

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

**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022**

Domiciled in Malaysia
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**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022**

CONTENTS	PAGE
STATEMENT OF FINANCIAL POSITION	3
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	4
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	5
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	6
STATEMENT OF CHANGES IN EQUITY	7
STATEMENTS OF CASH FLOWS	8 - 10
NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS	11 - 37

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 2022

	Note	Group		Bank	
		30 September 2022 RM'000	31 December 2021 RM'000	30 September 2022 RM'000	31 December 2021 RM'000
ASSETS					
Cash and cash equivalents	10	8,217,054	4,828,528	6,486,983	2,916,893
Deposits and placements with banks and other financial institutions	11	2,140,890	449,227	2,722,751	670,103
Investment account placements	12	-	-	2,732,890	2,567,432
Financial assets at fair value through profit or loss ("FVTPL")	13	550,237	1,833,268	545,188	1,823,178
Financial investments at fair value through other comprehensive income ("FVOCI")	14	19,921,753	18,896,597	16,508,164	15,377,703
Loans, advances and financing	15	65,081,332	65,831,689	52,469,756	53,398,910
Derivative financial assets	17	2,081,383	927,507	2,081,852	928,246
Other assets	18	438,731	350,468	486,850	609,400
Statutory deposits with Bank Negara Malaysia ("BNM")		53,172	63,937	53,172	63,937
Investments in subsidiaries		-	-	557,051	557,051
Property and equipment		137,026	147,231	133,641	142,856
Right-of-use ("ROU") assets		16,766	25,523	14,400	22,769
Tax recoverable		-	15,575	-	-
Deferred tax assets		321,933	285,075	278,810	243,465
Total assets		98,960,277	93,654,625	85,071,508	79,321,943
LIABILITIES					
Deposits from customers	19	73,380,154	73,986,617	60,976,840	61,046,763
Deposits and placements of banks and other financial institutions	20	9,133,742	5,648,806	9,087,486	5,620,070
Obligations on securities sold under repurchase agreements		242,023	-	242,023	-
Bills and acceptances payable		55,550	56,827	45,134	44,497
Derivative financial liabilities	17	1,787,755	860,074	1,787,726	860,439
Other liabilities	21	3,775,431	2,643,802	3,705,191	2,532,919
Tax payable and zakat		256,231	22,126	239,714	19,204
Subordinated bonds	22	1,050,000	1,509,279	1,050,000	1,509,279
Total liabilities		89,680,886	84,727,531	77,134,114	71,633,171
EQUITY					
Share capital		754,000	754,000	754,000	754,000
Reserves		8,525,391	8,173,094	7,183,394	6,934,772
Total equity		9,279,391	8,927,094	7,937,394	7,688,772
Total liabilities and equity		98,960,277	93,654,625	85,071,508	79,321,943
Commitments and contingencies	31	123,767,266	100,696,245	120,091,853	97,528,733

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

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

**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022**

Group	Note	Quarter ended		Year to date ended	
		30 September 2022	30 September 2021	30 September 2022	30 September 2021
		RM'000	RM'000	RM'000	RM'000
Interest income		723,649	608,664	1,945,542	1,851,873
Interest income for financial assets at FVTPL		9,603	19,839	33,565	46,641
Interest expense		(283,888)	(221,551)	(730,600)	(701,391)
Net interest income	23	449,364	406,952	1,248,507	1,197,123
Income from Islamic banking operations	24	122,577	120,934	350,411	359,305
Net fee and commission income	25	79,647	100,988	276,583	354,234
Net trading income	26	46,612	35,269	182,744	131,499
Other operating (expense)/income	27	(2,781)	30,339	(35,763)	63,866
Operating income		695,419	694,482	2,022,482	2,106,027
Operating expenses	28	(322,182)	(315,696)	(932,884)	(908,747)
Operating profit before impairment allowances and provisions		373,237	378,786	1,089,598	1,197,280
Impairment allowance and provisions writeback/(charge)	29	169,477	(292,107)	314,360	(540,806)
Profit before income tax and zakat		542,714	86,679	1,403,958	656,474
Income tax expense	30	(174,138)	(23,404)	(445,067)	(169,514)
Zakat		(12)	(13)	(37)	(38)
Profit for the period		368,564	63,262	958,854	486,922
Other comprehensive income, net of income tax					
Items that will not be reclassified to profit or loss					
Change in fair value reserve (equity instruments)		-	-	3,993	4,198
Items that are or may be reclassified subsequently to profit or loss					
FVOCI reserve (debt instruments)					
- Change in fair value		(29,729)	(83,395)	(289,850)	(248,047)
- Amount transferred to profit or loss		9,752	(29,044)	57,233	(59,588)
- Related tax		4,796	26,986	55,830	73,842
Change in expected credit loss ("ECL") reserve on debt instruments at FVOCI		324	(428)	362	(1,401)
Other comprehensive expense for the period		(14,857)	(85,881)	(172,432)	(230,996)
Total comprehensive income/(expense) for the period		353,707	(22,619)	786,422	255,926
Profit attributable to owner of the Bank		368,564	63,262	958,854	486,922
Total comprehensive income/(expense) attributable to owner of the Bank		353,707	(22,619)	786,422	255,926
Basic earnings per ordinary share (sen)		128.2	22.0	333.5	169.4

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

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

**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022**

Bank	Note	Quarter ended		Year to date ended	
		30 September 2022 RM'000	30 September 2021 RM'000	30 September 2022 RM'000	30 September 2021 RM'000
Interest income		744,606	622,144	1,997,600	1,888,973
Interest income for financial assets at FVTPL		9,603	19,839	33,565	46,641
Interest expense		(302,386)	(231,100)	(773,756)	(727,797)
Net interest income	23	451,823	410,883	1,257,409	1,207,817
Net fee and commission income	25	78,522	100,988	273,465	349,644
Net trading income	26	46,612	35,269	182,744	131,499
Other operating income	27	25,107	56,851	45,914	142,669
Operating income		602,064	603,991	1,759,532	1,831,629
Operating expenses	28	(307,118)	(299,277)	(888,675)	(862,797)
Operating profit before impairment allowance and provision		294,946	304,714	870,857	968,832
Impairment allowances and provisions writeback/(charge)	29	203,420	(253,624)	353,764	(391,306)
Profit before income tax		498,366	51,090	1,224,621	577,526
Income tax expense	30	(161,255)	(14,785)	(399,913)	(150,351)
Profit for the period		337,111	36,305	824,708	427,175
Other comprehensive income, net of income tax					
<i>Items that will not be reclassified to profit or loss</i>					
Change in fair value reserve (equity instruments)		-	-	3,993	4,198
<i>Items that are or may be reclassified subsequently to profit or loss</i>					
FVOCI reserve (debt instruments)					
- Change in fair value		(25,553)	(73,713)	(249,990)	(211,868)
- Amount transferred to profit or loss		9,752	(23,247)	57,603	(41,947)
- Related tax		3,793	23,271	46,174	60,923
Change in expected credit loss ("ECL") reserve on debt instruments at FVOCI		222	(387)	259	(1,359)
Other comprehensive expense for the period		(11,786)	(74,076)	(141,961)	(190,053)
Total comprehensive income/(expense) for the period		325,325	(37,771)	682,747	237,122
Profit attributable to owner of the Bank		337,111	36,305	824,708	427,175
Total comprehensive income/(expense) attributable to owner of the Bank		325,325	(37,771)	682,747	237,122
Basic earnings per ordinary share (sen)		117.3	12.6	286.9	148.6

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

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022

<u>Group</u>	<i>Non-distributable</i>			<i>Distributable</i>		Total equity RM'000
	Share capital RM'000	Regulatory reserve RM'000	ECL reserve RM'000	Fair value reserve RM'000	Retained earnings RM'000	
At 1 January 2022	754,000	600,000	446	30,069	7,542,579	8,927,094
Fair value reserve						
- Change in fair value	-	-	-	(285,857)	-	(285,857)
- Transferred to profit or loss	-	-	-	57,233	-	57,233
- Related tax	-	-	-	55,830	-	55,830
Change in ECL reserve	-	-	362	-	-	362
Total other comprehensive income/(expense) for the period	-	-	362	(172,794)	-	(172,432)
Profit for the period	-	-	-	-	958,854	958,854
Total comprehensive income/(expense) for the period	-	-	362	(172,794)	958,854	786,422
Transfer upon disposal of equity investment designated at FVOCI				(10,150)	10,150	-
Contributions by and distributions to owner of the Bank						
Final 2021 ordinary dividend paid	-	-	-	-	(434,125)	(434,125)
At 30 September 2022	754,000	600,000	808	(152,875)	8,077,458	9,279,391
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)
Total other comprehensive income for the period	-	-	(1,401)	(229,595)	-	(230,996)
Profit for the period	-	-	-	-	486,922	486,922
Total comprehensive income for the period	-	-	(1,401)	(229,595)	486,922	255,926
Contributions by and distributions to owner of the Bank						
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

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

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022

Bank	<i>Non-distributable</i>			<i>Distributable</i>		Total equity RM'000
	Share capital RM'000	Regulatory reserve RM'000	ECL reserve RM'000	Fair value reserve RM'000	Retained earnings RM'000	
At 1 January 2022	754,000	509,000	392	35,539	6,389,841	7,688,772
Fair value reserve						
- Change in fair value	-	-	-	(245,997)	-	(245,997)
- Transferred to profit or loss	-	-	-	57,603	-	57,603
- Related tax	-	-	-	46,174	-	46,174
Change in ECL reserve	-	-	259	-	-	259
Total other comprehensive income/(expense) for the period	-	-	259	(142,220)	-	(141,961)
Profit for the period	-	-	-	-	824,708	824,708
Total comprehensive income/(expense) for the period	-	-	259	(142,220)	824,708	682,747
Transfer upon disposal of equity investment designated at FVOCI				(10,150)	10,150	-
Contributions by and distributions to owner of the Bank						
Final 2021 ordinary dividend paid	-	-	-	-	(434,125)	(434,125)
At 30 September 2022	754,000	509,000	651	(116,831)	6,790,574	7,937,394
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)
Total other comprehensive expense for the period	-	-	(1,359)	(188,694)	-	(190,053)
Profit for the period	-	-	-	-	427,175	427,175
Total comprehensive (expense)/income for the period	-	-	(1,359)	(188,694)	427,175	237,122
Contributions by and distributions to owner of the Bank						
Final 2020 ordinary dividend paid	-	-	-	-	(207,000)	(207,000)
At 30 September 2021	754,000	509,000	467	96,745	6,246,870	7,607,082

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

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022

	Group		Bank	
	Year to date ended	Year to date ended	Year to date ended	Year to date ended
	30 September	30 September	30 September	30 September
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Cash flows from operating activities				
Profit before income tax and zakat	1,403,958	656,474	1,224,621	577,526
<i>Adjustments for:</i>				
Depreciation of property, plant and equipment	16,989	17,599	15,903	16,363
Depreciation of right-of-use assets	9,553	12,261	8,444	10,902
Dividends received from financial investments at FVOCI	(599)	(774)	(599)	(774)
Impairment allowances and provisions	(261,698)	567,827	(318,647)	416,498
Finance expense on ROU assets	379	560	335	500
Net loss/(gain) on disposal of:				
- Financial investments at FVOCI	57,233	(59,588)	57,603	(41,947)
- Property and equipment	147	47	-	-
Share-based costs	12,197	8,140	11,905	7,886
Unrealised loss/(gain) on:				
- Financial assets at FVTPL	2,966	16,267	2,820	16,216
- Hedging derivatives	220	(6)	220	(6)
- Trading derivatives	(282,674)	(151,757)	(282,766)	(151,127)
- Subordinated bonds	9,541	5,022	9,541	5,022
Operating profit before changes in working capital	968,212	1,072,072	729,380	857,059
<i>Changes in operating assets and operating liabilities:</i>				
Deposits and placements with banks and other financial institutions	(1,691,720)	(103,339)	(2,052,705)	(145,160)
Investment account placements	-	-	(162,015)	(247,524)
Financial assets at FVTPL	1,280,065	(993,322)	1,275,170	(993,322)
Loans, advances and financing	1,025,408	338,392	1,244,635	1,135,400
Other assets	(88,228)	41,393	(77,420)	22,627
Statutory deposits with Bank Negara Malaysia	10,765	(71)	10,765	(71)
Derivative financial assets and liabilities	82,028	24,070	81,996	24,106
Deposits from customers	(606,463)	1,249,588	(69,923)	(248,663)
Deposits and placements of banks and other financial institutions	3,484,936	1,247,349	3,467,416	1,267,294
Obligations on securities sold under repurchase agreements	242,023	-	242,023	-
Bills and acceptances payable	(1,277)	(12,383)	637	(6,706)
Other liabilities	1,115,408	338,087	1,168,912	390,838
Cash generated from operations	5,821,157	3,201,836	5,858,871	2,055,878
Income tax and zakat paid	(176,452)	(159,683)	(168,574)	(139,393)
Net cash generated from operating activities	5,644,705	3,042,153	5,690,297	1,916,485

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

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2022 (continued)

	Group		Bank	
	Year to date ended	Year to date ended	Year to date ended	Year to date ended
	30 September	30 September	30 September	30 September
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Cash flows from investing activities				
Proceeds from redemption of Murabahah subordinated Sukuk issued by subsidiary	-	-	200,000	-
Acquisition of financial investments at FVOCI	(16,411,203)	(17,698,047)	(12,084,783)	(10,602,047)
Acquisition of property and equipment	(7,363)	(13,490)	(7,115)	(12,919)
Dividends received from financial investments at FVOCI	599	774	599	774
Proceeds from disposal of financial investments at FVOCI	15,074,421	18,780,249	10,682,556	11,021,367
Proceeds from disposal of property and equipment	429	685	429	682
Net cash (used in)/from investing activities	(1,343,117)	1,070,171	(1,208,314)	407,857
Cash flows from financing activities				
Dividends paid to owner of the Bank	(434,125)	(207,000)	(434,125)	(207,000)
Redemption of subordinated bonds	(468,820)	-	(468,820)	-
Payment of lease liabilities	(10,079)	(10,903)	(8,920)	(9,489)
Repayment of recourse obligation on loans sold to sold to Cagamas Berhad	-	(700,000)	-	(700,000)
Net cash used in financing activities	(913,024)	(917,903)	(911,865)	(916,489)
Net increase in cash and cash equivalents	3,388,564	3,194,421	3,570,118	1,407,853
Cash and cash equivalents at 1 January	4,828,559	2,926,224	2,916,924	3,056,716
Cash and cash equivalents at 30 September	8,217,123	6,120,645	6,487,042	4,464,569

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

OCBC BANK (MALAYSIA) BERHAD
AND ITS SUBSIDIARY COMPANIES
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UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS
STATEMENTS OF CASH FLOWS FOR THE FINANCIAL PERIOD ENDED 31 SEPTEMBER 2022 (continued)

Changes in liabilities arising from financing activities

	At 1 January RM'000	Net Cash outflows RM'000	Foreign exchange movement RM'000	Acquisition of new leases* RM'000	Finance cost RM'000	At 30 September RM'000
2022						
<u>Group</u>						
Subordinated bonds	1,509,279	(468,820)	9,541	-	-	1,050,000
Lease liabilities	24,429	(10,079)	-	796	379	15,525
Total liabilities from financing activities	<u>1,533,708</u>	<u>(478,899)</u>	<u>9,541</u>	<u>796</u>	<u>379</u>	<u>1,065,525</u>
<u>Bank</u>						
Subordinated bonds	1,509,279	(468,820)	9,541	-	-	1,050,000
Lease liabilities	21,620	(8,920)	-	75	335	13,110
Total liabilities from financing activities	<u>1,530,899</u>	<u>(477,740)</u>	<u>9,541</u>	<u>75</u>	<u>335</u>	<u>1,063,110</u>
2021						
<u>Group</u>						
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>
<u>Bank</u>						
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>

* Acquisition of new leases includes changes in lease terms.

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

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 30 SEPTEMBER 2022

GENERAL INFORMATION

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

FINANCIAL PERFORMANCE

The Group recorded a net profit of RM959 million for the financial period ended 30 September 2022; an increase of RM472 million or 97% compared to the corresponding period last year. This was mainly contributed by net writeback in expected credit loss allowances of RM314 million as opposed to net charge of RM541 million in the same period last year, following upgrades of borrowers previously under relief assistance who have resumed repayments for at least six months after expiry of relief programs and a better economic outlook as the country transitions to endemicity.

The Group's total income declined by RM84 million or 4% to RM2,022 million, largely due to lower commission income of RM73 million and loss on disposal of off-the-run financial investments at FVOCI of RM58 million against gain of RM42 million in the same corresponding period last year, partially offset by higher net interest income of RM51 million and net trading income of RM51 million.

Total assets grew by RM5,306 million or 6% to RM98,960 million (31 December 2021: RM93,655 million), mainly attributed to higher cash and cash equivalents by RM3,389 million, derivative financial assets by RM1,153 million and financial investments at FVOCI by RM1,025 million. Total liabilities increase of RM4,953 million or 6% was mainly from deposits and placements of banks and other financial institutions by RM3,485 million.

After deducting proposed dividends, the Group and the Bank remained well capitalised with Common Equity Tier 1 capital ratios of 14.407% and 13.515%, Tier 1 capital ratios of 14.407% and 13.515% and Total capital ratios of 16.938% and 16.482% respectively.

ECONOMIC PERFORMANCE AND PROSPECTS

The Malaysian economy strengthened in the second quarter of 2022, registering a growth of 8.9% against the previous quarter's 5.0%. This brought the first-half gross domestic product ("GDP") growth to 6.9%. Given this development, the Malaysian Government raised its 2022 economic growth forecast to 6.5% - 7.0%, from its March 2022 forecast of 5.3% - 6.3%. The higher growth in 2Q 2022 reflected normalising of economic activity as the country moved towards endemicity and reopened its international borders.

The Malaysian economy will continue to be supported by firm domestic demand, improving labour market conditions and higher tourist arrivals, along with the continued implementation of multi-year investment projects. However, downside risks to the economy continue to stem from a weaker-than-expected global growth, further escalation of geopolitical conflicts and worsening supply chain disruptions.

During the year, BNM raised the Overnight Policy Rate ("OPR") by a total of 75 basis points to 2.50%. At the current OPR level, the monetary policy remains accommodative and supportive of economic growth amidst inflationary pressures.

While some tightening in funding conditions is expected towards the end of 2022, banks continue to operate with strong capital and liquidity buffers to ensure financial intermediation remains supportive of the economy.

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

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 30 SEPTEMBER 2022 (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, *Interim Financial Reporting*, International Accounting Standard 34, *Interim Financial Reporting* and applicable Shariah requirements (operations of Islamic Banking).

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

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

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

The adoption of the abovementioned amendments to accounting standards did not have any material impact on the financial statements of the Group and the Bank.

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

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

Effective for annual periods commencing on or after 1 January 2023

- *Amendments to MFRS 101, Presentation of Financial Statements and MFRS Practice Statement 2, Making Materiality Judgements - Disclosure of Accounting Policies*
- *Amendments to MFRS 108, Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates*
- *Amendments to MFRS 112, Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

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

1 BASIS OF PREPARATION (continued)

(a) Statement of compliance (continued)

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

(b) Use of estimates and judgements

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

In preparing these unaudited condensed interim financial statements, the significant judgements made by management in applying the Group's and the Bank's accounting policies and the key sources of estimation uncertainty were the same as those applied to the audited financial statements as at and for the financial year ended 31 December 2021.

2 SIGNIFICANT ACCOUNTING POLICIES

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

3 AUDITOR'S REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditor's report on the financial statements for the financial year ended 31 December 2021 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

On 18 March 2022, the Bank redeemed the full amount of its Additional Tier 1 Capital Securities ("AT1CS") of USD110 million in nominal value, without replacement.

The Bank's subsidiary, OCBC Al-Amin Bank Berhad, redeemed its RM200 million Murabahah subordinated Sukuk, which was subscribed by the Bank, on its callable date on 24 May 2022.

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 2022.

7 DIVIDENDS

No dividend was proposed for the financial period ended 30 September 2022.

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

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

8 SUBSEQUENT EVENTS

On 27 October 2022, the Bank redeemed RM390 million and RM110 million Tier 2 Subordinated Bonds ("T2SB") funded by a replacement issuance of RM500 million T2SB executed on the same day of redemption.

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 2022.

10 CASH AND CASH EQUIVALENTS

	Group		Bank	
	30 September 2022	31 December 2021	30 September 2022	31 December 2021
	RM'000	RM'000	RM'000	RM'000
Cash and balances with banks and other financial institutions	671,629	597,312	498,454	505,341
Money at call and deposit placements with financial institutions maturing within one month	101,187	148,818	419,888	417,583
Deposit placements with Bank Negara Malaysia	7,444,307	4,082,429	5,568,700	1,994,000
	8,217,123	4,828,559	6,487,042	2,916,924
ECL allowance	(69)	(31)	(59)	(31)
	8,217,054	4,828,528	6,486,983	2,916,893

Included in the Bank's cash and cash equivalents are deposits and placements with its Islamic Banking subsidiary, OCBC Al-Amin Bank Berhad, amounting to RM319 million (31 December 2021: RM269 million), which are unsecured and profit bearing.

(a) Movements in ECL allowance

	Group		Bank	
	30 September 2022	31 December 2021	30 September 2022	31 December 2021
	RM'000	RM'000	RM'000	RM'000
Stage 1 ECL				
At 1 January	31	18	31	18
New financial assets originated or purchased	13	9	13	9
Financial assets derecognised	(2)	(9)	(2)	(9)
Net remeasurement during the period/year	27	12	17	12
Other movements	-	1	-	1
At 30 September/31 December	69	31	59	31

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

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

11 DEPOSITS AND PLACEMENTS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS

	Group		Bank	
	30 September 2022	31 December 2021	30 September 2022	31 December 2021
	RM'000	RM'000	RM'000	RM'000
Licensed banks	2,140,955	449,235	2,722,816	670,111
ECL allowance	(65)	(8)	(65)	(8)
	<u>2,140,890</u>	<u>449,227</u>	<u>2,722,751</u>	<u>670,103</u>

Included in the Bank's deposits and placements with licensed banks are deposits and placements with its Islamic Banking subsidiary, OCBC Al-Amin Bank Berhad, amounting to RM582 million (31 December 2021: RM221 million), which are unsecured and profit bearing.

(a) Movements in ECL allowance

	Group		Bank	
	30 September 2022	31 December 2021	30 September 2022	31 December 2021
	RM'000	RM'000	RM'000	RM'000
Stage 1 ECL				
At 1 January	8	-	8	-
New financial assets originated or purchased	49	50	49	50
Financial assets derecognised	(3)	(15)	(3)	(15)
Net remeasurement during the period/year	8	(28)	8	(28)
Other movements	3	1	3	1
At 30 September/31 December	<u>65</u>	<u>8</u>	<u>65</u>	<u>8</u>

12 INVESTMENT ACCOUNT PLACEMENTS

	Bank	
	30 September 2022	31 December 2021
	RM'000	RM'000
Restricted Profit Sharing Investment Accounts	2,765,887	2,603,872
ECL allowance	(32,997)	(36,440)
	<u>2,732,890</u>	<u>2,567,432</u>

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

(a) Movements in ECL allowance

<u>Bank</u>	<i>Non credit-impaired</i>		<i>Credit-impaired</i>	Total
	Stage 1	Stage 2	Stage 3	
	RM'000	RM'000	RM'000	RM'000
2022				
At 1 January	2,970	701	32,769	36,440
New financial assets originated or purchased	786	-	-	786
Financial assets derecognised	(605)	-	-	(605)
Net remeasurement during the period	473	555	(4,652)	(3,624)
At 30 September	<u>3,624</u>	<u>1,256</u>	<u>28,117</u>	<u>32,997</u>

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

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

12 INVESTMENT ACCOUNT PLACEMENTS (continued)

(a) Movements in ECL allowance (continued)

Bank	<i>Non credit-impaired</i>		<i>Credit-</i>	Total
	Stage 1	Stage 2	Stage 3	
	ECL	ECL	ECL	Total ECL
	RM'000	RM'000	RM'000	RM'000
2021				
At 1 January	1,776	-	32,769	34,545
Transferred to Stage 2	(313)	313	-	-
New financial assets originated or purchased	3,765	-	-	3,765
Financial assets derecognised	(176)	-	-	(176)
Net remeasurement during the year	(2,095)	388	-	(1,707)
Other movements	13	-	-	13
At 31 December	2,970	701	32,769	36,440

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

	Group		Bank	
	30 September 2022	31 December 2021	30 September 2022	31 December 2021
	RM'000	RM'000	RM'000	RM'000
At fair value				
Malaysian Government Investment Issues	367,550	574,337	367,550	574,337
Malaysian Government Securities	42,139	957,467	42,139	957,467
Malaysian Government Treasury Bills	79,603	256,356	79,603	256,356
Corporate Bonds and Sukuk	60,945	45,108	55,896	35,018
	550,237	1,833,268	545,188	1,823,178

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

	Group		Bank	
	30 September 2022	31 December 2021	30 September 2022	31 December 2021
	RM'000	RM'000	RM'000	RM'000
At fair value				
Malaysian Government Investment Issues	5,676,973	7,772,731	3,927,763	5,694,130
Malaysian Government Securities	5,328,074	4,549,807	5,328,074	4,549,807
Malaysian Treasury Bills and Islamic Treasury Bills	2,052,255	2,002,423	1,426,523	1,456,004
Malaysian Government Debt Securities and Sukuk	30,123	30,543	30,123	30,543
Foreign Government Debt Securities	-	161,226	-	161,226
Negotiable Instruments of Deposit and Islamic Negotiable Instruments of Deposit	4,172,322	1,248,206	3,524,145	698,711
Corporate and Islamic Corporate Bonds, Sukuk and Sanadat Mudharabah Cagamas	2,552,466	3,015,614	2,161,996	2,671,235
Unquoted shares in Malaysia				
- Cagamas Holdings Berhad	85,595	83,597	85,595	83,597
- Others	23,945	32,450	23,945	32,450
	19,921,753	18,896,597	16,508,164	15,377,703

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

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

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

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

Group	30 September 2022			31 December 2021		
	Stage 1 RM'000	Stage 2 RM'000	Total non credit- impaired RM'000	Stage 1 RM'000	Stage 2 RM'000	Total non credit- impaired RM'000
At 1 January	415	31	446	1,916	-	1,916
Transferred to Stage 1	-	-	-	48	(48)	-
Transferred to Stage 2	(3)	3	-	(72)	72	-
New financial assets originated or purchased	668	-	668	574	-	574
Financial assets derecognised	(172)	(16)	(188)	(736)	(10)	(746)
Net remeasurement during the period/year	(120)	(15)	(135)	(1,336)	17	(1,319)
Other movements	17	-	17	21	-	21
At 30 September/ 31 December	805	3	808	415	31	446
Bank						
At 1 January	361	31	392	1,826	-	1,826
Transferred to Stage 1	-	-	-	48	(48)	-
Transferred to Stage 2	(3)	3	-	(65)	65	-
New financial assets originated or purchased	471	-	471	393	-	393
Financial assets derecognised	(117)	(16)	(133)	(634)	(4)	(638)
Net remeasurement during the period/year	(81)	(15)	(96)	(1,228)	18	(1,210)
Other movements	17	-	17	21	-	21
At 30 September/ 31 December	648	3	651	361	31	392

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

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

15 LOANS, ADVANCES AND FINANCING

	Group		Bank	
	30 September 2022 RM'000	31 December 2021 RM'000	30 September 2022 RM'000	31 December 2021 RM'000
At amortised cost				
Overdrafts	2,670,267	2,585,536	2,157,856	2,145,481
Term loans/financing:				
- Housing loans/financing	20,196,771	21,667,064	18,515,973	19,870,536
- Syndicated term loans/financing	7,326,093	7,389,689	5,481,188	5,201,915
- Hire purchase receivables	285,999	285,998	43,063	32,116
- Other term loans/financing	20,726,459	21,207,975	16,049,565	16,463,917
Credit cards	496,642	500,460	496,642	500,460
Bills receivable	78,418	137,955	45,554	105,279
Trust receipts	33,126	30,395	32,825	30,395
Claims on customers under acceptance credits	3,100,899	2,583,166	2,733,336	2,240,143
Revolving credit	9,882,456	8,986,911	6,224,135	6,009,014
Staff loans/financing	41,942	42,684	41,942	42,684
Other loans/financing	1,777,480	2,337,184	1,694,655	2,206,007
Gross loans, advances and financing	66,616,552	67,755,017	53,516,734	54,847,947
ECL allowance	(1,535,220)	(1,923,328)	(1,046,978)	(1,449,037)
Net loans, advances and financing	65,081,332	65,831,689	52,469,756	53,398,910
(a) By type of customer				
Domestic banking institutions	93,984	-	93,984	-
Domestic non-bank financial institutions	3,126,860	2,524,749	1,222,147	1,216,049
Domestic business enterprises				
- Small and medium enterprises	12,672,848	13,935,576	10,356,013	11,534,668
- Others	25,965,653	24,608,190	19,209,625	17,838,253
Individuals	22,442,593	24,035,508	20,603,428	22,045,361
Foreign entities	2,314,614	2,650,994	2,031,537	2,213,616
	66,616,552	67,755,017	53,516,734	54,847,947
(b) By interest/profit rate sensitivity				
Fixed rate				
- Housing loans/financing	80,762	109,722	4,605	20,503
- Hire purchase receivables	189,062	179,736	29,200	21,778
- Other fixed rate loans/financing	7,375,319	7,096,688	6,364,891	5,975,709
Variable rate				
- Base rate/Base lending rate/Base financing rate plus	32,609,890	35,054,619	28,828,438	31,142,775
- Cost plus	25,407,776	23,339,108	17,354,159	15,742,111
- Other variable rates	953,743	1,975,144	935,441	1,945,071
	66,616,552	67,755,017	53,516,734	54,847,947

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

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

15 LOANS, ADVANCES AND FINANCING (continued)

	Group		Bank	
	30 September 2022	31 December 2021	30 September 2022	31 December 2021
	RM'000	RM'000	RM'000	RM'000
(c) By sector				
Agriculture, hunting, forestry and fishing	3,912,836	3,828,870	2,369,408	2,460,396
Mining and quarrying	378,831	547,050	236,133	284,851
Manufacturing	8,550,468	8,440,462	6,583,746	6,489,915
Electricity, gas and water	495,964	577,508	457,184	531,369
Construction	2,547,504	2,637,464	1,531,196	1,605,714
Real estate	8,729,700	8,737,219	7,501,886	7,592,183
Wholesale & retail trade and restaurants & hotels	8,177,233	7,891,526	7,083,793	6,765,437
Transport, storage and communication	1,626,058	2,165,923	851,850	998,322
Finance, insurance and business services	4,122,031	3,414,895	1,825,880	1,778,669
Community, social and personal services	3,772,757	3,529,469	2,712,374	2,453,906
Household				
- Purchase of residential properties	21,001,073	22,536,086	19,312,003	20,730,743
- Purchase of non-residential properties	712,965	785,409	666,220	734,208
- Others	2,330,267	2,432,794	2,130,864	2,193,890
Others	258,865	230,342	254,197	228,344
	<u>66,616,552</u>	<u>67,755,017</u>	<u>53,516,734</u>	<u>54,847,947</u>
(d) By geography determined based on where the credit risk resides				
Malaysia	64,761,566	65,333,495	51,661,748	52,795,891
Singapore	1,170,173	1,366,595	1,170,173	1,297,966
Other ASEAN countries	226,623	309,316	226,623	253,004
Rest of the world	458,190	745,611	458,190	501,086
	<u>66,616,552</u>	<u>67,755,017</u>	<u>53,516,734</u>	<u>54,847,947</u>
(e) By residual contractual maturity				
Up to one year	16,640,481	18,867,220	11,843,079	14,517,255
Over one year to three years	5,621,294	5,132,932	4,977,345	4,018,451
Over three years to five years	9,324,594	7,744,271	6,063,587	4,997,280
Over five years	35,030,183	36,010,594	30,632,723	31,314,961
	<u>66,616,552</u>	<u>67,755,017</u>	<u>53,516,734</u>	<u>54,847,947</u>

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

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

16 IMPAIRED LOANS, ADVANCES AND FINANCING

(i) Movements in impaired loans, advances and financing

	Group		Bank	
	30 September 2022	31 December 2021	30 September 2022	31 December 2021
	RM'000	RM'000	RM'000	RM'000
At 1 January	2,443,262	1,929,115	1,898,710	1,314,024
Impaired during the period/year	1,622,814	1,862,420	1,308,615	1,606,597
Reclassified as non-credit impaired	(147,846)	(263,113)	(118,558)	(238,893)
Amount recovered	(632,594)	(830,963)	(578,396)	(597,967)
Amount written off	(86,719)	(254,771)	(65,772)	(185,625)
Effect of foreign exchange difference	-	574	-	574
At 30 September/31 December	3,198,917	2,443,262	2,444,599	1,898,710
Stage 3 ECL allowance	(824,732)	(531,926)	(495,389)	(311,031)
Net impaired loans, advances and financing	2,374,185	1,911,336	1,949,210	1,587,679

(a) By sector

Agriculture, hunting, forestry and fishing	26,113	27,451	24,477	24,489
Mining and quarrying	15,554	14,442	15,554	14,442
Manufacturing	550,543	528,549	444,392	496,781
Electricity, gas and water	60,467	-	60,467	-
Construction	134,010	101,510	66,619	40,105
Real estate	240,261	197,791	201,265	192,160
Wholesale & retail trade and restaurants & hotels	688,280	491,015	422,073	294,246
Transport, storage and communication	45,786	51,505	11,428	8,092
Finance, insurance and business services	29,967	43,740	18,725	27,336
Community, social and personal services	54,700	47,518	50,375	39,292
Household				
- Purchase of residential properties	1,179,376	796,033	988,028	649,118
- Purchase of non-residential properties	31,965	20,020	29,949	18,883
- Others	141,392	123,688	111,247	93,766
Others	503	-	-	-
	3,198,917	2,443,262	2,444,599	1,898,710

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

Malaysia	3,075,965	2,366,972	2,334,022	1,828,599
Singapore	80,171	56,198	75,675	50,070
Rest of the world	42,781	20,092	34,902	20,041
	3,198,917	2,443,262	2,444,599	1,898,710

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 30 SEPTEMBER 2022 (continued)**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	2022	Non credit-impaired		Credit-impaired	2021
	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000	Stage 1 RM'000	Stage 2 RM'000	Stage 3 RM'000	Total RM'000
At 1 January	164,509	1,226,893	531,926	1,923,328	316,391	681,077	464,752	1,462,220
Transferred to Stage 1	322,508	(313,817)	(8,691)	-	296,613	(281,464)	(15,149)	-
Transferred to Stage 2	(23,699)	43,205	(19,506)	-	(149,027)	176,670	(27,643)	-
Transferred to Stage 3	(350)	(289,490)	289,840	-	(2,183)	(212,362)	214,545	-
New financial assets originated or purchased	100,413	143,964	-	244,377	163,988	262,368	-	426,356
Financial assets derecognised	(71,527)	(176,264)	(44,321)	(292,112)	(129,502)	(266,794)	(34,752)	(431,048)
Net remeasurement during the period/year	(326,293)	(96,241)	188,540	(233,994)	(333,368)	865,868	208,499	740,999
Written off	-	-	(86,719)	(86,719)	-	-	(254,771)	(254,771)
Other movements	2,232	4,445	(26,337)	(19,660)	1,597	1,530	(23,555)	(20,428)
At 30 September/31 December	167,793	542,695	824,732	1,535,220	164,509	1,226,893	531,926	1,923,328
At 1 January								
- Loans, advances and financing	123,186	1,019,603	531,926	1,674,715	229,612	541,775	464,752	1,236,139
- Credit commitments and financial guarantees	41,323	207,290	-	248,613	86,779	139,302	-	226,081
	164,509	1,226,893	531,926	1,923,328	316,391	681,077	464,752	1,462,220
At 30 September/31 December								
- Loans, advances and financing	127,884	365,170	824,732	1,317,786	123,186	1,019,603	531,926	1,674,715
- Credit commitments and financial guarantees	39,909	177,525	-	217,434	41,323	207,290	-	248,613
	167,793	542,695	824,732	1,535,220	164,509	1,226,893	531,926	1,923,328

Stage 3 ECL allowance for credit commitments and financial guarantees is disclosed in Note 21.

NOTES TO THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS - 30 SEPTEMBER 2022 (continued)**16 IMPAIRED LOANS, ADVANCES AND FINANCING (continued)**

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

	30 September				31 December			
	<i>Non credit-impaired</i>		<i>Credit-impaired</i>	2022	<i>Non credit-impaired</i>		<i>Credit-impaired</i>	2021
	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
Bank								
At 1 January	130,289	1,007,717	311,031	1,449,037	248,182	538,952	315,437	1,102,571
Transferred to Stage 1	277,521	(271,144)	(6,377)	-	235,166	(222,579)	(12,587)	-
Transferred to Stage 2	(18,004)	32,532	(14,528)	-	(110,909)	136,496	(25,587)	-
Transferred to Stage 3	(201)	(214,011)	214,212	-	(1,391)	(159,803)	161,194	-
New financial assets originated or purchased	87,228	112,593	-	199,821	138,263	221,234	-	359,497
Financial assets derecognised	(63,789)	(142,550)	(38,362)	(244,701)	(116,256)	(222,275)	(27,336)	(365,867)
Net remeasurement during the period/year	(277,551)	(112,947)	115,990	(274,508)	(263,692)	714,475	102,005	552,788
Written off	-	-	(65,772)	(65,772)	-	-	(185,625)	(185,625)
Other movements	1,927	1,979	(20,805)	(16,899)	926	1,217	(16,470)	(14,327)
At 30 September/31 December	137,420	414,169	495,389	1,046,978	130,289	1,007,717	311,031	1,449,037
At 1 January								
- Loans, advances and financing	92,139	831,600	311,031	1,234,770	167,272	425,394	315,437	908,103
- Credit commitments and financial guarantees	38,150	176,117	-	214,267	80,910	113,558	-	194,468
	130,289	1,007,717	311,031	1,449,037	248,182	538,952	315,437	1,102,571
At 30 September/31 December								
- Loans, advances and financing	101,065	274,101	495,389	870,555	92,139	831,600	311,031	1,234,770
- Credit commitments and financial guarantees	36,355	140,068	-	176,423	38,150	176,117	-	214,267
	137,420	414,169	495,389	1,046,978	130,289	1,007,717	311,031	1,449,037

Stage 3 ECL allowance for credit commitments and financial guarantees is disclosed in Note 21.

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

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

17 DERIVATIVE FINANCIAL ASSETS AND LIABILITIES

Group	30 September 2022			31 December 2021		
	Contract or underlying principal amount RM'000	Fair value		Contract or underlying principal amount RM'000	Fair value	
		Assets RM'000	Liabilities RM'000		Assets RM'000	Liabilities RM'000
Trading						
Foreign exchange derivatives						
- Forwards	6,496,769	136,214	43,067	5,893,921	15,665	23,195
- Swaps	37,312,585	1,086,823	1,002,371	16,613,329	328,149	221,604
- Options	1,139,845	14,511	1,282	590,916	3,991	126
Interest rate derivatives						
- Swaps	41,710,806	586,190	516,139	45,434,944	341,219	384,858
- Futures	498,501	-	1,174	200,412	13	29
Equity and other derivatives						
- Swaps	549,795	49,587	49,588	1,361,364	111,160	111,160
- Exchange traded futures	4,465	135	-	4,910	-	32
- Options	1,017,130	93,431	93,431	915,805	103,074	103,074
- Commodity related contracts	13,550	2,422	2,422	73,450	5,612	5,611
- Credit linked notes	1,278,714	75,517	75,517	690,600	9,636	9,636
- Credit default swaps	408,075	2,136	2,136	33,402	35	35
	90,430,235	2,046,966	1,787,127	71,813,053	918,554	859,360
Hedging						
Interest rate derivatives						
- Swaps	1,108,186	34,417	628	735,876	8,953	714
	91,538,421	2,081,383	1,787,755	72,548,929	927,507	860,074
Bank						
Trading						
Foreign exchange derivatives						
- Forwards	6,517,327	135,937	43,039	5,849,651	15,270	23,207
- Swaps	37,374,594	1,087,569	1,002,371	16,757,078	328,723	221,957
- Options	1,139,845	14,511	1,282	590,916	3,991	126
Interest rate derivatives						
- Swaps	41,710,806	586,190	516,138	45,434,944	341,779	384,858
- Futures	498,501	-	1,174	200,412	13	29
Equity and other derivatives						
- Swaps	549,795	49,587	49,588	1,361,364	111,160	111,160
- Exchange traded futures	4,465	135	-	4,910	-	32
- Options	1,017,130	93,431	93,431	915,805	103,074	103,074
- Commodity related contracts	13,550	2,422	2,422	73,450	5,612	5,611
- Credit linked notes	1,278,714	75,517	75,517	690,600	9,636	9,636
- Credit default swaps	408,075	2,136	2,136	33,402	35	35
	90,512,802	2,047,435	1,787,098	71,912,532	919,293	859,725
Hedging						
Interest rate derivatives						
- Swaps	1,108,186	34,417	628	735,876	8,953	714
	91,620,988	2,081,852	1,787,726	72,648,408	928,246	860,439

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

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

18 OTHER ASSETS

	Group		Bank	
	30 September 2022	31 December 2021	30 September 2022	31 December 2021
	RM'000	RM'000	RM'000	RM'000
Amount due from subsidiary (a)	-	-	73,471	85,745
Interest/Profit receivable	149,839	136,557	128,507	117,595
Unquoted redeemable Islamic subordinated bonds of subsidiary (b)	-	-	-	200,000
Other receivables, deposits and prepayments	288,700	213,229	284,680	205,378
Amount due from holding company	192	682	192	682
	<u>438,731</u>	<u>350,468</u>	<u>486,850</u>	<u>609,400</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. The Murabahah subordinated Sukuk qualified as a Tier 2 capital for the purpose of determining the capital adequacy ratio of the Bank. OCBC Al-Amin redeemed in full the Murabahah subordinated Sukuk on its callable date on 24 May 2022.

19 DEPOSITS FROM CUSTOMERS

	Group		Bank	
	30 September 2022	31 December 2021	30 September 2022	31 December 2021
	RM'000	RM'000	RM'000	RM'000
(a) By type of deposit				
Demand deposits	23,913,900	23,353,343	17,619,919	17,369,548
Saving deposits	14,624,907	15,800,784	13,703,590	14,895,468
Fixed/General investment deposits	31,627,974	30,774,338	26,818,603	25,665,250
Short-term money market deposits	3,213,373	4,058,152	2,834,728	3,116,497
	<u>73,380,154</u>	<u>73,986,617</u>	<u>60,976,840</u>	<u>61,046,763</u>
(b) By type of customer				
Government and statutory bodies	146,972	180,795	35,749	16,451
Non-bank financial institutions	3,641,742	4,679,027	2,314,283	2,832,093
Business enterprises	27,944,266	27,572,365	21,361,667	21,312,232
Individuals	36,989,266	37,149,206	32,968,323	32,859,783
Foreign entities	3,869,907	3,568,506	3,595,153	3,303,694
Others	788,001	836,718	701,665	722,510
	<u>73,380,154</u>	<u>73,986,617</u>	<u>60,976,840</u>	<u>61,046,763</u>
(c) By residual maturity structure for fixed/term/general investment deposits and short-term money market deposits				
Up to six months	24,792,200	29,594,961	21,128,438	24,277,343
Over six months to one year	9,908,573	5,152,713	8,390,782	4,424,481
Over one year to three years	137,282	76,694	131,982	71,964
Over three years to five years	3,292	8,122	2,129	7,959
	<u>34,841,347</u>	<u>34,832,490</u>	<u>29,653,331</u>	<u>28,781,747</u>

20 DEPOSITS AND PLACEMENTS OF BANKS AND OTHER FINANCIAL INSTITUTIONS

	Group		Bank	
	30 September 2022	31 December 2021	30 September 2022	31 December 2021
	RM'000	RM'000	RM'000	RM'000
Licensed banks and other financial institutions	9,133,742	5,648,806	9,087,486	5,620,070

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

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

21 OTHER LIABILITIES

	Note	Group		Bank	
		30 September	31 December	30 September	31 December
		2022	2021	2022	2021
		RM'000	RM'000	RM'000	RM'000
Amount due to subsidiary	(a)	-	-	26,765	1,753
Equity compensation benefits		35,259	21,553	34,084	20,712
Interest/Profit payable		209,738	185,491	184,322	156,205
Structured investments		2,876,983	1,845,729	2,876,983	1,845,729
Lease liabilities		15,525	24,429	13,110	21,620
Other payables and accruals		593,007	534,610	552,750	469,689
Provision for commitments and contingencies	(b)	44,919	31,990	17,177	17,211
		<u>3,775,431</u>	<u>2,643,802</u>	<u>3,705,191</u>	<u>2,532,919</u>

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

(b) Provision for commitments and contingencies comprises Stage 3 ECL allowance for credit commitments and financial guarantees. Stage 1 and 2 ECL allowances for credit commitments and financial guarantees are included in ECL allowance in Note 15 and the related movements are disclosed in Note 16(ii).

22 SUBORDINATED BONDS

	Group and Bank	
	30 September	31 December
	2022	2021
	RM'000	RM'000
USD110 million Additional Tier 1 Capital Securities	-	459,279
RM390 million Redeemable Subordinated Bonds 2017/2027	390,000	390,000
RM110 million Redeemable Subordinated Bonds 2017/2027	110,000	110,000
RM550 million Redeemable Subordinated Bond 2021/2030	550,000	550,000
	<u>1,050,000</u>	<u>1,509,279</u>

On 18 March 2022, the Bank redeemed the full amount of the Additional Tier 1 Capital Securities ("AT1CS") of USD110 million in nominal value, without replacement. The AT1CS was issued on 18 September 2015.

23 NET INTEREST INCOME

Group	Quarter ended		Year to date ended	
	30 September	30 September	30 September	30 September
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Interest income				
Loans, advances and financing				
- Interest income other than recoveries	522,283	467,021	1,431,692	1,417,428
- Recoveries from impaired loans, advances and financing	39,386	22,076	91,617	75,782
- Discount unwind from impaired loans, advances and financing	6,329	2,963	20,804	13,202
Money at call and deposit placements with banks and other financial institutions	36,047	10,948	80,352	39,143
Financial investments at FVOCI	112,788	103,525	306,421	300,174
Others	6,816	2,131	14,656	6,144
	<u>723,649</u>	<u>608,664</u>	<u>1,945,542</u>	<u>1,851,873</u>
Financial assets at FVTPL	9,603	19,839	33,565	46,641
	<u>733,252</u>	<u>628,503</u>	<u>1,979,107</u>	<u>1,898,514</u>

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

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

23 NET INTEREST INCOME (continued)

Group	Quarter ended		Year to date ended	
	30 September	30 September	30 September	30 September
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Interest expense				
Deposits from customers	(232,788)	(200,813)	(631,988)	(637,686)
Deposits and placements of banks and other financial institutions	(27,719)	(2,787)	(37,868)	(4,029)
Recourse obligation on loans sold to Cagamas Berhad	-	-	-	(9,299)
Subordinated bonds	(9,881)	(15,758)	(34,177)	(46,477)
Lease liabilities	(97)	(159)	(335)	(499)
Others	(13,403)	(2,034)	(26,232)	(3,401)
	<u>(283,888)</u>	<u>(221,551)</u>	<u>(730,600)</u>	<u>(701,391)</u>
Net interest income	449,364	406,952	1,248,507	1,197,123

Bank	Quarter ended		Year to date ended	
	30 September	30 September	30 September	30 September
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Interest income				
Loans, advances and financing				
- Interest income other than recoveries	522,283	467,021	1,431,692	1,417,428
- Recoveries from impaired loans, advances and financing	39,386	22,076	91,617	75,782
- Discount unwind from impaired loans, advances and financing	6,329	2,963	20,804	13,202
Money at call and deposit placements with banks and other financial institutions	57,004	22,009	128,649	69,063
Financial investments at FVOCI	112,788	103,525	306,421	300,174
Unquoted Islamic subordinated bond of subsidiary	-	2,419	3,761	7,180
Others	6,816	2,131	14,656	6,144
	<u>744,606</u>	<u>622,144</u>	<u>1,997,600</u>	<u>1,888,973</u>
Financial assets at FVTPL	9,603	19,839	33,565	46,641
	<u>754,209</u>	<u>641,983</u>	<u>2,031,165</u>	<u>1,935,614</u>
Interest expense				
Deposits from customers	(232,756)	(200,837)	(631,902)	(637,743)
Deposits and placements of banks and other financial institutions	(34,205)	(6,121)	(53,003)	(13,251)
Recourse obligation on loans sold to Cagamas Berhad	-	-	-	(9,299)
Subordinated bonds	(9,881)	(15,758)	(34,177)	(46,477)
Lease liabilities	(97)	(160)	(335)	(500)
Others	(25,447)	(8,224)	(54,339)	(20,527)
	<u>(302,386)</u>	<u>(231,100)</u>	<u>(773,756)</u>	<u>(727,797)</u>
Net interest income	451,823	410,883	1,257,409	1,207,817

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

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

24 INCOME FROM ISLAMIC BANKING OPERATIONS

Group	Quarter ended		Year to date ended	
	30 September	30 September	30 September	30 September
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds and others	126,917	125,179	361,257	379,009
Income derived from investment of specific investment account funds	26,043	13,629	60,427	37,727
Income derived from investment of shareholder's funds	34,870	35,668	101,502	103,330
Income attributable to depositors	(46,723)	(44,018)	(129,533)	(134,413)
Income attributable to investment account holder	(18,530)	(9,524)	(43,242)	(26,348)
	122,577	120,934	350,411	359,305

25 NET FEE AND COMMISSION INCOME

Group	Quarter ended		Year to date ended	
	30 September	30 September	30 September	30 September
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Commission	53,184	68,793	159,804	233,284
Service charges and fees	24,653	31,030	112,356	116,843
Guarantee fees	35	116	205	505
Other fee income	1,775	1,049	4,218	3,602
	79,647	100,988	276,583	354,234

Bank

Commission	52,059	68,793	156,686	228,694
Service charges and fees	24,653	31,030	112,356	116,843
Guarantee fees	35	116	205	505
Other fee income	1,775	1,049	4,218	3,602
	78,522	100,988	273,465	349,644

26 NET TRADING INCOME

Group and Bank	Quarter ended		Year to date ended	
	30 September	30 September	30 September	30 September
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Foreign exchange loss	(242,040)	(34,662)	(479,630)	(143,645)
Realised gain/(loss) on financial assets at FVTPL	244	(1,246)	(32,052)	(7,930)
Realised gain on trading derivatives	214,224	140,414	414,480	148,163
Unrealised loss on financial assets at FVTPL	(3,449)	(11,740)	(2,820)	(16,216)
Unrealised gain/(loss) on trading derivatives	77,633	(57,497)	282,766	151,127
	46,612	35,269	182,744	131,499

27 OTHER OPERATING (EXPENSE)/INCOME

Group	Quarter ended		Year to date ended	
	30 September	30 September	30 September	30 September
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
(Loss)/Gain on disposal:				
- Financial investments at FVOCI	(9,752)	23,248	(57,603)	41,948
Gross dividends from financial investments at FVOCI in Malaysia	149	149	599	774
Rental of premises	1,033	1,069	3,100	3,268
Rental of safe deposit boxes	1,361	1,380	4,633	4,692
Shared services income received from related companies	4,452	4,135	13,058	12,179
Unrealised (loss)/gain on hedging derivatives	(59)	6	(220)	6
Others	35	352	670	999
	(2,781)	30,339	(35,763)	63,866

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

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

27 OTHER OPERATING (EXPENSE)/INCOME (continued)

	Quarter ended		Year to date ended	
	30 September 2022	30 September 2021	30 September 2022	30 September 2021
Bank	RM'000	RM'000	RM'000	RM'000
(Loss)/Gain on disposal:				
- Financial investments at FVOCI	(9,752)	23,248	(57,603)	41,948
Gross dividends from financial investments at FVOCI in Malaysia	149	149	599	774
Rental of premises	1,047	1,084	3,141	3,314
Rental of safe deposit boxes	1,361	1,380	4,633	4,692
Shared services income received from subsidiaries	27,943	26,498	81,820	78,762
Shared services income received from related companies	4,452	4,135	13,058	12,179
Unrealised (loss)/gain on hedging derivatives	(59)	6	(220)	6
Others	(34)	351	486	994
	<u>25,107</u>	<u>56,851</u>	<u>45,914</u>	<u>142,669</u>

28 OPERATING EXPENSES

	Quarter ended		Year to date ended	
	30 September 2022	30 September 2021	30 September 2022	30 September 2021
Group	RM'000	RM'000	RM'000	RM'000
Personnel expenses				
Wages, salaries and bonus	128,019	132,429	363,795	378,411
Employees Provident Fund contributions	20,187	20,556	57,280	60,285
Share-based expenses	4,961	2,859	12,197	8,140
Others	15,268	12,898	41,913	38,156
	<u>168,435</u>	<u>168,742</u>	<u>475,185</u>	<u>484,992</u>
Establishment expenses				
Depreciation of property and equipment	5,666	5,490	16,989	17,599
Depreciation of ROU assets	3,005	4,145	9,553	12,261
Rental of premises	-	-	13	21
Repair and maintenance	3,194	2,815	9,763	7,675
Information technology costs	10,342	12,114	29,064	33,003
Hire of equipment	261	259	717	734
Others	4,367	4,425	13,276	13,494
	<u>26,835</u>	<u>29,248</u>	<u>79,375</u>	<u>84,787</u>
Marketing expenses				
Advertisement and business promotion	4,703	3,365	11,471	6,956
Transport and travelling	837	313	1,733	961
Others	717	504	1,406	1,144
	<u>6,257</u>	<u>4,182</u>	<u>14,610</u>	<u>9,061</u>
General administrative expenses				
Transaction processing fees	86,545	85,819	260,472	249,847
Others	34,110	27,705	103,242	80,060
	<u>120,655</u>	<u>113,524</u>	<u>363,714</u>	<u>329,907</u>
Total other operating expenses	<u>322,182</u>	<u>315,696</u>	<u>932,884</u>	<u>908,747</u>

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

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

28 OPERATING EXPENSES (continued)

	Quarter ended		Year to date ended	
	30 September 2022	30 September 2021	30 September 2022	30 September 2021
Bank	RM'000	RM'000	RM'000	RM'000
Personnel expenses				
Wages, salaries and bonus	123,083	126,712	349,906	362,975
Employees Provident Fund contributions	19,411	19,693	55,012	57,686
Share-based expenses	4,847	2,777	11,905	7,886
Others	14,593	12,153	39,846	35,775
	<u>161,934</u>	<u>161,335</u>	<u>456,669</u>	<u>464,322</u>
Establishment expenses				
Depreciation of property and equipment	5,310	5,129	15,903	16,363
Depreciation of ROU assets	2,633	3,696	8,444	10,902
Rental of premises	-	4	12	27
Repair and maintenance	3,054	2,718	9,267	7,377
Information technology costs	10,199	11,955	28,639	32,514
Hire of equipment	241	250	655	668
Others	3,874	3,819	11,757	11,704
	<u>25,311</u>	<u>27,571</u>	<u>74,677</u>	<u>79,555</u>
Marketing expenses				
Advertisement and business promotion	4,652	3,329	11,261	6,817
Transport and travelling	809	295	1,671	921
Others	713	504	1,396	1,143
	<u>6,174</u>	<u>4,128</u>	<u>14,328</u>	<u>8,881</u>
General administrative expenses				
Transaction processing fees	81,252	80,288	244,930	233,609
Others	32,447	25,955	98,071	76,430
	<u>113,699</u>	<u>106,243</u>	<u>343,001</u>	<u>310,039</u>
Total other operating expenses	<u>307,118</u>	<u>299,277</u>	<u>888,675</u>	<u>862,797</u>

29 IMPAIRMENT ALLOWANCES AND PROVISIONS WRITEBACK/(CHARGE)

	Quarter ended		Year to date ended	
	30 September 2022	30 September 2021	30 September 2022	30 September 2021
Group	RM'000	RM'000	RM'000	RM'000
Loans, advances and financing				
Stage 1 and 2 ECL net writeback/(charge) during the period	373,096	(271,148)	680,914	(306,886)
Stage 3 ECL				
- Charge during the period	(271,366)	(104,522)	(533,293)	(419,324)
- Writeback	55,865	73,778	127,431	160,498
Impaired loans, advances and financing				
- Recovered during the period	12,303	11,593	52,658	39,766
Financial investments at FVOCI				
Stage 1 and 2 ECL net (charge)/writeback during the period	(324)	428	(362)	1,401
Other financial assets				
Stage 1 and 2 ECL net charge during the period	(90)	(60)	(95)	(87)
Stage 3 ECL net (charge)/writeback during the period	(7)	(3,362)	36	(3,429)
Commitments and contingencies				
Net writeback/(charge) during the period	-	1,186	(12,929)	(12,745)
	<u>169,477</u>	<u>(292,107)</u>	<u>314,360</u>	<u>(540,806)</u>

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

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

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

	Quarter ended		Year to date ended	
	30 September 2022 RM'000	30 September 2021 RM'000	30 September 2022 RM'000	30 September 2021 RM'000
Bank				
Loans, advances and financing				
Stage 1 and 2 ECL net writeback/(charge) during the period	325,302	(245,484)	586,417	(267,282)
Stage 3 ECL				
- Charge during the period	(179,404)	(70,471)	(371,726)	(279,590)
- Writeback	45,650	57,838	100,791	133,360
Impaired loans, advances and financing				
- Recovered during the period	7,718	7,953	35,113	25,192
Investment account placements				
Stage 1 and 2 ECL net writeback/(charge) during the period	1,941	(425)	(1,209)	(829)
Stage 3 ECL net writeback during the period	2,524	-	4,652	-
Financial investments at FVOCI				
Stage 1 and 2 ECL net (charge)/writeback during the period	(222)	387	(259)	1,359
Other financial assets				
Stage 1 and 2 ECL net charge during the period	(82)	(60)	(85)	(87)
Stage 3 ECL net (charge)/writeback during the period	(7)	(3,362)	36	(3,429)
Commitments and contingencies				
Net writeback during the period	-	-	34	-
	<u>203,420</u>	<u>(253,624)</u>	<u>353,764</u>	<u>(391,306)</u>

30 INCOME TAX EXPENSE

	Quarter ended		Year to date ended	
	30 September 2022 RM'000	30 September 2021 RM'000	30 September 2022 RM'000	30 September 2021 RM'000
Group				
Malaysian income tax				
- Current period	170,633	78,466	431,264	221,842
- Prior years	-	-	(5,168)	-
Deferred tax				
- Origination and reversal of temporary differences	3,505	(55,062)	18,971	(52,328)
	<u>174,138</u>	<u>23,404</u>	<u>445,067</u>	<u>169,514</u>
Bank				
Malaysian income tax				
- Current period	163,914	63,614	387,207	192,624
- Prior years	-	-	1,878	-
Deferred tax				
- Origination and reversal of temporary differences	(2,659)	(48,829)	10,828	(42,273)
	<u>161,255</u>	<u>14,785</u>	<u>399,913</u>	<u>150,351</u>

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

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

31 COMMITMENTS AND CONTINGENCIES

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

<u>Group</u>	<u>Principal amount RM'000</u>	<u>Credit equivalent amount RM'000</u>	<u>Risk weighted amount RM'000</u>
30 September 2022			
Direct credit substitutes	119,633	119,633	144,471
Transaction-related contingent items	3,248,237	1,664,163	893,280
Short-term self-liquidating trade-related contingencies	384,218	84,223	43,692
Foreign exchange related contracts			
- One year or less	39,825,997	663,430	297,125
- Over one year to five years	5,101,004	924,955	429,122
- Over five years	22,198	3,547	3,601
Interest rate contracts			
- One year or less	12,460,807	5,009	1,083
- Over one year to five years	27,123,295	293,002	47,630
- Over five years	3,733,391	79,211	41,805
Equity and commodity related contracts	1,584,940	92,757	29,320
Credit derivative contracts	1,686,789	22,383	1,929
Formal standby facilities and credit lines			
- Original maturity up to one year	465,500	349,125	307,785
- Original maturity over one year	4,647,683	3,933,270	2,286,579
Other unconditionally cancellable commitments	23,363,574	2,222,135	371,485
Total	<u>123,767,266</u>	<u>10,456,843</u>	<u>4,898,907</u>
31 December 2021			
Direct credit substitutes	139,131	139,131	127,908
Transaction-related contingent items	3,053,501	1,564,286	927,029
Short-term self-liquidating trade-related contingencies	333,585	70,936	40,619
Foreign exchange related contracts			
- One year or less	17,335,062	100,889	49,402
- Over one year to five years	5,228,375	684,349	428,700
- Over five years	534,729	46,272	52,597
Interest rate contracts			
- One year or less	19,303,544	12,228	4,682
- Over one year to five years	22,539,814	381,716	84,008
- Over five years	4,527,874	221,425	147,019
Equity and commodity related contracts	2,355,529	48,207	13,957
Credit derivative contracts	724,002	13,350	1,701
Formal standby facilities and credit lines			
- Original maturity up to one year	13,000	9,750	6,060
- Original maturity over one year	4,930,354	4,163,894	2,437,543
Other unconditionally cancellable commitments	19,677,745	2,301,934	393,645
Total	<u>100,696,245</u>	<u>9,758,367</u>	<u>4,714,870</u>

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

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

31 COMMITMENTS AND CONTINGENCIES (continued)

Bank	Principal amount	Credit equivalent amount	Risk weighted amount
	RM'000	RM'000	RM'000
30 September 2022			
Direct credit substitutes	73,381	73,381	73,152
Transaction-related contingent items	2,807,029	1,440,458	765,646
Short-term self-liquidating trade-related contingencies	289,878	63,164	28,669
Foreign exchange related contracts			
- One year or less	39,969,084	663,509	296,552
- Over one year to five years	5,040,484	924,955	429,123
- Over five years	22,198	3,547	3,601
Interest rate contracts			
- One year or less	12,460,807	5,009	1,083
- Over one year to five years	27,123,295	293,002	47,630
- Over five years	3,733,391	79,211	42,728
Equity and commodity related contracts	1,584,940	92,757	29,320
Credit derivative contracts	1,686,789	22,383	1,929
Formal standby facilities and credit lines			
- Original maturity up to one year	465,500	349,125	307,785
- Original maturity over one year	4,005,587	3,430,695	1,938,711
Other unconditionally cancellable commitments	20,829,490	2,061,821	344,056
Total	120,091,853	9,503,017	4,309,985
31 December 2021			
Direct credit substitutes	93,587	93,587	79,901
Transaction-related contingent items	2,687,912	1,378,217	803,846
Short-term self-liquidating trade-related contingencies	282,802	60,550	34,376
Foreign exchange related contracts			
- One year or less	17,435,091	101,180	48,978
- Over one year to five years	5,227,825	684,348	427,812
- Over five years	534,729	46,272	52,596
Interest rate contracts			
- One year or less	19,303,544	12,227	4,682
- Over one year to five years	22,539,814	381,716	84,008
- Over five years	4,527,874	221,424	122,747
Equity and commodity related contracts	2,355,529	48,206	13,957
Credit derivative contracts	724,002	13,350	1,701
Formal standby facilities and credit lines			
- Original maturity up to one year	10,000	7,500	4,078
- Original maturity over one year	4,330,085	3,690,104	2,076,388
Other unconditionally cancellable commitments	17,475,939	2,127,938	362,342
Total	97,528,733	8,866,619	4,117,412

(b) Litigation

On 25 January 2019, a Borrower of the Bank, with outstanding credit facilities comprising loans of RM6.7 million and banker's acceptances of RM11.6 million including accrued interest at the time, filed a suit against the Bank alleging, inter alia, that the Bank had breached its contract and its duty of care towards the Borrower. On 22 January 2021, the Borrower was awarded RM289 million as damages together with statutory interest of 5% per annum from 25 January 2019, the date of the writ of summons, until the date of realisation as well as aggravated and exemplary damages which amounts are to be assessed. The Bank has filed an appeal against the said decision on 26 January 2021. The hearing of the Bank's appeal started on 22 August 2022 and ended on 20 September 2022. Decision and judgement have been fixed for 10 January 2023.

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

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

32 CAPITAL COMMITMENTS

	Group		Bank	
	30 September 2022 RM'000	31 December 2021 RM'000	30 September 2022 RM'000	31 December 2021 RM'000
Capital expenditure commitments in respect of property and equipment contracted but not provided for	4,739	4,267	4,701	4,078

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

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

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

33 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy of financial instruments (continued)

Group	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000
30 September 2022				
Financial assets at fair value				
Financial assets at FVTPL	550,237	-	-	550,237
Financial investments at FVOCI	15,639,891	4,172,322	109,540	19,921,753
Derivative financial assets	4,269	1,768,353	308,761	2,081,383
	<u>16,194,397</u>	<u>5,940,675</u>	<u>418,301</u>	<u>22,553,373</u>
Financial liabilities at fair value				
Derivative financial liabilities	5,546	1,497,777	284,432	1,787,755
	<u>5,546</u>	<u>1,497,777</u>	<u>284,432</u>	<u>1,787,755</u>
31 December 2021				
Financial assets at fair value				
Financial assets at FVTPL	1,833,240	28	-	1,833,268
Financial investments at FVOCI	17,532,344	1,248,206	116,047	18,896,597
Derivative financial assets	570	923,258	3,679	927,507
	<u>19,366,154</u>	<u>2,171,492</u>	<u>119,726</u>	<u>21,657,372</u>
Financial liabilities at fair value				
Derivative financial liabilities	388	853,562	6,124	860,074
	<u>388</u>	<u>853,562</u>	<u>6,124</u>	<u>860,074</u>
Bank				
30 September 2022				
Financial assets at fair value				
Financial assets at FVTPL	545,188	-	-	545,188
Financial investments at FVOCI	12,874,479	3,524,145	109,540	16,508,164
Derivative financial assets	4,291	1,768,981	308,580	2,081,852
	<u>13,423,958</u>	<u>5,293,126</u>	<u>418,120</u>	<u>19,135,204</u>
Financial liabilities at fair value				
Derivative financial liabilities	5,641	1,497,656	284,429	1,787,726
	<u>5,641</u>	<u>1,497,656</u>	<u>284,429</u>	<u>1,787,726</u>
31 December 2021				
Financial assets at fair value				
Financial assets at FVTPL	1,823,150	28	-	1,823,178
Financial investments at FVOCI	14,562,945	698,711	116,047	15,377,703
Derivative financial assets	575	924,028	3,643	928,246
	<u>16,386,670</u>	<u>1,622,767</u>	<u>119,690</u>	<u>18,129,127</u>
Financial liabilities at fair value				
Derivative financial liabilities	458	853,858	6,123	860,439
	<u>458</u>	<u>853,858</u>	<u>6,123</u>	<u>860,439</u>

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

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

33 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy of financial instruments (continued)

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

	Group		Bank	
	30 September 2022 RM'000	31 December 2021 RM'000	30 September 2022 RM'000	31 December 2021 RM'000
Financial assets at fair value				
At 1 January	119,726	130,399	119,690	130,398
Settled/disposed	(350)	(10,324)	(350)	(10,324)
Transferred to Level 3	281,412	-	281,412	-
Realised loss				
- Recognised in net trading income	(222,535)	(6,987)	(222,535)	(6,987)
Unrealised gain/(loss)				
- Recognised in net trading income	246,060	2,440	246,060	2,405
- Recognised in other comprehensive income	(6,012)	4,198	(6,157)	4,198
At 30 September/31 December	<u>418,301</u>	<u>119,726</u>	<u>418,120</u>	<u>119,690</u>
Financial liabilities at fair value				
At 1 January	6,124	38,149	6,123	38,145
Transferred to Level 3	281,412	-	281,412	-
Realised gain				
- Recognised in net trading income	(225,066)	(38,145)	(225,066)	(38,145)
Unrealised loss				
- Recognised in net trading income	221,962	6,120	221,960	6,123
At 30 September/31 December	<u>284,432</u>	<u>6,124</u>	<u>284,429</u>	<u>6,123</u>

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

Group	30 September 2022 Fair value RM'000	31 December 2021 Fair value RM'000	Classification	Valuation technique	Unobservable input
Assets					
Financial investments at FVOCI	109,540	116,047	FVOCI	Net asset value approach	Net asset value
Derivative financial assets	<u>308,761</u>	<u>3,679</u>	Hedge for trading	Option pricing model	Standard deviation
	<u>418,301</u>	<u>119,726</u>			
Liabilities					
Derivative financial liabilities	<u>284,432</u>	<u>6,124</u>	Hedge for trading	Option pricing model	Standard deviation

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

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

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:

Bank	30 September	31 December	Classification	Valuation technique	Unobservable input
	2022	2021			
	Fair value	Fair value			
	RM'000	RM'000			
Assets					
Financial investments at FVOCI	109,540	116,047	FVOCI	Net asset value approach	Net asset value
Derivative financial assets	308,580	3,643	Hedge for trading	Option pricing model	Standard deviation
	<u>418,120</u>	<u>119,690</u>			
Liabilities					
Derivative financial liabilities	284,429	6,123	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	31 December	30 September	31 December
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Common Equity Tier 1 ("CET 1") capital				
Paid-up ordinary share capital	754,000	754,000	754,000	754,000
Retained earnings	7,708,894	7,542,579	6,453,464	6,389,841
Other reserves	447,125	630,069	392,170	544,539
Regulatory adjustment	(894,627)	(176,049)	(1,347,522)	(731,913)
	<u>8,015,392</u>	<u>8,750,599</u>	<u>6,252,112</u>	<u>6,956,467</u>
Additional Tier 1 capital	-	459,279	-	459,279
Tier 1 capital	<u>8,015,392</u>	<u>9,209,878</u>	<u>6,252,112</u>	<u>7,415,746</u>
Stage 1 and Stage 2 ECL and qualifying regulatory reserves under the Standardised Approach	19,476	20,945	17,090	17,810
Surplus eligible provisions over expected losses	269,271	261,287	218,282	209,144
Subordinated bonds	1,050,000	1,050,000	1,050,000	1,050,000
Regulatory adjustment	-	-	-	(200,000)
Tier 2 capital	<u>1,338,747</u>	<u>1,332,232</u>	<u>1,285,372</u>	<u>1,076,954</u>
Capital base	<u>9,354,139</u>	<u>10,542,110</u>	<u>7,537,484</u>	<u>8,492,700</u>

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

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

34 CAPITAL ADEQUACY (continued)

	Group		Bank	
	30 September 2022 RM'000	31 December 2021 RM'000	30 September 2022 RM'000	31 December 2021 RM'000
Before deducting proposed dividend				
CET 1 capital ratio	15.157%	16.897%	14.431%	16.556%
Tier 1 capital ratio	15.157%	17.784%	14.431%	17.649%
Total capital ratio	17.689%	20.356%	17.398%	20.213%
After deducting proposed dividend				
CET 1 capital ratio	14.407%	16.058%	13.515%	15.523%
Tier 1 capital ratio	14.407%	16.945%	13.515%	16.616%
Total capital ratio	16.938%	19.518%	16.482%	19.179%

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

After deducting proposed dividend				
CET 1 capital ratio	14.240%	14.518%	13.383%	13.949%
Tier 1 capital ratio	14.240%	15.405%	13.383%	15.042%
Total capital ratio	16.772%	17.977%	16.350%	17.605%

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

	Group		Bank	
	30 September 2022 RM'000	31 December 2021 RM'000	30 September 2022 RM'000	31 December 2021 RM'000
Total RWA for credit risk	46,436,576	45,223,466	37,747,465	36,282,141
Total RWA for market risk	1,087,595	1,361,434	1,082,816	1,364,705
Total RWA for operational risk	5,358,329	5,203,983	4,493,630	4,370,118
	52,882,500	51,788,883	43,323,911	42,016,964

The capital adequacy ratios of OCBC Al-Amin Bank Berhad, OCBC Malaysia's Islamic Banking subsidiary, are computed in accordance with BNM's Capital Adequacy Framework for Islamic Banks (Capital Components). OCBC Al-Amin Bank Berhad has adopted the Internal Ratings Based Approach for Credit Risk for its major credit portfolios, whilst the other credit portfolios are on the Standardised Approach. For market and operational risks, OCBC Al-Amin Bank Berhad has adopted the Standardised Approach and the Basic Indicator Approach respectively.

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

	30 September 2022	31 December 2021
CET1/Tier 1 capital ratio	18.225%	18.179%
Total capital ratio	18.786%	20.782%

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

CET 1/Tier 1 capital ratio	17.906%	16.790%
Total capital ratio	18.468%	19.393%