

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

**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021**

Domiciled in Malaysia  
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OCBC BANK (MALAYSIA) BERHAD  
AND ITS SUBSIDIARY COMPANIES  
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**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS**  
**STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2021**

	Note	Group		Bank	
		30 September 2021 RM'000	31 December 2020 RM'000	30 September 2021 RM'000	31 December 2020 RM'000
<b>ASSETS</b>					
Cash and cash equivalents	10	6,120,598	2,926,206	4,464,522	3,056,698
Deposits and placements with banks and other financial institutions	11	447,469	344,182	810,255	665,147
Investment account placements	12	-	-	1,725,163	1,478,468
Financial assets at fair value through profit or loss ("FVTPL")	13	2,290,530	1,313,475	2,280,426	1,303,320
Financial investments at fair value through other comprehensive income ("FVOCI")	14	18,786,842	20,112,853	15,281,352	15,908,302
Loans, advances and financing	15	65,369,459	66,273,563	53,481,434	55,030,346
Derivative financial assets	17	966,963	1,151,754	967,429	1,153,095
Other assets	18	330,065	374,921	536,755	562,845
Statutory deposits with Bank Negara Malaysia		97,672	97,601	97,672	97,601
Investments in subsidiaries		-	-	557,051	557,051
Property and equipment		147,200	152,014	142,476	146,575
Right-of-use ("ROU") assets		29,010	30,757	25,820	26,309
Tax recoverable		14,809	11,068	-	-
Deferred tax assets		194,966	68,797	163,928	60,733
<b>Total assets</b>		<b>94,795,583</b>	<b>92,857,191</b>	<b>80,534,283</b>	<b>80,046,490</b>
<b>LIABILITIES</b>					
Deposits from customers	19	74,625,120	73,375,532	61,633,650	61,882,313
Deposits and placements of banks and other financial institutions	20	6,443,030	5,195,681	6,424,582	5,157,288
Bills and acceptances payable		76,354	88,737	66,967	73,673
Recourse obligation on loans sold to Cagamas Berhad		-	700,000	-	700,000
Derivative financial liabilities	17	917,346	1,229,790	917,173	1,229,826
Other liabilities	21	2,289,405	1,957,093	2,276,770	1,890,708
Tax payable and zakat		110,382	44,445	97,625	44,395
Subordinated bonds	22	1,510,434	1,491,327	1,510,434	1,491,327
<b>Total liabilities</b>		<b>85,972,071</b>	<b>84,082,605</b>	<b>72,927,201</b>	<b>72,469,530</b>
<b>EQUITY</b>					
Share capital		754,000	754,000	754,000	754,000
Reserves		8,069,512	8,020,586	6,853,082	6,822,960
<b>Total equity</b>		<b>8,823,512</b>	<b>8,774,586</b>	<b>7,607,082</b>	<b>7,576,960</b>
<b>Total liabilities and equity</b>		<b>94,795,583</b>	<b>92,857,191</b>	<b>80,534,283</b>	<b>80,046,490</b>
<b>Commitments and contingencies</b>	31	<b>101,066,631</b>	<b>97,610,426</b>	<b>97,558,419</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.*

OCBC BANK (MALAYSIA) BERHAD  
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**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS**  
**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021**

<b>Group</b>	<b>Note</b>	<b>Quarter ended</b>		<b>Year to date ended</b>	
		<b>30 September</b>	<b>30 September</b>	<b>30 September</b>	<b>30 September</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>
Interest income	23	608,664	656,238	1,851,873	2,177,882
Interest income for financial assets at FVTPL	23	19,839	17,296	46,641	56,394
Interest expense	23	(221,551)	(302,908)	(701,391)	(1,122,167)
Net interest income	23	406,952	370,626	1,197,123	1,112,109
Income from Islamic banking operations	24	120,934	114,117	359,305	336,497
Net fee and commission income	25	100,988	106,857	354,234	290,878
Net trading income	26	35,269	15,237	131,499	113,966
Other operating income	27	30,339	8,141	63,866	91,365
<b>Operating income</b>		<b>694,482</b>	<b>614,978</b>	<b>2,106,027</b>	<b>1,944,815</b>
Operating expenses	28	(315,696)	(302,411)	(908,747)	(912,554)
<b>Operating profit before impairment allowance and provision</b>		<b>378,786</b>	<b>312,567</b>	<b>1,197,280</b>	<b>1,032,261</b>
Impairment allowance and provisions charge	29	(292,107)	(219,395)	(540,806)	(535,458)
<b>Profit before income tax and zakat</b>		<b>86,679</b>	<b>93,172</b>	<b>656,474</b>	<b>496,803</b>
Income tax expense	30	(23,404)	(22,783)	(169,514)	(120,773)
Zakat		(13)	(12)	(38)	(37)
<b>Profit for the period</b>		<b>63,262</b>	<b>70,377</b>	<b>486,922</b>	<b>375,993</b>
<b>Other comprehensive income, net of income tax</b>					
<b>Items that will not be reclassified to profit or loss</b>					
Change in fair value reserve (equity instruments)		-	2,518	4,198	6,752
<b>Items that are or may be reclassified subsequently to profit or loss</b>					
FVOCI reserve (debt instruments)					
- Change in fair value		(83,395)	79,061	(248,047)	270,224
- Amount transferred to profit or loss		(29,044)	(9,470)	(59,588)	(89,615)
- Related tax		26,986	(16,691)	73,842	(43,342)
Change in expected credit loss (ECL) reserve on debt instruments at FVOCI		(428)	180	(1,401)	1,028
<b>Other comprehensive (expense)/income for the period</b>		<b>(85,881)</b>	<b>55,598</b>	<b>(230,996)</b>	<b>145,047</b>
<b>Total comprehensive (expense)/income for the period</b>		<b>(22,619)</b>	<b>125,975</b>	<b>255,926</b>	<b>521,040</b>
<b>Profit attributable to owner of the Bank</b>		<b>63,262</b>	<b>70,377</b>	<b>486,922</b>	<b>375,993</b>
<b>Total comprehensive (expense)/income attributable to owner of the Bank</b>		<b>(22,619)</b>	<b>308,848</b>	<b>255,926</b>	<b>521,040</b>
<b>Basic earnings per ordinary share (sen)</b>		<b>22.0</b>	<b>24.5</b>	<b>169.4</b>	<b>130.8</b>

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**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021**

<b>Bank</b>	<b>Note</b>	<b>Quarter ended</b>		<b>Year to date ended</b>	
		<b>30 September 2021</b>	<b>30 September 2020</b>	<b>30 September 2021</b>	<b>30 September 2020</b>
		<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Interest income	23	622,144	666,774	1,888,973	2,226,098
Interest income for financial assets at FVTPL	23	19,839	17,296	46,641	56,394
Interest expense	23	(231,100)	(309,540)	(727,797)	(1,151,809)
Net interest income	23	410,883	374,530	1,207,817	1,130,683
Net fee and commission income	25	100,988	106,101	349,644	289,468
Net trading income	26	35,269	15,237	131,499	113,966
Other operating income	27	56,851	34,630	142,669	174,459
<b>Operating income</b>		<b>603,991</b>	<b>530,498</b>	<b>1,831,629</b>	<b>1,708,576</b>
Operating expenses	28	(299,277)	(283,836)	(862,797)	(857,143)
<b>Operating profit before impairment allowance and provision</b>		<b>304,714</b>	<b>246,662</b>	<b>968,832</b>	<b>851,433</b>
Impairment allowance and provisions charge	29	(253,624)	(162,233)	(391,306)	(408,631)
<b>Profit before income tax and zakat</b>		<b>51,090</b>	<b>84,429</b>	<b>577,526</b>	<b>442,802</b>
Income tax expense	30	(14,785)	(22,659)	(150,351)	(113,425)
<b>Profit for the period</b>		<b>36,305</b>	<b>61,770</b>	<b>427,175</b>	<b>329,377</b>
<b>Other comprehensive income, net of income tax</b>					
<b>Items that will not be reclassified to profit or loss</b>					
Change in fair value reserve (equity instruments)		-	2,518	4,198	6,752
<b>Items that are or may be reclassified subsequently to profit or loss</b>					
FVOCI reserve (debt instruments)					
- Change in fair value		(73,713)	63,107	(211,868)	214,333
- Amount transferred to profit or loss		(23,247)	(1,076)	(41,947)	(70,992)
- Related tax		23,271	(14,880)	60,923	(34,402)
Change in expected credit loss (ECL) reserve on debt instruments at FVOCI		(387)	272	(1,359)	1,098
<b>Other comprehensive (expense)/income for the period</b>		<b>(74,076)</b>	<b>49,941</b>	<b>(190,053)</b>	<b>116,789</b>
<b>Total comprehensive (expense)/income for the period</b>		<b>(37,771)</b>	<b>111,711</b>	<b>237,122</b>	<b>446,166</b>
<b>Profit attributable to owner of the Bank</b>		<b>36,305</b>	<b>61,770</b>	<b>427,175</b>	<b>329,377</b>
<b>Total comprehensive (expense)/income attributable to owner of the Bank</b>		<b>(37,771)</b>	<b>111,711</b>	<b>237,122</b>	<b>446,166</b>
<b>Basic earnings per ordinary share (sen)</b>		<b>12.6</b>	<b>21.5</b>	<b>148.6</b>	<b>114.6</b>

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**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021**

<u>Group</u>	Share capital RM'000	Non-distributable			Distributable		Total equity 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 2021	754,000	600,000	-	1,916	333,379	7,085,291	8,774,586
Fair value reserve							
- Change in fair value	-	-	-	-	(243,849)	-	(243,849)
- Transferred to profit or loss	-	-	-	-	(59,588)	-	(59,588)
- Related tax	-	-	-	-	73,842	-	73,842
Change in ECL reserve	-	-	-	(1,401)	-	-	(1,401)
<b>Total other comprehensive expense for the period</b>	-	-	-	(1,401)	(229,595)	-	(230,996)
Profit for the period	-	-	-	-	-	486,922	486,922
<b>Total comprehensive (expense)/income for the period</b>	-	-	-	(1,401)	(229,595)	486,922	255,926
<b>Contributions by and distributions to owner of the Bank</b>							
Final 2020 ordinary dividend paid	-	-	-	-	-	(207,000)	(207,000)
At 30 September 2021	754,000	600,000	-	515	103,784	7,365,213	8,823,512
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	-	-	-	-	276,976	-	276,976
- Transferred to profit or loss	-	-	-	-	(89,615)	-	(89,615)
- Related tax	-	-	-	-	(43,342)	-	(43,342)
Change in ECL reserve	-	-	-	1,028	-	-	1,028
<b>Total other comprehensive income for the period</b>	-	-	-	1,028	144,019	-	145,047
Profit for the period	-	-	-	-	-	375,993	375,993
<b>Total comprehensive income for the period</b>	-	-	-	1,028	144,019	375,993	521,040
<b>Contributions by and distributions to owner of the Bank</b>							
Final 2019 ordinary dividend paid	-	-	-	-	-	(181,125)	(181,125)
At 30 September 2020	754,000	600,000	56,619	1,669	344,555	6,840,174	8,597,017

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

<b>Bank</b>	<i>Non-distributable</i>			<i>Distributable</i>		<b>Total equity</b>
	<b>Share capital</b>	<b>Regulatory reserve</b>	<b>ECL reserve</b>	<b>Fair value reserve</b>	<b>Retained earnings</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 2021	754,000	509,000	1,826	285,439	6,026,695	7,576,960
Fair value reserve						
- Change in fair value	-	-	-	(207,670)	-	(207,670)
- Transferred to profit or loss	-	-	-	(41,947)	-	(41,947)
- Related tax	-	-	-	60,923	-	60,923
Change in ECL reserve	-	-	(1,359)	-	-	(1,359)
<b>Total other comprehensive expense for the period</b>	-	-	(1,359)	(188,694)	-	(190,053)
Profit for the period	-	-	-	-	427,175	427,175
<b>Total comprehensive (expense)/income for the period</b>	-	-	(1,359)	(188,694)	427,175	237,122
<b>Contributions by and distributions to owner of the Bank</b>						
Final 2020 ordinary dividend paid	-	-	-	-	(207,000)	(207,000)
At 30 September 2021	<b>754,000</b>	<b>509,000</b>	<b>467</b>	<b>96,745</b>	<b>6,246,870</b>	<b>7,607,082</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	-	-	-	221,085	-	221,085
- Transferred to profit or loss	-	-	-	(70,992)	-	(70,992)
- Related tax	-	-	-	(34,402)	-	(34,402)
Change in ECL reserve	-	-	1,098	-	-	1,098
<b>Total other comprehensive income for the period</b>	-	-	1,098	115,691	-	116,789
Profit for the period	-	-	-	-	329,377	329,377
<b>Total comprehensive income for the period</b>	-	-	1,098	115,691	329,377	446,166
<b>Contributions by and distributions to owner of the Bank</b>						
Final 2019 ordinary dividend paid	-	-	-	-	(181,125)	(181,125)
At 30 September 2020	<b>754,000</b>	<b>509,000</b>	<b>1,586</b>	<b>292,809</b>	<b>5,863,406</b>	<b>7,420,801</b>

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**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS**  
**STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021**

	<b>Group</b>		<b>Bank</b>	
	<b>Year to date ended</b>	<b>Year to date ended</b>	<b>Year to date ended</b>	<b>Year to date ended</b>
	<b>30 September</b>	<b>30 September</b>	<b>30 September</b>	<b>30 September</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	656,474	496,803	577,526	442,802
<i>Adjustments for:</i>				
Depreciation of property, plant and equipment	17,599	19,380	16,363	17,594
Depreciation of right-of-use assets	12,261	13,836	10,902	12,245
Dividends received from financial investments at FVOCI	(774)	(859)	(774)	(859)
Impairment allowance and provisions	567,827	535,458	416,498	408,631
Finance expense on ROU assets	560	711	500	712
Net (gain)/loss on disposal of:				
- Financial investments at FVOCI	(59,588)	(89,615)	(41,947)	(70,992)
- Property and equipment	47	(9)	-	(71)
Share-based costs	8,140	8,004	7,886	7,730
Unrealised loss/(gain) on:				
- Financial assets at FVTPL	16,267	6,347	16,216	6,361
- Hedging derivatives	(6,912)	(6)	(6,912)	(6)
- Trading derivatives	(151,757)	95,200	(151,127)	93,623
- Subordinated bonds	5,022	15,515	5,022	15,515
Operating profit before changes in working capital	1,065,166	1,100,765	850,153	933,285
<i>Changes in operating assets and operating liabilities:</i>				
Deposits and placements with banks and other financial institutions	(103,339)	-	(145,160)	60,141
Investment account placements	-	-	(247,524)	416,119
Reverse repurchase agreements	-	(99,927)	-	(99,927)
Financial assets at FVTPL	(993,322)	(1,454,181)	(993,322)	(1,460,356)
Loans, advances and financing	338,392	1,886,276	1,135,400	1,672,610
Other assets	41,393	63,163	22,627	61,655
Statutory deposits with Bank Negara Malaysia	(71)	1,648,323	(71)	1,339,023
Derivative financial assets and liabilities	30,976	(8,554)	31,012	(8,553)
Deposits from customers	1,249,588	(57,675)	(248,663)	96,221
Deposits and placements of banks and other financial institutions	1,247,349	214,614	1,267,294	199,734
Bills and acceptances payable	(12,383)	(32,215)	(6,706)	(28,123)
Other liabilities	338,087	(846,907)	390,838	(857,296)
<b>Cash generated from operations</b>	<b>3,201,836</b>	<b>2,413,682</b>	<b>2,055,878</b>	<b>2,324,533</b>
Income tax and zakat paid	(159,683)	(93,641)	(139,393)	(79,311)
<b>Net cash generated from operating activities</b>	<b>3,042,153</b>	<b>2,320,041</b>	<b>1,916,485</b>	<b>2,245,222</b>

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**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS**  
**STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021 (continued)**

	<b>Group</b>		<b>Bank</b>	
	<b>Year to date ended</b>		<b>Year to date ended</b>	
	<b>30 September</b>	<b>30 September</b>	<b>30 September</b>	<b>30 September</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 investing activities</b>				
Acquisition of financial investments at FVOCI	(17,698,047)	(20,082,538)	(10,602,047)	(11,477,538)
Acquisition of property and equipment	(13,490)	(12,837)	(12,919)	(12,606)
Dividends received from financial investments at FVOCI	774	859	774	859
Proceeds from disposal of financial investments at FVOCI	18,780,249	17,811,855	11,021,367	9,109,820
Proceeds from disposal of property and equipment	685	141	682	140
<b>Net cash from/(used in) investing activities</b>	<b>1,070,171</b>	<b>(2,282,520)</b>	<b>407,857</b>	<b>(2,379,325)</b>
<b>Cash flows from financing activities</b>				
Dividends paid to owner of the Bank	(207,000)	(181,125)	(207,000)	(181,125)
Payment of lease liabilities	(10,903)	(14,649)	(9,489)	(13,062)
Recourse obligation on loans sold to Cagamas Berhad	(700,000)	-	(700,000)	-
<b>Net cash used in financing activities</b>	<b>(917,903)</b>	<b>(195,774)</b>	<b>(916,489)</b>	<b>(194,187)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>3,194,421</b>	<b>(158,253)</b>	<b>1,407,853</b>	<b>(328,290)</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 30 September</b>	<b>6,120,645</b>	<b>4,646,980</b>	<b>4,464,569</b>	<b>3,804,921</b>

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

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

**Changes in liabilities arising from financing activities**

	At 1 January RM'000	Net Cash outflows RM'000	Foreign exchange movement RM'000	Acquisition of new leases* RM'000	Finance cost RM'000	At 30 September RM'000
<b>2021</b>						
<b>Group</b>						
Recourse obligation on loans sold to						
Cagamas Berhad	700,000	(700,000)	-	-	-	-
Subordinated bonds	1,491,327	14,085	5,022	-	-	1,510,434
Lease liabilities	27,739	(10,903)	-	10,514	560	27,910
Total liabilities from financing activities	<u>2,219,066</u>	<u>(696,818)</u>	<u>5,022</u>	<u>10,514</u>	<u>560</u>	<u>1,538,344</u>
<b>Bank</b>						
Recourse obligation on loans sold to						
Cagamas Berhad	700,000	(700,000)	-	-	-	-
Subordinated bonds	1,491,327	14,085	5,022	-	-	1,510,434
Lease liabilities	23,259	(9,489)	-	10,413	500	24,683
Total liabilities from financing activities	<u>2,214,586</u>	<u>(695,404)</u>	<u>5,022</u>	<u>10,413</u>	<u>500</u>	<u>1,535,117</u>
<b>2020</b>						
<b>Group</b>						
Recourse obligation on loans sold to						
Cagamas Berhad	700,000	-	-	-	-	700,000
Subordinated bonds	1,482,439	(680)	9,568	-	-	1,491,327
Lease liabilities	25,387	(21,719)	-	23,168	903	27,739
Total liabilities from financing activities	<u>2,207,826</u>	<u>(22,399)</u>	<u>9,568</u>	<u>23,168</u>	<u>903</u>	<u>2,219,066</u>
<b>Bank</b>						
Recourse obligation on loans sold to						
Cagamas Berhad	700,000	-	-	-	-	700,000
Subordinated bonds	1,482,439	(680)	9,568	-	-	1,491,327
Lease liabilities	22,382	(19,664)	-	19,637	904	23,259
Total liabilities from financing activities	<u>2,204,821</u>	<u>(20,344)</u>	<u>9,568</u>	<u>19,637</u>	<u>904</u>	<u>2,214,586</u>

\* Acquisition of new leases includes changes in lease terms.

*The accompanying notes form an integral part of the financial statements.*

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## NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 30 SEPTEMBER 2021

### GENERAL INFORMATION

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

### FINANCIAL PERFORMANCE

The Group recorded a net profit of RM487 million for the financial period ended 30 September 2021; an increase of RM111 million or 30% compared to the corresponding period last year.

The Group's total income grew by RM161 million or 8% to RM2,106 million, mainly attributed to better net interest income of RM85 million, higher fee and commission income and trading income by RM63 million and RM18 million respectively; partially offset by lower gain on disposal of financial investments at FVOCI by RM29 million.

Operating expenses were well controlled with a marginal decrease of RM4 million.

Impairment allowance and provisions charge remained elevated at RM541 million, slightly higher than RM535 million in the corresponding period last year, in tandem with further round of industry relief assistance in the form of PEMULIH package which aims to provide comprehensive support to the people and businesses affected by the Covid-19 pandemic.

The Group and the Bank remained well capitalised with Common Equity Tier 1 capital ratios of 16.298% and 16.107%, Tier 1 capital ratios of 17.173% and 17.194% and Total capital ratios of 19.714% and 19.740% respectively.

### ECONOMIC PERFORMANCE AND PROSPECTS

Malaysia's economic activity picked up at the start of the second quarter of 2021 ("2Q 2021") and its Gross Domestic Product ("GDP") grew by 16.1% year-on-year in 2Q 2021 compared to a contraction of -0.5% in the first quarter of 2021, supported mainly by improved domestic demand and robust exports performance. However, economic activity slowed down after the reimposition of containment measures under the Full Movement Control Order on 1 June 2021 following a steep climb in Covid-19 infections. Against this backdrop which saw Bank Negara Malaysia revising downwards its projected full year 2021 GDP growth rate for Malaysia to between 3% and 4%, the Bank has taken a prudent stance to set aside, in 3Q 2021, further impairment allowances against expected rise in credit losses especially from the retail segment availed with further industry-wide relief assistance which commenced in the second half of 2021.

After the vaccination programme was accelerated, there was a steady drop in Covid-19 cases and the gradual relaxations for more economic sectors to operate and continued policy support in 4Q 2021 are expected to mitigate the Covid-19 pandemic corollary impact and steer the economy back on the recovery path. Bolstered by the gradual reopening of economic sectors and social activities by this year end as well as continued strong external demand, economic recovery is projected to continue well into 2022 with the World Bank and IMF forecasting that the Malaysian economy will expand by 5.8% and 6.0% respectively in 2022. While the Covid-19 pandemic continues to exert downward pressure on earnings, Malaysia's financial system is expected to remain healthy with banks well capitalised to withstand potential stress, sustain credit intermediation in the economy and facilitate repayment assistance to viable borrowers who are facing temporary difficulties amid a credit risk outlook that remains challenging.

The Bank continues to support and assist customers during these challenging times through flexible repayment packages, including loan moratoriums. In line with the PEMULIH package announced by the Government on 28 June 2021, the Bank is offering 6-month deferment of instalments or 50% reduction in instalments for 6 months to individual and SME/microenterprise customers affected by the pandemic. In line with the Financial Management and Resilience programme ("URUS") announced by the Government on 13 October 2021 designed to help eligible B50 customers alleviate financial difficulties caused by the Covid-19 pandemic, the Bank will offer an option of 3-month interest/profit waiver and/or reduced interest/profit costs on credit card and unsecured personal loans and financing and/or reduction in instalments for 24 months to vulnerable B50 customers. The Bank remains committed to assisting affected customers as the economy gradually opens up and recovers.

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## NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 30 SEPTEMBER 2021 (continued)

### 1 BASIS OF PREPARATION

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

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

#### (a) Statement of compliance

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

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 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16, *Interest Rate Benchmark Reform - Phase 2*
- Amendments 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* address 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.

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## NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 30 SEPTEMBER 2021 (continued)

### 1 BASIS OF PREPARATION (continued)

#### (a) Statement of compliance (continued)

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

##### Effective for annual periods commencing on or after 1 January 2023

- Amendments to MFRS 7, MFRS 126 and MFRS 134, *consequences of the amendments to the Disclosure of Accounting Policies in MFRS 101 and MFRS Practice Statement 2*
- 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*
- Amendments to MFRS 112, *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

##### Effective date to be announced by MASB

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

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

#### (b) Use of estimates and judgements

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

In preparing these unaudited condensed interim financial statements, the significant judgements made by management in applying the Group's and the Bank's accounting policies and the key sources of estimation uncertainty were the same as those applied to the audited financial statements as at and for the financial year ended 31 December 2020.

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## NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 30 SEPTEMBER 2021 (continued)

### 2 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied by the Group and the Bank in these unaudited condensed interim financial statements are the same as those applied by the Group and the Bank in the audited financial statements as at and for the financial year ended 31 December 2020, 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 2020 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 was no change in the composition of the Group during the financial period ended 30 September 2021.

### 7 DIVIDENDS

No dividend was proposed for the financial period ended 30 September 2021.

### 8 SUBSEQUENT EVENTS

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

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

There was no unusual item affecting the assets, liabilities, equity, net income or cash flows of the Group and the Bank for the financial period ended 30 September 2021.

### 10 CASH AND CASH EQUIVALENTS

	Group		Bank	
	30 September 2021 RM'000	31 December 2020 RM'000	30 September 2021 RM'000	31 December 2020 RM'000
Cash and balances with banks and other financial institutions	883,011	420,339	765,857	337,560
Money at call and deposit placements with financial institutions maturing within one month	13,437	57,941	288,112	474,156
Deposit placements with Bank Negara Malaysia	5,224,197	2,447,944	3,410,600	2,245,000
	6,120,645	2,926,224	4,464,569	3,056,716
ECL allowance	(47)	(18)	(47)	(18)
	6,120,598	2,926,206	4,464,522	3,056,698

Included in the Bank's cash and cash equivalents are deposits and placements with OCBC Al-Amin of RM275 million (31 December 2020: RM416 million), which are unsecured and profit bearing.

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**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 30 SEPTEMBER 2021 (continued)**

**10 CASH AND CASH EQUIVALENTS (continued)**

(a) Movements in ECL allowance

<b>Group</b>	<b>30 September 2021</b>			<b>31 December 2020</b>		
	<b>Stage 1 12 months RM'000</b>	<b>Stage 2 Lifetime RM'000</b>	<b>Total non credit- impaired RM'000</b>	<b>Stage 1 12 months RM'000</b>	<b>Stage 2 Lifetime RM'000</b>	<b>Total non credit- impaired RM'000</b>
At 1 January	18	-	18	382	-	382
New financial assets originated or purchased	922	-	922	94	-	94
Financial assets derecognised	(927)	-	(927)	(927)	-	(927)
Net remeasurement during the period/year	30	-	30	520	-	520
Other movements	4	-	4	(51)	-	(51)
At 30 September/ 31 December	<b>47</b>	<b>-</b>	<b>47</b>	<b>18</b>	<b>-</b>	<b>18</b>
<b>Bank</b>						
At 1 January	18	-	18	381	-	381
New financial assets originated or purchased	922	-	922	94	-	94
Financial assets derecognised	(927)	-	(927)	(927)	-	(927)
Net remeasurement during the period/year	30	-	30	520	-	520
Other movements	4	-	4	(50)	-	(50)
At 30 September/ 31 December	<b>47</b>	<b>-</b>	<b>47</b>	<b>18</b>	<b>-</b>	<b>18</b>

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

	<b>Group</b>		<b>Bank</b>	
	<b>30 September 2021 RM'000</b>	<b>31 December 2020 RM'000</b>	<b>30 September 2021 RM'000</b>	<b>31 December 2020 RM'000</b>
Licensed banks	447,528	344,182	810,314	665,147
Stage 1 ECL allowance	(59)	-	(59)	-
	<b>447,469</b>	<b>344,182</b>	<b>810,255</b>	<b>665,147</b>

Included in the Bank's deposits and placements with licensed banks are deposits and placements with OCBC AI-Amin of RM363 million (31 December 2020: RM321 million), which are unsecured and profit bearing.

(a) Movements in ECL allowance

<b>Stage 1 ECL</b>	<b>Group</b>		<b>Bank</b>	
	<b>30 September 2021 RM'000</b>	<b>31 December 2020 RM'000</b>	<b>30 September 2021 RM'000</b>	<b>31 December 2020 RM'000</b>
At 1 January	-	-	-	-
New financial assets originated or purchased	47	23	47	23
Financial assets derecognised	(12)	-	(12)	-
Net remeasurement during ther period/year	24	(23)	24	(23)
At 30 September/31 December	<b>59</b>	<b>-</b>	<b>59</b>	<b>-</b>

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## NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 30 SEPTEMBER 2021 (continued)

### 12 INVESTMENT ACCOUNT PLACEMENTS

	<b>Bank</b>	
	<b>30 September 2021 RM'000</b>	<b>31 December 2020 RM'000</b>
Restricted Profit Sharing Investment Accounts	1,760,537	1,513,013
ECL allowance	(35,374)	(34,545)
	<u>1,725,163</u>	<u>1,478,468</u>

The exposure to Restricted Profit Sharing Investment Accounts ("RPSIA") is an arrangement with its subsidiary, OCBC AI-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 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.

#### (a) Movements in ECL allowance

<b>Bank</b>	<i>Non credit-impaired</i>		<i>Credit-impaired</i>	<b>Total RM'000</b>
	<b>Stage 1 RM'000</b>	<b>Stage 2 RM'000</b>	<b>Stage 3 RM'000</b>	
<b>2021</b>				
At 1 January	1,776	-	32,769	34,545
Transferred to Stage 2	(313)	313	-	-
New financial assets originated or purchased	2,422	-	-	2,422
Net remeasurement during the period	(1,940)	347	-	(1,593)
At 30 September	<u>1,945</u>	<u>660</u>	<u>32,769</u>	<u>35,374</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>

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

	<b>Group</b>		<b>Bank</b>	
	<b>30 September 2021 RM'000</b>	<b>31 December 2020 RM'000</b>	<b>30 September 2021 RM'000</b>	<b>31 December 2020 RM'000</b>
<b>At fair value</b>				
Malaysian Government Investment Issues	970,718	397,195	970,718	397,195
Malaysian Government Securities	238,563	280,306	238,563	280,306
Malaysian Government Treasury Bills	974,565	466,658	974,565	466,658
Corporate Bonds and Sukuk	106,684	169,316	96,580	159,161
	<u>2,290,530</u>	<u>1,313,475</u>	<u>2,280,426</u>	<u>1,303,320</u>

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**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 30 SEPTEMBER 2021 (continued)**

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

	<b>Group</b>		<b>Bank</b>	
	<b>30 September 2021</b>	<b>31 December 2020</b>	<b>30 September 2021</b>	<b>31 December 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	7,470,469	8,414,541	5,383,845	5,938,271
Malaysian Government Securities	3,795,542	4,081,419	3,795,542	4,081,419
Malaysian Treasury Bills and Islamic Treasury Bills	2,242,743	1,313,006	1,698,693	1,094,184
Malaysian Government Debt Securities and Sukuk	79,051	137,466	30,711	63,649
Foreign Government Debt Securities	265,628	203,273	265,628	179,033
Negotiable Instruments of Deposit and Islamic				
Negotiable Instruments of Deposit	1,696,025	3,344,587	1,196,339	2,345,362
Corporate and Islamic Corporate Bonds, Sukuk and Sanadat Mudharabah Cagamas	3,121,337	2,506,531	2,794,547	2,094,354
Unquoted shares in Malaysia				
- Cagamas Holdings Berhad	83,597	80,538	83,597	80,538
- Others	32,450	31,492	32,450	31,492
	<b>18,786,842</b>	<b>20,112,853</b>	<b>15,281,352</b>	<b>15,908,302</b>

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

<b>Group</b>	<b>30 September 2021</b>			<b>31 December 2020</b>		
	<b>Stage 1</b>	<b>Stage 2</b>	<b>Total non credit-impaired</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Total non credit-impaired</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	1,916	-	1,916	641	-	641
Transferred to Stage 1	27	(27)	-	766	(766)	-
Transferred to Stage 2	(40)	40	-	(79)	79	-
New financial assets originated or purchased	485	-	485	764	-	764
Financial assets derecognised	(696)	(10)	(706)	(736)	(275)	(1,011)
Net remeasurement during the period/year	(1,214)	11	(1,203)	585	974	1,559
Other movements	23	-	23	(25)	(12)	(37)
At 30 September/ 31 December	<b>501</b>	<b>14</b>	<b>515</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	27	(27)	-	766	(766)	-
Transferred to Stage 2	(34)	34	-	(79)	79	-
New financial assets originated or purchased	356	-	356	496	-	496
Financial assets derecognised	(626)	(4)	(630)	(524)	(275)	(799)
Net remeasurement during the period/year	(1,119)	11	(1,108)	704	974	1,678
Other movements	23	-	23	(25)	(12)	(37)
At 30 September/ 31 December	<b>453</b>	<b>14</b>	<b>467</b>	<b>1,826</b>	<b>-</b>	<b>1,826</b>

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**NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 30 SEPTEMBER 2021 (continued)**

**15 LOANS, ADVANCES AND FINANCING**

	Group		Bank	
	30 September 2021 RM'000	31 December 2020 RM'000	30 September 2021 RM'000	31 December 2020 RM'000
<b>At amortised cost</b>				
Overdrafts	2,756,788	2,922,818	2,259,355	2,435,896
Term loans/financing:				
- Housing loans/financing	22,045,563	23,220,572	20,221,836	21,320,542
- Syndicated term loans/financing	6,848,319	4,887,639	5,038,333	3,966,961
- Hire purchase receivables	298,396	341,654	32,755	27,874
- Other term loans/financing	20,923,672	21,565,380	16,427,288	17,109,687
Credit cards	457,361	590,170	457,361	590,170
Bills receivable	153,527	201,503	107,405	146,240
Trust receipts	32,572	31,699	32,271	31,278
Claims on customers under acceptance credits	2,188,140	2,458,990	1,896,735	2,101,364
Revolving credit	9,039,008	9,491,988	6,097,365	6,467,563
Staff loans/financing	43,529	45,484	43,529	45,484
Other loans/financing	2,402,231	1,966,505	2,205,158	1,878,477
	<u>67,189,106</u>	<u>67,724,402</u>	<u>54,819,391</u>	<u>56,121,536</u>
<b>At fair value</b>				
Other term loans/financing	-	11,381	-	11,381
Gross loans, advances and financing	<u>67,189,106</u>	<u>67,735,783</u>	<u>54,819,391</u>	<u>56,132,917</u>
ECL allowance	(1,819,647)	(1,462,220)	(1,337,957)	(1,102,571)
Net loans, advances and financing	<u>65,369,459</u>	<u>66,273,563</u>	<u>53,481,434</u>	<u>55,030,346</u>
(a) By type of customer				
Domestic banking institutions	-	2,419	-	2,419
Domestic non-bank financial institutions	2,011,009	2,132,030	1,002,720	1,113,628
Domestic business enterprises				
- Small and medium enterprises	13,926,882	14,554,161	11,506,777	12,069,643
- Others	23,783,405	22,118,893	17,357,228	16,718,969
Individuals	24,412,142	25,852,361	22,385,179	23,709,454
Foreign entities	3,055,668	3,075,919	2,567,487	2,518,804
	<u>67,189,106</u>	<u>67,735,783</u>	<u>54,819,391</u>	<u>56,132,917</u>
(b) By interest/profit rate sensitivity				
Fixed rate				
- Housing loans/financing	113,780	72,969	21,157	33,760
- Hire purchase receivables	182,156	195,078	21,724	27,881
- Other fixed rate loans/financing	6,584,372	6,907,966	5,287,441	5,407,183
Variable rate				
- Base rate/Base lending rate/Base financing rate plus	35,814,922	37,963,920	31,813,169	33,722,463
- Cost plus	23,607,058	21,215,075	16,848,980	15,610,352
- Other variable rates	886,818	1,380,775	826,920	1,331,278
	<u>67,189,106</u>	<u>67,735,783</u>	<u>54,819,391</u>	<u>56,132,917</u>

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

	<b>Group</b>		<b>Bank</b>	
	<b>30 September 2021 RM'000</b>	<b>31 December 2020 RM'000</b>	<b>30 September 2021 RM'000</b>	<b>31 December 2020 RM'000</b>
(c) By sector				
Agriculture, hunting, forestry and fishing	3,935,135	4,049,154	2,606,576	2,620,779
Mining and quarrying	588,807	488,973	293,853	211,084
Manufacturing	8,591,836	8,234,720	6,702,719	6,738,361
Electricity, gas and water	554,160	411,600	506,134	362,300
Construction	2,637,415	2,893,317	1,669,964	1,889,874
Real estate	8,640,430	8,304,924	7,460,803	7,104,523
Wholesale & retail trade and restaurants & hotels	7,581,361	7,968,964	6,300,021	6,393,521
Transport, storage and communication	1,641,677	1,117,674	808,816	753,752
Finance, insurance and business services	3,014,567	3,008,845	1,688,606	1,811,703
Community, social and personal services	3,687,891	3,497,343	2,604,842	2,748,113
Household				
- Purchase of residential properties	22,924,087	24,157,473	21,091,553	22,248,230
- Purchase of non-residential properties	798,018	853,164	748,223	804,849
- Others	2,444,773	2,700,184	2,190,327	2,398,429
Others	148,948	49,448	146,953	47,399
	<b>67,189,106</b>	<b>67,735,783</b>	<b>54,819,391</b>	<b>56,132,917</b>
(d) By geography determined based on where the credit risk resides				
Malaysia	64,166,878	64,687,991	52,245,222	53,597,130
Singapore	1,399,572	1,359,384	1,328,214	1,280,428
Other ASEAN countries	446,062	438,491	372,806	323,717
Rest of the world	1,176,594	1,249,917	873,149	931,642
	<b>67,189,106</b>	<b>67,735,783</b>	<b>54,819,391</b>	<b>56,132,917</b>
(e) By residual contractual maturity				
Up to one year	19,757,880	19,919,974	15,749,224	16,039,243
Over one year to three years	4,338,572	4,660,054	3,233,152	3,591,102
Over three years to five years	7,310,231	6,482,295	5,020,877	4,889,278
Over five years	35,782,423	36,673,460	30,816,138	31,613,294
	<b>67,189,106</b>	<b>67,735,783</b>	<b>54,819,391</b>	<b>56,132,917</b>

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**16 IMPAIRED LOANS, ADVANCES AND FINANCING**

(i) Movements in impaired loans, advances and financing

	Group		Bank	
	30 September 2021 RM'000	31 December 2020 RM'000	30 September 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	1,530,577	1,662,021	1,291,702	1,212,245
Reclassified as non-credit impaired	(236,211)	(226,458)	(213,124)	(196,966)
Amount recovered	(700,446)	(705,360)	(482,354)	(595,907)
Amount written off	(190,098)	(202,979)	(165,332)	(161,547)
Effect of foreign exchange difference	574	(277)	574	(277)
At 30 September/31 December	2,333,511	1,929,115	1,745,490	1,314,024
Stage 3 ECL allowance	(515,293)	(464,752)	(283,541)	(315,437)
Net impaired loans, advances and financing	1,818,218	1,464,363	1,461,949	998,587

(a) By sector

Agriculture, hunting, forestry and fishing	28,446	201,509	25,484	6,305
Mining and quarrying	17,330	14,450	17,321	14,450
Manufacturing	465,933	429,898	435,973	400,624
Construction	135,221	137,833	36,690	38,978
Real estate	123,880	199,323	118,083	193,147
Wholesale & retail trade and restaurants & hotels	486,250	197,758	287,499	104,810
Transport, storage and communication	54,220	80,068	8,281	31,589
Finance, insurance and business services	28,325	19,930	10,694	8,713
Community, social and personal services	48,902	6,894	40,753	6,288
Household				
- Purchase of residential properties	778,835	503,872	629,739	396,269
- Purchase of non-residential properties	19,934	28,273	18,793	28,273
- Others	146,235	109,307	116,180	84,578
	2,333,511	1,929,115	1,745,490	1,314,024

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

Malaysia	2,251,095	1,888,705	1,669,324	1,278,254
Singapore	61,797	28,312	55,600	23,720
Rest of the world	20,619	12,098	20,566	12,050
	2,333,511	1,929,115	1,745,490	1,314,024

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

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

Group	30 September				31 December			
	Non credit-impaired		Credit-impaired	Total	Non credit-impaired		Credit-impaired	Total
	Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January	316,391	681,077	464,752	1,462,220	258,799	334,183	378,350	971,332
Transferred to Stage 1	239,529	(227,539)	(11,990)	-	254,387	(226,146)	(28,241)	-
Transferred to Stage 2	(140,380)	166,071	(25,691)	-	(181,422)	191,406	(9,984)	-
Transferred to Stage 3	(1,799)	(148,655)	150,454	-	(3,673)	(256,356)	260,029	-
New financial assets originated or purchased	128,899	204,977	-	333,876	186,958	172,686	-	359,644
Financial assets derecognised	(104,693)	(203,297)	(20,781)	(328,771)	(149,965)	(197,917)	(27,724)	(375,606)
Net remeasurement during the period/year	(269,490)	659,945	166,834	557,289	(48,594)	664,720	120,736	736,862
Written off	-	-	(190,098)	(190,098)	-	-	(202,979)	(202,979)
Other movements	1,759	1,559	(18,187)	(14,869)	(99)	(1,499)	(25,435)	(27,033)
At 30 September/31 December	170,216	1,134,138	515,293	1,819,647	316,391	681,077	464,752	1,462,220
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
	316,391	681,077	464,752	1,462,220	258,798	334,184	378,350	971,332
At 30 September/31 December								
- Loans, advances and financing	166,242	1,045,144	515,293	1,726,679	300,181	639,830	464,752	1,404,763
- Credit commitments and financial guarantees	3,974	88,994	-	92,968	16,210	41,247	-	57,457
	170,216	1,134,138	515,293	1,819,647	316,391	681,077	464,752	1,462,220

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

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

	30 September 2021				31 December 2020			
	Non credit-impaired		Credit-impaired	Total	Non credit-impaired		Credit-impaired	Total
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Bank</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	182,149	(172,610)	(9,539)	-	166,981	(149,153)	(17,828)	-
Transferred to Stage 2	(104,476)	128,385	(23,909)	-	(134,337)	142,039	(7,702)	-
Transferred to Stage 3	(1,121)	(103,395)	104,516	-	(698)	(156,360)	157,058	-
New financial assets originated or purchased	109,343	172,695	-	282,038	163,054	135,031	-	298,085
Financial assets derecognised	(94,248)	(169,662)	(19,037)	(282,947)	(130,606)	(158,591)	(22,072)	(311,269)
Net remeasurement during the period/year	(208,166)	526,127	94,199	412,160	(14,295)	472,503	115,118	573,326
Written off	-	-	(165,332)	(165,332)	-	-	(161,547)	(161,547)
Other movements	1,081	1,180	(12,794)	(10,533)	275	(651)	(16,732)	(17,108)
At 30 September/31 December	132,744	921,672	283,541	1,337,957	248,182	538,952	315,437	1,102,571
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
	248,182	538,952	315,437	1,102,571	197,808	254,134	269,142	721,084
At 30 September/31 December								
- Loans, advances and financing	129,253	849,556	283,541	1,262,350	233,730	513,328	315,437	1,062,495
- Credit commitments and financial guarantees	3,491	72,116	-	75,607	14,452	25,624	-	40,076
	132,744	921,672	283,541	1,337,957	248,182	538,952	315,437	1,102,571

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**17 DERIVATIVE FINANCIAL ASSETS AND LIABILITIES**

<b>Group</b>	<b>30 September 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	6,179,114	32,765	27,960	6,288,275	26,177	132,937
- Swaps	14,301,992	315,426	213,209	14,707,771	492,925	368,271
- Options	659,127	4,604	1,602	1,008,722	7,917	3,824
Interest rate derivatives						
- Forwards	-	-	-	1,600,000	6,421	6,421
- Swaps	46,805,076	378,050	444,817	43,722,009	554,280	653,473
- Futures	293,004	412	-	40,121	-	69
Equity and other derivatives						
- Swaps	1,341,093	111,809	111,809	790,144	23,637	23,637
- Exchange traded futures	41,282	49	-	-	-	-
- Options	918,109	103,209	103,209	-	-	-
- Commodity related contracts	118,775	7,771	7,771	79,436	6,947	6,735
- Credit linked notes	706,100	6,404	6,404	923,051	33,129	33,129
- Credit default swaps	33,486	30	30	-	-	-
	<b>71,397,158</b>	<b>960,529</b>	<b>916,811</b>	<b>69,159,529</b>	<b>1,151,433</b>	<b>1,228,496</b>
<b>Hedging</b>						
Interest rate derivatives						
- Swaps	460,929	6,434	535	420,060	321	1,294
	<b>71,858,087</b>	<b>966,963</b>	<b>917,346</b>	<b>69,579,589</b>	<b>1,151,754</b>	<b>1,229,790</b>
<b>Bank</b>						
<b>Trading</b>						
Foreign exchange derivatives						
- Forwards	6,095,352	31,042	27,705	6,293,279	26,005	132,973
- Swaps	14,484,446	316,891	213,290	14,708,278	492,933	368,271
- Options	659,127	4,604	1,602	1,008,722	7,917	3,824
Interest rate derivatives						
- Forwards	-	-	-	1,600,000	6,421	6,421
- Swaps	46,805,076	378,774	444,818	43,722,009	555,785	653,473
- Futures	293,004	412	-	40,121	-	69
Equity and other derivatives						
- Swaps	1,341,093	111,809	111,809	790,144	23,637	23,637
- Exchange traded futures	41,282	49	-	-	-	-
- Options	918,109	103,209	103,209	-	-	-
- Commodity related contracts	118,775	7,771	7,771	79,436	6,947	6,735
- Credit linked notes	706,100	6,404	6,404	923,051	33,129	33,129
- Credit default swaps	33,486	30	30	-	-	-
	<b>71,495,850</b>	<b>960,995</b>	<b>916,638</b>	<b>69,165,040</b>	<b>1,152,774</b>	<b>1,228,532</b>
<b>Hedging</b>						
Interest rate derivatives						
- Swaps	460,929	6,434	535	420,060	321	1,294
	<b>71,956,779</b>	<b>967,429</b>	<b>917,173</b>	<b>69,585,100</b>	<b>1,153,095</b>	<b>1,229,826</b>

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**18 OTHER ASSETS**

	Note	Group		Bank	
		30 September	31 December	30 September	31 December
		2021	2020	2021	2020
		RM'000	RM'000	RM'000	RM'000
Amount due from subsidiary	(a)	-	-	32,761	17,142
Interest/Profit receivable		152,438	161,442	130,504	136,500
Unquoted redeemable Islamic subordinated bonds of subsidiary	(b)	-	-	200,000	200,000
Other receivables, deposits and prepayments		177,403	216,867	173,266	212,591
Amount due from holding company		224	-	224	-
Impairment allowance on other receivables		-	(3,388)	-	(3,388)
		<u>330,065</u>	<u>374,921</u>	<u>536,755</u>	<u>562,845</u>

(a) The amount due from subsidiary 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 September	31 December	30 September	31 December
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
(a) By type of deposit				
Demand deposits	22,161,128	20,124,779	16,556,818	15,421,232
Saving deposits	15,975,151	15,938,290	15,096,133	15,112,670
Fixed/General investment deposits	30,932,077	34,197,811	25,778,805	29,008,624
Short-term money market deposits	5,556,764	3,114,652	4,201,894	2,339,787
	<u>74,625,120</u>	<u>73,375,532</u>	<u>61,633,650</u>	<u>61,882,313</u>
(b) By type of customer				
Government and statutory bodies	419,203	357,011	16,385	32,180
Non-bank financial institutions	4,246,830	2,872,064	2,205,554	1,574,260
Business enterprises	28,510,643	26,401,843	22,587,020	20,923,473
Individuals	37,189,695	39,440,098	32,880,970	35,361,947
Foreign entities	3,331,298	3,453,965	3,130,942	3,270,799
Others	927,451	850,551	812,779	719,654
	<u>74,625,120</u>	<u>73,375,532</u>	<u>61,633,650</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	27,922,710	32,676,693	23,128,459	27,259,593
Over six months to one year	8,451,511	4,557,115	6,767,258	4,013,882
Over one year to three years	102,494	66,874	73,319	63,468
Over three years to five years	12,126	11,781	11,663	11,468
	<u>36,488,841</u>	<u>37,312,463</u>	<u>29,980,699</u>	<u>31,348,411</u>

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

	Group		Bank	
	30 September	31 December	30 September	31 December
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Licensed banks and other financial institutions	6,443,030	5,195,681	6,424,582	5,157,288

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**21 OTHER LIABILITIES**

	<b>Group</b>		<b>Bank</b>	
	<b>30 September</b>	<b>31 December</b>	<b>30 September</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>
Amount due to subsidiary	-	-	105,728	69,065
Equity compensation benefits	20,747	18,813	19,963	18,042
Interest/Profit payable	159,335	303,202	134,732	254,472
Structured investments	1,561,612	1,087,406	1,561,612	1,087,406
Lease liabilities	27,910	27,739	24,683	23,259
Other payables and accruals	504,988	517,899	430,018	438,464
Provision for commitments and contingencies	14,813	2,034	34	-
	<b>2,289,405</b>	<b>1,957,093</b>	<b>2,276,770</b>	<b>1,890,708</b>

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

**22 SUBORDINATED BONDS**

	<b>Group and Bank</b>	
	<b>30 September</b>	<b>31 December</b>
	<b>2021</b>	<b>2020</b>
	<b>RM'000</b>	<b>RM'000</b>
USD110 million Additional Tier 1 Capital Securities	460,434	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 2021/2030	550,000	550,000
	<b>1,510,434</b>	<b>1,491,327</b>

**23 NET INTEREST INCOME**

<b>Group</b>	<b>Quarter ended</b>		<b>Year to date ended</b>	
	<b>30 September</b>	<b>30 September</b>	<b>30 September</b>	<b>30 September</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	467,021	521,339	1,417,428	1,775,834
- Recoveries from impaired loans, advances and financing	22,076	10,811	75,782	40,857
- Discount unwind from impaired loans, advances and financing	2,963	5,039	13,202	11,999
Money at call and deposit placements with banks and other financial institutions	10,948	17,666	39,143	52,329
Financial investments at FVOCI	103,525	100,679	300,174	295,526
Others	2,131	704	6,144	1,337
	<b>608,664</b>	<b>656,238</b>	<b>1,851,873</b>	<b>2,177,882</b>
Financial assets at FVTPL	19,839	17,296	46,641	56,394
	<b>628,503</b>	<b>673,534</b>	<b>1,898,514</b>	<b>2,234,276</b>
<b>Interest expense</b>				
Deposits from customers	(200,813)	(268,977)	(637,686)	(999,554)
Deposits and placements of banks and other financial institutions	(2,787)	(788)	(4,029)	(20,310)
Recourse obligation on loans sold to Cagamas Berhad	-	(7,778)	(9,299)	(23,163)
Subordinated bonds	(15,758)	(16,916)	(46,477)	(50,516)
Lease liabilities	(159)	(224)	(499)	(711)
Others	(2,034)	(8,225)	(3,401)	(27,913)
	<b>(221,551)</b>	<b>(302,908)</b>	<b>(701,391)</b>	<b>(1,122,167)</b>
<b>Net interest income</b>	<b>406,952</b>	<b>370,626</b>	<b>1,197,123</b>	<b>1,112,109</b>

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**23 NET INTEREST INCOME (continued)**

	Quarter ended		Year to date ended	
	30 September 2021 RM'000	30 September 2020 RM'000	30 September 2021 RM'000	30 September 2020 RM'000
<b>Bank</b>				
<b>Interest income</b>				
Loans, advances and financing				
- Interest income other than recoveries	467,021	521,339	1,417,428	1,775,834
- Recoveries from impaired loans, advances and financing	22,076	10,811	75,782	40,857
- Discount unwind from impaired loans, advances and financing	2,963	5,039	13,202	11,999
Money at call and deposit placements with banks and other financial institutions	22,009	24,994	69,063	90,870
Financial investments at FVOCI	103,525	101,467	300,174	297,994
Unquoted Islamic subordinated bond of subsidiary	2,419	2,420	7,180	7,207
Others	2,131	704	6,144	1,337
	<u>622,144</u>	<u>666,774</u>	<u>1,888,973</u>	<u>2,226,098</u>
Financial assets at FVTPL	19,839	17,296	46,641	56,394
	<u>641,983</u>	<u>684,070</u>	<u>1,935,614</u>	<u>2,282,492</u>
<b>Interest expense</b>				
Deposits from customers	(200,837)	(268,978)	(637,743)	(999,561)
Deposits and placements of banks and other financial institutions	(6,121)	(4,766)	(13,251)	(38,090)
Recourse obligation on loans sold to Cagamas Berhad	-	(7,778)	(9,299)	(23,163)
Subordinated bonds	(15,758)	(16,916)	(46,477)	(50,516)
Lease liabilities	(160)	(225)	(500)	(712)
Others	(8,224)	(10,877)	(20,527)	(39,767)
	<u>(231,100)</u>	<u>(309,540)</u>	<u>(727,797)</u>	<u>(1,151,809)</u>
<b>Net interest income</b>	<u>410,883</u>	<u>374,530</u>	<u>1,207,817</u>	<u>1,130,683</u>

**24 INCOME FROM ISLAMIC BANKING OPERATIONS**

	Quarter ended		Year to date ended	
	30 September 2021 RM'000	30 September 2020 RM'000	30 September 2021 RM'000	30 September 2020 RM'000
<b>Group</b>				
Income derived from investment of depositors' funds and others	125,179	136,829	379,009	432,480
Income derived from investment of specific investment account funds	13,629	8,504	37,727	41,439
Income derived from investment of shareholder's funds	35,668	32,952	103,330	96,386
Income attributable to depositors	(44,018)	(57,539)	(134,413)	(204,175)
Income attributable to investment account holder	(9,524)	(6,629)	(26,348)	(29,633)
	<u>120,934</u>	<u>114,117</u>	<u>359,305</u>	<u>336,497</u>

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**25 NET FEE AND COMMISSION INCOME**

<b>Group</b>	<b>Quarter ended</b>		<b>Year to date ended</b>	
	<b>30 September</b>	<b>30 September</b>	<b>30 September</b>	<b>30 September</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	68,793	73,063	233,284	180,102
Service charges and fees	31,030	31,792	116,843	103,617
Guarantee fees	116	471	505	1,670
Other fee income	1,049	1,531	3,602	5,489
	<b>100,988</b>	<b>106,857</b>	<b>354,234</b>	<b>290,878</b>
<b>Bank</b>				
Commission	68,793	73,063	228,694	180,102
Service charges and fees	31,030	31,036	116,843	102,207
Guarantee fees	116	471	505	1,670
Other fee income	1,049	1,531	3,602	5,489
	<b>100,988</b>	<b>106,101</b>	<b>349,644</b>	<b>289,468</b>

**26 NET TRADING INCOME**

<b>Group and Bank</b>	<b>Quarter ended</b>		<b>Year to date ended</b>	
	<b>30 September</b>	<b>30 September</b>	<b>30 September</b>	<b>30 September</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)/gain	(34,662)	122,741	(143,645)	15,454
Realised (loss)/gain on financial assets at FVTPL	(1,246)	16,170	(7,930)	55,285
Realised gain on trading derivatives	140,414	22,619	148,163	143,211
Unrealised loss on financial assets at FVTPL	(11,740)	(7,164)	(16,216)	(6,361)
Unrealised (loss)/gain on trading derivatives	(57,497)	(139,129)	151,127	(93,623)
	<b>35,269</b>	<b>15,237</b>	<b>131,499</b>	<b>113,966</b>

**27 OTHER OPERATING INCOME**

<b>Group</b>	<b>Quarter ended</b>		<b>Year to date ended</b>	
	<b>30 September</b>	<b>30 September</b>	<b>30 September</b>	<b>30 September</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/(Loss) on disposal:				
- Financial investments at FVOCI	23,248	1,077	41,948	70,993
- Property and equipment	-	(71)	-	(71)
Gross dividends from financial investments at FVOCI in Malaysia	149	409	774	859
Rental of premises	1,069	1,056	3,268	3,111
Rental of safe deposit boxes	1,380	1,395	4,692	4,693
Shared services income received from related companies	4,135	4,129	12,179	11,435
Unrealised gain on hedging derivatives	6	4	6	6
Others	352	142	999	339
	<b>30,339</b>	<b>8,141</b>	<b>63,866</b>	<b>91,365</b>

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**27 OTHER OPERATING INCOME (continued)**

	Quarter ended		Year to date ended	
	30 September 2021	30 September 2020	30 September 2021	30 September 2020
<b>Bank</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Gain/(Loss) on disposal:				
- Financial investments at FVOCI	23,248	1,077	41,948	70,993
- Property and equipment	-	(71)	-	(71)
Gross dividends from financial investments at FVOCI in Malaysia	149	409	774	859
Rental of premises	1,084	1,061	3,314	3,137
Rental of safe deposit boxes	1,380	1,395	4,692	4,693
Shared services income received from subsidiaries	26,498	26,483	78,762	83,067
Shared services income received from related companies	4,135	4,129	12,179	11,435
Unrealised gain on hedging derivatives	6	4	6	6
Others	351	143	994	340
	<b>56,851</b>	<b>34,630</b>	<b>142,669</b>	<b>174,459</b>

**28 OPERATING EXPENSES**

	Quarter ended		Year to date ended	
	30 September 2021	30 September 2020	30 September 2021	30 September 2020
<b>Group</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Personnel expenses</b>				
Wages, salaries and bonus	132,429	119,828	378,411	366,310
Employees Provident Fund contributions	20,556	18,443	60,285	55,968
Share-based expenses	2,859	2,756	8,140	8,004
Others	12,898	13,683	38,156	38,719
	<b>168,742</b>	<b>154,710</b>	<b>484,992</b>	<b>469,001</b>
<b>Establishment expenses</b>				
Depreciation of property and equipment	5,490	5,749	17,599	19,380
Depreciation of ROU assets	4,145	4,133	12,261	13,836
Rental of premises	-	-	21	-
Repair and maintenance	2,815	3,465	7,675	9,385
Information technology costs	12,114	12,516	33,003	35,690
Hire of equipment	259	270	734	762
Others	4,425	4,815	13,494	14,505
	<b>29,248</b>	<b>30,948</b>	<b>84,787</b>	<b>93,558</b>
<b>Marketing expenses</b>				
Advertisement and business promotion	3,365	2,114	6,956	7,037
Transport and travelling	313	461	961	1,773
Others	504	332	1,144	1,741
	<b>4,182</b>	<b>2,907</b>	<b>9,061</b>	<b>10,551</b>
<b>General administrative expenses</b>				
Transaction processing fees	85,819	83,667	249,847	253,984
Others	27,705	30,179	80,060	85,460
	<b>113,524</b>	<b>113,846</b>	<b>329,907</b>	<b>339,444</b>
<b>Total other operating expenses</b>	<b>315,696</b>	<b>302,411</b>	<b>908,747</b>	<b>912,554</b>

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**28 OPERATING EXPENSES (continued)**

	Quarter ended		Year to date ended	
	30 September 2021	30 September 2020	30 September 2021	30 September 2020
<b>Bank</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Personnel expenses</b>				
Wages, salaries and bonus	126,712	113,678	362,975	347,849
Employees Provident Fund contributions	19,693	17,517	57,686	53,101
Share-based expenses	2,777	2,658	7,886	7,730
Others	12,153	12,801	35,775	35,850
	<u>161,335</u>	<u>146,654</u>	<u>464,322</u>	<u>444,530</u>
<b>Establishment expenses</b>				
Depreciation of property and equipment	5,129	5,200	16,363	17,594
Depreciation of ROU assets	3,696	3,660	10,902	12,245
Rental of premises	4	-	27	1
Repair and maintenance	2,718	3,057	7,377	8,743
Information technology costs	11,955	12,345	32,514	35,180
Hire of equipment	250	248	668	675
Others	3,819	4,154	11,704	12,454
	<u>27,571</u>	<u>28,664</u>	<u>79,555</u>	<u>86,892</u>
<b>Marketing expenses</b>				
Advertisement and business promotion	3,329	2,086	6,817	6,899
Transport and travelling	295	440	921	1,689
Others	504	331	1,143	1,711
	<u>4,128</u>	<u>2,857</u>	<u>8,881</u>	<u>10,299</u>
<b>General administrative expenses</b>				
Transaction processing fees	80,288	76,739	233,609	232,968
Others	25,955	28,922	76,430	82,454
	<u>106,243</u>	<u>105,661</u>	<u>310,039</u>	<u>315,422</u>
<b>Total other operating expenses</b>	<u>299,277</u>	<u>283,836</u>	<u>862,797</u>	<u>857,143</u>

**29 IMPAIRMENT ALLOWANCE AND PROVISIONS CHARGE**

	Quarter ended		Year to date ended	
	30 September 2021	30 September 2020	30 September 2021	30 September 2020
<b>Group</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 net charge during the period	271,148	117,317	306,886	301,241
Stage 3 ECL				
- Charge during the period	104,522	127,107	419,324	338,620
- Writeback	(73,778)	(17,882)	(160,498)	(85,444)
Impaired loans, advances and financing				
- Recovered during the period	(11,593)	(10,306)	(39,766)	(24,152)
<b>Financial investments at FVOCI</b>				
Stage 1 and 2 ECL net (writeback)/charge during the period	(428)	179	(1,401)	1,028
<b>Other financial assets</b>				
Stage 1 and 2 ECL net charge/(writeback) during the period	60	(420)	87	739
Stage 3 ECL net charge during the period	3,362	3,400	3,429	3,426
<b>Commitments and contingencies</b>				
Net (writeback)/charge during the period	(1,186)	-	12,745	-
	<u>292,107</u>	<u>219,395</u>	<u>540,806</u>	<u>535,458</u>

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**29 IMPAIRMENT ALLOWANCE AND PROVISIONS CHARGE (continued)**

	Quarter ended		Year to date ended	
	30 September 2021 RM'000	30 September 2020 RM'000	30 September 2021 RM'000	30 September 2020 RM'000
<b>Bank</b>				
<b>Loans, advances and financing</b>				
Stage 1 and 2 ECL net charge during the period	245,484	140,045	267,282	251,093
Stage 3 ECL				
- Charge during the period	70,471	80,494	279,590	256,145
- Writeback	(57,838)	(13,265)	(133,360)	(64,470)
Impaired loans, advances and financing				
- Recovered during the period	(7,953)	(6,884)	(25,192)	(13,560)
<b>Investment account placements</b>				
Stage 1 and 2 ECL net charge/(writeback) during the period	425	(41,409)	829	(25,840)
<b>Financial investments at FVOCI</b>				
Stage 1 and 2 ECL net (writeback)/charge during the period	(387)	272	(1,359)	1,098
<b>Other financial assets</b>				
Stage 1 and 2 ECL net charge/(writeback) during the period	60	(420)	87	739
Stage 3 ECL net charge during the period	3,362	3,400	3,429	3,426
	<u>253,624</u>	<u>162,233</u>	<u>391,306</u>	<u>408,631</u>

**30 INCOME TAX EXPENSE**

	Quarter ended		Year to date ended	
	30 September 2021 RM'000	30 September 2020 RM'000	30 September 2021 RM'000	30 September 2020 RM'000
<b>Group</b>				
Malaysian income tax				
- Current period	78,466	44,656	221,842	158,412
Deferred tax				
- Origination and reversal of temporary differences	(55,062)	(21,873)	(52,328)	(37,639)
	<u>23,404</u>	<u>22,783</u>	<u>169,514</u>	<u>120,773</u>
<b>Bank</b>				
Malaysian income tax				
- Current period	63,614	41,280	192,624	140,458
Deferred tax				
- Origination and reversal of temporary differences	(48,829)	(18,621)	(42,273)	(27,033)
	<u>14,785</u>	<u>22,659</u>	<u>150,351</u>	<u>113,425</u>

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**31 COMMITMENTS AND CONTINGENCIES**

In the normal course of business, the Group and the Bank make various commitments and incur certain contingent liabilities with legal recourse to their customers. Apart from the provision for commitments and contingencies already made in the condensed interim financial statements, no material losses are anticipated as a result of these transactions. The credit equivalent and risk weighted amounts were computed using the credit conversion factors and risk weights as defined in BNM's Capital Adequacy Framework (Basel II) - Internal Ratings Approach.

<b>Group</b>	<b>Principal amount RM'000</b>	<b>Credit equivalent amount RM'000</b>	<b>Risk weighted amount RM'000</b>
<b>30 September 2021</b>			
Direct credit substitutes	246,974	246,974	205,278
Transaction-related contingent items	2,952,956	1,513,888	960,492
Short-term self-liquidating trade-related contingencies	193,990	43,276	24,584
Foreign exchange related contracts			
- One year or less	15,486,518	121,722	53,832
- Over one year to five years	5,018,689	646,344	131,757
- Over five years	635,026	46,357	52,683
Interest rate contracts			
- One year or less	19,023,484	4,802	1,135
- Over one year to five years	22,714,095	335,796	67,452
- Over five years	5,821,430	272,117	193,823
Equity and commodity related contracts	2,419,259	48,997	13,919
Credit derivative contracts	739,586	13,128	1,837
Formal standby facilities and credit lines			
- Original maturity up to one year	302,232	226,674	66,234
- Original maturity over one year	4,989,467	4,180,826	2,506,020
Other unconditionally cancellable commitments	20,522,925	2,325,635	393,619
Total	<u>101,066,631</u>	<u>10,026,536</u>	<u>4,672,665</u>
<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			
- One year or less	16,931,014	102,916	55,549
- Over one year to five years	4,316,190	606,583	130,157
- Over five years	757,564	76,134	80,839
Interest rate contracts			
- One year or less	16,341,840	8,955	2,612
- Over one year to five years	22,649,037	369,306	81,494
- Over five years	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			
- Original maturity up to one year	92,000	69,000	33,898
- Original maturity over one year	5,104,439	4,284,532	2,132,001
Other unconditionally cancellable commitments	19,318,729	2,329,691	384,702
Total	<u>97,610,426</u>	<u>10,128,338</u>	<u>4,501,317</u>

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**31 COMMITMENTS AND CONTINGENCIES (continued)**

<b>Bank</b>	<b>Principal amount</b>	<b>Credit equivalent amount</b>	<b>Risk weighted amount</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>30 September 2021</b>			
Direct credit substitutes	192,781	192,781	144,334
Transaction-related contingent items	2,592,629	1,330,874	836,928
Short-term self-liquidating trade-related contingencies	176,784	39,232	22,192
Foreign exchange related contracts			
- One year or less	15,585,884	121,264	52,870
- Over one year to five years	5,018,014	646,344	130,736
- Over five years	635,027	46,357	52,683
Interest rate contracts			
- One year or less	19,023,484	4,802	1,135
- Over one year to five years	22,714,095	335,796	67,452
- Over five years	5,821,430	272,117	166,565
Equity and commodity related contracts	2,419,259	48,997	13,919
Credit derivative contracts	739,586	13,128	1,837
Formal standby facilities and credit lines			
- Original maturity up to one year	285,432	214,074	62,614
- Original maturity over one year	4,372,462	3,697,600	2,112,868
Other unconditionally cancellable commitments	17,981,552	2,152,920	362,434
<b>Total</b>	<b>97,558,419</b>	<b>9,116,286</b>	<b>4,028,567</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			
- One year or less	16,936,018	102,584	55,289
- Over one year to five years	4,316,697	606,583	127,500
- Over five years	757,564	76,134	80,839
Interest rate contracts			
- One year or less	16,341,840	8,955	2,612
- Over one year to five years	22,649,037	369,306	81,494
- Over five years	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			
- Original maturity up to one year	52,000	39,000	20,696
- Original maturity over one year	4,610,303	3,892,414	1,805,140
Other unconditionally cancellable commitments	17,224,759	2,156,300	353,293
<b>Total</b>	<b>94,493,687</b>	<b>9,253,252</b>	<b>3,878,729</b>

**32 CAPITAL COMMITMENTS**

	<b>Group</b>		<b>Bank</b>	
	<b>30 September 2021</b>	<b>31 December 2020</b>	<b>30 September 2021</b>	<b>31 December 2020</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Capital expenditure commitments in respect of property and equipment contracted but not provided for	6,008	10,896	5,970	10,851

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### 33 FAIR VALUE OF FINANCIAL INSTRUMENTS

#### Fair value hierarchy of financial instruments

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

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

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

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**33 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)**

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

<u>Group</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
<b>30 September 2021</b>				
<b>Financial assets at fair value</b>				
Financial assets at FVTPL	2,290,529	1	-	2,290,530
Financial investments at FVOCI	16,974,770	1,696,025	116,047	18,786,842
Derivative financial assets	2,110	955,216	9,637	966,963
	<u>19,267,409</u>	<u>2,651,242</u>	<u>125,684</u>	<u>22,044,335</u>
<b>Financial liabilities at fair value</b>				
Derivative financial liabilities	309	909,174	7,863	917,346
<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>30 September 2021</b>				
<b>Financial assets at fair value</b>				
Financial assets at FVTPL	2,280,425	1	-	2,280,426
Financial investments at FVOCI	13,968,966	1,196,339	116,047	15,281,352
Derivative financial assets	2,120	955,805	9,504	967,429
	<u>16,251,511</u>	<u>2,152,145</u>	<u>125,551</u>	<u>18,529,207</u>
<b>Financial liabilities at fair value</b>				
Derivative financial liabilities	322	908,988	7,863	917,173
<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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### 33 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

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

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

	Group		Bank	
	30 September 2021 RM'000	31 December 2020 RM'000	30 September 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	(10,324)	(38)	(10,324)	(38)
Transferred from Level 3	-	(21,092)	-	(21,092)
Realised loss				
- Recognised in net trading income	(6,952)	(556)	(6,952)	(556)
Unrealised gain				
- Recognised in net trading income	8,363	1,426	8,231	1,425
- Recognised in other comprehensive income	4,198	6,752	4,198	6,752
At 30 September/31 December	<u>125,684</u>	<u>130,399</u>	<u>125,551</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 Level 3	-	(21,092)	-	(21,092)
Realised gain				
- Recognised in net trading income	(37,712)	(10,573)	(37,712)	(10,573)
Unrealised loss				
- Recognised in net trading income	7,426	31,727	7,430	31,723
At 30 September/31 December	<u>7,863</u>	<u>38,149</u>	<u>7,863</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	30 September 2021	31 December 2020	Classification	Valuation technique	Unobservable input
	Fair value RM'000	Fair value RM'000			
<b>Assets</b>					
Financial investments at FVOCI	116,047	112,030	FVOCI	Net asset value approach	Net asset value
Loans, advances and financing	-	11,381	FVTPL	Discounted cash flow analysis and market approach	Implied equity value, incentive fee and discount factor
Derivative financial assets	<u>9,637</u> <u>125,684</u>	<u>6,988</u> <u>130,399</u>	Hedge for trading	Option pricing model	Standard deviation
<b>Liabilities</b>					
Derivative financial liabilities	<u>7,863</u>	<u>38,149</u>	Hedge for trading	Option pricing model	Standard deviation

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### 33 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

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

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

	30 September	31 December	Classification	Valuation technique	Unobservable input
	2021	2020			
<b>Bank</b>	Fair value	Fair value			
	RM'000	RM'000			
<b>Assets</b>					
Financial investments at FVOCI	116,047	112,030	FVOCI	Net asset value approach	Net asset value
Loans, advances and financing	-	11,381	FVTPL	Discounted cash flow analysis and market approach	Implied equity value, incentive fee and discount factor
Derivative financial assets	9,504	6,987	Hedge for trading	Option pricing model	Standard deviation
	<u>125,551</u>	<u>130,398</u>			
<b>Liabilities</b>					
Derivative financial liabilities	7,863	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.

### 34 CAPITAL ADEQUACY

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

	Group		Bank	
	30 September 2021	31 December 2020	30 September 2021	31 December 2020
	RM'000	RM'000	RM'000	RM'000
<b>Common Equity Tier 1 ("CET 1") capital</b>				
Paid-up ordinary share capital	754,000	754,000	754,000	754,000
Retained earnings	7,301,951	7,085,291	6,210,565	6,026,695
Other reserves	703,784	933,379	605,744	794,439
Regulatory adjustment	(188,528)	(456,711)	(749,124)	(983,450)
	<u>8,571,207</u>	<u>8,315,959</u>	<u>6,821,185</u>	<u>6,591,684</u>
Additional Tier 1 capital	460,434	441,327	460,434	441,327
<b>Tier 1 capital</b>	<u>9,031,641</u>	<u>8,757,286</u>	<u>7,281,619</u>	<u>7,033,011</u>
Stage 1 and Stage 2 ECL and qualifying regulatory reserves under the Standardised Approach	19,351	15,773	16,526	13,189
Surplus eligible provisions over expected losses	266,760	264,540	211,582	211,179
Subordinated bonds	1,050,000	1,050,000	1,050,000	1,050,000
Regulatory adjustment	-	-	(200,000)	(200,000)
<b>Tier 2 capital</b>	<u>1,336,111</u>	<u>1,330,313</u>	<u>1,078,108</u>	<u>1,074,368</u>
<b>Capital base</b>	<u>10,367,752</u>	<u>10,087,599</u>	<u>8,359,727</u>	<u>8,107,379</u>

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**34 CAPITAL ADEQUACY (continued)**

	<b>Group</b>		<b>Bank</b>	
	<b>30 September 2021 RM'000</b>	<b>31 December 2020 RM'000</b>	<b>30 September 2021 RM'000</b>	<b>31 December 2020 RM'000</b>
<b>Before deducting proposed dividend</b>				
CET 1 capital ratio	16.298%	16.086%	16.107%	15.776%
Tier 1 capital ratio	17.173%	16.940%	17.194%	16.832%
Total capital ratio	19.714%	19.513%	19.740%	19.403%
<b>After deducting proposed dividend</b>				
CET 1 capital ratio	16.298%	15.686%	16.107%	15.281%
Tier 1 capital ratio	17.173%	16.539%	17.194%	16.337%
Total capital ratio	19.714%	19.113%	19.740%	18.908%

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

	<b>Group</b>		<b>Bank</b>	
	<b>30 September 2021 RM'000</b>	<b>31 December 2020 RM'000</b>	<b>30 September 2021 RM'000</b>	<b>31 December 2020 RM'000</b>
Total RWA for credit risk	46,008,119	45,351,918	36,585,731	36,251,649
Total RWA for market risk	1,467,947	1,329,110	1,475,096	1,327,520
Total RWA for operational risk	5,115,369	5,015,847	4,288,422	4,203,941
	<b>52,591,435</b>	<b>51,696,875</b>	<b>42,349,249</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>30 September 2021</b>	<b>31 December 2020</b>
CET 1/ Tier 1 capital ratio	16.891%	17.239%
Total capital ratio	<b>19.396%</b>	<b>19.810%</b>