Stage 3 ECL				
- Made during the period	84,609	64,468	63,205	46,479
- Write back	(39,375)	(39,885)	(32,567)	(30,802)
Impaired loans, advances and financing				
- Recovered during the period	(11,789)	(8,157)	(6,641)	(3,929)
<b>Investment account placements</b>				
Stage 1 and 2 ECL net charge during the period	-	-	116	2,994
<b>Financial investments at FVOCI</b>				
Stage 1 and 2 ECL (write back)/ net charge during the period	(156)	566	(179)	572
<b>Other financial assets</b>				
Stage 1 and 2 ECL (write back)/ net charge during the period	(4)	1,422	(4)	1,422
Stage 3 ECL net charge during the period	5	18	5	18
	<b>2,950</b>	<b>181,669</b>	<b>11,613</b>	<b>140,614</b>

**29 INCOME TAX EXPENSE**

	<b>Group</b>		<b>Bank</b>	
	<b>Year to date ended</b>		<b>Year to date ended</b>	
	<b>31 March</b>	<b>31 March</b>	<b>31 March</b>	<b>31 March</b>
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Malaysian income tax				
- Current period	81,214	57,059	59,159	48,870
Expenses not deductible for tax purposes				
- Origination and reversal of temporary differences	21,478	(5,185)	21,297	(1,342)
	<b>102,692</b>	<b>51,874</b>	<b>80,456</b>	<b>47,528</b>

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### 30 COMMITMENTS AND CONTINGENCIES

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

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

<u>Group</u>	<b>Principal amount RM'000</b>	<b>Credit equivalent amount RM'000</b>	<b>Risk weighted amount RM'000</b>
<b>31 March 2021</b>			
Direct credit substitutes	344,503	339,653	317,725
Transaction-related contingent items	2,757,645	1,416,218	922,247
Short-term self-liquidating trade-related contingencies	271,829	60,512	30,526
Foreign exchange related contracts			
- Less than one year	15,333,719	240,223	132,453
- One year to less than five years	4,952,233	664,697	147,134
- Five years and above	685,163	43,712	50,268
Interest rate contracts			
- Less than one year	17,326,250	29,079	4,549
- One year to less than five years	23,547,293	354,086	78,266
- Five years and above	6,319,302	281,099	198,765
Equity and commodity related contracts	978,317	4,870	2,860
Credit derivative contracts	861,678	20,305	3,234
Formal standby facilities and credit lines			
- Original maturity exceeding one year	4,724,336	4,033,142	2,038,224
Other unconditionally cancellable commitments	20,046,759	2,354,801	394,914
<b>Total</b>	<b>98,334,449</b>	<b>9,981,464</b>	<b>4,376,676</b>
<b>31 December 2020</b>			
Direct credit substitutes	366,062	363,062	341,206
Transaction-related contingent items	2,873,351	1,475,356	972,445
Short-term self-liquidating trade-related contingencies	276,256	61,442	37,263
Foreign exchange related contracts			
- Up to one year	16,931,014	102,916	55,549
- One year to less than five years	4,316,190	606,583	130,157
- Five years and above	757,564	76,134	80,839
Interest rate contracts			
- Less than one year	16,341,840	8,955	2,612
- One year to less than five years	22,649,037	369,306	81,494
- Five years and above	6,791,313	348,019	242,776
Equity and commodity related contracts	869,580	10,251	2,448
Credit derivative contracts	923,051	23,091	3,927
Formal standby facilities and credit lines			
- Maturity not exceeding one year	92,000	69,000	33,898
- Original maturity exceeding one year	5,104,439	4,284,532	2,132,001
Other unconditionally cancellable commitments	19,318,729	2,329,691	384,702
<b>Total</b>	<b>97,610,426</b>	<b>10,128,338</b>	<b>4,501,317</b>

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**30 COMMITMENTS AND CONTINGENCIES (continued)**

<b>Bank</b>	<b>Principal amount RM'000</b>	<b>Credit equivalent amount RM'000</b>	<b>Risk weighted amount RM'000</b>
<b>31 March 2021</b>			
Direct credit substitutes	259,906	259,906	236,292
Transaction-related contingent items	2,395,079	1,231,931	810,999
Short-term self-liquidating trade-related contingencies	254,340	55,232	27,808
Foreign exchange related contracts			
- Less than one year	15,332,412	239,870	132,293
- One year to less than five years	4,951,716	664,697	145,647
- Five years and above	685,163	43,712	50,268
Interest rate contracts			
- Less than one year	17,326,251	29,079	4,549
- One year to less than five years	23,547,293	354,086	78,266
- Five years and above	6,319,301	281,099	170,598
Equity and commodity related contracts	978,317	4,870	2,860
Credit derivative contracts	861,678	20,305	3,234
Formal standby facilities and credit lines			
- Maturity not exceeding one year	145,422	109,067	42,308
- Original maturity exceeding one year	4,234,953	3,640,072	1,733,412
Other unconditionally cancellable commitments	17,935,871	2,178,833	363,212
<b>Total</b>	<b>95,227,702</b>	<b>9,112,759</b>	<b>3,801,746</b>
<b>31 December 2020</b>			
Direct credit substitutes	286,833	286,833	256,043
Transaction-related contingent items	2,489,838	1,279,054	849,799
Short-term self-liquidating trade-related contingencies	244,854	54,728	33,528
Foreign exchange related contracts			
- Up to one year	16,936,018	102,584	55,289
- One year to less than five years	4,316,697	606,583	127,500
- Five years and above	757,564	76,134	80,839
Interest rate contracts			
- Less than one year	16,341,840	8,955	2,612
- One year to less than five years	22,649,037	369,306	81,494
- Five years and above	6,791,313	348,019	206,120
Equity and commodity related contracts	869,580	10,251	2,448
Credit derivative contracts	923,051	23,091	3,927
Formal standby facilities and credit lines			
- Maturity not exceeding one year	52,000	39,000	20,696
- Original maturity exceeding one year	4,610,303	3,892,414	1,805,140
Other unconditionally cancellable commitments	17,224,759	2,156,300	353,294
<b>Total</b>	<b>94,493,687</b>	<b>9,253,252</b>	<b>3,878,729</b>

(b) Litigation

On 25 January 2019, a Borrower of the Bank, with outstanding credit facilities comprising loans of RM6.7 million and banker's acceptance of RM11.6 million including accrued interest at the time, filed a suit against the Bank alleging, inter alia, that the Bank had breached its contract and its duty of care towards the Borrower. On 22 January 2021, the Borrower was awarded RM289 million as damages together with statutory interest of 5% per annum from 25 January 2019, the date of the writ of summons, until the date of realisation as well as aggravated and exemplary damages which amounts are to be assessed. The Bank has filed an appeal against the said decision on 26 January 2021.

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### 31 CAPITAL COMMITMENTS

	Group		Bank	
	31 March 2021	31 December 2020	31 March 2021	31 December 2020
	RM'000	RM'000	RM'000	RM'000
Capital expenditure commitments in respect of property and equipment contracted but not provided for	7,593	10,896	7,548	10,851

### 32 FAIR VALUES OF FINANCIAL INSTRUMENTS

#### Fair value hierarchy of financial instruments

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

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

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

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**32 FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)**

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

<u>Group</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
<b>31 March 2021</b>				
<b>Financial assets at fair value</b>				
Financial assets at FVTPL	2,153,882	86	-	2,153,968
Financial investments at FVOCI	14,554,364	3,373,631	112,047	18,040,042
Loans, advances and financing	-	-	2,778	2,778
Derivative financial assets	823	945,554	72,013	1,018,390
	<u>16,709,069</u>	<u>4,319,271</u>	<u>186,838</u>	<u>21,215,178</u>
<b>Financial liabilities at fair value</b>				
Derivative financial liabilities	988	841,932	28,041	870,961
<b>31 December 2020</b>				
<b>Financial assets at fair value</b>				
Financial assets at FVTPL	1,313,457	18	-	1,313,475
Financial investments at FVOCI	16,656,235	3,344,588	112,030	20,112,853
Loans, advances and financing	-	-	11,381	11,381
Derivative financial assets	1,388	1,143,378	6,988	1,151,754
	<u>17,971,080</u>	<u>4,487,984</u>	<u>130,399</u>	<u>22,589,463</u>
<b>Financial liabilities at fair value</b>				
Derivative financial liabilities	652	1,190,989	38,149	1,229,790
<b>Bank</b>				
<b>31 March 2021</b>				
<b>Financial assets at fair value</b>				
Financial assets at FVTPL	2,143,751	86	-	2,143,837
Financial investments at FVOCI	11,718,002	2,175,343	112,047	14,005,392
Loans, advances and financing	-	-	2,778	2,778
Derivative financial assets	816	946,349	71,999	1,019,164
	<u>13,862,569</u>	<u>3,121,778</u>	<u>186,824</u>	<u>17,171,171</u>
<b>Financial liabilities at fair value</b>				
Derivative financial liabilities	993	841,739	28,039	870,771
<b>31 December 2020</b>				
<b>Financial assets at fair value</b>				
Financial assets at FVTPL	1,303,302	18	-	1,303,320
Financial investments at FVOCI	13,450,909	2,345,363	112,030	15,908,302
Loans, advances and financing	-	-	11,381	11,381
Derivative financial assets	1,403	1,144,705	6,987	1,153,095
	<u>14,755,614</u>	<u>3,490,086</u>	<u>130,398</u>	<u>18,376,098</u>
<b>Financial liabilities at fair value</b>				
Derivative financial liabilities	707	1,190,974	38,145	1,229,826

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### 32 FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

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

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

	Group		Bank	
	31 March 2021 RM'000	31 December 2020 RM'000	31 March 2021 RM'000	31 December 2020 RM'000
<b>Financial assets at fair value</b>				
At 1 January	130,399	137,485	130,398	137,485
Purchased	-	6,422	-	6,422
Settled/disposed	(8,868)	(38)	(8,868)	(38)
Transferred (from)/to Level 3	-	(21,092)	-	(21,092)
Realised loss				
- Recognised in net trading income	(3,604)	(556)	(3,604)	(556)
Unrealised gain				
- Recognised in net trading income	68,713	1,426	68,700	1,425
- Recognised in other comprehensive income	198	6,752	198	6,752
At 31 March/31 December	<u>186,838</u>	<u>130,399</u>	<u>186,824</u>	<u>130,398</u>
<b>Financial liabilities at fair value</b>				
At 1 January	38,149	31,665	38,145	31,665
Settled/disposed	-	6,422	-	6,422
Transferred from/(to) Level 3	-	(21,092)	-	(21,092)
Realised gain				
- Recognised in net trading income	(25,086)	(10,573)	(25,086)	(10,573)
Unrealised loss				
- Recognised in net trading income	14,978	31,727	14,980	31,723
At 31 March/31 December	<u>28,041</u>	<u>38,149</u>	<u>28,039</u>	<u>38,145</u>

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

Group	31 March 2021 Fair value RM'000	31 December 2020 Fair value RM'000	Classification	Valuation technique	Unobservable input
<b>Assets</b>					
Financial investments at FVOCI	112,047	112,030	FVOCI	Net asset value approach	Net asset value
Loans, advances and financing	2,778	11,381	FVTPL	Discounted cash flow analysis	Discount factor
Derivative financial assets	72,013	6,988	Hedge for trading	Option pricing model	Standard deviation
	<u>186,838</u>	<u>130,399</u>			
<b>Liabilities</b>					
Derivative financial liabilities	28,041	38,149	Hedge for trading	Option pricing model	Standard deviation



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### 32 FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

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

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

<b>Bank</b>	<b>31 March 2021 Fair value RM'000</b>	<b>31 December 2020 Fair value RM'000</b>	<b>Classification</b>	<b>Valuation technique</b>	<b>Unobservable input</b>
<b>Assets</b>					
Financial investments at FVOCI	112,047	112,030	FVOCI	Net asset value approach	Net asset value
Loans, advances and financing	2,778	11,381	FVTPL	Discounted cash flow analysis factor	Discount
Derivative financial assets	71,999	6,987	Hedge for trading	Option pricing model	Standard deviation
	<u>186,824</u>	<u>130,398</u>			
<b>Liabilities</b>					
Derivative financial liabilities	28,039	38,145	Hedge for trading	Option pricing model	Standard deviation

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

### 33 CAPITAL ADEQUACY

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

	<b>Group</b>		<b>Bank</b>	
	<b>31 March 2021 RM'000</b>	<b>31 December 2020 RM'000</b>	<b>31 March 2021 RM'000</b>	<b>31 December 2020 RM'000</b>
<b>CET 1 capital</b>				
Paid-up ordinary share capital	754,000	754,000	754,000	754,000
Retained earnings	7,085,291	7,085,291	6,026,695	6,026,695
Other reserves	777,432	933,379	665,984	794,439
Regulatory adjustment for CET 1 capital	(456,572)	(456,711)	(968,196)	(983,450)
	<u>8,160,151</u>	<u>8,315,959</u>	<u>6,478,483</u>	<u>6,591,684</u>
Additional Tier 1 capital	456,074	441,327	456,074	441,327
<b>Tier 1 capital</b>	<u>8,616,225</u>	<u>8,757,286</u>	<u>6,934,557</u>	<u>7,033,011</u>

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**33 CAPITAL ADEQUACY (continued)**

	<b>Group</b>		<b>Bank</b>	
	<b>31 March 2021</b>	<b>31 December 2020</b>	<b>31 March 2021</b>	<b>31 December 2020</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Stage 1 and Stage 2 ECL and qualifying regulatory reserves under the Standardised Approach	16,040	15,773	13,793	13,189
Surplus eligible provisions over expected losses	267,250	264,540	212,857	211,179
Subordinated bonds	1,050,000	1,050,000	1,050,000	1,050,000
Regulatory adjustment for Tier 2 capital	-	-	(200,000)	(200,000)
<b>Tier 2 capital</b>	<b>1,333,290</b>	<b>1,330,313</b>	<b>1,076,650</b>	<b>1,074,368</b>
<b>Capital base</b>	<b>9,949,515</b>	<b>10,087,599</b>	<b>8,011,207</b>	<b>8,107,379</b>
<b>Before deducting proposed dividend</b>				
CET 1 capital ratio	15.706%	16.086%	15.468%	15.776%
Tier 1 capital ratio	16.583%	16.940%	16.557%	16.832%
Total capital ratio	19.150%	19.513%	19.127%	19.403%
<b>After deducting proposed dividend</b>				
CET 1 capital ratio	15.307%	15.686%	14.974%	15.281%
Tier 1 capital ratio	16.185%	16.539%	16.062%	16.337%
Total capital ratio	18.751%	19.113%	18.633%	18.908%

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

<b>After deducting proposed dividend</b>				
CET 1 capital ratio	14.586%	14.901%	14.263%	14.539%
Tier 1 capital ratio	15.463%	15.755%	15.352%	15.595%
Total capital ratio	18.030%	18.328%	17.922%	18.166%

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

Total RWA for credit risk	45,824,976	45,351,918	36,579,554	36,251,649
Total RWA for market risk	1,091,209	1,329,110	1,083,244	1,327,520
Total RWA for operational risk	5,040,660	5,015,847	4,220,837	4,203,941
	<b>51,956,845</b>	<b>51,696,875</b>	<b>41,883,635</b>	<b>41,783,110</b>

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:

	<b>31 March 2021</b>	<b>31 December 2020</b>
CET 1/ Tier 1 capital ratio	16.556%	17.239%
Total capital ratio	19.094%	19.810%

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

CET 1/ Tier 1 capital ratio	15.794%	16.284%
Total capital ratio	18.332%	18.854%