

MALAYAN BANKING BERHAD
(3813-K)
(Incorporated in Malaysia)

CONDENSED FINANCIAL STATEMENTS
UNAUDITED INCOME STATEMENTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2018

<u>Group</u>	Note	First Quarter Ended		Cumulative 3 Months Ended	
		31 March 2018 RM'000	31 March 2017 RM'000	31 March 2018 RM'000	31 March 2017 RM'000
Interest income	A21	5,518,452	5,428,096	5,518,452	5,428,096
Interest expense	A22	(2,498,513)	(2,393,493)	(2,498,513)	(2,393,493)
Net interest income		3,019,939	3,034,603	3,019,939	3,034,603
Income from Islamic Banking Scheme operations	A40a	1,348,014	1,214,493	1,348,014	1,214,493
Net earned insurance premiums	A23	1,511,381	1,253,880	1,511,381	1,253,880
Other operating income	A25	1,301,576	1,405,417	1,301,576	1,405,417
Total operating income		7,180,910	6,908,393	7,180,910	6,908,393
Net insurance benefits and claims incurred, net fee and commission expenses, change in expense liabilities and taxation of life and takaful fund	A26	(1,353,146)	(1,378,429)	(1,353,146)	(1,378,429)
Net operating income		5,827,764	5,529,964	5,827,764	5,529,964
Overhead expenses	A27	(2,778,835)	(2,779,321)	(2,778,835)	(2,779,321)
Operating profit before impairment losses		3,048,929	2,750,643	3,048,929	2,750,643
Allowances for impairment losses on loans, advances, financing and other debts, net	A28	(509,310)	(542,509)	(509,310)	(542,509)
Writeback of/(allowances for) impairment losses on financial investments, net	A29	14,868	(250)	14,868	(250)
Allowances for impairment losses on other financial assets, net	A30	(6,367)	-	(6,367)	-
Operating profit		2,548,120	2,207,884	2,548,120	2,207,884
Share of profits in associates and joint ventures		8,548	41,186	8,548	41,186
Profit before taxation and zakat		2,556,668	2,249,070	2,556,668	2,249,070
Taxation and zakat	B5	(657,180)	(503,966)	(657,180)	(503,966)
Profit for the period		1,899,488	1,745,104	1,899,488	1,745,104
Attributable to:					
Equity holders of the Bank		1,871,036	1,702,797	1,871,036	1,702,797
Non-controlling interests		28,452	42,307	28,452	42,307
		1,899,488	1,745,104	1,899,488	1,745,104
Earnings per share attributable to equity holders of the Bank	B12				
Basic		17.26 sen	16.73 sen	17.26 sen	16.73 sen
Fully diluted		17.25 sen	16.73 sen	17.25 sen	16.73 sen

(These unaudited condensed interim financial statements should be read in conjunction with the audited annual financial statements for the financial year ended 31 December 2017 and the accompanying explanatory notes attached to these financial statements)

MALAYAN BANKING BERHAD
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CONDENSED FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED 31 MARCH 2018

<u>Group</u>	First Quarter Ended		Cumulative 3 Months Ended	
	31 March 2018 RM'000	31 March 2017 RM'000	31 March 2018 RM'000	31 March 2017 RM'000
Profit for the period	1,899,488	1,745,104	1,899,488	1,745,104
Other comprehensive income/(loss):				
<i>Items that will not be reclassified subsequently to profit or loss:</i>				
Defined benefit plan actuarial gain	2,437	1,367	2,437	1,367
Income tax effect	(363)	(472)	(363)	(472)
	2,074	895	2,074	895
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Net loss on financial assets at fair value through other comprehensive income	(237,538)	-	(237,538)	-
Net gain on financial investments available-for-sale	-	317,905	-	317,905
Income tax effect	44,143	(74,983)	44,143	(74,983)
Net (loss)/gain on foreign exchange translation	(1,370,428)	174,261	(1,370,428)	174,261
Net gain on cash flow hedge	1,216	-	1,216	-
Net gain/(loss) on net investment hedge	39,877	(20,762)	39,877	(20,762)
Share of change in associates' reserve	(235,915)	(53,054)	(235,915)	(53,054)
	(1,758,645)	343,367	(1,758,645)	343,367
Other comprehensive (loss)/income for the period, net of tax	(1,756,571)	344,262	(1,756,571)	344,262
Total comprehensive income for the period	142,917	2,089,366	142,917	2,089,366
Other comprehensive (loss)/income for the period attributable to:				
Equity holders of the Bank	(1,748,483)	338,495	(1,748,483)	338,495
Non-controlling interests	(8,088)	5,767	(8,088)	5,767
	(1,756,571)	344,262	(1,756,571)	344,262
Total comprehensive income for the period attributable to:				
Equity holders of the Bank	122,553	2,041,292	122,553	2,041,292
Non-controlling interests	20,364	48,074	20,364	48,074
	142,917	2,089,366	142,917	2,089,366

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CONDENSED FINANCIAL STATEMENTS
UNAUDITED INCOME STATEMENTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2018

<u>Bank</u>	Note	First Quarter Ended		Cumulative 3 Months Ended	
		31 March 2018 RM'000	31 March 2017 RM'000	31 March 2018 RM'000	31 March 2017 RM'000
Interest income	A21	4,184,110	3,912,544	4,184,110	3,912,544
Interest expense	A22	(1,912,336)	(1,754,956)	(1,912,336)	(1,754,956)
Net interest income		2,271,774	2,157,588	2,271,774	2,157,588
Dividends from subsidiaries and associates	A24	-	910	-	910
Other operating income	A25	1,157,572	738,989	1,157,572	738,989
		1,157,572	739,899	1,157,572	739,899
Net operating income		3,429,346	2,897,487	3,429,346	2,897,487
Overhead expenses	A27	(1,449,631)	(1,385,454)	(1,449,631)	(1,385,454)
Operating profit before impairment losses		1,979,715	1,512,033	1,979,715	1,512,033
Allowances for impairment losses on loans, advances, financing and other debts, net	A28	(51,852)	(396,923)	(51,852)	(396,923)
Writeback of impairment losses on financial investments, net	A29	33,593	690	33,593	690
Allowances for impairment losses on other financial assets, net	A30	(9,794)	-	(9,794)	-
Profit before taxation and zakat		1,951,662	1,115,800	1,951,662	1,115,800
Taxation and zakat	B5	(457,487)	(267,321)	(457,487)	(267,321)
Profit for the period		1,494,175	848,479	1,494,175	848,479

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CONDENSED FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED 31 MARCH 2018

<u>Bank</u>	First Quarter Ended		Cumulative 3 Months Ended	
	31 March 2018 RM'000	31 March 2017 RM'000	31 March 2018 RM'000	31 March 2017 RM'000
Profit for the period	1,494,175	848,479	1,494,175	848,479
Other comprehensive (loss)/income:				
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Net loss on financial assets at fair value through other comprehensive income	(267,046)	-	(267,046)	-
Net gain on financial investments available-for-sale	-	256,586	-	256,586
Income tax effect	45,865	(60,887)	45,865	(60,887)
Net (loss)/gain on foreign exchange translation	(421,269)	211,472	(421,269)	211,472
Other comprehensive (loss)/income for the period, net of tax	(642,450)	407,171	(642,450)	407,171
Total comprehensive income for the period	851,725	1,255,650	851,725	1,255,650

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MALAYAN BANKING BERHAD
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CONDENSED FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2018

	Note	Group		Bank	
		31 March 2018 RM'000	31 December 2017 RM'000	31 March 2018 RM'000	31 December 2017 RM'000
ASSETS					
Cash and short-term funds		53,810,551	50,334,290	29,614,509	30,714,527
Deposits and placements with financial institutions		16,639,091	16,988,391	19,488,493	21,382,493
Financial assets purchased under resale agreements		9,806,095	8,514,283	7,727,970	7,633,503
Financial assets at fair value through profit or loss	A10(i)	32,744,524	25,117,493	11,940,483	7,896,677
Financial assets at fair value through other comprehensive income	A10(ii)	102,303,308	-	83,217,746	-
Financial assets at amortised cost	A10(iii)	19,671,505	-	17,978,273	-
Financial investments available-for-sale	A10(iv)	-	109,070,244	-	89,286,739
Financial investments held-to-maturity	A10(v)	-	20,184,773	-	17,763,565
Loans, advances and financing to financial institutions	A11(i)	1,096,654	2,026,276	19,329,178	18,614,231
Loans, advances and financing to customers	A11(ii)	482,022,231	483,558,086	271,595,706	272,383,738
Derivative assets	A37	6,448,796	6,704,651	6,494,380	6,865,221
Reinsurance/retakaful assets and other insurance receivables	A12	4,133,695	3,933,772	-	-
Other assets	A13	10,836,322	9,698,140	5,213,569	4,801,397
Investment properties		799,679	753,555	-	-
Statutory deposits with central banks		16,138,438	15,397,213	7,321,424	7,746,700
Investment in subsidiaries		-	-	22,057,063	22,057,063
Interest in associates and joint ventures		2,539,270	2,772,324	472,016	472,016
Property, plant and equipment		2,515,761	2,635,018	1,139,550	1,165,908
Intangible assets		6,449,932	6,753,939	569,680	568,030
Deferred tax assets		1,598,580	859,318	597,063	315,013
TOTAL ASSETS		769,554,432	765,301,766	504,757,103	509,666,821
LIABILITIES					
Customers' funding:					
- Deposits from customers	A14	510,283,515	502,017,445	326,124,308	328,938,600
- Investment accounts of customers ¹	A40g	21,841,949	24,555,445	-	-
Deposits and placements from financial institutions	A15	39,185,819	42,598,131	37,353,291	37,645,134
Obligations on financial assets sold under repurchase agreements		5,989,507	5,367,086	5,939,660	5,189,316
Derivative liabilities	A37	7,377,260	7,221,015	7,218,277	7,179,998
Financial liabilities at fair value through profit or loss	A16	9,477,223	6,375,815	8,583,293	5,483,120
Bills and acceptances payable		1,890,865	1,894,046	1,316,036	1,384,983
Insurance/takaful contract liabilities and other insurance payables	A18	25,863,372	25,118,843	-	-
Other liabilities	A19	20,386,379	19,179,140	14,130,640	16,910,597
Recourse obligation on loans and financing sold to Cagamas		1,543,501	1,543,501	1,543,501	1,543,501
Provision for taxation and zakat		783,562	746,494	494,742	385,876
Deferred tax liabilities		750,232	732,079	-	-
Borrowings	A17(i)	30,635,269	34,505,618	22,382,373	27,106,442
Subordinated obligations	A17(ii)	11,899,683	11,979,323	9,331,529	9,362,526
Capital securities	A17(iii)	6,163,967	6,284,180	6,163,967	6,284,180
TOTAL LIABILITIES		694,072,103	690,118,161	440,581,617	447,414,273

¹ Investment accounts of customers are used to fund financing and advances as disclosed in Note A40e(ii).

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UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2018

	Note	Group		Bank	
		31 March 2018 RM'000	31 December 2017 RM'000	31 March 2018 RM'000	31 December 2017 RM'000
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE BANK					
Share capital		45,451,584	44,250,380	45,451,584	44,250,380
Shares held-in-trust		(185,533)	(183,438)	(185,533)	(183,438)
Retained profits		26,153,859	25,268,743	14,739,811	13,572,235
Reserves		1,827,387	3,652,929	4,169,624	4,613,371
		73,247,297	72,988,614	64,175,486	62,252,548
Non-controlling interests		2,235,032	2,194,991	-	-
		75,482,329	75,183,605	64,175,486	62,252,548
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		769,554,432	765,301,766	504,757,103	509,666,821
COMMITMENTS AND CONTINGENCIES	A35	866,936,356	811,374,001	825,917,704	761,441,355
<u>CAPITAL ADEQUACY</u>	A36				
The capital adequacy ratios of the Group and of the Bank are as follows:					
CET1 Capital Ratio		14.314%	14.773%	14.366%	15.853%
Tier 1 Capital Ratio		15.941%	16.459%	16.305%	17.950%
Total Capital Ratio		19.063%	19.383%	19.430%	19.313%
Net assets per share attributable to equity holders of the Bank		RM6.72	RM6.77	RM5.88	RM5.77

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CONDENSED FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED 31 MARCH 2018

<===== Attributable to equity holders of the Bank =====>
<===== Non-Distributable =====>

<u>Group</u>	Share Capital RM'000	Shares Held-in-trust RM'000	Statutory Reserve RM'000	Regulatory Reserve RM'000	Fair Value Through Other Comprehensive Income Reserve RM'000	Exchange Fluctuation Reserve RM'000	ESS Reserve RM'000	Other Reserves ¹ RM'000	Retained Profits ² RM'000	Total Shareholders' Equity RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
At 1 January 2018												
- as previously stated	44,250,380	(183,438)	203,058	2,747,285	29,616	858,752	219,387	(405,169)	25,268,743	72,988,614	2,194,991	75,183,605
- effect of adopting MFRS 9 (Note A41)	-	-	-	(670,110)	433,746	-	-	-	(718,076)	(954,440)	11,202	(943,238)
At 1 January 2018, as restated	44,250,380	(183,438)	203,058	2,077,175	463,362	858,752	219,387	(405,169)	24,550,667	72,034,174	2,206,193	74,240,367
Profit for the period	-	-	-	-	-	-	-	-	1,871,036	1,871,036	28,452	1,899,488
Other comprehensive (loss)/income	-	-	-	-	(200,985)	(1,590,665)	-	43,167	-	(1,748,483)	(8,088)	(1,756,571)
Defined benefit plan actuarial gain	-	-	-	-	-	-	-	2,074	-	2,074	-	2,074
Share of associates reserve	-	-	-	-	(6,993)	(228,922)	-	-	-	(235,915)	-	(235,915)
Net loss on foreign exchange translation	-	-	-	-	-	(1,361,743)	-	-	-	(1,361,743)	(8,685)	(1,370,428)
Net (loss)/gain on financial assets at fair value through other comprehensive income	-	-	-	-	(193,992)	-	-	-	-	(193,992)	597	(193,395)
Net gain on net investment hedge	-	-	-	-	-	-	-	39,877	-	39,877	-	39,877
Net gain on cash flow hedge	-	-	-	-	-	-	-	1,216	-	1,216	-	1,216
Total comprehensive (loss)/income for the period	-	-	-	-	(200,985)	(1,590,665)	-	43,167	1,871,036	122,553	20,364	142,917
Carried forward	44,250,380	(183,438)	203,058	2,077,175	262,377	(731,913)	219,387	(362,002)	26,421,703	72,156,727	2,226,557	74,383,284

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CONDENSED FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED 31 MARCH 2018

<===== Attributable to equity holders of the Bank =====>
<===== Non-Distributable =====>

<u>Group (cont'd.)</u>	Share Capital RM'000	Shares Held-in-trust RM'000	Statutory Reserve RM'000	Regulatory Reserve RM'000	Fair Value Through Other Comprehensive Income Reserve RM'000	Exchange Fluctuation Reserve RM'000	ESS Reserve RM'000	Other Reserves ¹ RM'000	Retained Profits ² RM'000	Total Shareholders' Equity RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
Brought forward	44,250,380	(183,438)	203,058	2,077,175	262,377	(731,913)	219,387	(362,002)	26,421,703	72,156,727	2,226,557	74,383,284
Share-based payment under Employees' Share Scheme ("ESS")	-	-	-	-	-	-	1,458	-	-	1,458	-	1,458
Effect of net acquisition from/disposal to non-controlling interests	-	-	-	-	-	-	-	-	-	-	8,475	8,475
Transfer to statutory reserves	-	-	313	-	-	-	-	-	(313)	-	-	-
Transfer to regulatory reserve	-	-	-	254,487	-	-	-	-	(254,487)	-	-	-
Issue of shares pursuant to ESS (Note A8(i)(a)(A))	1,155,264	-	-	-	-	-	(66,152)	-	-	1,089,112	-	1,089,112
Issue of shares pursuant to Restricted Share Unit ("RSU") (Note A8(i)(a)(B))	45,940	(2,095)	-	-	-	-	(30,801)	-	(13,044)	-	-	-
Total transactions with shareholders/ other equity movements	1,201,204	(2,095)	313	254,487	-	-	(95,495)	-	(267,844)	1,090,570	8,475	1,099,045
At 31 March 2018	45,451,584	(185,533)	203,371	2,331,662	262,377	(731,913)	123,892	(362,002)	26,153,859	73,247,297	2,235,032	75,482,329

¹ The further breakdown and movement of other reserves are disclosed in Note A20.

² The retained profits of the Group include the non-distributable non-par surplus from an insurance subsidiary amounted to RM1,238.7 million (net of tax). This non-distributable non-par surplus is only available for distribution to shareholder on the amount recommended by the Appointed Actuary in accordance with the Financial Services Act 2013.

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<u>Group</u>	Attributable to equity holders of the Bank												
	Non-Distributable												
	Share Capital RM'000	Share Premium RM'000	Shares Held-in-trust RM'000	Statutory Reserve RM'000	Regulatory Reserve RM'000	Available- for-sale Reserve RM'000	Exchange Fluctuation Reserve RM'000	ESS Reserve RM'000	Other Reserves ¹ RM'000	Retained Profits ² RM'000	Total Shareholders' Equity RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
At 1 January 2017	10,193,200	28,878,703	(125,309)	10,934,947	1,057,997	(269,131)	3,592,057	320,912	(476,340)	14,408,695	68,515,731	1,959,092	70,474,823
Profit for the period	-	-	-	-	-	-	-	-	-	1,702,797	1,702,797	42,307	1,745,104
Other comprehensive income/(loss)	-	-	-	-	-	227,983	130,555	-	(20,043)	-	338,495	5,767	344,262
Defined benefit plan actuarial gain	-	-	-	-	-	-	-	-	719	-	719	176	895
Share of associates' reserve	-	-	-	-	-	(7,133)	(45,921)	-	-	-	(53,054)	-	(53,054)
Net gain/(loss) on foreign exchange translation	-	-	-	-	-	-	176,476	-	-	-	176,476	(2,215)	174,261
Net gain on financial investments available-for-sale	-	-	-	-	-	235,116	-	-	-	-	235,116	7,806	242,922
Net loss on net investment hedge	-	-	-	-	-	-	-	-	(20,762)	-	(20,762)	-	(20,762)
Total comprehensive income/(loss) for the period	-	-	-	-	-	227,983	130,555	-	(20,043)	1,702,797	2,041,292	48,074	2,089,366
Carried forward	10,193,200	28,878,703	(125,309)	10,934,947	1,057,997	(41,148)	3,722,612	320,912	(496,383)	16,111,492	70,557,023	2,007,166	72,564,189

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<===== Attributable to equity holders of the Bank =====>
<===== Non-Distributable =====>

<u>Group (cont'd.)</u>	Share Capital RM'000	Share Premium RM'000	Shares Held-in-trust RM'000	Statutory Reserve RM'000	Regulatory Reserve RM'000	Available- for-sale Reserve RM'000	Exchange Fluctuation Reserve RM'000	ESS Reserve RM'000	Other Reserves RM'000	Retained Profits RM'000	Total Shareholders' Equity RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
Brought forward	10,193,200	28,878,703	(125,309)	10,934,947	1,057,997	(41,148)	3,722,612	320,912	(496,383)	16,111,492	70,557,023	2,007,166	72,564,189
Share-based payment under Employees' Share Scheme ("ESS")	-	-	-	-	-	-	-	5,353	-	-	5,353	-	5,353
Effect of changes in corporate structure within the Group	-	-	-	-	-	-	-	-	-	-	-	(1,376)	(1,376)
Effect of net acquisition from/disposal to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	438	438
Transfer to share capital	28,878,703	(28,878,703)	-	-	-	-	-	-	-	-	-	-	-
Transfer to statutory reserves	-	-	-	12,386	-	-	-	-	-	(12,386)	-	-	-
Transfer to regulatory reserve	-	-	-	-	1,396,791	-	-	-	-	(1,396,791)	-	-	-
Issue of shares pursuant to ESS	6,851	-	-	-	-	-	-	(410)	-	-	6,441	-	6,441
Issue of shares pursuant to Supplemental Restricted Share Unit ("SRSU")	935	-	-	-	-	-	-	(922)	-	(13)	-	-	-
Dividends	-	-	-	-	-	-	-	-	-	-	-	(11,522)	(11,522)
Total transactions with shareholders/ other equity movements	28,886,489	(28,878,703)	-	12,386	1,396,791	-	-	4,021	-	(1,409,190)	11,794	(12,460)	(666)
At 31 March 2017	39,079,689	-	(125,309)	10,947,333	2,454,788	(41,148)	3,722,612	324,933	(496,383)	14,702,302	70,568,817	1,994,706	72,563,523

¹ The further breakdown and movement of other reserves are disclosed in Note A20.

² The retained profits of the Group include the non-distributable non-par surplus from an insurance subsidiary amounted to RM1,216.4 million (net of tax). This non-distributable non-par surplus is only available for distribution to shareholder on the amount recommended by the Appointed Actuary in accordance with the Financial Services Act 2013.

(These unaudited condensed interim financial statements should be read in conjunction with the audited annual financial statements for the financial year ended 31 December 2017 and the accompanying explanatory notes attached to these financial statements)

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CONDENSED FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED 31 MARCH 2018

<===== Attributable to equity holders of the Bank =====>
<===== Non-Distributable =====>

<u>Bank</u>	Share Capital RM'000	Shares Held-in-trust RM'000	Statutory Reserve RM'000	Regulatory Reserve RM'000	Fair Value Through Other Comprehensive Income Reserve RM'000	Exchange Fluctuation Reserve RM'000	ESS Reserve RM'000	Distributable Retained Profits RM'000	Total Equity RM'000
At 1 January 2018									
- as previously stated	44,250,380	(183,438)	46,255	2,233,563	(114,149)	2,228,315	219,387	13,572,235	62,252,548
- effect of adopting MFRS 9 (Note A41)	-	-	-	(295,155)	412,654	-	-	(136,856)	(19,357)
At 1 January 2018, as restated	44,250,380	(183,438)	46,255	1,938,408	298,505	2,228,315	219,387	13,435,379	62,233,191
Profit for the period	-	-	-	-	-	-	-	1,494,175	1,494,175
Other comprehensive loss	-	-	-	-	(221,181)	(421,269)	-	-	(642,450)
Net loss on foreign exchange translation	-	-	-	-	-	(421,269)	-	-	(421,269)
Net loss on financial assets at fair value through other comprehensive income	-	-	-	-	(221,181)	-	-	-	(221,181)
Total comprehensive (loss)/income for the period	-	-	-	-	(221,181)	(421,269)	-	1,494,175	851,725
Share-based payment under Employees' Share Scheme ("ESS")	-	-	-	-	-	-	1,458	-	1,458
Transfer to regulatory reserve	-	-	-	176,699	-	-	-	(176,699)	-
Issue of shares pursuant to ESS (Note A8(i)(a)(A))	1,155,264	-	-	-	-	-	(66,152)	-	1,089,112
Issue of shares pursuant to Restricted Share Unit ("RSU") (Note A8(i)(a)(B))	45,940	(2,095)	-	-	-	-	(30,801)	(13,044)	-
Total transactions with shareholders/ other equity movements	1,201,204	(2,095)	-	176,699	-	-	(95,495)	(189,743)	1,090,570
At 31 March 2018	45,451,584	(185,533)	46,255	2,115,107	77,324	1,807,046	123,892	14,739,811	64,175,486

(These unaudited condensed interim financial statements should be read in conjunction with the audited annual financial statements for the financial year ended 31 December 2017 and the accompanying explanatory notes attached to these financial statements)

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UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED 31 MARCH 2018

	<===== Attributable to equity holders of the Bank =====>									
	<===== Non-Distributable =====>									
Bank	Share Capital RM'000	Share Premium RM'000	Shares Held-in-trust RM'000	Statutory Reserve RM'000	Regulatory Reserve RM'000	Available- for-sale Reserve RM'000	Exchange Fluctuation Reserve RM'000	Distributable ESS Reserve RM'000	Retained Profits RM'000	Total Equity RM'000
At 1 January 2017	10,193,200	28,878,703	(125,309)	10,325,216	660,800	(453,145)	2,747,423	320,912	4,456,832	57,004,632
Profit for the period	-	-	-	-	-	-	-	-	848,479	848,479
Other comprehensive income	-	-	-	-	-	195,699	211,472	-	-	407,171
Net gain on foreign exchange translation	-	-	-	-	-	-	211,472	-	-	211,472
Net gain on financial investments available-for-sale	-	-	-	-	-	195,699	-	-	-	195,699
Total comprehensive income for the period	-	-	-	-	-	195,699	211,472	-	848,479	1,255,650
Share-based payment under Employees' Share Scheme ("ESS")	-	-	-	-	-	-	-	5,353	-	5,353
Transfer to statutory reserve	-	-	-	5,847	-	-	-	-	(5,847)	-
Transfer to regulatory reserve	-	-	-	-	1,420,676	-	-	-	(1,420,676)	-
Transfer to share capital	28,878,703	(28,878,703)	-	-	-	-	-	-	-	-
Issue of shares pursuant to ESS	6,851	-	-	-	-	-	-	(410)	-	6,441
Issue of shares pursuant to Supplemental Restricted Share Unit ("SRSU")	935	-	-	-	-	-	-	(922)	(13)	-
Total transactions with shareholders/ other equity movements	28,886,489	(28,878,703)	-	5,847	1,420,676	-	-	4,021	(1,426,536)	11,794
At 31 March 2017	39,079,689	-	(125,309)	10,331,063	2,081,476	(257,446)	2,958,895	324,933	3,878,775	58,272,076

(These unaudited condensed interim financial statements should be read in conjunction with the audited annual financial statements for the financial year ended 31 December 2017 and the accompanying explanatory notes attached to these financial statements)

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CONDENSED FINANCIAL STATEMENTS
UNAUDITED CASH FLOW STATEMENTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2018

	Group		Bank	
	31 March 2018 RM'000	31 March 2017 RM'000	31 March 2018 RM'000	31 March 2017 RM'000
Cash flows from operating activities				
Profit before taxation and zakat	2,556,668	2,249,070	1,951,662	1,115,800
Adjustments for:				
Depreciation of property, plant and equipment	102,352	95,838	42,324	47,841
Gain on disposal of property, plant and equipment	(59,963)	(3,616)	(55,290)	(3,252)
Share of profits in associates and joint ventures	(8,548)	(41,186)	-	-
Amortisation of intangible assets	59,703	71,611	20,289	26,480
Net loss on liquidation of subsidiaries	-	2,008	-	-
Net gain on dilution of interest in associates	(1,276)	-	-	-
Net gain on disposal of financial assets at fair value through profit or loss	(32,296)	(31,262)	(55,259)	(24,137)
Net gain on disposal of financial assets at fair value through other comprehensive income	(57,558)	-	(51,881)	-
Net gain on disposal of financial investments available-for-sale	-	(183,822)	-	(29,596)
Net gain on redemption of financial assets at amortised cost	(599)	-	(599)	-
Net gain on redemption of financial investments held-to-maturity	-	(170)	-	(170)
Unrealised loss/(gain) on revaluation of financial assets at fair value through profit or loss and derivatives	281,152	(130,943)	117,161	(33,485)
Unrealised gain on revaluation of financial liabilities at fair value through profit or loss	(277,069)	(8,074)	(275,659)	(7,821)
Allowances for impairment losses on loans, advances and financing, net	572,137	623,618	95,947	438,818
Allowances for/(writeback of) impairment losses on other debts	6,725	2,431	731	(126)
Dividend income	(20,173)	(20,090)	(25)	(910)
ESS expenses	3,281	5,612	2,401	3,698
(Writeback of)/allowances for impairment losses on financial investments, net	(14,868)	250	(33,593)	(690)
Other adjustments for non-operating and non-cash items	(104,043)	(21,681)	(119,159)	(4,390)
Operating profit before working capital changes	3,005,625	2,609,594	1,639,050	1,528,060
Change in deposits and placements with financial institutions with original maturity of more than three months	8,499,012	3,945,707	8,521,777	6,418,822
Change in cash and short-term funds with original maturity of more than three months	(484,661)	254,220	(679,876)	804,027
Change in financial investments portfolio	873,574	(16,998,993)	3,140,320	(11,809,734)
Change in loans, advances and financing	(9,447,470)	240,183	(6,612,230)	2,371,649
Change in statutory deposits with central banks	(741,225)	956,667	425,276	481,110
Change in deposits from customers	15,531,854	(10,200,763)	1,874,051	(10,452,955)
Change in investment accounts of customers	(2,713,496)	170,027	-	-
Change in deposits and placements from financial institutions	(3,412,312)	11,720,146	(291,843)	10,505,174
Change in financial liabilities at fair value through profit or loss	58,947	437,993	56,302	353,198
Change in reinsurance/retakaful assets and other insurance receivables	(199,923)	(167,330)	-	-
Change in insurance/takaful contract liabilities and other insurance payables	744,529	555,278	-	-
Change in other operating activities	(491,736)	(2,839,409)	(2,565,079)	(2,679,763)
Cash generated from/(used in) operations	11,222,718	(9,316,680)	5,507,748	(2,480,412)
Taxes and zakat paid	(719,680)	(450,352)	(303,734)	(149,551)
Net cash generated from/(used in) operating activities	10,503,038	(9,767,032)	5,204,014	(2,629,963)

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CONDENSED FINANCIAL STATEMENTS
UNAUDITED CASH FLOW STATEMENTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2018

	Group		Bank	
	31 March 2018 RM'000	31 March 2017 RM'000	31 March 2018 RM'000	31 March 2017 RM'000
Cash flows from investing activities				
Dividends received from:				
- financial investments portfolio	20,173	20,090	25	-
- associates	-	-	-	910
Purchase of property, plant and equipment	(36,124)	(38,748)	(26,890)	(24,143)
Purchase of investment properties	(46,277)	(9,805)	-	-
Proceeds from disposal of property, plant and equipment	61,740	6,140	56,672	4,054
Purchase of intangible assets	(122,937)	(40,257)	(28,922)	(25,545)
Purchase of additional ordinary shares in existing subsidiaries	-	-	-	(66,420)
Net effect arising from transaction with non-controlling interests	8,475	-	-	-
Net effect arising from disposal of subsidiaries	-	(2,947)	-	-
Net cash (used in)/generated from investing activities	(114,950)	(65,527)	885	(111,144)
Cash flows from financing activities				
Proceeds from issuance of shares	1,089,112	6,441	1,089,112	6,441
Drawdown/(repayment) of borrowings, net	431,805	1,286,181	(785,561)	(1,231,644)
Issuance of subordinated obligations	-	35,000	-	-
Recourse obligation on loans and financing sold to Cagamas, net	-	(9,546)	-	(9,547)
Dividends paid to non-controlling interests	-	(11,522)	-	-
Net cash generated from/(used in) financing activities	1,520,917	1,306,554	303,551	(1,234,750)
Net increase/(decrease) in cash and cash equivalents	11,909,005	(8,526,005)	5,508,450	(3,975,857)
Cash and cash equivalents at beginning of period	53,933,844	50,875,740	39,306,384	38,217,233
Effects of foreign exchange rate changes	(767,693)	(186,060)	(660,567)	(153,875)
Cash and cash equivalents at end of period	65,075,156	42,163,675	44,154,267	34,087,501

Cash and cash equivalents included in the cash flow statements comprise the following amounts in Statements of Financial Position:

	Group		Bank	
	31 March 2018 RM'000	31 March 2017 RM'000	31 March 2018 RM'000	31 March 2017 RM'000
Cash and short-term funds	53,810,551	43,634,116	29,614,509	28,048,720
Deposits and placements with financial institutions	16,639,091	15,039,071	19,488,493	18,288,920
	70,449,642	58,673,187	49,103,002	46,337,640
Less:				
Cash and short-term funds and deposits and placements with financial institutions, with original maturity of more than three months	(5,374,486)	(16,509,512)	(4,948,735)	(12,250,139)
Cash and cash equivalents at end of period	65,075,156	42,163,675	44,154,267	34,087,501

(These unaudited condensed interim financial statements should be read in conjunction with the audited annual financial statements for the financial year ended 31 December 2017 and the accompanying explanatory notes attached to these financial statements)

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Part A: Explanatory Notes Pursuant to Malaysian Financial Reporting Standard 134 (“MFRS 134”) Interim Financial Reporting

A1. Basis of Preparation

The unaudited condensed interim financial statements for the Group and the Bank have been prepared under the historical cost convention except for the following assets and liabilities that are stated at fair values: financial assets at fair value through other comprehensive income, financial assets and liabilities at fair value through profit or loss, derivative financial instruments and investment properties.

The unaudited condensed interim financial statements have been prepared in accordance with the requirements of Chapter 9, part K of the Listing Requirements of Bursa Malaysia Securities Berhad, MFRS 134 *Interim Financial Reporting* and IAS 34 *Interim Financial Reporting*.

The unaudited condensed interim financial statements do not include all the information and disclosures required in the audited annual financial statements, and should be read in conjunction with the audited annual financial statements for the financial year ended 31 December 2017. These explanatory notes attached to the unaudited condensed interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group and of the Bank since the financial year ended 31 December 2017.

The unaudited condensed interim financial statements of the Group include Islamic banking and insurance business. Islamic banking refers generally to the acceptance of deposits, granting of financing and dealing in Islamic securities under the Shariah principles. Insurance business refers to the underwriting of general and life insurance business, the management of general and family takaful business and investment-linked business.

The significant accounting policies and methods of computation applied by the Group and the Bank are consistent with those adopted in the most recent audited annual financial statements for the financial year ended 31 December 2017 except for adoption of the following new Malaysian Financial Reporting Standards (“MFRSs”), amendments to MFRSs, annual improvements to MFRSs and IC Interpretations which are effective for annual periods beginning on or after 1 January 2018:

- MFRS 2 *Share-based Payment* - Classification and Measurement of Share-based Payment Transactions (Amendments to MFRS 2)
- MFRS 9 *Financial Instruments*
- MFRS 15 *Revenue from Contracts with Customers*
- Applying MFRS 9 *Financial Instruments* with MFRS 4 *Insurance Contracts* (Amendments to MFRS 4)
- Annual Improvements to MFRSs 2014-2016 Cycle
 - (i) Amendments to MFRS 1 *First-time Adoption of Malaysian Financial Reporting Standards*
 - (ii) Amendments to MFRS 128 *Investments in Associates and Joint Ventures*
- MFRS 140 *Transfers of Investment Property* (Amendments to MFRS 140)
- IC Interpretation 22 *Foreign Currency Transactions and Advance Consideration*

The adoption of the above new MFRSs, amendments to MFRSs, annual improvements to MFRSs and IC Interpretations do not have any significant financial impact to the Group's and the Bank's financial statements, except for as disclosed below:

MFRS 9 *Financial Instruments*

The adoption of this standard resulted in changes in accounting policies and adjustments to the financial statements. The accounting policies that relate to the classification, measurement and impairment of financial assets are amended to comply with this standard, while the hedge accounting policies are not impacted. In accordance with the transition provisions in the standard, comparatives are not restated and the financial impact of the adoption of the standard is recognised in retained profits, fair value through other comprehensive income reserve and regulatory reserve as at 1 January 2018.

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A1. Basis of Preparation (cont'd.)

MFRS 9 *Financial Instruments* (cont'd.)

The adoption of MFRS 9 resulted in the following changes to the Group's and Bank's accounting policies:

(i) Classification and measurement

The Group and the Bank classify financial assets on the basis of two criteria:

- (1) The business model within financial assets are managed; and
- (2) The contractual cash flow characteristics.

At initial recognition, each financial assets is classified as either amortised cost, fair value through other comprehensive income ("FVOCI"), or FVTPL as summarised in below table:

Amortised Cost	Fair Value	
	FVOCI	FVTPL
<ul style="list-style-type: none"> • Financial assets will be measured at amortised cost if the assets held within a business model whose objective is to hold financial assets in order to collect contractual cash flows which represent solely payments of principal and interest. 	<ul style="list-style-type: none"> • Financial assets will be measured at FVOCI if the assets held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and the contractual cash flows represent solely payments of principal and interest. • Equity instruments are normally measured at FVTPL. However, for non-traded equity instruments, with an irrevocable option at inception, to measure changes through FVOCI (without recycling profit or loss upon derecognition). 	<ul style="list-style-type: none"> • Financial assets will be measured at FVTPL if the assets that are held for trading or financial assets that qualify for neither held at amortised cost nor at FVOCI. • Equity instruments that were not elected for FVOCI will be measured at FVTPL.

Classification and measurement of financial liabilities remain largely unchanged, other than the fair value gains and losses attributable to changes in 'own credit risk' for financial liabilities designated and measured at FVTPL to be presented in OCI. The remainder of the change in fair value is presented in profit or loss, unless presentation of the fair value change in respect of the liability's credit risk in OCI would create or enlarge an accounting mismatch in profit or loss.

(ii) Impairment

The MFRS 9 impairment requirements are based on an Expected Credit Loss ("ECL") model that replaces the Incurred Loss model under the MFRS 139. The ECL model applies to financial assets measured at amortised cost or at FVOCI, irrevocable loan commitments and financial guarantee contracts, which include loans, advances and financing and debt instruments held by the Group and the Bank. The ECL model also applies to contract assets under MFRS 15 *Revenue from Contracts with Customers* and lease receivables under MFRS 117 *Leases*.

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A1. Basis of Preparation (cont'd.)

MFRS 9 Financial Instruments (cont'd.)

(ii) Impairment (cont'd.)

The measurement of expected credit loss involves increased complexity and judgement that include:

- Determining a significant increase in credit risk since initial recognition

The assessment of significant deterioration since initial recognition is key in establishing the point of switching between the requirement to measure an allowance based on 12-month ECL and one that is based on lifetime ECL. The quantitative and qualitative assessments are required to estimate the significant increase in credit risk by comparing the risk of a default occurring on the financial assets as at reporting date with the risk of default occurring on the financial assets as at the date of initial recognition. The Group and the Bank apply a three-stage approach based on the change in credit quality since initial recognition:

3 Stage approach	Stage 1	Stage 2	Stage 3
	Performing	Under-performing	Non-performing
ECL Approach	12-month ECL	Lifetime ECL	Lifetime ECL
Criterion	No significant increase in credit risk	Credit risk increased significantly	Credit-impaired assets
Recognition of interest/profit income	On gross carrying amount	On gross carrying amount	On net carrying amount

- ECL Measurement

There are three main components to measure ECL which are a probability of default model ("PD"), a loss given default model ("LGD") and the exposure at default model ("EAD"). The model is to leverage as much as possible the Group's and the Bank's existing Basel II models and performed the required adjustments to produce MFRS 9 compliant model.

MFRS 9 does not distinguish between individual assessment and collective assessment. Therefore, the Group and the Bank have decided to continue measure the impairment mainly on an individual transaction basis for financial assets that are deemed to be individually significant.

- Expected life

Lifetime expected credit losses must be measured over the expected life. This is restricted to the maximum contractual life and takes into account expected prepayment, extension, call and similar options, except for certain revolver financial instruments such as credit cards and overdrafts. The expected life for these revolver facilities generally refers to their behavioural life.

- Forward looking information

Expected credit losses are the unbiased probability-weighted credit losses determined by evaluating a range of possible outcomes and considering future economic conditions. The reasonable and supportable forward looking information is based on the Group's and the Bank's research arm, Maybank Kim Eng ("MKE"). In addition, the MKE Research's assumptions and analysis are also based on the collation of macroeconomic data obtained from various sources such as, but not limited to regulators, government and foreign ministries as well as independent research organisations.

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A1. Basis of Preparation (cont'd.)

MFRS 9 *Financial Instruments* (cont'd.)

(iii) Hedge accounting

The requirements for general hedge accounting have been simplified for hedge effectiveness testing. Overall, there is no significant financial impact on the Group and the Bank arising from adoption of new hedge accounting requirements under MFRS 9.

The financial impact of the adoption of MFRS 9 on the financial statements of the Group and of the Bank are disclosed in Note A41.

MFRS 15 *Revenue from Contracts with Customers*

MFRS 15 establishes a new five-step model that will apply to revenue arising from contracts with customers. Under MFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in MFRS 15 provide a more structured approach (i.e. five-step model) to measure and recognise revenue. The five-step model that applies to revenue recognition under MFRS 15 is as follows:

- (1) Identify the contract(s) with a customer;
- (2) Identify the performance obligations in the contract;
- (3) Determine the transaction price;
- (4) Allocate the transaction price to the performance obligations in the contract; and
- (5) Recognise revenue when (or as) the entity satisfies a performance obligation.

The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies how to account for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. New disclosure requirements under MFRS 15 include disaggregated information about revenue and information about the performance obligations remaining at the reporting date.

The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under MFRS (including MFRS 111 *Construction Contracts*, MFRS 118 *Revenue*, IC Interpretation 13 *Customer Loyalty Programmes*, IC Interpretation 15 *Agreements for the Construction of Real Estate*, IC Interpretation 18 *Transfers of Assets from Customers* and IC Interpretation 131 *Revenue – Barter Transactions Involving Advertising Services*). Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after 1 January 2018. The Group and the Bank have adopted the standard on its effective date, using the modified retrospective method of adoption. The standard does not apply to income or revenue associated with financial instruments scoped in MFRS 9 such as loan, advances and financing and financial investment securities. The adoption of this standard has no material financial impact other than the disclosures made in Note A31 of the Group's and the Bank's financial statements.

Applying MFRS 9 *Financial Instruments* with MFRS 4 *Insurance Contracts* (Amendments to MFRS 4)

In December 2016, the MASB issued amendments to MFRS 4 to address issues arising from the different effective dates of MFRS 9 and the upcoming new insurance contracts standard (IFRS 17) to be issued by the International Accounting Standards Board.

The amendments introduce two alternative options for entities issuing contracts within the scope of MFRS 4, notably a temporary exemption and an overlay approach. The temporary exemption enables eligible entities to defer the implementation date of MFRS 9 for annual periods beginning before 1 January 2021 at the latest whilst the overlay approach allows an entity applying MFRS 9 to reclassify between profit or loss and other comprehensive income an amount that results in the profit or loss at the end of the reporting period for the designated financial assets being the same as if an entity had applied MFRS 139 to these designated financial assets.

The Group has opted not to apply the exemptions permitted under these amendments and has commenced full adoption of MFRS 9 effective on 1 January 2018.

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A1. Basis of Preparation (cont'd.)

Revised Financial Reporting Guidelines issued by Bank Negara Malaysia ("BNM")

On 2 February 2018, BNM issued a revised Financial Reporting Guidelines. The revised guidelines apply to financial institutions in Malaysia that covers licensed banks, licensed investment banks, licensed Islamic banks and licensed insurers. The revised guidelines have superseded two guidelines issued by BNM previously, namely *Financial Reporting* dated 28 January 2015 and *Classification and Impairment Provision for Loans/Financing* dated 6 April 2015. The revised guidelines were updated to include as follows:

- (i) Require a banking institution to maintain, in aggregate, loss allowance for non-credit impaired exposures (commonly known as Stage 1 and Stage 2 provisions) and regulatory reserves of no less than 1% of total credit exposures, net of loss allowance for credit-impaired exposures;

The Group and the Bank have presented the regulatory reserves in the Unaudited Statement of Changes in Equity and in Note A41.

- (ii) Additional disclosure in annual financial statements i.e. intercompany charges with a breakdown by type of services received and geographical distribution;

The Group will present these information in the annual financial statements for the year ending 31 December 2018 accordingly.

- (iii) Additional disclosure on placement of funds in an investment account with an Islamic banking institution:

- (a) present the placement, as a separate line item in the statement of financial position, as either "investment account placement" or "investment account placement – (asset description)"; and

- (b) disclose in the explanatory notes the nature of the underlying assets for the investment; and

The additional disclosures are presented in Note A11.

- (iv) Clarify on the classification of a credit facility as credit-impaired:

- (a) where the principal or interest/profit or both of the credit facility is past due for more than 90 days or 3 months. In the case of revolving credit facilities (e.g. overdraft facilities), the facility shall be classified as credit-impaired where the outstanding amount has remained in excess of the approved limit for a period of more than 90 days or 3 months;

- (b) where the amount is past due or the outstanding amount has been in excess of the approved limit for 90 days or 3 months or less, and the credit facility exhibits weaknesses in accordance with the banking institution's credit risk measurement framework; or

- (c) when the credit facility is classified as rescheduled or restructured in the Central Credit Reference Information System (CCRIS) in accordance with the CCRIS reporting requirements in Appendix 1 of the revised guidelines.

The Group and the Bank have adopted the above classification criteria in deriving the Group's credit-impaired exposures, which leads to the computation of regulatory reserves and loss allowance for credit-impaired exposures as required in (i) above.

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A2. Significant Accounting Policies

The audited annual financial statements of the Group and of the Bank for the financial year ended 31 December 2017 were prepared in accordance with MFRS and International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act 2016 in Malaysia. The significant accounting policies adopted in preparing these unaudited condensed interim financial statements are consistent with those of the audited annual financial statements for the financial year ended 31 December 2017 except for the adoption of the new MFRS, amendments to MFRS, annual improvements to MFRS and IC Interpretations which are effective for annual periods beginning on or after 1 January 2018 and new requirements of the BNM's Policy Documents as disclosed in Note A1.

A3. Significant Accounting Estimates and Judgements

The preparation of unaudited condensed interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of income, expenses, assets, liabilities, the accompanying disclosures and the disclosure of contingent liabilities. Although these estimates and judgements are based on management's best knowledge of current events and actions, actual results may differ.

In preparing these unaudited condensed interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the audited annual financial statements for the financial year ended 31 December 2017 except for the measurement of expected credit loss under MFRS 9 which involves increased complexity and judgement as disclosed in Note A1.

A4. Auditors' Report on Preceding Audited Annual Financial Statements

The auditors' report on the audited annual financial statements for the financial year ended 31 December 2017 was not qualified.

A5. Seasonal or Cyclical Factors

The operations of the Group and of the Bank were not materially affected by any seasonal or cyclical factors during the first quarter ended 31 March 2018.

A6. Unusual Items Due to Their Nature, Size or Incidence

During the first quarter ended 31 March 2018, save as disclosed in Note A8 below, there were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group and of the Bank.

A7. Changes in Estimates

There were no material changes in estimates during the first quarter ended 31 March 2018.

A8. Changes in Debt and Equity Securities

(i) The following are the changes in debt and equity securities for the Group and the Bank during the first quarter ended 31 March 2018:

(a) **Share capital**

The share capital of the Bank increased from RM44,250,380,043 as at 31 December 2017 to RM45,451,584,682 as at 31 March 2018 via:

- (A) Issuance of 119,246,700 new ordinary shares amounting to RM1,155,264,205 to eligible employees who exercised their options under the current Maybank Group Employees' Share Scheme ("ESS") which commenced on 23 June 2011, for a period of 7 years; and
- (B) Issuance of 4,387,816 new ordinary shares amounting to RM45,940,434 to eligible employees under the Restricted Share Unit ("RSU") which is part of the current Maybank Group ESS.

The issued ordinary shares of the Bank as at 31 March 2018 is 10,906,379,794 units (31 December 2017: 10,782,745,278 units).

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A8. Changes in Debt and Equity Securities (cont'd.)

- (i) The following are the changes in debt and equity securities for the Group and the Bank during the first quarter ended 31 March 2018 (cont'd.):

- (b) **Issuance/Redemption of Medium Term Notes pursuant to the USD15.0 billion Multicurrency Medium Term Note Programme by Maybank**

Issuance/ Redemption	Issue/Maturity Date	Nominal Value	Description	Tenor
Issuance	11 January 2018	HKD300.0 million	Floating Rate Notes	3 years
Issuance	12 January 2018	USD100.0 million	Floating Rate Notes	5 years
Issuance	18 January 2018	HKD701.0 million	Fixed Rate Notes	5 years
Issuance	15 February 2018	USD10.0 million	Floating Rate Notes	5 years
Issuance	19 March 2018	USD100.0 million	Floating Rate Notes	5 years
Issuance	29 March 2018	USD150.0 million	Callable Zero Coupon Notes	30 years
Redemption	22 January 2018	HKD200.0 million	Fixed Rate Notes	2 years

- (c) **Issuance of Structured Notes pursuant to the USD3.0 billion Structured Note Programme by Maybank**

Issuance	Issue Date	Nominal Value	Description	Tenor
Issuance	24 January 2018	AUD12.0 million	Collared Floating Rate Notes	5 years

- (d) **Redemption of Ringgit Medium Term Notes pursuant to the RM10.0 billion Commercial Paper/ Medium Term Note Programme by Maybank**

Redemption	Maturity Date	Nominal Value	Description	Tenor
Redemption	8 March 2018	RM60.0 million	Zero Coupon Notes	1 year
Redemption	22 March 2018	RM44.1 million	Zero Coupon Notes	1 year

- (e) **Issuance of bonds by PT Bank Maybank Indonesia Tbk and its subsidiaries**

Issuance	Issue Date	Nominal Value	Description	Tenor
Issuance	15 March 2018	IDR645.5 billion	Shelf Bonds II Bank Maybank Indonesia Tranche II Year 2018	5 years

- (f) **Issuance of Commercial Papers by Maybank**

The aggregate nominal value of the commercial papers issued by the Bank and outstanding as at 31 March 2018 are as follows:

Programme Name	Tenor	Nominal Value
USD5.0 billion Euro-Commercial Paper Programme	182 days	RM579.3 million
USD500.0 million U.S. Commercial Paper Programme	31 - 270 days	RM1,060.8 million
RM10.0 billion Commercial Paper/ Medium Term Note Programme	175 - 365 days	RM1,111.6 million

- (g) **Issuance of Islamic Commercial Papers by Maybank Islamic Berhad**

The aggregate nominal value of the Islamic commercial papers issued by Maybank Islamic Berhad and outstanding as at 31 March 2018 are as follows:

Programme Name	Tenor	Nominal Value
RM10.0 billion Islamic Commercial Paper/ Medium Term Note Programme	90 - 365 days	RM2,500.0 million

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A8. Changes in Debt and Equity Securities (cont'd.)

- (ii) The following are the changes in debt securities for the Group and the Bank subsequent to the first quarter ended 31 March 2018 and have not been reflected in the financial statements for the first quarter ended 31 March 2018:

(a) **Redemption of Samurai Bonds by Maybank**

Redemption	Maturity Date	Nominal Value	Description	Tenor
Redemption	27 April 2018	JPY18.5 billion	Fixed Rate Notes	3 years

(b) **Issuance/Redemption of Medium Term Notes pursuant to the USD15.0 billion Multicurrency Medium Term Note Programme by Maybank**

Issuance/Redemption	Issue/Maturity Date	Nominal Value	Description	Tenor
Issuance	30 April 2018	HKD315.0 million	Fixed Rate Notes	2 years
Issuance	15 May 2018	HKD150.0 million	Floating Rate Notes	3 years
Issuance	15 May 2018	HKD150.0 million	Fixed Rate Notes	2 years
Redemption	27 April 2018	CNY190.0 million	Fixed Rate Notes	2 years
Redemption	27 April 2018	CNY180.0 million	Fixed Rate Notes	2 years
Redemption	15 May 2018	USD200.0 million	Fixed Rate Notes	5 years

(c) **Issuance/Redemption of bonds by PT Bank Maybank Indonesia Tbk and its subsidiaries**

Issuance/Redemption	Issue/Maturity Date	Nominal Value	Description	Tenor
Issuance	6 April 2018	IDR626.0 billion	Shelf Bonds II WOM Finance Tranche IV Year 2018 Series A	370 days
Issuance	6 April 2018	IDR55.0 billion	Shelf Bonds II WOM Finance Tranche IV Year 2018 Series B	2 years
Issuance	6 April 2018	IDR112.0 billion	Shelf Bonds II WOM Finance Tranche IV Year 2018 Series C	3 years
Redemption	2 April 2018	IDR860.0 billion	Shelf Bonds I WOM Finance Tranche III Year 2015 Series B	3 years
Redemption	19 May 2018	IDR1,500.0 billion	Subordinated Bonds I Bank BII Year 2011	7 years

Save as disclosed above, there were no cancellations, share buy-backs, resale of shares bought back by the Group and by the Bank.

A9. Dividends Payable

Dividends payable during the first quarter ended 31 March 2018 are as follows:

- (a) During the Annual General Meeting held on 12 April 2018, a final dividend in respect of the financial year ended 31 December 2017 of 32 sen single-tier dividend per ordinary share, amounting to a net dividend payable of RM3,450,478,489 (based on 10,782,745,278 ordinary shares in issue as at 31 December 2017) was approved by the shareholders.

The dividend consists of cash portion of 18 sen per ordinary share amounting to RM1,940,894,150 and an electable portion of 14 sen per ordinary share amounting to RM1,509,584,339 where the electable portion could be elected to be reinvested in new Maybank shares in accordance with the Dividend Reinvestment Plan ("DRP").

The financial statements for the current quarter do not reflect the final dividend as approval from shareholders have yet been obtained as at 31 March 2018.

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A10. Financial Investments Portfolio

	Note	Group		Bank	
		31 March 2018 RM'000	31 December 2017 RM'000	31 March 2018 RM'000	31 December 2017 RM'000
Financial assets at fair value through profit or loss	(i)	32,744,524	25,117,493	11,940,483	7,896,677
Financial assets at fair value through other comprehensive income	(ii)	102,303,308	-	83,217,746	-
Financial assets at amortised cost	(iii)	19,671,505	-	17,978,273	-
Financial investments available-for-sale	(iv)	-	109,070,244	-	89,286,739
Financial investments held-to-maturity	(v)	-	20,184,773	-	17,763,565
		154,719,337	154,372,510	113,136,502	114,946,981

(i) Financial assets at fair value through profit or loss

	Group		Bank	
	31 March 2018 RM'000	31 December 2017 RM'000	31 March 2018 RM'000	31 December 2017 RM'000
(a) Financial assets designated upon initial recognition	15,681,518	13,187,127	-	-
(b) Financial assets held-for-trading	17,063,006	11,930,366	11,940,483	7,896,677
	32,744,524	25,117,493	11,940,483	7,896,677

(a) Financial assets designated upon initial recognition are as follows:

	Group		Bank	
	31 March 2018 RM'000	31 December 2017 RM'000	31 March 2018 RM'000	31 December 2017 RM'000
At fair value				
Money market instruments:				
Malaysian Government Securities	106,344	243,699	-	-
Malaysian Government Investment Issues	399,704	142,181	-	-
Negotiable Islamic Certificates of Deposits	255,951	254,048	-	-
Foreign Government Securities	297,540	254,952	-	-
Foreign Government Treasury Bills	36,232	111,432	-	-
	1,095,771	1,006,312	-	-
Quoted securities:				
In Malaysia:				
Shares, warrants, trust units and loan stocks	28,748	18,056	-	-
Outside Malaysia:				
Shares, warrants, trust units and loan stocks	165,003	188,865	-	-
	193,751	206,921	-	-
Unquoted securities:				
Shares, trust units and loan stocks in Malaysia	21,000	-	-	-
Foreign Corporate Bonds and Sukuk	768,253	747,270	-	-
Corporate Bonds and Sukuk in Malaysia	13,235,149	10,840,030	-	-
Structured deposits	367,594	386,594	-	-
	14,391,996	11,973,894	-	-
Total financial assets designated upon initial recognition	15,681,518	13,187,127	-	-

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A10. Financial Investments Portfolio (cont'd.)

(i) Financial assets at fair value through profit or loss (cont'd.)

(b) Financial assets held-for-trading are as follows:

	Group		Bank	
	31 March 2018 RM'000	31 December 2017 RM'000	31 March 2018 RM'000	31 December 2017 RM'000
At fair value				
Money market instruments:				
Malaysian Government Securities	1,228,676	441,205	1,208,616	392,497
Malaysian Government Investment Issues	91,337	55,157	60,449	10,009
Cagamas Bonds	60,259	-	60,259	-
Negotiable instruments of deposits	640,812	505,238	640,812	505,238
Foreign Government Securities	1,992,586	3,925,083	1,396,440	2,706,833
Bank Negara Malaysia Bills and Notes	99,252	49,698	99,252	49,698
Foreign Government Treasury Bills	239,643	73,571	239,643	73,571
	<u>4,352,565</u>	<u>5,049,952</u>	<u>3,705,471</u>	<u>3,737,846</u>
Quoted securities:				
In Malaysia:				
Shares, warrants, trust units and loan stocks	1,795,610	1,077,730	109,145	128,081
Outside Malaysia:				
Shares, warrants, trust units and loan stocks	3,059,701	1,743,565	57,356	14,332
Foreign Government Bonds	491	97,667	-	-
	<u>4,855,802</u>	<u>2,918,962</u>	<u>166,501</u>	<u>142,413</u>
Unquoted securities:				
Shares, trust units and loan stocks outside Malaysia	1,051,707	-	921,975	-
Foreign Corporate Bonds and Sukuk	1,185,261	2,031,971	1,623,894	1,648,442
Corporate Bonds and Sukuk in Malaysia	4,236,816	1,320,909	4,209,695	1,767,926
Foreign Government Bonds	1,321,709	608,572	1,312,947	600,050
Structured deposits	59,146	-	-	-
	<u>7,854,639</u>	<u>3,961,452</u>	<u>8,068,511</u>	<u>4,016,418</u>
Total financial assets held- for-trading	<u>17,063,006</u>	<u>11,930,366</u>	<u>11,940,483</u>	<u>7,896,677</u>

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A10. Financial Investments Portfolio (cont'd.)

(ii) Financial assets at fair value through other comprehensive income

	Group		Bank	
	31 March 2018 RM'000	31 December 2017 RM'000	31 March 2018 RM'000	31 December 2017 RM'000
At fair value				
Money market instruments:				
Malaysian Government Securities	11,429,653	-	11,408,124	-
Malaysian Government Investment Issues	21,007,992	-	12,562,932	-
Negotiable instruments of deposits	1,757,047	-	790,366	-
Foreign Government Securities	10,771,419	-	7,967,402	-
Foreign Government Treasury Bills	5,613,293	-	5,607,402	-
Khazanah Bonds	2,658,936	-	2,510,048	-
Cagamas Bonds	653,600	-	653,600	-
	<u>53,891,940</u>	<u>-</u>	<u>41,499,874</u>	<u>-</u>
Quoted securities:				
In Malaysia:				
Shares, warrants, trust units and loan stocks	487,114	-	60,603	-
Outside Malaysia:				
Shares, warrants, trust units and loan stocks	366,697	-	-	-
Foreign Corporate Bonds and Sukuk	64,530	-	-	-
Foreign Government Bonds	96,741	-	-	-
	<u>1,015,082</u>	<u>-</u>	<u>60,603</u>	<u>-</u>
At fair value, or at cost for certain unquoted equity instruments, less accumulated impairment losses				
Unquoted securities:				
Shares, trust units and loan stocks in Malaysia	382,514	-	279,226	-
Foreign Corporate Bonds and Sukuk	15,098,501	-	13,935,153	-
Corporate Bonds and Sukuk in Malaysia	23,105,579	-	18,857,844	-
Foreign Government Bonds	8,278,577	-	8,221,467	-
Malaysian Government Bonds	404,657	-	363,579	-
Others	126,458	-	-	-
	<u>47,396,286</u>	<u>-</u>	<u>41,657,269</u>	<u>-</u>
Total financial assets at fair value through other comprehensive income	<u>102,303,308</u>	<u>-</u>	<u>83,217,746</u>	<u>-</u>

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A10. Financial Investments Portfolio (cont'd.)

(ii) Financial assets at fair value through other comprehensive income (cont'd.)

(a) Movements in the allowances for impairment losses on financial assets at fair value through other comprehensive income are as follows:

Group	Stage 1	Stage 2	Stage 3	Total ECL
	12 Months ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
At 31 March 2018	RM'000	RM'000	RM'000	RM'000
At 1 January 2018				
- effect of adopting MFRS 9	40,412	21,545	314,257	376,214
At 1 January 2018, as restated	40,412	21,545	314,257	376,214
Transferred to Stage 1	10,218	(10,218)	-	-
Transferred to Stage 2	(420)	420	-	-
Transferred to Stage 3	-	(24)	24	-
Allowance made	8,098	2,328	26,464	36,890
Amount written back	(17,244)	(2,719)	(2,771)	(22,734)
New financial assets originated or purchased	4,251	-	-	4,251
Financial assets derecognised	(12,592)	-	-	(12,592)
Changes due to change in credit risk	-	-	1,563	1,563
Exchange differences	(1,795)	(226)	(6,683)	(8,704)
At 31 March 2018	30,928	11,106	332,854	374,888

Bank	Stage 1	Stage 2	Stage 3	Total ECL
	12 Months ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
At 31 March 2018	RM'000	RM'000	RM'000	RM'000
At 1 January 2018				
- effect of adopting MFRS 9	29,127	20,776	300,335	350,238
At 1 January 2018, as restated	29,127	20,776	300,335	350,238
Transferred to Stage 1	10,218	(10,218)	-	-
Transferred to Stage 2	(420)	420	-	-
Allowance made	6,660	2,291	5,979	14,930
Amount written back	(16,462)	(2,615)	(2,771)	(21,848)
New financial assets originated or purchased	2,150	-	-	2,150
Financial assets derecognised	(11,137)	-	-	(11,137)
Exchange differences	(201)	(226)	(6,683)	(7,110)
At 31 March 2018	19,935	10,428	296,860	327,223

(iii) Financial assets at amortised cost

	Group		Bank	
	31 March 2018	31 December 2017	31 March 2018	31 December 2017
	RM'000	RM'000	RM'000	RM'000
At amortised cost less accumulated impairment losses				
Money market instruments:				
Malaysian Government Securities	2,021,848	-	2,021,744	-
Cagamas Bonds	50,778	-	50,778	-
Malaysian Government Investment Issues	2,513,957	-	2,513,957	-
Foreign Government Securities	1,459,695	-	-	-
Foreign Government Treasury Bills	14,190	-	-	-
Khazanah Bonds	868,743	-	868,743	-
Foreign Certificates of Deposits	228,434	-	-	-
	7,157,645	-	5,455,222	-

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A10. Financial Investments Portfolio (cont'd.)

(iii) Financial assets at amortised cost (cont'd.)

	Group		Bank	
	31 March 2018 RM'000	31 December 2017 RM'000	31 March 2018 RM'000	31 December 2017 RM'000
At amortised cost less accumulated impairment losses				
Unquoted securities:				
Foreign Corporate Bonds and Sukuk	2,670,473	-	2,320,032	-
Corporate Bonds and Sukuk in Malaysia	9,540,607	-	10,213,116	-
Foreign Government Bonds	378,759	-	45,921	-
Others	2,044	-	2,044	-
	<u>12,591,883</u>	<u>-</u>	<u>12,581,113</u>	<u>-</u>
Accumulated impairment losses	(78,023)	-	(58,062)	-
Total financial assets at amortised cost	<u>19,671,505</u>	<u>-</u>	<u>17,978,273</u>	<u>-</u>

(a) Movements in the allowances for impairment losses on financial assets at amortised cost are as follows:

Group	Stage 1	Stage 2	Stage 3	Total ECL RM'000
	12 Months ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	
At 31 March 2018				
At 1 January 2018				
- effect of adopting MFRS 9	19,618	82,074	3,777	105,469
At 1 January 2018, as restated	19,618	82,074	3,777	105,469
Transferred to Stage 1	20,621	(20,621)	-	-
Allowance made	761	61	-	822
Amount written back	(22,000)	(1,063)	(19)	(23,082)
New financial assets originated or purchased	1,484	-	-	1,484
Financial assets derecognised	(1,468)	(8)	-	(1,476)
Other movements	6	-	-	6
Exchange differences	(1,038)	(247)	(3,915)	(5,200)
At 31 March 2018	<u>17,984</u>	<u>60,196</u>	<u>(157)</u>	<u>78,023</u>
Bank				
At 31 March 2018				
At 1 January 2018				
- effect of adopting MFRS 9	7,779	68,410	3,777	79,966
At 1 January 2018, as restated	7,779	68,410	3,777	79,966
Transferred to Stage 1	20,621	(20,621)	-	-
Allowance made	525	61	-	586
Amount written back	(17,942)	(382)	(19)	(18,343)
New financial assets originated or purchased	121	-	-	121
Financial assets derecognised	(43)	(9)	-	(52)
Exchange differences	(54)	(247)	(3,915)	(4,216)
At 31 March 2018	<u>11,007</u>	<u>47,212</u>	<u>(157)</u>	<u>58,062</u>

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A10. Financial Investments Portfolio (cont'd.)

(iv) Financial investments available-for-sale

	Group		Bank	
	31 March 2018 RM'000	31 December 2017 RM'000	31 March 2018 RM'000	31 December 2017 RM'000
At fair value				
Money market instruments:				
Malaysian Government Securities	-	12,276,119	-	12,271,396
Malaysian Government Investment Issues	-	20,113,895	-	12,087,870
Negotiable instruments of deposits	-	1,453,388	-	1,035,128
Foreign Government Securities	-	9,744,294	-	7,151,001
Foreign Government Treasury Bills	-	7,967,482	-	7,961,429
Khazanah Bonds	-	2,404,554	-	2,404,554
Cagamas Bonds	-	793,877	-	793,877
Bankers' acceptances and Islamic accepted bills	-	166,173	-	-
	-	<u>54,919,782</u>	-	<u>43,705,255</u>
Quoted securities:				
In Malaysia:				
Shares, warrants, trust units and loan stocks	-	2,682,254	-	196,592
Outside Malaysia:				
Shares, warrants, trust units and loan stocks	-	222,422	-	-
Foreign Corporate Bonds and Sukuk	-	66,283	-	-
Foreign Government Bonds	-	22,495	-	-
	-	<u>2,993,454</u>	-	<u>196,592</u>
At fair value, or at cost for certain unquoted equity instruments, less accumulated impairment losses				
Unquoted securities:				
Shares, trust units and loan stocks in Malaysia [#]	-	360,644	-	280,825
Shares, trust units and loan stocks outside Malaysia [#]	-	3,045	-	-
Foreign Corporate Bonds and Sukuk	-	22,213,641	-	21,010,325
Corporate Bonds and Sukuk in Malaysia	-	23,486,479	-	19,076,312
Foreign Government Bonds	-	4,772,932	-	4,741,288
Malaysian Government Bonds	-	320,267	-	276,142
	-	<u>51,157,008</u>	-	<u>45,384,892</u>
Total financial investments available-for-sale	-	<u>109,070,244</u>	-	<u>89,286,739</u>

[#] Securities that did not have quoted market price in an active market and whose fair value could not be reliably measured were carried at cost, net of impairment losses.

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A10. Financial Investments Portfolio (cont'd.)

(iv) Financial investments available-for-sale (cont'd.)

(a) Movements in the allowances for impairment losses on financial investments available-for-sale are as follows:

	Group		Bank	
	31 March 2018 RM'000	31 December 2017 RM'000	31 March 2018 RM'000	31 December 2017 RM'000
At 1 January 2018/2017				
- as previously stated	521,323	560,730	399,901	409,141
- effect of adopting MFRS 9	<u>(521,323)</u>	-	<u>(399,901)</u>	-
At 1 January 2018/2017, as restated	-	560,730	-	409,141
Allowance made	-	69,725	-	1,071
Amount written back in respect of recoveries	-	(856)	-	(3,288)
Amount written-off/realised	-	(106,962)	-	(11,258)
Exchange differences	-	(1,314)	-	4,235
At 31 March 2018/31 December 2017	<u>-</u>	<u>521,323</u>	<u>-</u>	<u>399,901</u>

(v) Financial investments held-to-maturity

	Group		Bank	
	31 March 2018 RM'000	31 December 2017 RM'000	31 March 2018 RM'000	31 December 2017 RM'000
At amortised cost less accumulated impairment losses				
Money market instruments:				
Malaysian Government Securities	-	2,022,531	-	2,022,427
Cagamas Bonds	-	50,247	-	50,247
Malaysian Government Investment Issues	-	2,525,606	-	2,525,606
Foreign Government Securities	-	1,398,014	-	-
Foreign Government Treasury Bills	-	19,057	-	-
Khazanah Bonds	-	860,393	-	860,393
Foreign Certificates of Deposits	-	174,618	-	-
	<u>-</u>	<u>7,050,466</u>	<u>-</u>	<u>5,458,673</u>
Unquoted securities:				
Foreign Corporate Bonds and Sukuk	-	2,832,177	-	2,452,215
Corporate Bonds and Sukuk in Malaysia	-	9,945,774	-	9,806,381
Foreign Government Bonds	-	358,536	-	48,028
Others	-	2,044	-	2,044
	<u>-</u>	<u>13,138,531</u>	<u>-</u>	<u>12,308,668</u>
Accumulated impairment losses	-	(4,224)	-	(3,776)
Total financial investments held-to-maturity	<u>-</u>	<u>20,184,773</u>	<u>-</u>	<u>17,763,565</u>

(a) Movements in the allowances for impairment losses on financial investments held-to-maturity are as follows:

	Group		Bank	
	31 March 2018 RM'000	31 December 2017 RM'000	31 March 2018 RM'000	31 December 2017 RM'000
At 1 January 2018/2017				
- as previously stated	4,224	24,282	3,776	3,776
- effect of adopting MFRS 9	<u>(4,224)</u>	-	<u>(3,776)</u>	-
At 1 January 2018/2017, as restated	-	24,282	-	3,776
Amount written back in respect of recoveries	-	(107)	-	-
Amount written-off	-	(20,053)	-	-
Exchange differences	-	102	-	-
At 31 March 2018/31 December 2017	<u>-</u>	<u>4,224</u>	<u>-</u>	<u>3,776</u>

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A11. Loans, Advances and Financing

	Note	Group		Bank	
		31 March 2018 RM'000	31 December 2017 RM'000	31 March 2018 RM'000	31 December 2017 RM'000
Loans, advances and financing to financial institutions	(i)	1,096,654	2,026,276	19,329,178	18,614,231
Loans, advances and financing to customers	(ii)	482,022,231	483,558,086	271,595,706	272,383,738
		483,118,885	485,584,362	290,924,884	290,997,969
(i) Loans, advances and financing to financial institutions[^]:					
Gross loans, advances and financing to financial institutions		1,104,431	2,040,105	19,542,121	18,817,485
Allowances for impaired loans, advances and financing:					
- Stage 1 - 12 Months ECL		(7,777)	-	(19,725)	-
- Stage 2 - Lifetime ECL not credit impaired		-	-	(43,273)	-
- Stage 3 - Lifetime ECL credit impaired		-	-	(149,945)	-
- Individual allowance		-	-	-	(151,092)
- Collective allowance		-	(13,829)	-	(52,162)
Net loans, advances and financing to financial institutions		1,096,654	2,026,276	19,329,178	18,614,231
(ii) Loans, advances and financing to customers:					
(A) Loans, advances and financing to customers at fair value through other comprehensive income		5,069,330	-	4,689,814	-
(B) Loans, advances and financing to customers at amortised cost		585,162,067	591,764,524	274,860,036	279,859,642
		590,231,397	591,764,524	279,549,850	279,859,642
Unearned interest and income		(97,941,549)	(99,959,543)	(1,874,729)	(1,841,868)
Gross loans, advances and financing to customers		492,289,848	491,804,981	277,675,121	278,017,774
Allowances for impaired loans, advances and financing:					
- Stage 1 - 12 Months ECL		(1,544,598)	-	(778,625)	-
- Stage 2 - Lifetime ECL not credit impaired		(2,647,907)	-	(1,455,123)	-
- Stage 3 - Lifetime ECL credit impaired		(6,075,112)	-	(3,845,667)	-
- Individual allowance		-	(4,120,531)	-	(2,851,528)
- Collective allowance		-	(4,126,364)	-	(2,782,508)
Net loans, advances and financing to customers		482,022,231	483,558,086	271,595,706	272,383,738
Net loans, advances and financing	(i) & (ii)	483,118,885	485,584,362	290,924,884	290,997,969

[^] Included in the Bank's loans/financing to financial institutions is financing granted to Maybank Islamic Berhad ("MIB"), a subsidiary of the Bank, under Restricted Profit-Sharing Investment Account ("RPSIA") amounting to RM19,511.2 million (31 December 2017: RM18,068.2 million). The RPSIA is a contract based on the Mudharabah principle between two parties to finance a financing where the Bank acts as the investor who solely provides capital to MIB whereas the business venture is managed solely by MIB as an entrepreneur. The profit of the business venture is shared between both parties based on pre-agreed ratios. Losses, if any, are borne by the Bank.

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A11. Loans, Advances and Financing (cont'd.)

	Group		Bank	
	31 March 2018 RM'000	31 December 2017 RM'000	31 March 2018 RM'000	31 December 2017 RM'000
(iii) Loans, advances and financing to financial institutions and customers				
Loans/financing to financial institutions	1,104,431	2,040,105	19,542,121	18,817,485
Overdrafts/cashline	20,074,264	20,132,843	9,021,103	9,002,080
Term loans:				
- Housing loans/financing	150,048,721	149,069,563	60,543,924	59,881,852
- Syndicated loans/financing	41,765,176	39,920,409	37,304,843	35,704,531
- Hire purchase receivables	72,636,332	73,150,529	26,140,744	25,862,558
- Lease receivables	128,443	120,939	-	-
- Other loans/financing	211,731,536	216,033,764	93,072,947	96,176,360
Credit card receivables	8,850,942	8,991,286	7,110,924	7,257,690
Bills receivables	3,995,258	3,868,214	3,848,849	3,722,569
Trust receipts	4,308,795	4,528,344	3,641,753	3,821,888
Claims on customers under acceptance credits	10,684,734	11,493,076	5,414,874	5,773,350
Revolving credits	56,251,035	54,764,740	30,651,406	29,825,692
Share margin financing	6,154,550	6,009,287	2,001,333	2,014,503
Staff loans	3,404,756	3,447,298	795,422	815,718
Loans to:				
- Directors of the Bank	4,389	4,253	281	212
- Directors of subsidiaries	5,702	4,811	1,447	639
Others	186,764	225,168	-	-
	591,335,828	593,804,629	299,091,971	298,677,127
Unearned interest and income	(97,941,549)	(99,959,543)	(1,874,729)	(1,841,868)
Gross loans, advances and financing	493,394,279	493,845,086	297,217,242	296,835,259
Allowances for impaired loans, advances and financing:				
- Stage 1 - 12 Months ECL	(1,552,375)	-	(798,350)	-
- Stage 2 - Lifetime ECL not credit impaired	(2,647,907)	-	(1,498,396)	-
- Stage 3 - Lifetime ECL credit impaired	(6,075,112)	-	(3,995,612)	-
- Individual allowance	-	(4,120,531)	-	(3,002,620)
- Collective allowance	-	(4,140,193)	-	(2,834,670)
Net loans, advances and financing	483,118,885	485,584,362	290,924,884	290,997,969

(iv) Loans, advances and financing analysed by type of customer are as follows:

	Group		Bank	
	31 March 2018 RM'000	31 December 2017 RM'000	31 March 2018 RM'000	31 December 2017 RM'000
Domestic banking institutions	50,011	16,084	19,540,901	18,059,723
Domestic non-banking financial institutions	17,989,163	25,554,508	13,236,762	20,265,706
Domestic business enterprises:				
- Small and medium enterprises	90,191,386	78,320,245	56,505,736	57,001,083
- Others	97,661,018	104,221,505	62,630,221	57,380,920
Government and statutory bodies	15,141,286	15,402,406	902,194	900,545
Individuals	229,471,327	228,084,123	110,890,278	110,824,453
Other domestic entities	8,347,332	8,657,197	1,661,909	1,361,032
Foreign entities	34,542,756	33,589,018	31,849,241	31,041,797
Gross loans, advances and financing	493,394,279	493,845,086	297,217,242	296,835,259

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A11. Loans, Advances and Financing (cont'd.)

(v) Loans, advances and financing analysed by geographical location are as follows:

	Group		Bank	
	31 March 2018 RM'000	31 December 2017 RM'000	31 March 2018 RM'000	31 December 2017 RM'000
Malaysia	292,353,099	289,103,366	143,395,660	142,852,051
Singapore	123,135,835	124,388,161	121,481,721	122,847,450
Indonesia	35,732,580	39,009,785	-	-
Labuan Offshore	16,713,971	14,478,182	16,713,971	14,478,182
Hong Kong SAR	7,540,279	8,571,662	7,262,827	8,266,943
United States of America	873,925	813,651	873,379	813,079
People's Republic of China	4,026,662	4,101,002	4,026,662	4,101,002
Vietnam	803,036	861,178	597,895	637,743
United Kingdom	1,715,002	1,692,984	1,714,969	1,692,934
Brunei	624,915	660,211	624,915	660,211
Cambodia	2,157,547	2,263,316	-	-
Bahrain	104,382	120,152	104,382	120,152
Philippines	5,544,459	5,860,871	-	-
Thailand	1,643,631	1,515,687	-	-
Laos	128,987	134,911	128,987	134,911
Myanmar	291,874	230,601	291,874	230,601
Others	4,095	39,366	-	-
Gross loans, advances and financing	493,394,279	493,845,086	297,217,242	296,835,259

(vi) Loans, advances and financing analysed by interest/profit rate sensitivity are as follows:

	Group		Bank	
	31 March 2018 RM'000	31 December 2017 RM'000	31 March 2018 RM'000	31 December 2017 RM'000
Fixed rate:				
- Housing loans/financing	13,838,614	14,448,234	11,805,497	12,367,358
- Hire purchase receivables	62,316,190	62,031,596	23,696,451	23,507,256
- Other fixed rate loans/financing	66,493,320	65,233,033	50,391,478	49,151,305
Variable rate:				
- Base lending/financing rate/ base rate plus	188,320,389	186,900,601	85,256,762	86,193,316
- Cost plus	61,047,387	62,214,999	56,140,394	56,955,905
- Other variable rates	101,378,379	103,016,623	69,926,660	68,660,119
Gross loans, advances and financing	493,394,279	493,845,086	297,217,242	296,835,259

(vii) Loans, advances and financing analysed by economic purpose are as follows:

	Group		Bank	
	31 March 2018 RM'000	31 December 2017 RM'000	31 March 2018 RM'000	31 December 2017 RM'000
Purchase of securities	34,521,209	33,963,031	9,010,365	9,428,608
Purchase of transport vehicles	63,993,196	64,175,135	22,963,352	22,793,620
Purchase of landed properties:				
- Residential	107,711,019	106,334,633	66,594,066	66,085,358
- Non-residential	40,503,968	40,756,217	28,283,519	28,602,987
Purchase of fixed assets (excluding landed properties)	5,792,419	5,883,215	5,751,546	5,842,763
Personal use	10,446,132	10,376,625	6,303,025	6,351,673
Credit card	8,941,206	9,168,555	7,203,098	7,393,984
Purchase of consumer durables	9,781	4,565	9,445	4,235
Constructions	15,999,354	16,761,677	10,501,290	10,827,248
Mergers and acquisitions	824,259	876,464	800,086	850,019
Working capital	157,861,744	160,235,663	97,028,302	97,562,331
Others	46,789,992	45,309,306	42,769,148	41,092,433
Gross loans, advances and financing	493,394,279	493,845,086	297,217,242	296,835,259

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A11. Loans, Advances and Financing (cont'd.)

(viii) The maturity profile of loans, advances and financing are as follows:

	Group		Bank	
	31 March 2018 RM'000	31 December 2017 RM'000	31 March 2018 RM'000	31 December 2017 RM'000
Within one year	128,585,077	130,156,691	83,906,707	84,077,790
One year to three years	55,687,798	56,735,002	41,845,704	41,663,942
Three years to five years	57,990,531	58,058,485	40,473,148	40,131,495
After five years	251,130,873	248,894,908	130,991,683	130,962,032
Gross loans, advances and financing	493,394,279	493,845,086	297,217,242	296,835,259

(ix) Movements in impaired loans, advances and financing ("impaired loans") are as follows:

	Group		Bank	
	31 March 2018 RM'000	31 December 2017 RM'000	31 March 2018 RM'000	31 December 2017 RM'000
At 1 January 2018/2017				
- as previously stated	11,549,903	11,055,380	8,070,841	7,180,389
- effect of adopting MFRS 9	550,772	-	183,360	-
At 1 January 2018/2017, as restated	12,100,675	11,055,380	8,254,201	7,180,389
Impaired during the financial period/year	2,145,794	7,105,386	909,747	3,875,729
Reclassified as non-impaired	(379,996)	(2,276,061)	(271,037)	(997,473)
Amount recovered	(949,451)	(2,262,161)	(399,982)	(1,151,312)
Amount written-off	(984,544)	(1,648,146)	(902,477)	(648,610)
Exchange differences	(223,858)	(424,495)	(75,208)	(187,882)
Gross impaired loans at 31 March 2018/ 31 December 2017	11,708,620	11,549,903	7,515,244	8,070,841
Less: Stage 3 - Lifetime ECL credit impaired Individual allowance	(6,075,112)	-	(3,995,612)	-
	-	(4,120,531)	-	(3,002,620)
Net impaired loans at 31 March 2018/ 31 December 2017	5,633,508	7,429,372	3,519,632	5,068,221

Calculation of ratio of net impaired loans:

	Group		Bank	
	31 March 2018 RM'000	31 December 2017 RM'000	31 March 2018 RM'000	31 December 2017 RM'000
Gross impaired loans at 31 March 2018/ 31 December 2017 (excluding financing funded by Investment Account*)	11,639,139	11,483,939	7,515,244	8,070,841
Less: Stage 3 - Lifetime ECL credit impaired Individual allowance	(6,075,112)	-	(3,995,612)	-
	-	(4,120,531)	-	(3,002,620)
Net impaired loans	5,564,027	7,363,408	3,519,632	5,068,221
Gross loans, advances and financing	493,394,279	493,845,086	297,217,242	296,835,259
Less: Funded by Investment Account*	(21,841,949)	(24,555,445)	-	-
Less: Stage 3 - Lifetime ECL credit impaired Individual allowance	(6,075,112)	-	(3,995,612)	-
	-	(4,120,531)	-	(3,002,620)
Net loans, advances and financing	465,477,218	465,169,110	293,221,630	293,832,639
Ratio of net impaired loans	1.20%	1.58%	1.20%	1.72%

*In the books of Maybank Islamic Berhad, a wholly-owned subsidiary of the Bank.

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A11. Loans, Advances and Financing (cont'd.)

(x) Impaired loans, advances and financing by economic purpose are as follows:

	Group		Bank	
	31 March 2018 RM'000	31 December 2017 RM'000	31 March 2018 RM'000	31 December 2017 RM'000
Purchase of securities	212,452	275,691	136,661	163,430
Purchase of transport vehicles	451,988	369,622	127,751	100,104
Purchase of landed properties:				
- Residential	852,664	717,419	443,181	376,994
- Non-residential	1,021,288	992,952	865,072	872,588
Purchase of fixed assets (excluding landed properties)	1,435,412	1,512,007	1,411,505	1,483,691
Personal use	148,740	160,019	137,775	128,583
Credit card	95,464	90,831	68,472	63,872
Purchase of consumer durables	106	106	97	98
Constructions	1,560,171	1,504,782	1,171,004	1,106,035
Working capital	5,566,362	5,381,439	2,840,151	3,425,896
Others	363,973	545,035	313,575	349,550
Gross impaired loans, advances and financing	11,708,620	11,549,903	7,515,244	8,070,841

(xi) Impaired loans, advances and financing by geographical distribution are as follows:

	Group		Bank	
	31 March 2018 RM'000	31 December 2017 RM'000	31 March 2018 RM'000	31 December 2017 RM'000
Malaysia	6,540,673	5,619,324	4,194,648	3,896,008
Singapore	2,868,476	2,931,842	2,839,179	2,897,765
Indonesia	1,531,902	1,417,698	-	-
Labuan Offshore	219,609	244,722	219,609	244,722
Hong Kong SAR	106,848	886,737	99,343	878,849
United States of America	545	572	-	-
People's Republic of China	16,071	1,054	16,071	1,054
Vietnam	64,931	68,271	63,828	67,121
Brunei	37,385	38,529	37,385	38,529
Cambodia	110,913	97,667	-	-
Bahrain	4,827	5,063	4,827	5,063
Philippines	127,802	123,185	-	-
Thailand	38,284	38,438	-	-
Laos	40,354	41,730	40,354	41,730
Others	-	35,071	-	-
Gross impaired loans, advances and financing	11,708,620	11,549,903	7,515,244	8,070,841

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A11. Loans, Advances and Financing (cont'd.)

(xii) Movements in the allowances for impairment losses on loans, advances and financing are as follows:

Group	Stage 1	Stage 2	Stage 3	Total ECL
	12 Months ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
At 31 March 2018	RM'000	RM'000	RM'000	RM'000
At 1 January 2018				
- effect of adopting MFRS 9	1,478,382	2,909,904	6,575,921	10,964,207
At 1 January 2018, as restated	1,478,382	2,909,904	6,575,921	10,964,207
Transferred to Stage 1	373,147	(359,141)	(14,006)	-
Transferred to Stage 2	(55,566)	94,401	(38,835)	-
Transferred to Stage 3	(2,226)	(156,712)	158,938	-
Allowance made/(writeback), net	(17,324)	(20,385)	160,924	123,215
New financial assets originated or purchased	345,024	133,213	340,702	818,939
Financial assets derecognised	(208,443)	(184,217)	(349,845)	(742,505)
Changes due to change in credit risk	(299,261)	262,844	600,708	564,291
Modifications to contractual cash flows of financial assets	(10,941)	(29,642)	(214,205)	(254,788)
Amount written-off	(13,372)	(7,226)	(996,863)	(1,017,461)
Changes in models	12,362	(8,645)	-	3,717
Changes in risk parameters	(9,133)	35,934	-	26,801
Other movements	(3,136)	(9,226)	1,931	(10,431)
Exchange differences	(37,138)	(13,195)	(150,258)	(200,591)
At 31 March 2018	1,552,375	2,647,907	6,075,112	10,275,394

Bank	Stage 1	Stage 2	Stage 3	Total ECL
	12 Months ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
At 31 March 2018	RM'000	RM'000	RM'000	RM'000
At 1 January 2018				
- effect of adopting MFRS 9	741,551	1,757,692	4,762,839	7,262,082
At 1 January 2018, as restated	741,551	1,757,692	4,762,839	7,262,082
Transferred to Stage 1	246,360	(238,500)	(7,860)	-
Transferred to Stage 2	(26,802)	46,300	(19,498)	-
Transferred to Stage 3	(833)	(54,032)	54,865	-
Allowance made/(writeback), net	14,949	(22,985)	203,829	195,793
New financial assets originated or purchased	223,548	100,382	238,900	562,830
Financial assets derecognised	(176,453)	(146,317)	(296,298)	(619,068)
Changes due to change in credit risk	(186,306)	123,070	317,802	254,566
Modifications to contractual cash flows of financial assets	(10,919)	(31,085)	(238,372)	(280,376)
Amount written-off	(13,337)	(5,881)	(919,000)	(938,218)
Changes in models	2,795	(1)	-	2,794
Changes in risk parameters	(5,021)	(25,777)	-	(30,798)
Exchange differences	(11,182)	(4,470)	(101,595)	(117,247)
At 31 March 2018	798,350	1,498,396	3,995,612	6,292,358

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A12. Reinsurance/Retakaful Assets and Other Insurance Receivables

	Note	Group	
		31 March 2018	31 December 2017
		RM'000	RM'000
Reinsurance/retakaful assets	(i)	3,321,786	3,222,455
Other insurance receivables	(ii)	811,909	711,317
		<u>4,133,695</u>	<u>3,933,772</u>

(i) Reinsurance/retakaful assets	Group	
	31 March 2018	31 December 2017
	RM'000	RM'000
Reinsurers' share of:	2,957,064	2,884,125
Life insurance contract liabilities	37,211	32,963
General insurance contract liabilities	2,919,853	2,851,162
Retakaful operators' share of:	364,722	338,330
Family takaful certificate liabilities	88,032	76,166
General takaful certificate liabilities	276,690	262,164
	<u>3,321,786</u>	<u>3,222,455</u>

(ii) Other insurance receivables	Group	
	31 March 2018	31 December 2017
	RM'000	RM'000
Due premium including agents/brokers and co-insurers balances	626,980	283,197
Due from reinsurers and cedants/retakaful operators	201,246	444,868
	<u>828,226</u>	<u>728,065</u>
Stage 1 - 12 Months ECL	(16,317)	-
Allowance for impairment losses	-	(16,748)
	<u>811,909</u>	<u>711,317</u>

(iii) Movements in the allowances for impairment losses on other insurance receivables:

Group	Stage 1	Stage 2	Stage 3	Total ECL RM'000
	12 Months ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	
At 31 March 2018				
At 1 January 2018				
- effect of adopting MFRS 9	20,414	-	-	20,414
At 1 January 2018, as restated	20,414	-	-	20,414
Allowance made/(writeback), net	(5,559)	-	-	(5,559)
Other movements	1,499	-	-	1,499
Exchange differences	(37)	-	-	(37)
At 31 March 2018	<u>16,317</u>	<u>-</u>	<u>-</u>	<u>16,317</u>

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A13. Other Assets

	Group		Bank	
	31 March 2018 RM'000	31 December 2017 RM'000	31 March 2018 RM'000	31 December 2017 RM'000
Other debtors	5,599,755	5,554,056	4,717,379	4,328,113
Amount due from brokers and clients	3,480,087	2,346,536	-	-
Prepayments and deposits	1,343,784	1,420,247	413,597	443,875
Tax recoverable	149,527	88,297	53,209	-
Foreclosed properties	263,169	289,004	29,384	29,409
	10,836,322	9,698,140	5,213,569	4,801,397

A14. Deposits from Customers

(i) By type of deposit

	Group		Bank	
	31 March 2018 RM'000	31 December 2017 RM'000	31 March 2018 RM'000	31 December 2017 RM'000
Fixed deposits and negotiable instruments of deposits				
- One year or less	292,562,458	285,822,118	160,417,915	167,002,740
- More than one year	11,216,242	11,605,917	10,109,361	9,296,982
	303,778,700	297,428,035	170,527,276	176,299,722
Money market deposits	27,962,936	18,167,679	27,962,936	18,167,679
Savings deposits	70,115,368	71,591,820	45,903,687	47,602,272
Demand deposits	108,426,511	114,829,911	81,730,409	86,868,927
	510,283,515	502,017,445	326,124,308	328,938,600

(ii) By type of customer

	Group		Bank	
	31 March 2018 RM'000	31 December 2017 RM'000	31 March 2018 RM'000	31 December 2017 RM'000
Business enterprises	247,726,374	238,688,009	169,414,026	166,333,827
Individuals	202,026,481	205,434,319	138,247,796	141,356,982
Government and statutory bodies	29,762,056	28,731,383	6,435,540	9,327,767
Others	30,768,604	29,163,734	12,026,946	11,920,024
	510,283,515	502,017,445	326,124,308	328,938,600

(iii) The maturity profile of fixed deposits and negotiable instruments of deposits are as follows:

	Group		Bank	
	31 March 2018 RM'000	31 December 2017 RM'000	31 March 2018 RM'000	31 December 2017 RM'000
Within six months	229,880,876	226,669,904	128,443,485	124,598,343
Six months to one year	62,681,582	59,152,214	31,974,430	42,404,397
One year to three years	10,525,245	10,813,684	10,032,800	9,221,071
Three years to five years	690,997	792,233	76,561	75,911
	303,778,700	297,428,035	170,527,276	176,299,722

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A15. Deposits and Placements from Financial Institutions

	Group		Bank	
	31 March 2018 RM'000	31 December 2017 RM'000	31 March 2018 RM'000	31 December 2017 RM'000
Licensed banks	34,088,923	37,657,509	34,454,561	35,529,964
Licensed finance companies	104,960	75,407	104,960	75,407
Licensed investment banks	39,440	31,021	39,440	31,021
Other financial institutions	4,952,496	4,834,194	2,754,330	2,008,742
	39,185,819	42,598,131	37,353,291	37,645,134

The maturity profile of deposits and placements from financial institutions are as follows:

	Group		Bank	
	31 March 2018 RM'000	31 December 2017 RM'000	31 March 2018 RM'000	31 December 2017 RM'000
One year or less	36,454,214	39,516,290	36,086,580	36,024,326
More than one year	2,731,605	3,081,841	1,266,711	1,620,808
	39,185,819	42,598,131	37,353,291	37,645,134

A16. Financial Liabilities at Fair Value Through Profit or Loss ("FVTPL")

	Group		Bank	
	31 March 2018 RM'000	31 December 2017 RM'000	31 March 2018 RM'000	31 December 2017 RM'000
Structured deposits	2,416,600	2,366,966	1,522,670	1,474,271
Borrowings				
Unsecured				
Medium Term Notes				
- More than one year				
Denominated in:				
- USD	6,414,600	3,362,727	6,414,600	3,362,727
- RM	646,023	646,122	646,023	646,122
	7,060,623	4,008,849	7,060,623	4,008,849
Total financial liabilities at fair value through profit or loss	9,477,223	6,375,815	8,583,293	5,483,120

The carrying amount of both structured deposits and borrowings designated at FVTPL of the Group and of the Bank as at 31 March 2018 were RM9,774,845,000 and RM8,874,019,000 (31 December 2017: RM6,590,566,000 and RM5,692,384,000) respectively. The fair value changes of the financial liabilities at FVTPL that are attributable to the changes in own credit risk are not significant.

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A17. Borrowings, Subordinated Obligations and Capital Securities

	Group		Bank	
	31 March 2018 RM'000	31 December 2017 RM'000	31 March 2018 RM'000	31 December 2017 RM'000
(i) Borrowings				
Secured				
(a) Borrowings				
- Less than one year				
Denominated in:				
- SGD	634	668	-	-
- PHP	56	80	-	-
- IDR	1,249,857	1,159,884	-	-
- VND	-	5,138	-	-
	1,250,547	1,165,770	-	-
- More than one year				
Denominated in:				
- SGD	229,866	236,302	-	-
- IDR	2,010,028	1,982,846	-	-
	2,239,894	2,219,148	-	-
(b) Medium Term Notes				
- More than one year				
Denominated in:				
- IDR	70,062	74,588	-	-
	70,062	74,588	-	-
Total secured borrowings	3,560,503	3,459,506	-	-
Unsecured				
(a) Borrowings				
- Less than one year				
Denominated in:				
- USD	2,845,832	4,272,752	2,492,181	3,861,646
- SGD	1,775,683	1,616,118	-	-
- THB	1,452,463	1,232,326	-	-
- HKD	123,483	121,905	-	-
- IDR	29,930	30,788	-	-
- VND	2	3	-	-
- INR	1	6,358	-	-
- JPY	1	5	-	-
- EURO	-	193,671	-	193,671
- RM	1,097,990	2,533,470	1,097,990	2,533,470
	7,325,385	10,007,396	3,590,171	6,588,787
- More than one year				
Denominated in:				
- USD	4,461,216	3,746,250	4,171,530	3,746,250
- JPY	1,829	1,970	-	-
- IDR	665,664	519,091	-	-
	5,128,709	4,267,311	4,171,530	3,746,250

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A17. Borrowings, Subordinated Obligations and Capital Securities (cont'd.)

	Group		Bank	
	31 March 2018	31 December 2017	31 March 2018	31 December 2017
	RM'000	RM'000	RM'000	RM'000
(iii) Capital Securities				
Unsecured				
- More than one year				
Denominated in:				
- RM	4,619,257	4,672,482	4,619,257	4,672,482
- SGD	1,544,710	1,611,698	1,544,710	1,611,698
	<u>6,163,967</u>	<u>6,284,180</u>	<u>6,163,967</u>	<u>6,284,180</u>

A18. Insurance/Takaful Contract Liabilities and Other Insurance Payables

Group	Note	31 March 2018	31 December 2017
		RM'000	RM'000
Insurance/takaful contract liabilities	(i)	25,110,235	24,577,568
Other insurance payables	(ii)	753,137	541,275
		<u>25,863,372</u>	<u>25,118,843</u>

(i) Insurance/takaful contract liabilities

	Gross contract liabilities	Reinsurance/ retakaful assets	Net contract liabilities
	RM'000	RM'000	RM'000
At 31 March 2018			
Life insurance/family takaful	19,722,061	(125,243)	19,596,818
General insurance/general takaful	5,388,174	(3,196,543)	2,191,631
	<u>25,110,235</u>	<u>(3,321,786)</u>	<u>21,788,449</u>
At 31 December 2017			
Life insurance/family takaful	19,275,837	(109,129)	19,166,708
General insurance/general takaful	5,301,731	(3,113,326)	2,188,405
	<u>24,577,568</u>	<u>(3,222,455)</u>	<u>21,355,113</u>

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A18. Insurance/Takaful Contract Liabilities and Other Insurance Payables (cont'd.)

Group

(ii) Other insurance payables

	31 March 2018 RM'000	31 December 2017 RM'000
Due to agents and intermediaries	92,794	81,154
Due to reinsurers and cedants	567,910	371,874
Due to retakaful operators	92,433	88,247
	753,137	541,275

A19. Other Liabilities

	Group		Bank	
	31 March 2018 RM'000	31 December 2017 RM'000	31 March 2018 RM'000	31 December 2017 RM'000
Amount due to brokers and clients	3,584,871	2,807,623	-	-
Deposits, other creditors and accruals	10,558,300	10,426,200	8,745,000	11,787,648
Defined benefit pension plans	515,763	531,809	-	-
Provisions for commitments and contingencies	41,634	41,953	41,634	41,953
Provisions for loan commitments and financial guarantee contracts	243,058	-	191,812	-
Finance lease liabilities	290,559	290,559	-	-
Structured deposits	5,152,194	5,080,996	5,152,194	5,080,996
	20,386,379	19,179,140	14,130,640	16,910,597

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A20. Other Reserves

The breakdown and movement of other reserves are as follows:

<u>Group</u>	<===== Non-Distributable =====>				
	Capital Reserve RM'000	Revaluation Reserve RM'000	Defined Benefit Reserve RM'000	Net Investment Hedge and Cash Flow Hedge Reserve RM'000	Total Other Reserves RM'000
At 1 January 2018	13,557	(2,428)	(41,302)	(374,996)	(405,169)
Other comprehensive income	-	-	2,074	41,093	43,167
Defined benefit plan actuarial gain	-	-	2,074	-	2,074
Net gain on net investment hedge	-	-	-	39,877	39,877
Net gain on cash flow hedge	-	-	-	1,216	1,216
Total comprehensive income for the period	-	-	2,074	41,093	43,167
At 31 March 2018	13,557	(2,428)	(39,228)	(333,903)	(362,002)

<u>Group</u>	<===== Non-Distributable =====>				
	Capital Reserve RM'000	Revaluation Reserve RM'000	Defined Benefit Reserve RM'000	Net Investment Hedge and Cash Flow Hedge Reserve RM'000	Total Other Reserves RM'000
At 1 January 2017	13,557	8,147	(54,360)	(443,684)	(476,340)
Other comprehensive income/(loss)	-	-	719	(20,762)	(20,043)
Defined benefit plan actuarial gain	-	-	719	-	719
Net loss on net investment hedge	-	-	-	(20,762)	(20,762)
Total comprehensive income/(loss) for the period	-	-	719	(20,762)	(20,043)
At 31 March 2017	13,557	8,147	(53,641)	(464,446)	(496,383)

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A21. Interest Income

Group	First Quarter Ended		Cumulative 3 Months Ended	
	31 March 2018 RM'000	31 March 2017 RM'000	31 March 2018 RM'000	31 March 2017 RM'000
Loans, advances and financing	4,039,362	4,188,061	4,039,362	4,188,061
Money at call and deposits and placements with financial institutions	181,288	172,425	181,288	172,425
Financial assets purchased under resale agreements	47,784	24,304	47,784	24,304
Financial assets at FVTPL	263,249	214,779	263,249	214,779
Financial assets at fair value through other comprehensive income	731,594	-	731,594	-
Financial assets at amortised cost	162,258	-	162,258	-
Financial investments available-for-sale	-	692,537	-	692,537
Financial investments held-to-maturity	-	142,587	-	142,587
	5,425,535	5,434,693	5,425,535	5,434,693
Accretion of discounts/(amortisation of premiums), net	92,917	(6,597)	92,917	(6,597)
	5,518,452	5,428,096	5,518,452	5,428,096

Bank	First Quarter Ended		Cumulative 3 Months Ended	
	31 March 2018 RM'000	31 March 2017 RM'000	31 March 2018 RM'000	31 March 2017 RM'000
Loans, advances and financing	2,980,270	2,924,112	2,980,270	2,924,112
Money at call and deposits and placements with financial institutions	188,073	198,927	188,073	198,927
Financial assets purchased under resale agreements	19,879	6,592	19,879	6,592
Financial assets at FVTPL	64,253	60,252	64,253	60,252
Financial assets at fair value through other comprehensive income	630,737	-	630,737	-
Financial assets at amortised cost	181,739	-	181,739	-
Financial investments available-for-sale	-	584,690	-	584,690
Financial investments held-to-maturity	-	133,574	-	133,574
	4,064,951	3,908,147	4,064,951	3,908,147
Accretion of discounts, net	119,159	4,397	119,159	4,397
	4,184,110	3,912,544	4,184,110	3,912,544

Included in interest income for the three-month financial period ended 31 March 2018 was interest on impaired assets amounting to approximately RM78,651,000 (31 March 2017: RM72,131,000) for the Group and RM53,336,000 (31 March 2017: RM57,828,000) for the Bank.

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A22. Interest Expense

Group	First Quarter Ended		Cumulative 3 Months Ended	
	31 March 2018 RM'000	31 March 2017 RM'000	31 March 2018 RM'000	31 March 2017 RM'000
Deposits and placements from financial institutions	224,593	134,606	224,593	134,606
Deposits from customers	1,646,426	1,632,435	1,646,426	1,632,435
Floating rate certificates of deposits	975	3,212	975	3,212
Loans sold to Cagamas	15,966	9,215	15,966	9,215
Obligations on financial assets sold under repurchase agreements	25,124	22,657	25,124	22,657
Borrowings	238,634	255,676	238,634	255,676
Subordinated notes	143,188	180,762	143,188	180,762
Subordinated bonds	8,441	8,442	8,441	8,442
Capital securities	97,112	96,890	97,112	96,890
Structured deposits	33,171	25,275	33,171	25,275
Financial liabilities at fair value through profit or loss	64,883	24,323	64,883	24,323
	2,498,513	2,393,493	2,498,513	2,393,493

Bank	First Quarter Ended		Cumulative 3 Months Ended	
	31 March 2018 RM'000	31 March 2017 RM'000	31 March 2018 RM'000	31 March 2017 RM'000
Deposits and placements from financial institutions	210,203	130,766	210,203	130,766
Deposits from customers	1,236,451	1,162,878	1,236,451	1,162,878
Floating rate certificates of deposits	975	3,212	975	3,212
Loans sold to Cagamas	15,966	9,215	15,966	9,215
Obligations on financial assets sold under repurchase agreements	25,124	22,657	25,124	22,657
Borrowings	125,300	144,737	125,300	144,737
Subordinated notes	103,159	134,692	103,159	134,692
Capital securities	97,104	97,201	97,104	97,201
Structured deposits	33,171	25,275	33,171	25,275
Financial liabilities at fair value through profit or loss	64,883	24,323	64,883	24,323
	1,912,336	1,754,956	1,912,336	1,754,956

A23. Net Earned Insurance Premiums

Group	First Quarter Ended		Cumulative 3 Months Ended	
	31 March 2018 RM'000	31 March 2017 RM'000	31 March 2018 RM'000	31 March 2017 RM'000
Gross earned premiums	1,832,165	1,480,433	1,832,165	1,480,433
Premiums ceded to reinsurers	(320,784)	(226,553)	(320,784)	(226,553)
	1,511,381	1,253,880	1,511,381	1,253,880

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A24. Dividends from Subsidiaries and Associates

	First Quarter Ended		Cumulative 3 Months Ended	
	31 March 2018 RM'000	31 March 2017 RM'000	31 March 2018 RM'000	31 March 2017 RM'000
Bank				
Gross dividend income from:				
Associates	-	910	-	910
	<u>-</u>	<u>910</u>	<u>-</u>	<u>910</u>

A25. Other Operating Income

Group	First Quarter Ended		Cumulative 3 Months Ended	
	31 March 2018 RM'000	31 March 2017 RM'000	31 March 2018 RM'000	31 March 2017 RM'000
(a) Fee income:				
Commission	329,057	306,209	329,057	306,209
Service charges and fees	309,367	327,840	309,367	327,840
Underwriting fees	17,063	25,446	17,063	25,446
Brokerage income	125,469	125,700	125,469	125,700
Fees on loans, advances and financing	55,265	54,088	55,265	54,088
	<u>836,221</u>	<u>839,283</u>	<u>836,221</u>	<u>839,283</u>
(b) Investment income:				
Net gain on disposal of financial assets at FVTPL	32,406	31,270	32,406	31,270
Net gain on disposal of financial assets at fair value through other comprehensive income	54,924	-	54,924	-
Net gain on redemption of financial assets at amortised cost	599	-	599	-
Net gain on disposal of financial investments available-for-sale	-	182,927	-	182,927
Net gain on redemption of financial investments held-to-maturity	-	170	-	170
Net loss on liquidation of subsidiaries	-	(2,008)	-	(2,008)
Net gain on dilution of interest in associates	1,276	-	1,276	-
	<u>89,205</u>	<u>212,359</u>	<u>89,205</u>	<u>212,359</u>
(c) Gross dividend income from:				
Financial investments portfolio	20,173	20,090	20,173	20,090
(d) Unrealised (loss)/gain on revaluation of:				
Financial assets at FVTPL				
- Designated upon initial recognition	(93,509)	11,915	(93,509)	11,915
- Held-for-trading	(41,459)	194,309	(41,459)	194,309
Financial liabilities at FVTPL	275,659	7,821	275,659	7,821
Derivatives	(146,226)	(76,449)	(146,226)	(76,449)
	<u>(5,535)</u>	<u>137,596</u>	<u>(5,535)</u>	<u>137,596</u>
(e) Other income:				
Foreign exchange gain, net	131,110	76,204	131,110	76,204
Realised gain on derivatives	86,772	53,431	86,772	53,431
Rental income	10,921	10,070	10,921	10,070
Gain on disposal of property, plant and equipment	59,963	3,616	59,963	3,616
Loss on disposal of foreclosed properties	(1,171)	(132)	(1,171)	(132)
Others	73,917	52,900	73,917	52,900
	<u>361,512</u>	<u>196,089</u>	<u>361,512</u>	<u>196,089</u>
Total other operating income	<u>1,301,576</u>	<u>1,405,417</u>	<u>1,301,576</u>	<u>1,405,417</u>

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A25. Other Operating Income (cont'd.)

	First Quarter Ended		Cumulative 3 Months Ended	
	31 March 2018 RM'000	31 March 2017 RM'000	31 March 2018 RM'000	31 March 2017 RM'000
Bank				
(a) Fee income:				
Commission	300,087	266,014	300,087	266,014
Service charges and fees	256,855	259,729	256,855	259,729
Underwriting fees	7,208	5,357	7,208	5,357
Fees on loans, advances and financing	31,378	29,477	31,378	29,477
	<u>595,528</u>	<u>560,577</u>	<u>595,528</u>	<u>560,577</u>
(b) Investment income:				
Net gain on disposal of financial assets at FVTPL	55,259	24,137	55,259	24,137
Net gain on disposal of financial assets at fair value through other comprehensive income	51,881	-	51,881	-
Net gain on redemption of financial assets at amortised cost	599	-	599	-
Net gain on disposal of financial investments available-for-sale	-	29,596	-	29,596
Net gain on redemption of financial investments held-to-maturity	-	170	-	170
	<u>107,739</u>	<u>53,903</u>	<u>107,739</u>	<u>53,903</u>
(c) Gross dividend income from:				
Financial investments portfolio	25	-	25	-
(d) Unrealised gain/(loss) on revaluation of:				
Financial assets at FVTPL				
- Held-for-trading	72,087	18,182	72,087	18,182
Financial liabilities at FVTPL	275,659	7,821	275,659	7,821
Derivatives	(189,248)	15,303	(189,248)	15,303
	<u>158,498</u>	<u>41,306</u>	<u>158,498</u>	<u>41,306</u>
(e) Other income:				
Foreign exchange gain, net	164,791	12,678	164,791	12,678
Realised gain on derivatives	63,798	51,629	63,798	51,629
Rental income	8,204	7,681	8,204	7,681
Gain on disposal of property, plant and equipment	55,290	3,252	55,290	3,252
Others	3,699	7,963	3,699	7,963
	<u>295,782</u>	<u>83,203</u>	<u>295,782</u>	<u>83,203</u>
Total other operating income	<u>1,157,572</u>	<u>738,989</u>	<u>1,157,572</u>	<u>738,989</u>

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A26. Net Insurance Benefits and Claims Incurred, Net Fee and Commission Expenses, Change in Expense Liabilities and Taxation of Life and Takaful Fund

Group	First Quarter Ended		Cumulative 3 Months Ended	
	31 March 2018 RM'000	31 March 2017 RM'000	31 March 2018 RM'000	31 March 2017 RM'000
Gross benefits and claims paid	936,520	1,019,240	936,520	1,019,240
Claims ceded to reinsurers	(146,728)	(79,678)	(146,728)	(79,678)
Gross change to contract liabilities	463,415	250,157	463,415	250,157
Change in contract liabilities ceded to reinsurers	20,105	103,685	20,105	103,685
Net insurance benefits and claims incurred	1,273,312	1,293,404	1,273,312	1,293,404
Net fee and commission expenses	52,558	53,002	52,558	53,002
Change in expense liabilities	23,298	15,231	23,298	15,231
Taxation of life and takaful fund	3,978	16,792	3,978	16,792
Net fee and commission expenses, change in expense liabilities and taxation of life and takaful fund	79,834	85,025	79,834	85,025
Total net insurance benefits and claims incurred, net fee and commission expenses, change in expense liabilities and taxation of life and takaful fund	1,353,146	1,378,429	1,353,146	1,378,429

A27. Overhead Expenses

Group	First Quarter Ended		Cumulative 3 Months Ended	
	31 March 2018 RM'000	31 March 2017 RM'000	31 March 2018 RM'000	31 March 2017 RM'000
(a) Personnel expenses				
Salaries, allowances and bonuses	1,203,578	1,151,077	1,203,578	1,151,077
Social security cost	11,098	11,173	11,098	11,173
Pension costs - defined contribution plan	144,051	128,730	144,051	128,730
ESS expenses	3,281	5,612	3,281	5,612
Other staff related expenses	228,640	207,383	228,640	207,383
	1,590,648	1,503,975	1,590,648	1,503,975
(b) Establishment costs				
Depreciation of property, plant and equipment	102,352	95,838	102,352	95,838
Amortisation of intangible assets	59,703	71,611	59,703	71,611
Rental of leasehold land and premises	87,706	95,449	87,706	95,449
Repairs and maintenance of property, plant and equipment	38,718	41,555	38,718	41,555
Information technology expenses	158,880	165,795	158,880	165,795
Fair value adjustments on investments properties	(406)	29	(406)	29
Others	10,290	12,028	10,290	12,028
	457,243	482,305	457,243	482,305
(c) Marketing expenses				
Advertisement and publicity	65,307	67,317	65,307	67,317
Others	77,512	67,991	77,512	67,991
	142,819	135,308	142,819	135,308

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A27. Overhead Expenses (cont'd.)

Group (cont'd.)	First Quarter Ended		Cumulative 3 Months Ended	
	31 March 2018 RM'000	31 March 2017 RM'000	31 March 2018 RM'000	31 March 2017 RM'000
(d) Administration and general expenses				
Fees and brokerage	240,152	230,758	240,152	230,758
Administrative expenses	144,835	162,191	144,835	162,191
General expenses	201,377	263,633	201,377	263,633
Others	1,761	1,151	1,761	1,151
	588,125	657,733	588,125	657,733
Total overhead expenses	2,778,835	2,779,321	2,778,835	2,779,321
Cost to income ratio ("CIR")¹	47.6%	50.1%	47.6%	50.1%

¹ Cost to income ratio ("CIR") is computed using the total cost over the net operating income. Total cost of the Group is the total overhead expenses, excluding amortisation of intangible assets for PT Bank Maybank Indonesia Tbk and Maybank Kim Eng Holdings Limited. Income refers to net operating income amount as stated on the face of income statement.

Bank	First Quarter Ended		Cumulative 3 Months Ended	
	31 March 2018 RM'000	31 March 2017 RM'000	31 March 2018 RM'000	31 March 2017 RM'000
(a) Personnel expenses				
Salaries, allowances and bonuses	752,220	709,208	752,220	709,208
Social security cost	5,545	5,146	5,545	5,146
Pension costs - defined contribution plan	114,121	101,474	114,121	101,474
ESS expenses	2,401	3,698	2,401	3,698
Other staff related expenses	134,236	117,401	134,236	117,401
	1,008,523	936,927	1,008,523	936,927
(b) Establishment costs				
Depreciation of property, plant and equipment	42,324	47,841	42,324	47,841
Amortisation of intangible assets	20,289	26,480	20,289	26,480
Rental of leasehold land and premises	35,530	38,657	35,530	38,657
Repairs and maintenance of property, plant and equipment	23,818	22,126	23,818	22,126
Information technology expenses	202,044	198,424	202,044	198,424
Others	1,617	2,095	1,617	2,095
	325,622	335,623	325,622	335,623
(c) Marketing expenses				
Advertisement and publicity	40,434	36,466	40,434	36,466
Others	52,725	59,514	52,725	59,514
	93,159	95,980	93,159	95,980
(d) Administration and general expenses				
Fees and brokerage	166,159	142,803	166,159	142,803
Administrative expenses	59,997	70,409	59,997	70,409
General expenses	92,556	83,721	92,556	83,721
Others	1,716	5,762	1,716	5,762
	320,428	302,695	320,428	302,695
(e) Overhead expenses allocated to subsidiaries	(298,101)	(285,771)	(298,101)	(285,771)
Total overhead expenses	1,449,631	1,385,454	1,449,631	1,385,454
Cost to income ratio ("CIR")²	42.3%	47.8%	42.3%	47.8%

² Cost to income ratio ("CIR") is computed using the total cost over the net operating income.

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A28. Allowances for Impairment Losses on Loans, Advances, Financing and Other Debts, net

Group	First Quarter Ended		Cumulative 3 Months Ended	
	31 March 2018 RM'000	31 March 2017 RM'000	31 March 2018 RM'000	31 March 2017 RM'000
Allowances for/(writeback of) impairment losses on loans, advances and financing:				
- Stage 1 - 12 months ECL, net	(75,235)	-	(75,235)	-
- Stage 2 - Lifetime ECL not credit impaired, net	136,468	-	136,468	-
- Stage 3 - Lifetime ECL credit impaired, net	489,386	-	489,386	-
- collective allowance made	-	386,867	-	386,867
- collective allowance written back	-	(142)	-	(142)
- individual allowance made	-	298,781	-	298,781
- individual allowance written back	-	(83,729)	-	(83,729)
Bad debts and financing written-off	21,518	21,841	21,518	21,841
Bad debts and financing recovered	(69,552)	(83,540)	(69,552)	(83,540)
Allowances for impairment losses on other debts	6,725	2,431	6,725	2,431
	509,310	542,509	509,310	542,509

Bank	First Quarter Ended		Cumulative 3 Months Ended	
	31 March 2018 RM'000	31 March 2017 RM'000	31 March 2018 RM'000	31 March 2017 RM'000
Allowances for/(writeback of) impairment losses on loans, advances and financing:				
- Stage 1 - 12 months ECL, net	(136,175)	-	(136,175)	-
- Stage 2 - Lifetime ECL not credit impaired, net	124,126	-	124,126	-
- Stage 3 - Lifetime ECL credit impaired, net	91,857	-	91,857	-
- collective allowance made, net	-	243,581	-	243,581
- individual allowance made	-	220,167	-	220,167
- individual allowance written back	-	(38,251)	-	(38,251)
Bad debts and financing written-off	16,140	13,321	16,140	13,321
Bad debts and financing recovered	(44,827)	(41,769)	(44,827)	(41,769)
Allowances for/(writeback of) impairment losses on other debts	731	(126)	731	(126)
	51,852	396,923	51,852	396,923

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A29. Allowances for/(writeback of) Impairment Losses on Financial Investments, net

Group	First Quarter Ended		Cumulative 3 Months Ended	
	31 March	31 March	31 March	31 March
	2018	2017	2018	2017
	RM'000	RM'000	RM'000	RM'000
Financial assets at fair value through other comprehensive income				
- Stage 1 - 12 months ECL, net	(17,487)	-	(17,487)	-
- Stage 2 - Lifetime ECL not credit impaired, net	(391)	-	(391)	-
- Stage 3 - Lifetime ECL credit impaired, net	25,256	-	25,256	-
Financial investments AFS				
- Allowance made	-	1,063	-	1,063
- Amount written back in respect of recoveries	-	(813)	-	(813)
Net	<u>7,378</u>	<u>250</u>	<u>7,378</u>	<u>250</u>
Financial assets at amortised cost				
- Stage 1 - 12 months ECL, net	(21,217)	-	(21,217)	-
- Stage 2 - Lifetime ECL not credit impaired, net	(1,010)	-	(1,010)	-
- Stage 3 - Lifetime ECL credit impaired, net	(19)	-	(19)	-
Net	<u>(22,246)</u>	<u>-</u>	<u>(22,246)</u>	<u>-</u>
	<u>(14,868)</u>	<u>250</u>	<u>(14,868)</u>	<u>250</u>
Bank	First Quarter Ended		Cumulative 3 Months Ended	
	31 March	31 March	31 March	31 March
	2018	2017	2018	2017
	RM'000	RM'000	RM'000	RM'000
Financial assets at fair value through other comprehensive income				
- Stage 1 - 12 months ECL, net	(18,789)	-	(18,789)	-
- Stage 2 - Lifetime ECL not credit impaired, net	(324)	-	(324)	-
- Stage 3 - Lifetime ECL credit impaired, net	3,208	-	3,208	-
Financial investments AFS				
- Amount written back in respect of recoveries	-	(690)	-	(690)
Net	<u>(15,905)</u>	<u>(690)</u>	<u>(15,905)</u>	<u>(690)</u>
Financial assets at amortised cost				
- Stage 1 - 12 months ECL, net	(17,339)	-	(17,339)	-
- Stage 2 - Lifetime ECL not credit impaired, net	(330)	-	(330)	-
- Stage 3 - Lifetime ECL credit impaired, net	(19)	-	(19)	-
Net	<u>(17,688)</u>	<u>-</u>	<u>(17,688)</u>	<u>-</u>
	<u>(33,593)</u>	<u>(690)</u>	<u>(33,593)</u>	<u>(690)</u>

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A30. Allowances for/(writeback of) Impairment Losses on Other Financial Assets, net

Group	First Quarter Ended		Cumulative 3 Months Ended	
	31 March 2018 RM'000	31 March 2017 RM'000	31 March 2018 RM'000	31 March 2017 RM'000
Cash and short-term funds				
- Stage 1 - 12 months ECL, net	(330)	-	(330)	-
Net	<u>(330)</u>	<u>-</u>	<u>(330)</u>	<u>-</u>
Deposits and placements with financial institutions				
- Stage 1 - 12 months ECL, net	(841)	-	(841)	-
- Stage 2 - Lifetime ECL not credit impaired, net	8,114	-	8,114	-
Net	<u>7,273</u>	<u>-</u>	<u>7,273</u>	<u>-</u>
Financial assets purchased under resale agreements				
- Stage 1 - 12 months ECL, net	4,936	-	4,936	-
Net	<u>4,936</u>	<u>-</u>	<u>4,936</u>	<u>-</u>
Reinsurance/retakaful assets and other insurance receivables				
- Stage 1 - 12 months ECL, net	(5,559)	-	(5,559)	-
Net	<u>(5,559)</u>	<u>-</u>	<u>(5,559)</u>	<u>-</u>
Other assets				
- Stage 1 - 12 months ECL, net	47	-	47	-
Net	<u>47</u>	<u>-</u>	<u>47</u>	<u>-</u>
	<u>6,367</u>	<u>-</u>	<u>6,367</u>	<u>-</u>
Bank	31 March 2018 RM'000	31 March 2017 RM'000	31 March 2018 RM'000	31 March 2017 RM'000
Cash and short-term funds				
- Stage 1 - 12 months ECL, net	670	-	670	-
Net	<u>670</u>	<u>-</u>	<u>670</u>	<u>-</u>
Deposits and placements with financial institutions				
- Stage 1 - 12 months ECL, net	1,036	-	1,036	-
- Stage 2 - Lifetime ECL not credit impaired, net	8,088	-	8,088	-
Net	<u>9,124</u>	<u>-</u>	<u>9,124</u>	<u>-</u>
	<u>9,794</u>	<u>-</u>	<u>9,794</u>	<u>-</u>

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A31. Segment Information

By business segments

The Group's operating segments are Group Community Financial Services, Group Global Banking and Group Insurance and Takaful. The Group determines and presents operating segments based on information provided to the Board and senior management of the Group.

The Group is organised into three (3) operating segments based on services and products available within the Group as follows:

(a) Group Community Financial Services ("CFS")

(i) Consumer Banking

Consumer Banking comprises the full range of products and services offered to individuals in the region, which includes savings and fixed deposits, remittance services, current accounts, consumer loans such as housing loans and personal loans, hire purchases, unit trusts, bancassurance products and credit cards.

(ii) Small, Medium Enterprise ("SME") Banking

SME Banking comprises the full range of products and services offered to small and medium enterprises in the region. The products and services offered includes long-term loans such as project financing, short-term credit such as overdrafts and trade financing, and fee-based services such as cash management and custodian services.

(iii) Business Banking

Business Banking comprises the full range of products and services offered to commercial enterprises in the region. The products and services offered includes long-term loans such as project financing, short-term credit such as overdrafts and trade financing, and fee-based services such as cash management and custodian services.

(b) Group Global Banking ("GB")

(i) Group Corporate Banking and Global Markets

Group Corporate Banking and Global Markets comprise of Corporate Banking and Global Markets business.

Corporate Banking comprises the full range of products and services offered to business customers in the region, ranging from large corporate and the public sector. The products and services offered includes long-term loans such as project financing, short-term credit such as overdrafts and trade financing, and fee-based services such as cash management, trustee services and custodian services.

Global Markets comprise the full range of products and services relating to treasury activities and services, which includes foreign exchange, money market, derivatives and trading of capital market.

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A31. Segment Information (cont'd.)

By business segments (cont'd.)

(b) Group Global Banking ("GB") (cont'd.)

(ii) Group Investment Banking (Maybank IB and Maybank Kim Eng)

Investment Banking comprises the investment banking and securities broking business. This segment focuses on business needs of mainly large corporate customers and financial institutions. The products and services offered to customers include corporate advisory services, bond issuance, equity issuance, syndicated acquisition advisory services, debt restructuring advisory services, and share and futures dealings.

(iii) Group Asset Management

Asset Management comprises the asset and fund management services, providing a diverse range of Conventional and Islamic investment solutions to retail, corporate and institutional clients.

(c) Group Insurance and Takaful

Insurance and Takaful comprise the business of underwriting all classes of general and life insurance businesses, offshore investment life insurance business, general takaful and family takaful businesses.

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A31. Segment Information (cont'd.)

By business segments (cont'd.)

	<===== Business Segments =====>						Total RM'000
	<===== Group Global Banking =====>						
Three Months Ended	Group Community Financial Services RM'000	Group Corporate Banking & Global Markets RM'000	Group Investment Banking RM'000	Group Asset Management RM'000	Group Insurance and Takaful RM'000	Head Office and Others RM'000	
Net interest income and income from IBS operations							
- External	2,541,477	1,226,750	106,602	1,844	270,289	220,991	4,367,953
- Inter-segment	-	-	(2,599)	655	7,934	(5,990)	-
	2,541,477	1,226,750	104,003	2,499	278,223	215,001	4,367,953
Net interest income and income from IBS operations	2,541,477	1,226,750	104,003	2,499	278,223	215,001	4,367,953
Net earned insurance premiums	-	-	-	-	1,511,381	-	1,511,381
Other operating income	780,196	651,191	311,643	1,676	(60,241)	(382,889)	1,301,576
Total operating income	3,321,673	1,877,941	415,646	4,175	1,729,363	(167,888)	7,180,910
Net insurance benefits and claims incurred, net fee and commission expenses, change in expense liabilities and taxation of life and takaful fund	-	-	-	-	(1,416,973)	63,827	(1,353,146)
Net operating income	3,321,673	1,877,941	415,646	4,175	312,390	(104,061)	5,827,764
Overhead expenses	(1,772,932)	(507,147)	(266,749)	(23,815)	(208,192)	-	(2,778,835)
Operating profit/(loss) before impairment losses (Allowances for)/writeback of impairment losses on loans, advances, financing and other debts, net	1,548,741	1,370,794	148,897	(19,640)	104,198	(104,061)	3,048,929
Writeback of/(allowances for) impairment losses on financial investments, net	(153,176)	(362,194)	7,297	-	(1,237)	-	(509,310)
Writeback of/(allowances for) impairment losses on other financial assets, net	157	34,736	(18)	(20,311)	304	-	14,868
Operating profit/(loss)	261	(11,215)	(928)	(44)	5,559	-	(6,367)
Operating profit/(loss)	1,395,983	1,032,121	155,248	(39,995)	108,824	(104,061)	2,548,120
Share of profits in associates and joint ventures	-	8,535	13	-	-	-	8,548
Profit/(loss) before taxation and zakat	1,395,983	1,040,656	155,261	(39,995)	108,824	(104,061)	2,556,668
Taxation and zakat							(657,180)
Profit after taxation and zakat							1,899,488
Non-controlling interests							(28,452)
Profit for the period - attributable to equity holders of the Bank							1,871,036

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A31. Segment Information (cont'd.)

By business segments (cont'd.)

	<----- Business Segments ----->						
	<----- Group Global Banking ----->						
Three Months Ended	Group	Group	Group	Group	Group	Head Office	Total
31 March 2018	Community	Corporate	Investment	Asset	Insurance and	and Others	RM'000
	Financial	Banking &	Banking	Management	Takaful	RM'000	RM'000
	Services	Global Markets	Banking	Management	Takaful	RM'000	RM'000
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Included in other operating income are:							
Fee income:							
Commission	306,630	56,495	19,210	1,836	-	(55,114)	329,057
Service charges and fees	278,327	111,955	55,352	14,840	380	(151,487)	309,367
Underwriting fees	-	7,201	9,854	-	-	8	17,063
Brokerage income	-	-	127,131	-	-	(1,662)	125,469
Fees on loans, advances and financing	12,262	23,149	-	-	36	19,818	55,265
Included in overhead expenses are:							
Depreciation of property, plant and equipment	(63,633)	(17,706)	(15,771)	(206)	(5,036)	-	(102,352)
Amortisation of intangible assets	(33,385)	(10,101)	(10,185)	(120)	(5,912)	-	(59,703)

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A31. Segment Information (cont'd.)

By business segments (cont'd.)

	<===== Business Segments =====>						Total RM'000
	<===== Group Global Banking =====>						
	Group Community Financial Services RM'000	Group Corporate Banking & Global Markets RM'000	Group Investment Banking RM'000	Group Asset Management RM'000	Group Insurance and Takaful RM'000	Head Office and Others RM'000	
Three Months Ended 31 March 2017							
Net interest income and income from IBS operations							
- External	2,520,260	1,253,886	80,607	1,582	239,599	153,162	4,249,096
- Inter-segment	-	-	(5,431)	(3,597)	14,524	(5,496)	-
	2,520,260	1,253,886	75,176	(2,015)	254,123	147,666	4,249,096
Net interest income and income from IBS operations	2,520,260	1,253,886	75,176	(2,015)	254,123	147,666	4,249,096
Net earned insurance premiums	-	-	-	-	1,253,880	-	1,253,880
Other operating income	771,402	646,227	252,183	68,578	261,463	(594,436)	1,405,417
Total operating income	3,291,662	1,900,113	327,359	66,563	1,769,466	(446,770)	6,908,393
Net insurance benefits and claims incurred, net fee and commission expenses, change in expense liabilities and taxation of life and takaful fund	-	-	-	-	(1,423,998)	45,569	(1,378,429)
Net operating income	3,291,662	1,900,113	327,359	66,563	345,468	(401,201)	5,529,964
Overhead expenses	(1,815,652)	(493,162)	(263,645)	(39,880)	(166,982)	-	(2,779,321)
Operating profit/(loss) before impairment losses	1,476,010	1,406,951	63,714	26,683	178,486	(401,201)	2,750,643
Allowances for impairment losses on loans, advances, financing and other debts, net	(269,799)	(269,731)	(1,700)	(540)	(739)	-	(542,509)
Writeback of/(allowances for) impairment losses on financial investments, net	-	813	-	-	(1,063)	-	(250)
Operating profit/(loss)	1,206,211	1,138,033	62,014	26,143	176,684	(401,201)	2,207,884
Share of profits in associates and joint ventures	-	39,342	1,844	-	-	-	41,186
Profit/(loss) before taxation and zakat	1,206,211	1,177,375	63,858	26,143	176,684	(401,201)	2,249,070
Taxation and zakat							(503,966)
Profit after taxation and zakat							1,745,104
Non-controlling interests							(42,307)
Profit for the period - attributable to equity holders of the Bank							1,702,797
Included in overhead expenses are:							
Depreciation of property, plant and equipment	(60,597)	(17,100)	(13,861)	(233)	(4,047)	-	(95,838)
Amortisation of intangible assets	(44,932)	(12,064)	(11,146)	(118)	(3,351)	-	(71,611)

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A32. Carrying Amount of Revalued Assets

The Group's and the Bank's property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. There was no change in the valuation of property and equipment that were brought forward from the previous audited annual financial statements for the financial year ended 31 December 2017.

A33. Subsequent Events

There were no material events subsequent to the reporting date, other than as disclosed in Note A8(ii) and B6.

A34. Changes in the Composition of the Group

There were no significant changes to the composition of the Group during the first quarter ended 31 March 2018.

A35. Commitments and Contingencies

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

The risk-weighted exposures of the Group and of the Bank as at the following reporting dates are as follows:

Group	As at 31 March 2018			As at 31 December 2017		
	Full commitment RM'000	Credit equivalent amount* RM'000	Risk- weighted amount* RM'000	Full commitment RM'000	Credit equivalent amount* RM'000	Risk- weighted amount* RM'000
<u>Contingent liabilities</u>						
Direct credit substitutes	12,583,688	12,182,223	6,919,033	12,970,421	12,064,534	6,552,472
Certain transaction-related contingent items	17,781,592	9,078,242	6,002,805	18,427,282	9,348,060	6,086,500
Short-term self-liquidating trade-related contingencies	5,825,582	1,062,806	706,112	6,029,951	1,107,435	694,977
	36,190,862	22,323,271	13,627,950	37,427,654	22,520,029	13,333,949
<u>Commitments</u>						
Irrevocable commitments to extend credit:						
- Maturity within one year	103,102,322	21,464,008	10,797,727	102,342,408	20,083,466	10,313,630
- Maturity exceeding one year	36,722,276	23,656,360	11,147,435	37,907,505	26,263,062	12,565,526
	139,824,598	45,120,368	21,945,162	140,249,913	46,346,528	22,879,156
Miscellaneous commitments and contingencies	10,875,031	498,277	139,111	12,098,705	412,246	180,312
Total credit-related commitments and contingencies	186,890,491	67,941,916	35,712,223	189,776,272	69,278,803	36,393,417

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A35. Commitments and Contingencies (cont'd.)

The risk-weighted exposures of the Group and of the Bank as at the following reporting dates are as follows (cont'd.):

Group (cont'd.)	As at 31 March 2018			As at 31 December 2017		
	Full commitment RM'000	Credit equivalent amount* RM'000	Risk- weighted amount* RM'000	Full commitment RM'000	Credit equivalent amount* RM'000	Risk- weighted amount* RM'000
Derivative financial instruments						
Foreign exchange related contracts:						
- Less than one year	352,869,475	3,150,213	953,767	281,135,919	4,013,251	1,058,177
- One year to less than five years	31,541,970	1,314,649	975,825	30,150,396	1,450,112	1,176,205
- Five years and above	3,552,993	93,024	47,226	4,084,188	89,195	48,174
	387,964,438	4,557,886	1,976,818	315,370,503	5,552,558	2,282,556
Interest rate related contracts:						
- Less than one year	65,466,255	562,903	261,364	77,147,663	434,138	193,277
- One year to less than five years	121,271,883	4,341,679	1,750,330	163,085,655	4,039,064	1,659,736
- Five years and above	94,942,960	2,032,150	1,694,267	56,135,013	1,867,117	1,613,596
	281,681,098	6,936,732	3,705,961	296,368,331	6,340,319	3,466,609
Equity and commodity related contracts:						
- Less than one year	6,236,053	7,165	2,402	5,631,415	10,492	3,792
- One year to less than five years	4,130,613	15,145	2,856	4,193,817	10,944	1,976
- Five years and above	33,663	-	-	33,663	-	-
	10,400,329	22,310	5,258	9,858,895	21,436	5,768
Total treasury-related commitments and contingencies	680,045,865	11,516,928	5,688,037	621,597,729	11,914,313	5,754,933
Total commitments and contingencies	866,936,356	79,458,844	41,400,260	811,374,001	81,193,116	42,148,350
Bank						
Contingent liabilities						
Direct credit substitutes	10,356,034	10,579,419	5,544,302	10,665,916	10,373,876	5,071,621
Certain transaction-related contingent items	14,091,875	7,004,261	4,380,424	14,618,417	7,207,090	4,429,669
Short-term self-liquidating trade-related contingencies	5,358,123	872,085	522,391	5,600,847	937,807	548,026
	29,806,032	18,455,765	10,447,117	30,885,180	18,518,773	10,049,316
Commitments						
Irrevocable commitments to extend credit:						
- Maturity within one year	79,743,518	16,453,600	7,510,822	79,885,420	14,787,173	6,948,719
- Maturity exceeding one year	28,768,765	20,198,574	9,218,444	30,199,078	23,168,096	10,967,370
	108,512,283	36,652,174	16,729,266	110,084,498	37,955,269	17,916,089
Miscellaneous commitments and contingencies	8,565,504	492,427	136,978	9,798,574	411,803	180,312
Total credit-related commitments and contingencies	146,883,819	55,600,366	27,313,361	150,768,252	56,885,845	28,145,717

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A35. Commitments and Contingencies (cont'd.)

The risk-weighted exposures of the Group and of the Bank as at the following reporting dates are as follows (cont'd.):

	As at 31 March 2018			As at 31 December 2017		
	Full commitment RM'000	Credit equivalent amount* RM'000	Risk- weighted amount* RM'000	Full commitment RM'000	Credit equivalent amount* RM'000	Risk- weighted amount* RM'000
Bank (cont'd.)						
<u>Derivative financial instruments</u>						
Foreign exchange related contracts:						
- Less than one year	347,837,912	2,762,446	824,926	273,366,420	3,815,458	991,438
- One year to less than five years	38,314,074	1,119,433	817,505	30,556,992	1,366,385	1,118,455
- Five years and above	4,236,297	185	115	4,084,188	243	125
	390,388,283	3,882,064	1,642,546	308,007,600	5,182,086	2,110,018
Interest rate related contracts:						
- Less than one year	63,368,895	437,336	212,342	75,797,820	296,628	148,788
- One year to less than five years	121,932,156	3,767,768	1,480,217	163,096,687	3,484,049	1,374,343
- Five years and above	94,928,255	2,041,773	1,690,089	55,929,064	1,879,885	1,610,746
	280,229,306	6,246,877	3,382,648	294,823,571	5,660,562	3,133,877
Equity and commodity related contracts:						
- Less than one year	4,287,263	7,165	2,402	3,649,780	10,492	3,792
- One year to less than five years	4,129,033	15,145	2,856	4,192,152	10,944	1,976
	8,416,296	22,310	5,258	7,841,932	21,436	5,768
Total treasury-related commitments and contingencies	679,033,885	10,151,251	5,030,452	610,673,103	10,864,084	5,249,663
Total commitments and contingencies	825,917,704	65,751,617	32,343,813	761,441,355	67,749,929	33,395,380

* The credit equivalent amount and the risk-weighted amount are derived at using the credit conversion factors and risk-weights respectively as specified by Bank Negara Malaysia for regulatory capital adequacy purposes.

(i) The Group's and the Bank's derivative financial instruments are subject to market, credit and liquidity risks, as follows:

Market Risk

Market risk on derivatives is the potential loss to the value of these contracts due to changes in price of the underlying items such as equities, interest rates, foreign exchange rates, credit spreads, commodities or other indices. The notional or contractual amounts provide only the volume of transactions outstanding at the reporting date and do not represent the amount at risk. Exposure to market risk may be reduced through offsetting items from on and off-balance sheet positions.

Credit Risk

Credit risk arises from the possibility that a counterparty may be unable to meet the terms of a contract in which the Bank and certain subsidiaries have a gain position. As at 31 March 2018, the amount of credit risk in the Group, measured in terms of the cost to replace the profitable contracts, was RM6,448.8 million (31 December 2017: RM6,704.7 million). This amount will increase or decrease over the life of the contracts, mainly as a function of maturity dates and market rates or prices.

Liquidity Risk

Liquidity risk on derivatives is the risk that the derivative position cannot be closed out promptly. Exposure to liquidity risk is reduced through contracting derivatives where the underlying items are widely traded.

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A35. Commitments and Contingencies (cont'd.)

- (ii) There have been no changes since the end of the previous financial year in respect of the following:
- (a) the types of derivative financial contracts entered into and the rationale for entering into such contracts, as well as the expected benefits accruing from these contracts;
 - (b) the risk management policies in place for mitigating and controlling the risks associated with these derivative financial contracts; and
 - (c) the related accounting policies.

A36. Capital Adequacy

(a) Capital Adequacy Framework

- (i) Bank Negara Malaysia ("BNM") had on 2 February 2018 issued the Capital Adequacy Framework (Capital Components) and Capital Adequacy Framework for Islamic Banks (Capital Components) on the computation of capital and capital adequacy ratios for Conventional banks and Islamic banks respectively. All financial institutions shall hold and maintain at all times, the following minimum capital adequacy ratios:

Common Equity Tier 1 (CET1)	Tier 1 Capital Ratio	Total Capital Ratio
4.5%*	6.0%	8.0%

* Excluding Capital Conservation Buffer of 2.5% of total risk-weighted assets ("RWA") which is subject to phase-in arrangement effective on 1 January 2016 as well as Countercyclical Capital Buffer ranging between 0% - 2.5% of total RWA and any other capital buffers which may be introduced by BNM.

- (ii) Total RWA is calculated as the sum of credit RWA, market RWA, operational RWA and large exposure risk requirements as determined in accordance with the Capital Adequacy Framework (Basel II - Risk-Weighted Assets) and Capital Adequacy Framework for Islamic Banks (Risk-Weighted Assets) both issued by BNM on 2 February 2018 for Conventional banks and Islamic banks respectively.

The sum of the above is further adjusted to take into account any profit-sharing investment accounts ("PSIA") recognised as risk absorbent for capital adequacy purposes, in the manner stipulated under the Guidelines on Recognition and Measurement of PSIA as Risk Absorbent as updated by BNM on 26 July 2011.

Any exposures which are deducted in the calculation of CET1 Capital, Tier 1 Capital and Total Capital are not subjected to any further capital charges in the computation of RWA.

(b) Compliance and application of capital adequacy ratios

The capital adequacy ratios of the Group and of the Bank are computed in accordance with BNM's Capital Adequacy Framework (Capital Components) and Capital Adequacy Framework (Basel II - Risk-Weighted Assets) both issued on 2 February 2018. The total RWA are computed based on the following approaches:

- (A) Credit risk under Internal Ratings-Based Approach;
- (B) Market risk under Standardised Approach; and
- (C) Operational risk under Basic Indicator Approach.

On an entity level basis, the computation of capital adequacy ratios of the subsidiaries of the Group are as follows:

- (i) For Maybank Islamic Berhad, the computation of capital adequacy ratios are based on BNM's Capital Adequacy Framework for Islamic Banks (Capital Components) and Capital Adequacy Framework for Islamic Banks (Risk-Weighted Assets) both issued on 2 February 2018. The total RWA are computed based on the following approaches:

- (A) Credit risk under Internal Ratings-Based Approach;
- (B) Market risk under Standardised Approach; and
- (C) Operational risk under Basic Indicator Approach.

The minimum regulatory capital adequacy requirements for CET1, Tier 1 and Total Capital are 4.5%, 6.0% and 8.0% of total RWA for the current financial year ending 31 December 2018 (2017: 4.5%, 6.0% and 8.0% of total RWA).

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A36. Capital Adequacy (cont'd.)

(b) Compliance and application of capital adequacy ratios (cont'd.)

(ii) For Maybank Investment Bank Berhad, the computation of capital adequacy ratios are based on BNM's Capital Adequacy Framework (Capital Components) and Capital Adequacy Framework (Basel II - Risk-Weighted Assets) both issued on 2 February 2018. The total RWA are computed based on the following approaches:

- (A) Credit risk under Standardised Approach;
- (B) Market risk under Standardised Approach; and
- (C) Operational risk under Basic Indicator Approach.

The minimum regulatory capital adequacy requirements for CET1, Tier 1 and Total Capital are 4.5%, 6.0% and 8.0% of total RWA for the current financial year ending 31 December 2018 (2017: 4.5%, 6.0% and 8.0% of total RWA).

(iii) For PT Bank Maybank Indonesia Tbk, the computation of capital adequacy ratios are in accordance with local requirements, which is based on the Basel II capital accord. The total RWA are computed based on the following approaches:

- (A) Credit risk under Standardised Approach;
- (B) Market risk under Standardised Approach; and
- (C) Operational risk under Basic Indicator Approach.

The minimum regulatory capital adequacy requirement for PT Bank Maybank Indonesia Tbk is 10% up to less than 11% (2017: 10% up to less than 11%) of total RWA.

(c) The capital adequacy ratios of the Group and of the Bank

With effect from 30 June 2013, the amount of declared dividend to be deducted in the calculation of CET1 Capital under a DRP shall be determined in accordance with BNM's Implementation Guidance on Capital Adequacy Framework (Capital Components) ("Implementation Guidance") issued on 8 May 2013. Under the said Implementation Guidance, where a portion of the dividend may be reinvested under a DRP (the electable portion), the amount of declared dividend to be deducted in the calculation of CET1 Capital may be reduced as follows:

- (i) where an irrevocable written undertaking from shareholder has been obtained to reinvest the electable portion of the dividend; or
- (ii) where there is no irrevocable written undertaking provided, the average of the preceding 3-year take-up rates subject to the amount being not more than 50% of the total electable portion of the dividend.

During the Annual General Meeting held on 12 April 2018, a final dividend in respect of the financial year ended 31 December 2017 of 32 sen single-tier dividend per ordinary share, which consists of a cash portion of 18 sen and an electable portion of 14 sen per ordinary share was approved by the shareholders.

In arriving the capital adequacy ratios for the financial period ended 31 March 2018, the final dividend has not been deducted from the calculation of CET1 Capital.

Based on the above, the capital adequacy ratios of the Group and of the Bank are as follows:

	Group		Bank	
	31 March 2018	31 December 2017	31 March 2018	31 December 2017
CET1 Capital Ratio	14.314%	14.773%	14.366%	15.853%
Tier 1 Capital Ratio	15.941%	16.459%	16.305%	17.950%
Total Capital Ratio	19.063%	19.383%	19.430%	19.313%

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A36. Capital Adequacy (cont'd.)

(d) Components of capital:

	Group		Bank	
	31 March 2018 RM'000	31 December 2017 RM'000	31 March 2018 RM'000	31 December 2017 RM'000
CET1 Capital				
Share capital	45,451,584	44,250,380	45,451,584	44,250,380
Retained profits ¹	19,499,796	20,451,568	13,254,437	13,582,048
Other reserves ¹	1,437,148	3,619,581	3,833,568	4,612,799
Qualifying non-controlling interests	132,610	137,081	-	-
Less: Shares held-in-trust	<u>(185,533)</u>	<u>(183,438)</u>	<u>(185,533)</u>	<u>(183,438)</u>
CET1 Capital before regulatory adjustments	66,335,605	68,275,172	62,354,056	62,261,789
Less: Regulatory adjustments applied on CET1 Capital:				
Capital:	<u>(13,303,432)</u>	<u>(12,864,771)</u>	<u>(25,750,304)</u>	<u>(21,091,369)</u>
Deferred tax assets	(1,543,895)	(802,593)	(597,063)	(315,013)
Goodwill	(5,402,915)	(5,756,367)	(81,015)	(81,015)
Other intangibles	(901,079)	(855,056)	(488,665)	(487,015)
Gains on financial instruments classified as 'available-for-sale'	-	(17,922)	-	-
Regulatory reserve	(2,331,662)	(2,747,285)	(2,115,107)	(2,233,563)
Investment in ordinary shares of unconsolidated financial and insurance/takaful entities ³	<u>(3,123,881)</u>	<u>(2,685,548)</u>	<u>(22,468,454)</u>	<u>(17,974,763)</u>
Total CET1 Capital	53,032,173	55,410,401	36,603,752	41,170,420
Additional Tier 1 Capital				
Capital securities	5,940,432	6,244,010	5,940,432	6,244,010
Qualifying CET1 and Additional Tier 1 capital instruments held by third parties	89,242	80,195	-	-
Less: Investment in capital instruments of unconsolidated financial and insurance/takaful entities ³	-	-	<u>(1,000,000)</u>	<u>(800,000)</u>
Total Tier 1 Capital	59,061,847	61,734,606	41,544,184	46,614,430
Tier 2 Capital				
Subordinated obligations	9,177,715	9,271,613	9,177,715	9,271,613
Qualifying CET1, Additional Tier 1 and Tier 2 capital instruments held by third parties	500,190	488,385	-	-
General provisions ⁴	353,982	-	132,790	-
Collective allowance ²	-	278,397	-	136,641
Surplus of total eligible provision over total expected loss	1,535,869	1,601,682	1,108,613	1,171,604
Less: Investment in capital instruments of unconsolidated financial and insurance/takaful entities ³	-	(671,387)	<u>(2,455,716)</u>	<u>(7,038,871)</u>
Total Tier 2 Capital	11,567,756	10,968,690	7,963,402	3,540,987
Total Capital	70,629,603	72,703,296	49,507,586	50,155,417

¹ For the Group, the amount excludes retained profits and other reserves from insurance and takaful business. For the Bank, the amount includes retained profits and other reserves of Maybank International (L) Ltd.

² Excludes collective allowance for impaired loans, advances and financing restricted from Tier 2 Capital of the Group and of the Bank.

³ For the Bank, the regulatory adjustment includes cost of investment in subsidiaries and associates, except for: (i) Myfin Berhad of RM18,994,000 as its business, assets and liabilities have been transferred to the Bank; (ii) Maybank International (L) Ltd. of RM10,289,000 and (iii) Maybank Agro Fund Sdn. Bhd. of RM10,845,000, as its assets are included in the Bank's RWA. For the Group, the regulatory adjustment includes carrying amount of associates and investment in insurance and takaful entities.

⁴ Refers to loss allowance measured at an amount equal to 12-month and lifetime expected credit losses and regulatory reserve, to the extent they are ascribed to non-credit impaired exposures, determined under Standardised Approach for credit risk.

The capital adequacy ratios of the Group is derived from consolidated balances of the Bank and its subsidiaries, excluding the investments in insurance and takaful entities and associates.

The capital adequacy ratios of the Bank is derived from the Bank and its wholly-owned offshore banking subsidiary, Maybank International (L) Ltd., excluding the investments in subsidiaries and associates (except for Myfin Berhad, Maybank International (L) Ltd. and Maybank Agro Fund Sdn. Bhd. as disclosed above).

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A36. Capital Adequacy (cont'd.)

(e) The capital adequacy ratios of the banking subsidiaries of the Bank are as follows:

	Maybank Islamic Berhad	Maybank Investment Bank Berhad	PT Bank Maybank Indonesia Tbk
<u>At 31 March 2018</u>			
CET1 Capital Ratio	12.821%	28.480%	-
Tier 1 Capital Ratio	14.408%	28.480%	-
Total Capital Ratio	<u>18.895%</u>	<u>29.866%</u>	<u>17.627%</u>
<u>At 31 December 2017</u>			
CET1 Capital Ratio	14.500%	31.322%	-
Tier 1 Capital Ratio	16.150%	31.322%	-
Total Capital Ratio	<u>20.782%</u>	<u>31.525%</u>	<u>17.535%</u>

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A36. Capital Adequacy (cont'd.)

(f) The breakdown of RWA by each major risk categories are as follows:

At 31 March 2018

	Group RM'000	Bank RM'000	Maybank Islamic Berhad RM'000	Maybank Investment Bank Berhad RM'000	PT Bank Maybank Indonesia Tbk RM'000
Standardised Approach exposure	57,220,875	33,582,829	9,000,597	1,121,113	30,469,728
Internal Ratings-Based Approach exposure after scaling factor	<u>255,978,086</u>	<u>184,768,868</u>	<u>60,853,864</u>	-	-
Total RWA for credit risk	313,198,961	218,351,697	69,854,461	1,121,113	30,469,728
Total RWA for credit risk absorbed by Malayan Banking Berhad and Investment Account*	-	-	(14,727,122)	-	-
Total RWA for market risk	16,692,199	12,982,530	1,195,651	145,485	645,038
Total RWA for operational risk	<u>40,611,610</u>	<u>23,463,967</u>	<u>6,709,970</u>	<u>782,794</u>	<u>5,151,104</u>
Total RWA	<u>370,502,770</u>	<u>254,798,194</u>	<u>63,032,960</u>	<u>2,049,392</u>	<u>36,265,870</u>

At 31 December 2017

	Group RM'000	Bank RM'000	Maybank Islamic Berhad RM'000	Maybank Investment Bank Berhad RM'000	PT Bank Maybank Indonesia Tbk RM'000
Standardised Approach exposure	53,705,463	29,785,935	8,796,181	1,023,110	32,949,975
Internal Ratings-Based Approach exposure after scaling factor	<u>266,947,028</u>	<u>195,267,276</u>	<u>60,246,868</u>	-	-
Total RWA for credit risk	320,652,491	225,053,211	69,043,049	1,023,110	32,949,975
Total RWA for credit risk absorbed by Malayan Banking Berhad and Investment Account*	-	-	(15,855,390)	-	-
Total RWA for market risk	14,351,443	11,445,563	939,674	124,903	578,180
Total RWA for operational risk	<u>40,075,835</u>	<u>23,197,842</u>	<u>6,490,748</u>	<u>763,899</u>	<u>5,000,612</u>
Total RWA	<u>375,079,769</u>	<u>259,696,616</u>	<u>60,618,081</u>	<u>1,911,912</u>	<u>38,528,768</u>

* In accordance with BNM's guideline on the recognition and measurement of Restricted Profit-Sharing Investment Account ("RPSIA") and Investment Accounts of Customers ("IA") as Risk Absorbent, the credit risk on the assets funded by the RPSIA and IA are excluded from the capital adequacy ratios calculation.

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A37. Derivative Financial Instruments

The following tables summarise the contractual or underlying principal amounts of trading derivatives and financial instruments held for hedging purposes. The principal or contractual amounts of these instruments reflect the volume of transactions outstanding at the reporting date, and do not represent amounts at risk.

Derivative financial instruments are revalued on a gross position basis and the unrealised gains or losses are reflected in "Derivative Financial Instruments" Assets and Liabilities respectively.

	Group			Bank		
	Principal Amount RM'000	<----- Fair Value -----> Assets Liabilities RM'000 RM'000		Principal Amount RM'000	<----- Fair Value -----> Assets Liabilities RM'000 RM'000	
At 31 March 2018						
Trading derivatives						
<u>Foreign exchange related contracts</u>						
Currency forwards:						
- Less than one year	41,339,921	305,721	(792,500)	34,084,653	261,166	(521,401)
- One year to three years	1,469,467	65,318	(43,534)	1,174,039	72,415	(43,136)
- More than three years	609,254	26,450	(4,660)	821,650	26,450	(4,660)
	<u>43,418,642</u>	<u>397,489</u>	<u>(840,694)</u>	<u>36,080,342</u>	<u>360,031</u>	<u>(569,197)</u>
Currency swaps:						
- Less than one year	284,682,574	2,212,042	(2,603,092)	284,261,895	2,235,844	(2,841,811)
- One year to three years	1,492,977	4,502	(4,679)	1,492,977	4,502	(4,679)
- More than three years	6,604	-	(1,160)	6,604	-	(1,160)
	<u>286,182,155</u>	<u>2,216,544</u>	<u>(2,608,931)</u>	<u>285,761,476</u>	<u>2,240,346</u>	<u>(2,847,650)</u>
Currency spots:						
- Less than one year	4,701,605	7,220	(7,114)	5,152,635	8,217	(8,012)
Currency options:						
- Less than one year	12,829,538	29,021	(25,864)	12,829,530	29,012	(25,831)
- One year to three years	1,231,970	22,254	(37,093)	1,231,898	22,684	(37,356)
	<u>14,061,508</u>	<u>51,275</u>	<u>(62,957)</u>	<u>14,061,428</u>	<u>51,696</u>	<u>(63,187)</u>
Cross currency interest rate swaps:						
- Less than one year	8,643,058	54,362	(421,773)	10,836,420	59,004	(410,592)
- One year to three years	11,562,313	423,670	(295,372)	16,494,185	503,474	(365,955)
- More than three years	13,665,487	774,585	(566,803)	16,272,127	773,034	(566,580)
	<u>33,870,858</u>	<u>1,252,617</u>	<u>(1,283,948)</u>	<u>43,602,732</u>	<u>1,335,512</u>	<u>(1,343,127)</u>
<u>Interest rate related contracts</u>						
Interest rate swaps:						
- Less than one year	60,036,125	39,559	(60,769)	60,526,567	42,194	(61,388)
- One year to three years	69,084,193	315,730	(286,356)	69,089,603	310,049	(282,147)
- More than three years	135,076,717	1,534,437	(1,584,555)	135,385,051	1,530,217	(1,594,494)
	<u>264,197,035</u>	<u>1,889,726</u>	<u>(1,931,680)</u>	<u>265,001,221</u>	<u>1,882,460</u>	<u>(1,938,029)</u>
Interest rate futures:						
- Less than one year	4,785,138	57,746	(79,263)	2,486,967	56,828	(79,217)
- One year to three years	1,293,748	1,082	(120)	965,438	1,080	-
	<u>6,078,886</u>	<u>58,828</u>	<u>(79,383)</u>	<u>3,452,405</u>	<u>57,908</u>	<u>(79,217)</u>
Interest rate options:						
- Less than one year	355,361	1	(9)	355,361	1	(9)
- One year to three years	3,752,610	2,768	(3,547)	3,752,610	2,768	(3,547)
- More than three years	6,217,755	123,847	(194,785)	7,107,755	135,817	(194,785)
	<u>10,325,726</u>	<u>126,616</u>	<u>(198,341)</u>	<u>11,215,726</u>	<u>138,586</u>	<u>(198,341)</u>

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A37. Derivative Financial Instruments (cont'd.)

	Group			Bank		
	Principal Amount RM'000	<---- Fair Value ---->		Principal Amount RM'000	<---- Fair Value ---->	
At 31 March 2018 (cont'd.)	Assets RM'000	Liabilities RM'000	RM'000	Assets RM'000	Liabilities RM'000	RM'000
Trading derivatives (cont'd.)						
<u>Equity related contracts</u>						
Index futures:						
- More than three years	33,663	3,013	-	-	-	-
Equity options:						
- Less than one year	317,591	6,249	(92,497)	-	-	-
- One year to three years	1,580	1	-	-	-	-
	<u>319,171</u>	<u>6,250</u>	<u>(92,497)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Equity swaps:						
- Less than one year	1,772,529	39,380	(100,347)	141,330	22,892	(149)
<u>Commodity related contracts</u>						
Commodity options:						
- Less than one year	2,847,954	98,762	(98,762)	2,847,954	98,762	(98,762)
- One year to three years	2,732,625	95,429	(95,429)	2,732,625	95,429	(95,429)
	<u>5,580,579</u>	<u>194,191</u>	<u>(194,191)</u>	<u>5,580,579</u>	<u>194,191</u>	<u>(194,191)</u>
Commodity swaps:						
- Less than one year	1,297,979	74,919	(74,639)	1,297,979	74,919	(74,639)
- One year to three years	1,211,284	29,066	(28,691)	1,211,284	29,066	(28,691)
- More than three years	185,124	13,213	(12,807)	185,124	13,213	(12,807)
	<u>2,694,387</u>	<u>117,198</u>	<u>(116,137)</u>	<u>2,694,387</u>	<u>117,198</u>	<u>(116,137)</u>
Hedging derivatives						
<u>Foreign exchange related contracts</u>						
Cross currency interest rate swaps:						
- Less than one year	672,779	75,126	-	672,779	75,126	-
- One year to three years	3,138,558	284,525	(90,941)	3,138,558	284,525	(90,941)
- More than three years	1,918,333	4,437	(47,251)	1,918,333	4,437	(47,251)
	<u>5,729,670</u>	<u>364,088</u>	<u>(138,192)</u>	<u>5,729,670</u>	<u>364,088</u>	<u>(138,192)</u>
<u>Interest rate related contracts</u>						
Interest rate swaps:						
- Less than one year	289,631	3,106	-	-	-	-
- One year to three years	422,954	448	(391)	193,088	448	(391)
- More than three years	366,866	2,356	(4,006)	366,866	2,356	(4,006)
	<u>1,079,451</u>	<u>5,910</u>	<u>(4,397)</u>	<u>559,954</u>	<u>2,804</u>	<u>(4,397)</u>
Netting effects under MFRS 132 Amendments						
	-	(281,549)	281,549	-	(281,549)	281,549
Total	<u>680,045,865</u>	<u>6,448,796</u>	<u>(7,377,260)</u>	<u>679,033,885</u>	<u>6,494,380</u>	<u>(7,218,277)</u>

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A37. Derivative Financial Instruments (cont'd.)

At 31 December 2017	Principal Amount RM'000	Group <---- Fair Value ---->		Principal Amount RM'000	Bank <---- Fair Value ---->	
		Assets RM'000	Liabilities RM'000		Assets RM'000	Liabilities RM'000
Trading derivatives						
<u>Foreign exchange related contracts</u>						
Currency forwards:						
- Less than one year	32,008,349	233,163	(634,310)	25,510,068	227,109	(402,267)
- One year to three years	1,629,193	47,603	(31,293)	1,304,273	39,069	(30,958)
- More than three years	422,172	11,944	(2,671)	670,373	11,944	(2,671)
	<u>34,059,714</u>	<u>292,710</u>	<u>(668,274)</u>	<u>27,484,714</u>	<u>278,122</u>	<u>(435,896)</u>
Currency swaps:						
- Less than one year	236,187,976	2,293,375	(2,202,490)	235,256,487	2,425,979	(2,413,916)
- One year to three years	61,347	6,897	(2,171)	61,347	6,897	(2,171)
- More than three years	6,926	-	(719)	6,926	-	(719)
	<u>236,256,249</u>	<u>2,300,272</u>	<u>(2,205,380)</u>	<u>235,324,760</u>	<u>2,432,876</u>	<u>(2,416,806)</u>
Currency spots:						
- Less than one year	1,851,202	1,568	(4,683)	2,217,295	2,440	(4,766)
Currency options:						
- Less than one year	3,486,393	7,298	(6,526)	3,486,393	7,298	(6,526)
Cross currency interest rate swaps:						
- Less than one year	6,937,210	249,013	(405,083)	6,231,388	254,172	(399,862)
- One year to three years	13,057,868	466,175	(447,398)	13,803,118	583,609	(549,254)
- More than three years	14,392,784	697,288	(647,777)	14,130,849	694,522	(647,776)
	<u>34,387,862</u>	<u>1,412,476</u>	<u>(1,500,258)</u>	<u>34,165,355</u>	<u>1,532,303</u>	<u>(1,596,892)</u>
<u>Interest rate related contracts</u>						
Interest rate swaps:						
- Less than one year	72,311,200	55,593	(86,753)	72,562,300	55,593	(87,548)
- One year to three years	68,156,174	315,620	(301,183)	68,334,401	315,821	(298,075)
- More than three years	136,896,093	1,706,997	(1,659,486)	137,510,497	1,701,148	(1,667,467)
	<u>277,363,467</u>	<u>2,078,210</u>	<u>(2,047,422)</u>	<u>278,407,198</u>	<u>2,072,562</u>	<u>(2,053,090)</u>
Interest rate futures:						
- Less than one year	4,233,443	994	(4,016)	2,632,500	737	(3,263)
- One year to three years	2,957,496	1,362	(230)	1,620,000	633	-
	<u>7,190,939</u>	<u>2,356</u>	<u>(4,246)</u>	<u>4,252,500</u>	<u>1,370</u>	<u>(3,263)</u>
Interest rate options:						
- Less than one year	603,020	5	(11)	603,020	5	(11)
- One year to three years	3,290,696	5,452	(2,308)	3,290,696	5,452	(2,308)
- More than three years	6,792,907	44,212	(241,238)	7,682,907	55,550	(241,250)
	<u>10,686,623</u>	<u>49,669</u>	<u>(243,557)</u>	<u>11,576,623</u>	<u>61,007</u>	<u>(243,569)</u>

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A37. Derivative Financial Instruments (cont'd.)

At 31 December 2017 (cont'd.)	Group			Bank		
	Principal Amount RM'000	<---- Fair Value ---->		Principal Amount RM'000	<---- Fair Value ---->	
	Assets RM'000	Liabilities RM'000		Assets RM'000	Liabilities RM'000	
<u>Trading derivatives (cont'd.)</u>						
<u>Equity related contracts</u>						
Index futures:						
- More than three years	33,663	3,036	-	-	-	-
	<u>33,663</u>	<u>3,036</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Equity options:						
- Less than one year	191,473	33,953	(86,815)	15,450	1,061	-
- One year to three years	1,665	143	-	-	-	-
	<u>193,138</u>	<u>34,096</u>	<u>(86,815)</u>	<u>15,450</u>	<u>1,061</u>	<u>-</u>
Equity swaps:						
- Less than one year	1,953,990	60,603	(35,301)	148,378	15,080	(1,176)
<u>Commodity related contracts</u>						
Commodity options:						
- Less than one year	2,565,283	207,536	(205,258)	2,565,283	207,536	(205,258)
- One year to three years	3,465,273	256,342	(258,620)	3,465,273	256,342	(258,620)
	<u>6,030,556</u>	<u>463,878</u>	<u>(463,878)</u>	<u>6,030,556</u>	<u>463,878</u>	<u>(463,878)</u>
Commodity swaps:						
- Less than one year	920,669	54,591	(54,069)	920,669	54,591	(54,069)
- One year to three years	382,166	10,982	(10,898)	382,166	10,982	(10,898)
- More than three years	344,713	12,475	(11,878)	344,713	12,475	(11,878)
	<u>1,647,548</u>	<u>78,048</u>	<u>(76,845)</u>	<u>1,647,548</u>	<u>78,048</u>	<u>(76,845)</u>
<u>Hedging derivatives</u>						
<u>Foreign exchange related contracts</u>						
Cross currency interest rate swaps:						
- Less than one year	664,789	37,343	-	664,789	37,343	-
- One year to three years	3,144,706	161,885	(130,381)	3,144,706	161,885	(130,381)
- More than three years	1,519,588	-	(36,123)	1,519,588	-	(36,123)
	<u>5,329,083</u>	<u>199,228</u>	<u>(166,504)</u>	<u>5,329,083</u>	<u>199,228</u>	<u>(166,504)</u>
<u>Interest rate related contracts</u>						
Interest rate swaps:						
- One year to three years	742,552	1,813	(1,311)	202,500	558	(772)
- More than three years	384,750	11,166	(1,791)	384,750	11,166	(1,791)
	<u>1,127,302</u>	<u>12,979</u>	<u>(3,102)</u>	<u>587,250</u>	<u>11,724</u>	<u>(2,563)</u>
Netting effects under MFRS 132 Amendments						
	-	(291,776)	291,776	-	(291,776)	291,776
Total	<u>621,597,729</u>	<u>6,704,651</u>	<u>(7,221,015)</u>	<u>610,673,103</u>	<u>6,865,221</u>	<u>(7,179,998)</u>

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A38. Fair Value Measurements of Financial Instruments

Fair value hierarchy

For disclosure purposes, the level in the hierarchy within which the instruments are classified in its entirety is based on the lowest level input that is significant to the position's fair value measurements:

- (a) Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities

Refers to financial instruments which are regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, and those prices which represent actual and regularly occurring market transactions in an arm's length basis. Such financial instruments include actively traded government securities, listed derivatives and cash products traded on exchange.

- (b) Level 2: Valuation techniques for which all significant inputs are, or are based on, observable market data

Refers to inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices). Examples of Level 2 financial instruments include over-the-counter ("OTC") derivatives, corporate and other government bonds, illiquid equities and consumer loans and financing with homogeneous or similar features in the market.

- (c) Level 3: Valuation techniques for which significant inputs are not based on observable market data

Refers to instruments where fair value is measured using significant unobservable inputs. The valuation techniques used are consistent with Level 2 but incorporates the Group's and the Bank's own assumptions and data. Examples of Level 3 instruments include corporate bonds in illiquid markets, private equity investments and loans and financing priced primarily based on internal credit assessment.

The following tables show the Group's and the Bank's financial assets and financial liabilities that are measured at fair value analysed by level within the fair value hierarchy as at 31 March 2018 and 31 December 2017.

Group	<u>Valuation technique using</u>			Total RM'000
	Quoted Market Price (Level 1) RM'000	Observable Inputs (Level 2) RM'000	Unobservable Inputs (Level 3) RM'000	
At 31 March 2018				
Financial assets measured at fair value:				
Financial assets held-for-trading	4,855,802	12,207,204	-	17,063,006
Money market instruments	-	4,352,565	-	4,352,565
Quoted securities	4,855,802	-	-	4,855,802
Unquoted securities	-	7,854,639	-	7,854,639
Financial assets designated at fair value through profit or loss	193,751	15,487,767	-	15,681,518
Money market instruments	-	1,095,771	-	1,095,771
Quoted securities	193,751	-	-	193,751
Unquoted securities	-	14,391,996	-	14,391,996
Financial assets at fair value through other comprehensive income	1,015,082	100,904,926	383,300	102,303,308
Money market instruments	-	53,891,940	-	53,891,940
Quoted securities	1,015,082	-	-	1,015,082
Unquoted securities	-	47,012,986	383,300	47,396,286
Derivative assets	-	6,208,656	240,140	6,448,796
Foreign exchange related contracts	-	4,289,233	-	4,289,233
Interest rate related contracts	-	2,081,080	-	2,081,080
Equity and commodity related contracts	-	119,892	240,140	360,032
Netting effects under MFRS 132 Amendments	-	(281,549)	-	(281,549)
	6,064,635	134,808,553	623,440	141,496,628

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A38. Fair Value Measurements of Financial Instruments (cont'd.)

Group (cont'd.) At 31 March 2018	<u>Valuation technique using</u>			Total RM'000
	Quoted Market Price (Level 1) RM'000	Observable Inputs (Level 2) RM'000	Unobservable Inputs (Level 3) RM'000	
Financial liabilities measured at fair value:				
Financial liabilities designated at fair value through profit or loss	-	9,477,223	-	9,477,223
Structured deposits	-	2,416,600	-	2,416,600
Borrowings	-	7,060,623	-	7,060,623
Derivative liabilities	-	7,137,094	240,166	7,377,260
Foreign exchange related contracts	-	4,941,836	-	4,941,836
Interest rate related contracts	-	2,213,801	-	2,213,801
Equity and commodity related contracts	-	263,006	240,166	503,172
Netting effects under MFRS 132 Amendments	-	(281,549)	-	(281,549)
	-	16,614,317	240,166	16,854,483
Group At 31 December 2017				
Financial assets measured at fair value:				
Financial assets held-for-trading	2,918,962	9,011,404	-	11,930,366
Money market instruments	-	5,049,952	-	5,049,952
Quoted securities	2,918,962	-	-	2,918,962
Unquoted securities	-	3,961,452	-	3,961,452
Financial assets designated at fair value through profit or loss	206,921	12,980,206	-	13,187,127
Money market instruments	-	1,006,312	-	1,006,312
Quoted securities	206,921	-	-	206,921
Unquoted securities	-	11,973,894	-	11,973,894
Financial investments available-for-sale	2,993,454	105,568,565	508,225	109,070,244
Money market instruments	-	54,919,782	-	54,919,782
Quoted securities	2,993,454	-	-	2,993,454
Unquoted securities	-	50,648,783	508,225	51,157,008
Derivative assets	-	6,225,117	479,534	6,704,651
Foreign exchange related contracts	-	4,213,552	-	4,213,552
Interest rate related contracts	-	2,143,214	-	2,143,214
Equity and commodity related contracts	-	160,127	479,534	639,661
Netting effects under MFRS 132 Amendments	-	(291,776)	-	(291,776)
	6,119,337	133,785,292	987,759	140,892,388

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A38. Fair Value Measurements of Financial Instruments (cont'd.)

Group (cont'd.) At 31 December 2017	Valuation technique using			Total RM'000
	Quoted Market Price (Level 1) RM'000	Observable Inputs (Level 2) RM'000	Unobservable Inputs (Level 3) RM'000	
Financial liabilities measured at fair value:				
Financial liabilities designated at fair value through profit or loss	-	6,375,815	-	6,375,815
Structured deposits	-	2,366,966	-	2,366,966
Borrowings	-	4,008,849	-	4,008,849
Derivative liabilities	26,899	6,715,643	478,473	7,221,015
Foreign exchange related contracts	-	4,551,625	-	4,551,625
Interest rate related contracts	-	2,298,327	-	2,298,327
Equity and commodity related contracts	26,899	157,467	478,473	662,839
Netting effects under MFRS 132 Amendments	-	(291,776)	-	(291,776)
	26,899	13,091,458	478,473	13,596,830

Bank At 31 March 2018	Valuation technique using			Total RM'000
	Quoted Market Price (Level 1) RM'000	Observable Inputs (Level 2) RM'000	Unobservable Inputs (Level 3) RM'000	
Financial assets measured at fair value:				
Financial assets held-for-trading	166,501	11,773,982	-	11,940,483
Money market instruments	-	3,705,471	-	3,705,471
Quoted securities	166,501	-	-	166,501
Unquoted securities	-	8,068,511	-	8,068,511
Financial assets at fair value through other comprehensive income	60,603	82,807,155	349,988	83,217,746
Money market instruments	-	41,499,874	-	41,499,874
Quoted securities	60,603	-	-	60,603
Unquoted securities	-	41,307,281	349,988	41,657,269
Derivative assets	-	6,254,240	240,140	6,494,380
Foreign exchange related contracts	-	4,359,890	-	4,359,890
Interest rate related contracts	-	2,081,758	-	2,081,758
Equity and commodity related contracts	-	94,141	240,140	334,281
Netting effects under MFRS 132 Amendments	-	(281,549)	-	(281,549)
	227,104	100,835,377	590,128	101,652,609

Financial liabilities measured at fair value:

Financial liabilities designated at fair value through profit or loss	-	8,583,293	-	8,583,293
Structured deposits	-	1,522,670	-	1,522,670
Borrowings	-	7,060,623	-	7,060,623
Derivative liabilities	-	6,978,111	240,166	7,218,277
Foreign exchange related contracts	-	4,969,365	-	4,969,365
Interest rate related contracts	-	2,219,984	-	2,219,984
Equity and commodity related contracts	-	70,311	240,166	310,477
Netting effects under MFRS 132 Amendments	-	(281,549)	-	(281,549)
	-	15,561,404	240,166	15,801,570

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A38. Fair Value Measurements of Financial Instruments (cont'd.)

Bank (cont'd.) At 31 December 2017	Valuation technique using			Total RM'000
	Quoted Market Price (Level 1) RM'000	Observable Inputs (Level 2) RM'000	Unobservable Inputs (Level 3) RM'000	
Financial assets measured at fair value:				
Financial assets held-for-trading	142,413	7,754,264	-	7,896,677
Money market instruments	-	3,737,846	-	3,737,846
Quoted securities	142,413	-	-	142,413
Unquoted securities	-	4,016,418	-	4,016,418
Financial investments available-for-sale	196,592	88,734,733	355,414	89,286,739
Money market instruments	-	43,705,255	-	43,705,255
Quoted securities	196,592	-	-	196,592
Unquoted securities	-	45,029,478	355,414	45,384,892
Derivative assets	-	6,385,687	479,534	6,865,221
Foreign exchange related contracts	-	4,452,267	-	4,452,267
Interest rate related contracts	-	2,146,663	-	2,146,663
Equity and commodity related contracts	-	78,533	479,534	558,067
Netting effects under MFRS132 Amendments	-	(291,776)	-	(291,776)
	339,005	102,874,684	834,948	104,048,637
Financial liabilities measured at fair value:				
Financial liabilities designated at fair value through profit or loss	-	5,483,120	-	5,483,120
Structured deposits	-	1,474,271	-	1,474,271
Borrowings	-	4,008,849	-	4,008,849
Derivative liabilities	-	6,701,525	478,473	7,179,998
Foreign exchange related contracts	-	4,627,390	-	4,627,390
Interest rate related contracts	-	2,302,485	-	2,302,485
Equity and commodity related contracts	-	63,426	478,473	541,899
Netting effects under MFRS132 Amendments	-	(291,776)	-	(291,776)
	-	12,184,645	478,473	12,663,118

Valuation techniques

The valuation techniques used for both the financial instruments and non-financial assets that are not determined by reference to quoted prices (Level 1) are described below:

Derivatives

The fair values of the Group's and the Bank's derivative instruments are derived using discounted cash flows analysis, option pricing and benchmarking models.

Financial assets designated at fair value through profit or loss, financial assets held-for-trading and financial assets at fair value through comprehensive income

The fair values of these financial assets are determined by reference to prices quoted by independent data providers and independent brokers.

Financial liabilities designated at fair value through profit or loss

The fair values of financial liabilities designated at fair value through profit or loss are derived using discounted cash flows.

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A38. Fair Value Measurements of Financial Instruments (cont'd.)

Reconciliation of fair value measurements in Level 3 of the fair value hierarchy:

Group	At 1 January 2018 RM'000	Other gains/(losses) recognised in income statements*	Unrealised gains/(losses) recognised in income statements#	Unrealised gains/(losses) recognised in other comprehensive income RM'000	Purchases/ Issuances RM'000	Sales RM'000	Settlements RM'000	Exchange differences RM'000	Transfer into Level 3 RM'000	Transfer out from Level 3 RM'000	At 31 March 2018 RM'000
Financial assets at fair value through other comprehensive income											
Unquoted securities	508,225	-	-	(102,379)	-	-	-	(22,546)	-	-	383,300
	508,225	-	-	(102,379)	-	-	-	(22,546)	-	-	383,300
Derivative assets											
Equity and commodity related contracts	479,534	27,459	(241,814)	-	17,884	-	(42,923)	-	-	-	240,140
	479,534	27,459	(241,814)	-	17,884	-	(42,923)	-	-	-	240,140
Total Level 3 financial assets	987,759	27,459	(241,814)	(102,379)	17,884	-	(42,923)	(22,546)	-	-	623,440
Derivative liabilities											
Equity and commodity related contracts	(478,473)	27,607	(241,814)	-	(17,884)	-	470,398	-	-	-	(240,166)
	(478,473)	27,607	(241,814)	-	(17,884)	-	470,398	-	-	-	(240,166)
Total Level 3 financial liabilities	(478,473)	27,607	(241,814)	-	(17,884)	-	470,398	-	-	-	(240,166)
Total net Level 3 financial assets/ (liabilities)	509,286	55,066	(483,628)	(102,379)	-	-	427,475	(22,546)	-	-	383,274

* Included within 'Other operating income', 'Allowances for/(writeback of) Impairment Losses on Financial Investments' and 'Income from Islamic Banking Scheme operations'.

Included within 'Other operating income' and 'Income from Islamic Banking Scheme operations'.

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A38. Fair Value Measurements of Financial Instruments (cont'd.)

Reconciliation of fair value measurements in Level 3 of the fair value hierarchy (cont'd.):

Group	At 1 January 2017 RM'000	Other gains/(losses) recognised in income statements* RM'000	Unrealised gains/(losses) recognised in income statements# RM'000	Unrealised gains/(losses) recognised in other comprehensive income RM'000	Purchases/ Issuances RM'000	Sales RM'000	Settlements RM'000	Exchange differences RM'000	Transfer into Level 3 RM'000	Transfer out from Level 3 RM'000	At 31 December 2017 RM'000
Financial assets held-for-trading											
Unquoted securities	-	(19)	-	-	551	(532)	-	-	-	-	-
	-	(19)	-	-	551	(532)	-	-	-	-	-
Financial assets designated at fair value through profit or loss											
Unquoted securities	80,814	3,540	(21,754)	-	-	(62,600)	-	-	-	-	-
	80,814	3,540	(21,754)	-	-	(62,600)	-	-	-	-	-
Financial investments available-for-sale											
Unquoted securities	767,606	(3,925)	-	(32,323)	2,925	(90,155)	(35,860)	(6,621)	59,211	(152,633)	508,225
	767,606	(3,925)	-	(32,323)	2,925	(90,155)	(35,860)	(6,621)	59,211	(152,633)	508,225
Derivative assets											
Equity and commodity related contracts	485,476	283,723	35,194	-	747,929	-	(1,072,788)	-	-	-	479,534
	485,476	283,723	35,194	-	747,929	-	(1,072,788)	-	-	-	479,534
Total Level 3 financial assets	1,333,896	283,319	13,440	(32,323)	751,405	(153,287)	(1,108,648)	(6,621)	59,211	(152,633)	987,759
Derivative liabilities											
Equity and commodity related contracts	(497,001)	311,262	(9)	-	(774,070)	-	481,345	-	-	-	(478,473)
	(497,001)	311,262	(9)	-	(774,070)	-	481,345	-	-	-	(478,473)
Total Level 3 financial liabilities	(497,001)	311,262	(9)	-	(774,070)	-	481,345	-	-	-	(478,473)
Total net Level 3 financial assets/ (liabilities)	836,895	594,581	13,431	(32,323)	(22,665)	(153,287)	(627,303)	(6,621)	59,211	(152,633)	509,286

* Included within 'Other operating income', 'Allowances for/(writeback of) Impairment Losses on Financial Investments' and 'Income from Islamic Banking Scheme operations'.

Included within 'Other operating income' and 'Income from Islamic Banking Scheme operations'.

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A38. Fair Value Measurements of Financial Instruments (cont'd.)

Reconciliation of fair value measurements in Level 3 of the fair value hierarchy (cont'd.):

Bank	At 1 January	Other	Unrealised	Unrealised	Purchases/	Sales	Settlements	Exchange	Transfer into	Transfer	At
At 31 March 2018	2018	gains/(losses)	gains/(losses)	gains/(losses)	Issuances	RM'000	RM'000	differences	Level 3	out from	31 March
	RM'000	recognised in	recognised in	recognised in	RM'000	RM'000	RM'000	RM'000	RM'000	Level 3	2018
		income	income	other						RM'000	RM'000
		statements*	statements#	comprehensive							
		RM'000	RM'000	income							RM'000
Financial assets at fair value through other comprehensive income											
Unquoted securities	355,414	-	-	(5,426)	-	-	-	-	-	-	349,988
	355,414	-	-	(5,426)	-	-	-	-	-	-	349,988
Derivative assets											
Equity and commodity related contracts	479,534	27,459	(241,814)	-	17,884	-	(42,923)	-	-	-	240,140
	479,534	27,459	(241,814)	-	17,884	-	(42,923)	-	-	-	240,140
Total Level 3 financial assets	834,948	27,459	(241,814)	(5,426)	17,884	-	(42,923)	-	-	-	590,128
Derivative liabilities											
Equity and commodity related contracts	(478,473)	27,607	(241,814)	-	(17,884)	-	470,398	-	-	-	(240,166)
	(478,473)	27,607	(241,814)	-	(17,884)	-	470,398	-	-	-	(240,166)
Total Level 3 financial liabilities	(478,473)	27,607	(241,814)	-	(17,884)	-	470,398	-	-	-	(240,166)
Total net Level 3 financial assets/ (liabilities)	356,475	55,066	(483,628)	(5,426)	-	-	427,475	-	-	-	349,962

* Included within 'Other operating income' and 'Allowances for/(writeback of) Impairment Losses on Financial Investments'.

Included within 'Other operating income'.

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A38. Fair Value Measurements of Financial Instruments (cont'd.)

Reconciliation of fair value measurements in Level 3 of the fair value hierarchy (cont'd.):

Bank	At 1 January	Other	Unrealised	Unrealised	Purchases/	Sales	Settlements	Exchange	Transfer into	Transfer	At
At 31 December 2017	2017	gains/(losses)	gains/(losses)	gains/(losses)	Issuances	RM'000	RM'000	differences	Level 3	out from	31 December
	RM'000	recognised in	recognised in	comprehensive	RM'000	RM'000	RM'000	RM'000	RM'000	Level 3	2017
		income	income	income						RM'000	RM'000
		statements*	statements#	statements#							
		RM'000	RM'000	RM'000							
Financial investments available-for-sale											
Unquoted securities	495,504	(8,676)	-	3,739	-	(5,904)	(35,861)	-	59,211	(152,599)	355,414
	495,504	(8,676)	-	3,739	-	(5,904)	(35,861)	-	59,211	(152,599)	355,414
Derivative assets											
Equity and commodity related contracts	485,476	283,723	35,194	-	747,929	-	(1,072,788)	-	-	-	479,534
	485,476	283,723	35,194	-	747,929	-	(1,072,788)	-	-	-	479,534
Total Level 3 financial assets	980,980	275,047	35,194	3,739	747,929	(5,904)	(1,108,649)	-	59,211	(152,599)	834,948
Derivative liabilities											
Equity and commodity related contracts	(497,001)	311,262	(9)	-	(774,070)	-	481,345	-	-	-	(478,473)
	(497,001)	311,262	(9)	-	(774,070)	-	481,345	-	-	-	(478,473)
Total Level 3 financial liabilities	(497,001)	311,262	(9)	-	(774,070)	-	481,345	-	-	-	(478,473)
Total net Level 3 financial assets/											
(liabilities)	483,979	586,309	35,185	3,739	(26,141)	(5,904)	(627,304)	-	59,211	(152,599)	356,475

* Included within 'Other operating income' and 'Allowances for/(writeback of) Impairment Losses on Financial Investments'.

Included within 'Other operating income'.

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as of the end of the reporting period.

There were no transfers between Level 1 and Level 2 for the Group and the Bank during the 3 months financial period ended 31 March 2018.

Movements in Level 3 financial instruments measured at fair value

There were no transfers into or out of Level 3 for the Group and the Bank during the 3 months financial period ended 31 March 2018.

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A39. Unaudited Income Statements and Statements of Financial Position of Insurance and Takaful Business

Pursuant to Paragraph 11.4(f) of Bank Negara Malaysia's Financial Reporting Policy issued on 2 February 2018, the breakdown of Unaudited Income Statements and Statements of Financial Position of Insurance and Takaful Business into Life Fund, Family Takaful Fund, General Takaful Fund, Shareholders' and General Fund are disclosed as follows:

(a) Unaudited Income Statements for the First Quarter Ended 31 March 2018

Group Three-Month Ended	Life Fund		Family Takaful Fund		General Takaful Fund		Shareholders' and General Fund		Total	
	31 March 2018 RM'000	31 March 2017 RM'000	31 March 2018 RM'000	31 March 2017 RM'000	31 March 2018 RM'000	31 March 2017 RM'000	31 March 2018 RM'000	31 March 2017 RM'000	31 March 2018 RM'000	31 March 2017 RM'000
Interest income	106,580	94,711	108,834	98,118	16,828	18,992	54,422	47,740	286,664	259,561
Interest expense	-	-	-	-	-	-	(8,443)	(8,447)	(8,443)	(8,447)
Net interest income	106,580	94,711	108,834	98,118	16,828	18,992	45,979	39,293	278,221	251,114
Net earned insurance premiums	607,369	413,934	391,427	309,620	263,836	263,520	248,749	266,806	1,511,381	1,253,880
Other operating income	(50,625)	172,617	(16,550)	49,540	(605)	1,756	5,687	35,858	(62,093)	259,771
Total operating income	663,324	681,262	483,711	457,278	280,059	284,268	300,415	341,957	1,727,509	1,764,765
Net insurance benefits and claims incurred, net fee and commission expenses, change in expense liabilities and taxation of life and takaful fund	(610,564)	(644,465)	(477,761)	(450,819)	(281,247)	(285,363)	(47,399)	(43,351)	(1,416,971)	(1,423,998)
Net operating income	52,760	36,797	5,950	6,459	(1,188)	(1,095)	253,016	298,606	310,538	340,767
Overhead expenses	(52,150)	(36,467)	(5,545)	(5,869)	(1)	(6)	(148,865)	(123,974)	(206,561)	(166,316)
Operating profit before impairment losses (Allowances for)/writeback of impairment losses on loans, advances, financing and other debts, net	610	330	405	590	(1,189)	(1,101)	104,151	174,632	103,977	174,451
(Allowances for)/writeback of impairment losses on financial investments, net	(12)	(37)	166	(320)	238	(32)	(89)	(675)	303	(1,064)
Operating profit	-	-	-	-	-	-	108,601	172,648	108,601	172,648
Share of profits in associates	-	-	-	-	-	-	-	-	-	-
Profit before taxation and zakat	-	-	-	-	-	-	108,601	172,648	108,601	172,648
Taxation and zakat	-	-	-	-	-	-	(40,361)	(59,579)	(40,361)	(59,579)
Profit for the period	-	-	-	-	-	-	68,240	113,069	68,240	113,069

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A39. Unaudited Income Statements and Statements of Financial Position of Insurance and Takaful Business (cont'd.)

Pursuant to Paragraph 11.4(f) of Bank Negara Malaysia's Financial Reporting Policy issued on 2 February 2018, the breakdown of Unaudited Income Statements and Statements of Financial Position of Insurance and Takaful Business into Life Fund, Family Takaful Fund, General Takaful Fund, Shareholders' and General Fund are disclosed as follows (cont'd.):

(b) Unaudited Statements of Financial Position as at 31 March 2018

Group	Life Fund		Family Takaful Fund		General Takaful Fund		Shareholders' and General Fund		Total	
	31 March 2018	31 December 2017	31 March 2018	31 December 2017	31 March 2018	31 December 2017	31 March 2018	31 December 2017	31 March 2018	31 December 2017
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
ASSETS										
Cash and short-term funds	166,382	225,549	15,194	45,708	37,719	34,132	171,283	259,948	390,578	565,337
Deposits and placements with financial institutions	749,466	642,249	441,420	582,981	131,464	202,299	1,304,728	743,745	2,627,078	2,171,274
Financial assets at fair value through profit or loss	9,808,384	9,061,661	6,807,801	5,299,221	109,460	-	433,025	113,121	17,158,670	14,474,003
Financial assets at fair value through other comprehensive income	622,466	-	2,687,617	-	1,420,023	-	1,889,806	-	6,619,912	-
Financial investments available-for-sale	-	1,132,277	-	3,922,491	-	1,510,604	-	4,214,734	-	10,780,106
Loans, advances and financing	232,072	230,585	-	-	-	-	56,443	56,036	288,515	286,621
Derivative assets	21,453	3,319	-	-	-	-	2,844	1,848	24,297	5,167
Reinsurance/retakaful assets and other insurance receivables	80,208	81,501	223,911	188,038	399,612	345,028	3,429,964	3,319,205	4,133,695	3,933,772
Other assets	315,561	194,918	98,289	175,929	35,078	3,349	433,070	423,843	881,998	798,039
Investment properties	681,986	635,709	-	-	-	-	113,678	113,724	795,664	749,433
Interest in associates	-	-	-	-	-	-	152	152	152	152
Property, plant and equipment	83,858	86,160	-	-	-	-	55,851	63,001	139,709	149,161
Intangible assets	34,184	33,780	-	-	-	-	50,277	47,259	84,461	81,039
Deferred tax assets	5,428	6,109	6,155	5,459	5,385	5,867	19,432	20,598	36,400	38,033
TOTAL ASSETS	12,801,448	12,333,817	10,280,387	10,219,827	2,138,741	2,101,279	7,960,553	9,377,214	33,181,129	34,032,137
LIABILITIES										
Derivative liabilities	19,499	25,791	-	-	-	-	-	-	19,499	25,791
Insurance/takaful contract liabilities and other insurance payables	9,671,042	9,446,728	10,068,065	9,873,134	1,772,795	1,755,432	4,351,470	4,043,549	25,863,372	25,118,843
Other liabilities #	3,078,614	2,840,515	211,446	345,960	364,617	345,048	(1,635,020)	(1,802,610)	2,019,657	1,728,913
Provision for taxation and zakat	8,330	(5,953)	(794)	(852)	-	-	42,839	83,115	50,375	76,310
Deferred tax liabilities	23,963	26,736	1,670	1,585	1,329	799	587,395	566,070	614,357	595,190
Subordinated obligations	-	-	-	-	-	-	809,339	811,307	809,339	811,307
TOTAL LIABILITIES	12,801,448	12,333,817	10,280,387	10,219,827	2,138,741	2,101,279	4,156,023	3,701,431	29,376,599	28,356,354
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE SUBSIDIARIES										
Share capital	-	-	-	-	-	-	660,865	660,865	660,865	660,865
Other reserves	-	-	-	-	-	-	3,143,665	5,014,918	3,143,665	5,014,918
	-	-	-	-	-	-	3,804,530	5,675,783	3,804,530	5,675,783
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	12,801,448	12,333,817	10,280,387	10,219,827	2,138,741	2,101,279	7,960,553	9,377,214	33,181,129	34,032,137

Included in other liabilities are the amounts due to/(from) life, general and investment-linked funds which are unsecured, not subject to any interest elements and are repayable on demand.

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A40. The Operations of Islamic Banking Scheme

A40a. Unaudited Income Statements for the First Quarter Ended 31 March 2018

Group	First Quarter Ended		Cumulative 3 Months Ended	
	31 March	31 March	31 March	31 March
	2018	2017	2018	2017
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds	2,070,235	1,603,487	2,070,235	1,603,487
Income derived from investment of investment account funds	311,419	412,362	311,419	412,362
Income derived from investment of Islamic Banking Funds	107,357	132,460	107,357	132,460
Allowances for impairment losses on financing and advances, net	(346,408)	(50,915)	(346,408)	(50,915)
Writeback of impairment losses on financial investments, net	4,733	-	4,733	-
Writeback of impairment losses on other financial assets, net	162	-	162	-
Total distributable income	2,147,498	2,097,394	2,147,498	2,097,394
Profit distributed to depositors	(1,146,293)	(880,820)	(1,146,293)	(880,820)
Profit distributed to investment account holders	(183,574)	(262,733)	(183,574)	(262,733)
Total net income	817,631	953,841	817,631	953,841
Finance cost	(90,072)	(29,178)	(90,072)	(29,178)
Overhead expenses	(374,305)	(365,118)	(374,305)	(365,118)
Profit before taxation and zakat	353,254	559,545	353,254	559,545
Taxation	(132,966)	(100,635)	(132,966)	(100,635)
Zakat	(5,851)	(3,789)	(5,851)	(3,789)
Profit for the period	214,437	455,121	214,437	455,121

For consolidation and amalgamation with the conventional operations, net income from Islamic Banking Scheme comprises the following items:

Group	First Quarter Ended		Cumulative 3 Months Ended	
	31 March	31 March	31 March	31 March
	2018	2017	2018	2017
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds	2,070,235	1,603,487	2,070,235	1,603,487
Income derived from investment of investment account funds	311,419	412,362	311,419	412,362
Income derived from investment of Islamic Banking Funds	107,357	132,460	107,357	132,460
Total income before allowances for impairment losses on financial assets and overhead expenses	2,489,011	2,148,309	2,489,011	2,148,309
Profit distributed to depositors	(1,146,293)	(880,820)	(1,146,293)	(880,820)
Profit distributed to investment account holders	(183,574)	(262,733)	(183,574)	(262,733)
	1,159,144	1,004,756	1,159,144	1,004,756
Finance cost	(90,072)	(29,178)	(90,072)	(29,178)
Net of intercompany income and expenses	278,942	238,915	278,942	238,915
Income from Islamic Banking Scheme	1,348,014	1,214,493	1,348,014	1,214,493

A40b. Unaudited Statements of Comprehensive Income for the First Quarter Ended 31 March 2018

Group	First Quarter Ended		Cumulative 3 Months Ended	
	31 March	31 March	31 March	31 March
	2018	2017	2018	2017
	RM'000	RM'000	RM'000	RM'000
Profit for the period	214,437	455,121	214,437	455,121
Other comprehensive income/(loss):				
<i>Items that will not be reclassified subsequently to profit or loss:</i>				
Defined benefit plan actuarial gain	495	929	495	929
Income tax effect	(124)	(232)	(124)	(232)
	371	697	371	697
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Net gain/(loss) on foreign exchange translation	15,694	(48,597)	15,694	(48,597)
Net gain on financial assets at fair value through other comprehensive income	12,276	-	12,276	-
Net gain on financial investments available-for-sale	-	16,837	-	16,837
Income tax effect	(2,946)	(4,035)	(2,946)	(4,035)
	25,024	(35,795)	25,024	(35,795)
Other comprehensive income/(loss) for the period, net of tax	25,395	(35,098)	25,395	(35,098)
Total comprehensive income for the period	239,832	420,023	239,832	420,023

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A40. The Operations of Islamic Banking Scheme (cont'd.)

A40c. Unaudited Statement of Financial Position as at 31 March 2018

<u>Group</u>	Note	31 March 2018 RM'000	31 December 2017 RM'000
ASSETS			
Cash and short-term funds		19,827,991	17,150,402
Deposits and placements with financial institutions		701,065	-
Financial investments portfolio		15,791,969	13,092,564
Financing and advances	A40e	165,145,295	162,214,033
Derivative assets		551,634	487,989
Other assets		4,474,886	7,233,195
Statutory deposit with central banks		4,682,000	3,242,000
Property, plant and equipment		-	1,053
Intangible assets		-	2,541
Deferred tax assets		327,923	37,378
Total Assets		211,502,763	203,461,155
LIABILITIES			
Customers' funding:			
- Deposits from customers	A40f	143,492,088	130,068,988
- Investment accounts of customers ¹	A40g	21,841,949	24,555,445
Deposits and placements from financial institutions		25,464,412	28,251,271
Financial liabilities at fair value through profit or loss	A40h	893,930	892,695
Bills and acceptances payable		24,973	8,854
Derivatives liabilities		613,377	650,320
Other liabilities		1,226,539	660,680
Provision for taxation and zakat		209,545	148,510
Term funding	A40i	4,964,440	4,945,437
Subordinated sukuk	A40j	2,539,699	2,534,105
Capital securities	A40k	1,014,647	1,002,441
Total Liabilities		202,285,599	193,718,746
ISLAMIC BANKING CAPITAL FUNDS			
Islamic Banking Funds		5,752,541	5,769,752
Retained profits		3,287,167	3,499,853
Other reserves		177,456	472,804
		9,217,164	9,742,409
Total Liabilities and Islamic Banking Capital Funds		211,502,763	203,461,155
COMMITMENTS AND CONTINGENCIES			
		54,305,057	53,480,858

¹ Investment accounts of customers are used to fund financing and advances as disclosed in Note A40e(ii).

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A40. The Operations of Islamic Banking Scheme (cont'd.)

A40d. Unaudited Statements of Changes in Islamic Banking Capital Funds for the First Quarter Ended 31 March 2018

<u>Group</u>	<-----Non-distributable----->							Total RM'000
	Islamic Banking Funds RM'000	Regulatory Reserve RM'000	Fair Value Through Other Comprehensive Income Reserve RM'000	Exchange Fluctuation Reserve RM'000	Equity contribution from the holding company* RM'000	Defined Benefit Reserve RM'000	Distributable Retained Profits RM'000	
At 1 January 2018								
- as previously stated	5,769,752	508,700	(32,318)	(5,723)	1,697	448	3,499,853	9,742,409
- effect of adopting MFRS 9	-	(403,333)	8,169	-	-	-	(342,699)	(737,863)
At 1 January 2018, as restated	5,769,752	105,367	(24,149)	(5,723)	1,697	448	3,157,154	9,004,546
Profit for the period	-	-	-	-	-	-	214,437	214,437
Other comprehensive income	-	-	9,330	15,694	-	371	-	25,395
Net gain on foreign exchange translation	-	-	-	15,694	-	-	-	15,694
Net gain on financial assets at fair value through other comprehensive income	-	-	9,330	-	-	-	-	9,330
Defined benefit plan actuarial gain	-	-	-	-	-	371	-	371
Total comprehensive income for the period	-	-	9,330	15,694	-	371	214,437	239,832
Transfer to conventional banking operations	(17,211)	-	-	(8,667)	-	(27)	(1,309)	(27,214)
Transfer to regulatory reserve	-	83,115	-	-	-	-	(83,115)	-
At 31 March 2018	5,752,541	188,482	(14,819)	1,304	1,697	792	3,287,167	9,217,164

* This equity contribution reserve from holding company is pertaining to waiver of intercompany balance between respective subsidiaries and its holding company.

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A40. The Operations of Islamic Banking Scheme (cont'd.)

A40d. Unaudited Statements of Changes in Islamic Banking Capital Funds for the First Quarter Ended 31 March 2018 (cont'd.)

<u>Group</u>	←----- Non-distributable -----→						Equity contribution from the holding company* RM'000	Defined Benefit Reserve RM'000	Distributable Retained Profits RM'000	Total RM'000
	Islamic Banking Funds RM'000	Share Premium RM'000	Statutory Reserve RM'000	Regulatory Reserve RM'000	Available-for-sale Reserve RM'000	Exchange Fluctuation Reserve RM'000				
At 1 January 2017	595,076	5,200,228	409,672	393,700	(55,264)	(2,897)	1,697	85	2,881,471	9,423,768
Profit for the period	-	-	-	-	-	-	-	-	455,121	455,121
Other comprehensive income/(loss)	-	-	-	-	12,802	(48,597)	-	697	-	(35,098)
Net loss on foreign exchange translation	-	-	-	-	-	(48,597)	-	-	-	(48,597)
Net gain on financial investments available-for-sale	-	-	-	-	12,802	-	-	-	-	12,802
Defined benefit plan actuarial gain	-	-	-	-	-	-	-	697	-	697
Total comprehensive income/ (loss) for the period	-	-	-	-	12,802	(48,597)	-	697	455,121	420,023
Transfer (to)/from conventional banking operations	(945)	-	-	-	-	51,093	-	-	7,100	57,248
Transfer from regulatory reserve	-	-	-	(24,000)	-	-	-	-	24,000	-
Transfer from share premium [#]	5,200,228	(5,200,228)	-	-	-	-	-	-	-	-
At 31 March 2017	5,794,359	-	409,672	369,700	(42,462)	(401)	1,697	782	3,367,692	9,901,039

* This equity contribution reserve from holding company is pertaining to waiver of intercompany balance between respective subsidiaries and its holding company.

[#] Transfer of share premium to share capital pursuant to Companies Act 2016.

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A40. The Operations of Islamic Banking Scheme (cont'd.)

A40e. Financing and Advances

	31 March 2018 RM'000	31 December 2017 RM'000
<u>Group</u>		
Financing and advances to customers:		
(A) Financing and advances to customers at fair value through other comprehensive income	379,516	-
(B) Financing and advances to customers at amortised cost	263,207,219	261,036,338
	263,586,735	261,036,338
Unearned income	(95,726,807)	(97,335,170)
Gross financing and advances	167,859,928	163,701,168
Allowances for impaired financing and advances:		
- Stage 1 - 12 Months ECL	(383,240)	-
- Stage 2 - Lifetime ECL not credit impaired	(1,011,169)	-
- Stage 3 - Lifetime ECL credit impaired	(1,320,224)	-
- Individual allowance	-	(661,181)
- Collective allowance	-	(825,954)
Net financing and advances	165,145,295	162,214,033

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A40. The Operations of Islamic Banking Scheme (cont'd.)

A40e. Financing and Advances (cont'd.)

Group	Bai'^	Murabahah	Musyarakah	Al-Ijarah Thumma	Ijarah	Istisna'	Others	Total Financing and Advances
As at 31 March 2018	RM'000	RM'000	RM'000	Al-Bai (AITAB) RM'000	RM'000	RM'000	RM'000	RM'000
Cashline	-	5,754,997	-	-	-	432	-	5,755,429
Term financing								
- Housing financing	17,282,065	63,766,701	2,843,222	-	-	-	-	83,891,988
- Syndicated financing	138,856	1,156,803	-	-	-	-	-	1,295,659
- Hire purchase receivables	-	29,490	-	37,251,826	-	-	-	37,281,316
- Other term financing	20,941,300	86,938,029	571,821	-	126,742	131,421	9,303	108,718,616
Bills receivables	-	-	-	-	-	-	299	299
Trust receipts	-	160,666	-	-	-	-	-	160,666
Claims on customers under acceptance credits	-	4,519,906	-	-	-	-	-	4,519,906
Staff financing	573,704	1,549,753	7,709	152,102	-	-	49,712	2,332,980
Credit card receivables	-	-	-	-	-	-	1,017,070	1,017,070
Revolving credit	-	18,605,416	-	-	-	-	-	18,605,416
Financing to:								
- Executive directors of the Bank	2,234	985	-	889	-	-	-	4,108
- Executive directors of subsidiaries	-	2,710	-	564	-	-	8	3,282
	38,938,159	182,485,456	3,422,752	37,405,381	126,742	131,853	1,076,392	263,586,735
Unearned income								(95,726,807)
Gross financing and advances^^								167,859,928
Allowances for impaired financing and advances:								
- Stage 1 - 12 Months ECL								(383,240)
- Stage 2 - Lifetime ECL not credit impaired								(1,011,169)
- Stage 3 - Lifetime ECL credit impaired								(1,320,224)
Net financing and advances								165,145,295

^ Bai' comprises of Bai-Bithaman Ajil, Bai Al-Inah and Bai-Al-Dayn.

^^ Included in financing and advances are the underlying assets under the Restricted Profit Sharing Investment Account ("RPSIA") and Investment Accounts of Customers ("IA").

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A40. The Operations of Islamic Banking Scheme (cont'd.)

A40e. Financing and Advances (cont'd.)

Group	Bai'^	Murabahah	Musyarakah	Al-Ijarah	Ijarah	Istisna'	Others	Total
As at 31 December 2017	RM'000	RM'000	RM'000	Al-Bai (AITAB)	RM'000	RM'000	RM'000	Financing and Advances
				RM'000				RM'000
Cashline	-	5,600,032	-	-	-	78	-	5,600,110
Term financing								
- Housing financing	17,660,022	63,125,656	2,374,094	-	-	-	-	83,159,772
- Syndicated financing	-	790,499	-	-	-	-	-	790,499
- Hire purchase receivables	-	-	-	37,176,740	-	-	-	37,176,740
- Other term financing	21,729,080	85,917,965	1,200,320	-	124,918	132,001	60,396	109,164,680
Bills receivables	-	226	-	-	-	-	-	226
Trust receipts	-	179,243	-	-	-	-	-	179,243
Claims on customers under acceptance credits	-	4,882,661	-	-	-	-	-	4,882,661
Staff financing	618,934	1,518,560	9,784	152,340	-	-	49,928	2,349,546
Credit card receivables	-	-	-	-	-	-	982,881	982,881
Revolving credit	-	16,742,846	-	-	-	-	-	16,742,846
Financing to:								
- Executive directors of the Bank	2,258	865	-	918	-	-	-	4,041
- Executive directors of subsidiaries	-	2,761	-	303	-	-	29	3,093
	<u>40,010,294</u>	<u>178,761,314</u>	<u>3,584,198</u>	<u>37,330,301</u>	<u>124,918</u>	<u>132,079</u>	<u>1,093,234</u>	<u>261,036,338</u>
Unearned income								(97,335,170)
Gross financing and advances^^								<u>163,701,168</u>
Allowances for impaired financing and advances:								
- Individual allowance								(661,181)
- Collective allowance								(825,954)
Net financing and advances								<u><u>162,214,033</u></u>

^ Bai' comprises of Bai-Bithaman Ajil, Bai Al-Inah and Bai-Al-Dayn.

^^ Included in financing and advances are the underlying assets under the Restricted Profit Sharing Investment Account ("RPSIA") and Investment Accounts of Customers ("IA").

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A40. The Operations of Islamic Banking Scheme (cont'd.)

A40e. Financing and Advances (cont'd.)

(i) Movements in the impaired financing and advances ("impaired financing") are as follows:

<u>Group</u>	31 March 2018 RM'000	31 December 2017 RM'000
At 1 January 2018/2017		
- as previously stated	1,755,299	1,667,994
- effect of adopting MFRS 9	121,438	-
At 1 January 2018/2017, as restated	<u>1,876,737</u>	1,667,994
Newly impaired	831,144	1,289,639
Reclassified as non-impaired	(237,957)	(531,863)
Amount recovered	(49,135)	(405,108)
Amount written-off	<u>(45,479)</u>	<u>(265,363)</u>
Gross impaired financing at 31 March 2018/31 December 2017	2,375,310	1,755,299
Less: Stage 3 - Lifetime ECL credit impaired	(1,320,224)	-
Individual allowance	-	(661,181)
Net impaired financing at 31 March 2018/31 December 2017	<u>1,055,086</u>	<u>1,094,118</u>
<u>Calculation of ratio of net impaired financing:</u>		
Gross impaired financing at 31 March 2018/31 December 2017 (excluding financing funded by RPSIA and IA)	2,305,830	1,689,335
Less: Stage 3 - Lifetime ECL credit impaired	(1,320,224)	-
Individual allowance	-	(661,181)
Net impaired financing at 31 March 2018/31 December 2017	<u>985,606</u>	<u>1,028,154</u>
Gross financing and advances (excluding financing funded by RPSIA and IA)	127,458,027	122,450,621
Less: Stage 3 - Lifetime ECL credit impaired	(1,320,224)	-
Individual allowance	-	(661,181)
Net financing and advances	<u>126,137,803</u>	<u>121,789,440</u>
Net impaired financing as a percentage of net financing and advances	<u>0.78%</u>	<u>0.84%</u>

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A40e. The Operations of Islamic Banking Scheme (cont'd.)

A40e. Financing and Advances (cont'd.)

(ii) Movements in the allowances for impairment losses on financing and advances are as follows:

Group	Stage 1	Stage 2	Stage 3	Total ECL RM'000
	12 Months ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	
At 31 March 2018				
At 1 January 2018				
- effect of adopting MFRS 9	335,977	1,016,063	1,067,740	2,419,780
At 1 January 2018, as restated	335,977	1,016,063	1,067,740	2,419,780
Transferred to Stage 1	103,504	(99,426)	(4,078)	-
Transferred to Stage 2	(19,504)	34,878	(15,374)	-
Transferred to Stage 3	(772)	(66,724)	67,496	-
Allowance writeback, net*	(7,557)	(26,217)	(15,269)	(49,043)
New financial assets originated or purchased	69,537	32,762	101,523	203,822
Financial assets derecognised	(21,688)	(36,986)	(40,500)	(99,174)
Changes due to change in credit risk	(80,257)	113,386	180,672	213,801
Modifications to contractual cash flows of financial assets	(22)	1,443	19,770	21,191
Amount written-off	(34)	(1,345)	(41,540)	(42,919)
Changes in models	8,477	(8,644)	-	(167)
Changes in risk parameters	(1,347)	61,337	-	59,990
Other movements	(3,062)	(9,230)	1,389	(10,903)
Exchange differences	(12)	(128)	(1,605)	(1,745)
At 31 March 2018	383,240	1,011,169	1,320,224	2,714,633
			31 March 2018 RM'000	31 December 2017 RM'000
<u>Individual allowance</u>				
At 1 January 2018/2017				
- as previously stated			661,181	746,215
- effect of adopting MFRS 9			(661,181)	-
At 1 January 2018/2017, as restated			-	746,215
Allowance made*			-	159,929
Amount written back in respect of recoveries			-	(75,632)
Amount written-off			-	(156,307)
Transferred to collective allowance			-	(5,191)
Exchange differences			-	(7,833)
At 31 March 2018/31 December 2017			-	661,181
<u>Collective allowance</u>				
At 1 January 2018/2017				
- as previously stated			825,954	758,418
- effect of adopting MFRS 9			(825,954)	-
At 1 January 2018/2017, as restated			-	758,418
Allowance made*			-	178,389
Amount written-off			-	(115,476)
Transferred from individual allowance			-	5,191
Exchange differences			-	(568)
At 31 March 2018/31 December 2017			-	825,954
As a percentage of gross financing and advances (excluding financing funded by RPSIA and IA) less individual allowance (including Regulatory Reserve)				1.20%

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A40. The Operations of Islamic Banking Scheme (cont'd.)

A40e. Financing and Advances (cont'd.)

(ii) Movements in the allowances for impairment losses on financing and advances are as follows (cont'd.):

* As at 31 March 2018, the gross exposure of the financing funded by RPSIA was RM18,559.7 million (31 December 2017: RM16,695.1 million). The expected credit loss relating to these financing amounting to RM212.8 million (31 December 2017: The individual allowance and collective allowance amounting to RM168.3 million and RM41.5 million respectively) are recognised in the Group's conventional banking operations.

The gross exposure of the financing funded by IA as at 31 March 2018 was RM21,841.9 million (31 December 2017: RM24,555.4 million). The expected credit loss relating to financing funded by IA are not recognised in the financial statements of the Group, but is charged to and borne by the investors.

A40f. Deposits from Customers

<u>Group</u>	31 March 2018 RM'000	31 December 2017 RM'000
Savings deposit		
Qard	15,708,060	14,629,051
Demand deposit		
Qard	17,814,434	18,734,884
Term deposit		
Murabahah	108,502,821	94,379,313
Qard	1,466,773	2,325,740
	109,969,594	96,705,053
Total deposits from customers	143,492,088	130,068,988

A40g. Investment Accounts of Customers

(i) Unrestricted investment accounts are sourced from the following customers:

<u>Group</u>	31 March 2018 RM'000	31 December 2017 RM'000
Business enterprises	8,761,671	9,841,269
Individuals	11,786,194	13,255,075
Government and statutory bodies	179,711	218,371
Others	1,114,373	1,240,730
	21,841,949	24,555,445

(ii) Maturity structure of unrestricted investment accounts are as follows:

<u>Group</u>	31 March 2018 RM'000	31 December 2017 RM'000
<u>Mudharabah</u>		
- without maturity	9,404,067	9,948,920
- with maturity		
Due within six months	9,167,741	12,053,209
Six months to one year	3,251,611	2,532,512
One year to three years	2,461	2,564
Three years to five years	16,069	18,240
	12,437,882	14,606,525
Total investment accounts of customers	21,841,949	24,555,445

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A40. The Operations of Islamic Banking Scheme (cont'd.)

A40g. Investment Accounts of Customers (cont'd.)

(iii) The allocations of investment asset are as follows:

<u>Group</u>	31 March 2018 RM'000	31 December 2017 RM'000
Retail financing	21,841,146	24,554,642
Non-retail financing	803	803
	<u>21,841,949</u>	<u>24,555,445</u>

(iv) Profit sharing ratio and rate of return are as follows:

<u>Group</u>	<u>Investment account holder ("IAH")</u>	
	Average profit sharing ratio (%)	Average rate of return (%)
As at 31 March 2018		
Investment accounts of customers	<u>60</u>	<u>3.05</u>
As at 31 December 2017		
Investment accounts of customers	<u>60</u>	<u>3.07</u>

A40h. Financial Liabilities at Fair Value Through Profit or Loss

<u>Group</u>	31 March 2018 RM'000	31 December 2017 RM'000
Structured deposits	<u>893,930</u>	<u>892,695</u>

The carrying amount of structured deposits designated at fair value through profit or loss of the Group as at 31 March 2018 was RM900,826,000 (31 December 2017: RM898,182,000). The fair value changes of the financial liabilities that are attributable to the changes in own credit risk are not significant.

A40i. Term Funding

<u>Group</u>	31 March 2018 RM'000	31 December 2017 RM'000
Unsecured term funding:		
(i) Commercial Papers		
- Less than one year	<u>2,453,393</u>	<u>2,459,845</u>
(ii) Medium Term Notes		
- Less than one year	487,113	482,370
- More than one year	<u>2,023,934</u>	<u>2,003,222</u>
	<u>2,511,047</u>	<u>2,485,592</u>
Total term funding	<u>4,964,440</u>	<u>4,945,437</u>

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A40. The Operations of Islamic Banking Scheme (cont'd.)

A40j. Subordinated Sukuk

<u>Group</u>	31 March 2018 RM'000	31 December 2017 RM'000
RM1.5 billion Islamic subordinated Sukuk Murabahah due in 2024	1,533,966	1,516,397
RM1.0 billion Islamic subordinated Sukuk Murabahah due in 2026	1,005,733	1,017,708
	2,539,699	2,534,105

A40k. Capital Securities

<u>Group</u>	31 March 2018 RM'000	31 December 2017 RM'000
RM1.0 billion Additional Tier 1 Sukuk Wakalah	1,014,647	1,002,441

A41. Financial Effects arising from Adoption of MFRS 9 *Financial Instruments*

- (i) The adoption of MFRS 9 resulted in the following financial effects to the statement of financial position of the Group and of the Bank.

Group

Statement of Financial Position

	31 December 2017 RM'000	Classification and measurement RM'000	Expected credit losses RM'000	1 January 2018 RM'000
ASSETS				
Cash and short-term funds	50,334,290	-	(32,677)	50,301,613
Deposits and placements with financial institutions	16,988,391	-	(9,449)	16,978,942
Financial assets purchased under resale agreements	8,514,283	-	(1,135)	8,513,148
Financial assets at fair value through profit or loss	25,117,493	2,320,489	-	27,437,982
Financial assets at fair value through other comprehensive income	-	107,832,165	286,998	108,119,163
Financial assets at amortised cost	-	20,184,773	(101,245)	20,083,528
Financial investments available-for-sale	109,070,244	(109,070,244)	-	-
Financial investments held-to-maturity	20,184,773	(20,184,773)	-	-
Loans, advances and financing to customers	485,584,362	28,688	(2,727,793)	482,885,257
Derivative assets	6,704,651	-	-	6,704,651
Reinsurance/retakaful assets and other insurance receivables	3,933,772	-	(13,093)	3,920,679
Other assets	9,698,140	-	(436)	9,697,704
Investment properties	753,555	-	-	753,555
Statutory deposits with central banks	15,397,213	-	(6,618)	15,390,595
Interest in associates and joint ventures	2,772,324	-	(294)	2,772,030
Property, plant and equipment	2,635,018	-	-	2,635,018
Intangible assets	6,753,939	-	-	6,753,939
Deferred tax assets	859,318	(20,107)	733,461	1,572,672
TOTAL ASSETS	765,301,766	1,090,991	(1,872,281)	764,520,476

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A41. Financial Effects arising from Adoption of MFRS 9 *Financial Instruments* (cont'd.)

- (i) The adoption of MFRS 9 resulted in the following financial effects to the statement of financial position of the Group and of the Bank (cont'd.)

Group (cont'd.)

Statement of Financial Position

	31 December 2017 RM'000	Classification and measurement RM'000	Expected credit losses RM'000	1 January 2018 RM'000
LIABILITIES				
Customers' funding:				
- Deposits from customers	502,017,445	-	-	502,017,445
- Investment accounts of customers	24,555,445	-	-	24,555,445
Deposits and placements from financial institutions	42,598,131	-	-	42,598,131
Obligations on financial assets sold under repurchase agreements	5,367,086	-	-	5,367,086
Derivative liabilities	7,221,015	-	-	7,221,015
Financial liabilities at fair value through profit or loss	6,375,815	327,594	-	6,703,409
Bills and acceptances payable	1,894,046	-	-	1,894,046
Insurance/takaful contract liabilities and other insurance payables	25,118,843	(397)	(1,769)	25,116,677
Other liabilities	19,179,140	-	196,194	19,375,334
Recourse obligation on loans and financing sold to Cagamas	1,543,501	-	-	1,543,501
Provision for taxation and zakat	746,494	-	-	746,494
Deferred tax liabilities	732,079	19,489	-	751,568
Borrowings	34,505,618	(379,163)	-	34,126,455
Subordinated obligations	11,979,323	-	-	11,979,323
Capital securities	6,284,180	-	-	6,284,180
TOTAL LIABILITIES	690,118,161	(32,477)	194,425	690,280,109
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE BANK				
Share capital	44,250,380	-	-	44,250,380
Shares held-in-trust	(183,438)	-	-	(183,438)
Regulatory reserve	2,747,285	(670,110)	-	2,077,175
Retained profits	25,268,743	1,708,918	(2,426,994)	24,550,667
Reserves	905,644	65,228	368,518	1,339,390
	72,988,614	1,104,036	(2,058,476)	72,034,174
Non-controlling interests	2,194,991	19,432	(8,230)	2,206,193
	75,183,605	1,123,468	(2,066,706)	74,240,367
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	765,301,766	1,090,991	(1,872,281)	764,520,476

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A41. Financial Effects arising from Adoption of MFRS 9 *Financial Instruments* (cont'd.)

- (i) The adoption of MFRS 9 resulted in the following financial effects to the statement of financial position of the Group and of the Bank (cont'd.)

Bank

Statement of Financial Position

	31 December 2017 RM'000	Classification and measurement RM'000	Expected credit losses RM'000	1 January 2018 RM'000
ASSETS				
Cash and short-term funds	30,714,527	-	(28,246)	30,686,281
Deposits and placements with financial institutions	21,382,493	-	(4,885)	21,377,608
Financial assets purchased under resale agreements	7,633,503	-	-	7,633,503
Financial assets at fair value through profit or loss	7,896,677	2,228,645	-	10,125,322
Financial assets at fair value through other comprehensive income	-	87,981,896	294,518	88,276,414
Financial assets at amortised cost	-	17,763,565	(76,190)	17,687,375
Financial investments available-for-sale	89,286,739	(89,286,739)	-	-
Financial investments held-to-maturity	17,763,565	(17,763,565)	-	-
Loans, advances and financing to customers	290,997,969	29,291	(1,422,374)	289,604,886
Derivative assets	6,865,221	-	-	6,865,221
Other assets	4,801,397	-	-	4,801,397
Statutory deposits with central banks	7,746,700	-	-	7,746,700
Investment in subsidiaries	22,057,063	-	-	22,057,063
Interest in associates and joint ventures	472,016	-	-	472,016
Property, plant and equipment	1,165,908	-	-	1,165,908
Intangible assets	568,030	-	-	568,030
Deferred tax assets	315,013	(19,406)	394,674	690,281
TOTAL ASSETS	509,666,821	933,687	(842,503)	509,758,005
LIABILITIES				
Customers' funding:				
- Deposits from customers	328,938,600	-	-	328,938,600
Deposits and placements from financial institutions	37,645,134	-	-	37,645,134
Obligations on financial assets sold under repurchase agreements	5,189,316	-	-	5,189,316
Derivative liabilities	7,179,998	-	-	7,179,998
Financial liabilities at fair value through profit or loss	5,483,120	327,594	-	5,810,714
Bills and acceptances payable	1,384,983	-	-	1,384,983
Other liabilities	16,910,597	-	162,110	17,072,707
Recourse obligation on loans and financing sold to Cagamas	1,543,501	-	-	1,543,501
Provision for taxation and zakat	385,876	-	-	385,876
Borrowings	27,106,442	(379,163)	-	26,727,279
Subordinated obligations	9,362,526	-	-	9,362,526
Capital securities	6,284,180	-	-	6,284,180
TOTAL LIABILITIES	447,414,273	(51,569)	162,110	447,524,814

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A41. Financial Effects arising from Adoption of MFRS 9 *Financial Instruments* (cont'd.)

- (i) The adoption of MFRS 9 resulted in the following financial effects to the statement of financial position of the Group and of the Bank (cont'd.).

Bank (cont'd.)

Statement of Financial Position

	31 December 2017 RM'000	Classification and measurement RM'000	Expected credit losses RM'000	1 January 2018 RM'000
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE BANK				
Share capital	44,250,380	-	-	44,250,380
Shares held-in-trust	(183,438)	-	-	(183,438)
Regulatory reserve	2,233,563	(295,155)	-	1,938,408
Retained profits	13,572,235	1,226,849	(1,363,705)	13,435,379
Reserves	2,379,808	53,562	359,092	2,792,462
	<u>62,252,548</u>	<u>985,256</u>	<u>(1,004,613)</u>	<u>62,233,191</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u>509,666,821</u>	<u>933,687</u>	<u>(842,503)</u>	<u>509,758,005</u>

- (ii) The following table analyses the impact, net of tax, of transition to MFRS 9 and Revised Financial Reporting Guidelines issued by BNM on the statements of financial position of the Group and of the Bank:

	Impact of adopting MFRS 9 and Revised Financial Reporting Guidelines as at 1 January 2018	
	Group RM'000	Bank RM'000
Regulatory reserve		
Closing balance at 31 December 2017	2,747,285	2,233,563
- Transfer to retained profits	(670,110)	(295,155)
Opening balance at 1 January 2018	<u>2,077,175</u>	<u>1,938,408</u>
Reserves		
Closing balance at 31 December 2017	905,644	2,379,808
- Recognition of expected credit loss	368,876	359,092
- Unrealised gain on Financial Assets at FVOCI	67,295	42,067
- Deferred tax in respect of unrealised gain on FVOCI	4,806	11,495
Non-controlling interests share of impact arising from:-		
- expected credit loss	(278)	-
- classification and measurement	(6,953)	-
Opening balance at 1 January 2018	<u>1,339,390</u>	<u>2,792,462</u>
Retained profits		
Closing balance at 31 December 2017	25,268,743	13,572,235
Transfer from regulatory reserve	670,110	295,155
Unrealised gain on financial assets at FVTPL	1,031,641	911,026
Unrealised gain on financial liabilities at FVTPL	51,569	51,569
Recognition of expected credit loss	(3,156,484)	(1,758,379)
Deferred tax in respect of unrealised gain on FVTPL and expected credit loss	689,059	363,773
Non-controlling interests share of impact arising from:-		
- expected credit loss	8,508	-
- classification and measurement	(12,479)	-
Opening balance at 1 January 2018	<u>24,550,667</u>	<u>13,435,379</u>

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A41. Financial Effects arising from Adoption of MFRS 9 *Financial Instruments* (cont'd.)

(ii) The following table analyses the impact, net of tax, of transition to MFRS 9 and Revised Financial Reporting Guidelines issued by BNM on the statements of financial position of the Group and of the Bank (cont'd.):

	Impact of adopting MFRS 9 and Revised Financial Reporting Guidelines as at 1 January 2018	
	Group RM'000	Bank RM'000
Non-controlling interests		
Closing balance at 31 December 2017	2,194,991	-
Non-controlling interests share of impact arising from:-		
- expected credit loss	(8,230)	-
- classification and measurement	19,432	-
Opening balance at 1 January 2018	<u>2,206,193</u>	<u>-</u>

(iii) The following table analyses the impact of Capital Adequacy Ratios of the Group and of the Bank:

	Impact of adopting MFRS 9 and Revised Financial Reporting Guidelines		
	31 December 2017	Reporting Guidelines	1 January 2018
Group			
CET1 Capital (RM'000)	55,410,401	(1,284,990)	54,125,411
Tier 1 Capital (RM'000)	61,734,606	(1,284,990)	60,449,616
Total Capital (RM'000)	72,703,296	(1,284,990)	71,418,306
Risk Weighted Assets (RM'000)	375,079,769	1,276,546	376,356,315
CET1 Capital Ratio	14.773%	-0.392%	14.381%
Tier 1 Capital Ratio	16.459%	-0.397%	16.062%
Total Capital Ratio	<u>19.383%</u>	<u>-0.407%</u>	<u>18.976%</u>
Bank			
CET1 Capital (RM'000)	41,170,420	(451,148)	40,719,272
Tier 1 Capital (RM'000)	46,614,430	(451,148)	46,163,282
Total Capital (RM'000)	50,155,417	(451,148)	49,704,269
Risk Weighted Assets (RM'000)	259,696,616	1,000,990	260,697,606
CET1 Capital Ratio	15.853%	-0.234%	15.619%
Tier 1 Capital Ratio	17.950%	-0.242%	17.708%
Total Capital Ratio	<u>19.313%</u>	<u>-0.247%</u>	<u>19.066%</u>

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Part B: Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad

B1. Performance Review

(i) Current Period-to-Date vs Previous Corresponding Period-to-Date

The Group posted profit after tax and zakat attributable to equity holders of RM1,871.0 million for the three-month financial period ended 31 March 2018, an increase of RM168.2 million or 9.9% compared to the previous corresponding three-month financial period ended 31 March 2017.

The Group's net interest income and Islamic Banking income for the three-month financial period ended 31 March 2018 increased by RM118.9 million or 2.8% to RM4,368.0 million compared to the previous corresponding three-month financial period ended 31 March 2017.

The Group's net earned insurance premiums from the Insurance and Takaful subsidiaries increased by RM257.5 million or 20.5% to RM1,511.4 million for the three-month financial period ended 31 March 2018 compared to the previous corresponding three-month financial period ended 31 March 2017.

Other operating income of the Group for the three-month financial period ended 31 March 2018 was RM1,301.6 million, a decrease of RM103.8 million or 7.4% from RM1,405.4 million in the previous corresponding three-month financial period ended 31 March 2017. The decrease was due to lower investment income of RM123.2 million and lower unrealised mark-to-market gain on revaluation of financial assets/liabilities at FVTPL and derivatives of RM143.1 million compared to the previous corresponding three-month financial period ended 31 March 2017. The decrease was, however, mitigated by higher gain on disposal of property, plant and equipment of RM56.3 million, higher foreign exchange gain of RM54.9 million and higher realised gain on derivatives of RM33.3 million compared to the previous corresponding three-month financial period ended 31 March 2017.

The Group's overhead expenses for the three-month financial period ended 31 March 2018 recorded a decrease of RM0.5 million to RM2,778.8 million compared to the previous corresponding three-month financial period ended 31 March 2017. The decrease in overhead expenses was mainly due to lower administration and general expenses of RM69.6 million and lower establishment costs of RM25.1 million. The decrease was, however, mitigated by higher personnel expenses of RM86.7 million and higher marketing expenses of RM7.5 million.

The Group's allowances for impairment losses on loans, advances, financing and other debts decreased by RM33.2 million or 6.1% to RM509.3 million for the three-month financial period ended 31 March 2018. The decrease was mainly due to lower expected credit loss of RM550.6 million during the three-month financial period ended 31 March 2018 compared to higher collective allowance and individual allowance made of RM601.8 million in the previous corresponding three-month financial period ended 31 March 2017.

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B1. Performance Review (cont'd.)

(i) Current Period-to-Date vs Previous Corresponding Period-to-Date (cont'd.)

The Group's profit before taxation and zakat for the three-month financial period ended 31 March 2018 compared to the previous corresponding three-month financial period ended 31 March 2017 is further segmented based on the operating segments of the Group as follows:

Group Community Financial Services ("Group CFS")

Group CFS's profit before taxation and zakat increased by RM189.8 million or 15.7% to RM1,396.0 million for the three-month financial period ended 31 March 2018 from RM1,206.2 million for the previous corresponding three-month financial period ended 31 March 2017. The increase was mainly due to lower allowances for impairment losses on loans, advances, financing and other debts of RM116.6 million, lower overhead expenses of RM42.7 million, higher net interest income and income from IBS operations of RM21.2 million, and higher other operating income of RM8.8 million.

Group Global Banking

a) Group Corporate Banking & Global Markets

Group Corporate Banking & Global Markets' profit before taxation and zakat decreased by RM136.7 million or 11.6% to RM1,040.7 million for the three-month financial period ended 31 March 2018 from RM1,177.4 million for the previous corresponding three-month financial period ended 31 March 2017. The decrease was mainly due to higher allowances for impairment losses on loans, advances, financing and other debts of RM92.5 million, lower share of profits in associates and joint ventures of RM30.8 million, lower net interest income and income from IBS operations of RM27.1 million and higher overhead expenses of RM14.0 million. The decrease was, however, offset by higher writeback for impairment losses on financial investments and other financial assets of RM22.7 million and higher other operating income of RM5.0 million.

b) Group Investment Banking (Maybank IB and Maybank Kim Eng)

Group Investment Banking's profit before taxation and zakat increased by RM91.4 million or 143.1% to RM155.3 million for the three-month financial period ended 31 March 2018 from RM63.9 million for the previous corresponding three-month financial period ended 31 March 2017. The increase was mainly driven by higher other operating income of RM59.5 million, higher net interest income and income from IBS operations of RM28.8 million and higher writeback for impairment losses on loans, advances, financing and other debts of RM9.0 million. The increase was mitigated by higher overhead expenses of RM3.1 million, lower share of profits in associates and joint ventures of RM1.8 million and higher allowances for impairment losses on financial investments and other financial assets of RM0.9 million.

c) Group Asset Management

Group Asset Management recorded loss before taxation and zakat of RM40.0 million for the three-month financial period ended 31 March 2018 from profit before taxation and zakat of RM26.1 million for the previous corresponding three-month financial period ended 31 March 2017. The decrease was mainly due to lower other operating income of RM66.9 million and higher allowances for impairment losses on financial investments and other financial assets of RM20.4 million. The decrease was, however, offset by lower overhead expenses of RM16.1 million, higher net interest income and income from IBS operations of RM4.5 million and lower allowances for impairment losses on loans, advances, financing and other debts of RM0.5 million.

Group Insurance and Takaful

Group Insurance and Takaful's profit before taxation and zakat decreased by RM67.9 million or 38.4% to RM108.8 million for the three-month financial period ended 31 March 2018 from RM176.7 million for the previous corresponding three-month financial period ended 31 March 2017. The decrease was contributed mainly by lower other operating income of RM321.7 million and higher overhead expenses of RM41.2 million and higher allowances for impairment losses on loans, advances, financing and other debts of RM0.5 million. The decrease was, however, offset by higher net earned insurance premiums of RM257.5 million, higher net interest income of RM24.1 million, lower net insurance benefits and claims incurred, net fee and commission expenses, change in expense liabilities and taxation of life and takaful fund of RM7.0 million and higher writeback for impairment losses on financial investments and other financial assets of RM6.9 million.

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B2. Variation of Current Quarter Results Against Preceding Quarter

The Group's profit after tax and zakat attributable to equity holders in this quarter ended 31 March 2018 decreased by RM261.1 million or 12.2% to RM1,871.0 million against the preceding quarter ended 31 December 2017.

The Group's net interest income for the quarter ended 31 March 2018 decreased by RM2.2 million to RM3,020.0 million against the preceding quarter of RM3,022.2 million. Income from Islamic Banking Scheme operations increased by RM112.4 million to RM1,348.0 million for the quarter ended 31 March 2018 compared to RM1,235.6 million in the preceding quarter ended 31 December 2017.

The Group's net earned insurance premiums for the quarter ended 31 March 2018 increased by RM77.6 million to RM1,511.4 million compared to RM1,433.8 million in the preceding quarter ended 31 December 2017.

Other operating income of the Group for the quarter ended 31 March 2018 decreased by RM296.5 million to RM1,301.6 million compared to RM1,598.1 million in the preceding quarter ended 31 December 2017. The decrease was mainly due to lower gain on disposal of property, plant and equipment of RM125.6 million, lower realised gain on derivatives of RM116.9 million, lower fee income of RM86.3 million, lower investment income of RM74.4 million and lower foreign exchange gain of RM59.6 million. The decrease was, however, offset by higher unrealised mark-to-market gain on revaluation of financial assets/liabilities at FVTPL and derivatives of RM184.0 million.

The Group's net insurance benefits and claims incurred, net fee and commission expenses, change in expense liabilities and taxation of life and takaful fund increased by RM119.9 million to RM1,353.1 million for the quarter ended 31 March 2018 compared to RM1,233.2 million in the preceding quarter ended 31 December 2017. The increase was mainly attributable to higher net insurance benefits and claims incurred by the Insurance and Takaful subsidiaries of RM60.1 million.

The Group posted a decrease of RM144.0 million in overhead expenses to RM2,778.8 million for the quarter ended 31 March 2018 compared to RM2,922.8 million in the preceding quarter ended 31 December 2017. The decrease was mainly due to lower establishment costs of RM102.2 million, lower administration and general expenses of RM65.5 million and lower marketing expenses of RM10.5 million. The decrease was, however, mitigated by higher personnel expenses of RM34.1 million.

The Group's allowance for impairment losses on loans, advances, financing and other debts increased by RM309.5 million to RM509.3 million in the quarter ended 31 March 2018 compared to RM199.8 million in the preceding quarter ended 31 December 2017. The increase was mainly due to higher expected credit loss of RM550.6 million compared to lower collective allowance made and individual allowance made of RM360.0 million and lower bad debts and financing recovered of RM123.3 million.

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B3. Prospects

The world's real GDP growth momentum is expected to sustain at +3.8% in 2018E (2017: +3.8%), underpinned by a pick up in the US (2018E: +2.8%; 2017: +2.3%), stable growth in China (2018E: +6.6%; 2017: +6.9%), the Eurozone (2018E: +2.3%; 2017: +2.5%) and Japan (2018E: +1.4%; 2017:+1.7%), as well as improved growth in selected BRIC (Brazil, Russia, India and China) markets.

Meanwhile, the ASEAN-6 countries could chart a similar pace of growth in 2018E at +5.2% (2017: +5.1%) benefitting from the spillover effects to domestic demand arising from expansion in external demand. Maybank Group's home markets are expected to chart sustained growth in 2018E, with Malaysia expected to expand by +5.3% (2017: +5.9%), Singapore forecasted to grow at +3.5% (2017: +3.6%) and Indonesia to remain resilient at +5.3% (2017: +5.1%).

Following Malaysia's 14th General Election held on 9 May, we maintain the view that the country's real GDP growth in 2018 will be driven by improved consumer spending growth and stronger net external demand. Several policy changes announced by the new government including the zero-rating of the Goods and Services Tax effective 1 June 2018 and the maintaining of current domestic fuel prices are expected to help improve consumer spending. Exports and imports of goods and services will expand further in 2018 on the back of the sustained global and domestic growth momentum, but the pace of growth is expected to moderate after the high base in 2017. Maybank Malaysia's loan growth is expected to be in-line with industry growth, as the bank focuses on pockets of opportunities within the consumer, retail SME and corporate lending segments.

Singapore's GDP is expected to grow at 3.5% in 2018 amid some cooling off in the manufacturing-driven surge in 2017. In 2018, the services sector is likely to maintain its growth momentum while construction is expected to recover on the back of a strengthening property market and rollout of public infrastructure projects. Maybank Singapore's loan growth will mainly be driven by SME, consumer financing and corporate lending. Maybank Singapore will also focus on building its wealth management services by expanding our investment and insurance products and deepening cross-selling across key customer segments.

Indonesia's economy is expected to remain resilient with GDP growth of 5.3% in 2018, driven by business and government spending from accelerated capital expenditure and infrastructure projects. Maybank Indonesia will remain focused on corporate lending growth among top-tier clients while protecting its net interest margin by maintaining pricing discipline across all products. Another area of growth for Maybank Indonesia will be the expansion of its fee income streams through structured products and consumer business.

At Maybank Group, key priorities for 2018 include maintaining pricing discipline across our products, focus on attaining cheaper funding sources to support loan growth and growing our loan portfolio within our risk appetite while proactively managing our asset quality. The Group has also implemented MFRS 9 on 1st January 2018 and will continue to keep its capital and liquidity positions strong. The Day-1 impact to Maybank Group's CET1 Capital Ratio is a reduction of 39bps as indicated in Note A41(iii). The impairment assessment under MFRS 9 is based on the expected credit loss model, which uses forward-looking assumptions, as opposed to the previous accounting standard MFRS 139, in which the impairment assessment is based on an incurred loss model. As such, the allowances for impaired loans and financing in FY2018 are expected to be higher than the previous year.

Barring any unforeseen circumstances, the Group expects its financial performance for 2018 to be satisfactory against the expected growth prospects of its key home markets. The Group has set its Headline Key Performance Indicator for Return on Equity of approximately 11%.

B4. Profit Forecast or Profit Guarantee

Neither the Group nor the Bank has made any profit forecast or issued any profit guarantee for the first quarter ended 31 March 2018.

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B5. Taxation and Zakat

The analysis of the tax expense for the first quarter ended 31 March 2018 are as follows:

<u>Group</u>	First Quarter Ended		Cumulative 3 Months Ended	
	31 March 2018 RM'000	31 March 2017 RM'000	31 March 2018 RM'000	31 March 2017 RM'000
Malaysian income tax	592,200	377,147	592,200	377,147
Foreign income tax	101,783	88,752	101,783	88,752
	693,983	465,899	693,983	465,899
Over provision in respect of prior period:				
Foreign income tax	(5,971)	(7,083)	(5,971)	(7,083)
	688,012	458,816	688,012	458,816
Deferred tax				
- Relating to origination and reversal of temporary differences	(38,337)	39,381	(38,337)	39,381
	(38,337)	39,381	(38,337)	39,381
Tax expense for the financial period	649,675	498,197	649,675	498,197
Zakat	7,505	5,769	7,505	5,769
	657,180	503,966	657,180	503,966

The Group's effective tax rate for the first quarter ended 31 March 2018 was higher than the statutory tax rate due to effects of certain non-deductible expenses.

<u>Bank</u>	First Quarter Ended		Cumulative 3 Months Ended	
	31 March 2018 RM'000	31 March 2017 RM'000	31 March 2018 RM'000	31 March 2017 RM'000
Malaysian income tax	356,478	196,828	356,478	196,828
Foreign income tax	2,798	534	2,798	534
	359,276	197,362	359,276	197,362
Under/(over) provision in respect of prior period:				
Foreign income tax	115	(6,277)	115	(6,277)
	359,391	191,085	359,391	191,085
Deferred tax				
- Relating to origination and reversal of temporary differences	98,096	76,236	98,096	76,236
	98,096	76,236	98,096	76,236
Tax expense for the financial period	457,487	267,321	457,487	267,321

The Bank's effective tax rate for the first quarter ended 31 March 2018 was lower than the statutory tax rate due to certain income not subject to tax.

Domestic income tax for the Bank is calculated at the Malaysian statutory tax rate of 24% of the estimated chargeable profit for the financial year. Taxation for foreign subsidiaries in other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

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B6. Status of Corporate Proposals Announced but Not Completed

- (i) Proposed acquisition of 100% equity interest in Amanah Mutual Berhad ("AMB") and 100% equity interest in Singapore Unit Trusts Limited ("SUTL") by Maybank Asset Management Group Berhad ("MAMG") for a total cash consideration of RM51.0 million; and**
- (ii) Proposed subscription by Permodalan Nasional Berhad ("PNB") of 8,336,404 new ordinary shares in MAMG, representing 20% of the enlarged issued share capital of MAMG for a cash consideration of RM50.0 million.**

On 13 December 2017, Maybank Asset Management Group Berhad ("MAMG"), a wholly-owned subsidiary of the Bank, entered into the following agreements:

- (i) conditional share purchase agreement ("SPA") with Amanah Saham Nasional Berhad ("ASNB"), a wholly-owned subsidiary of PNB, for the proposed acquisition of 100% equity interest in AMB for a cash consideration of RM16.12 million ("Proposed Acquisition I") ("AMB SPA");
- (ii) conditional SPA with PNB International Limited ("PIL"), a wholly-owned subsidiary of PNB, for the proposed acquisition of 100% equity interest in SUTL for a cash consideration of RM34.88 million ("Proposed Acquisition II") ("SUTL SPA"); and

(Proposed Acquisition I and Proposed Acquisition II are collectively referred to as "Proposed Acquisitions")

- (iii) conditional share subscription agreement ("Subscription Agreement") with PNB for the proposed subscription by PNB of 8,336,404 new ordinary shares in MAMG ("MAMG Shares") ("Subscription Shares") for a cash consideration of RM50.0 million or approximately RM6.00 per Subscription Share ("Subscription Consideration") ("Proposed Subscription").

Maybank, MAMG and PNB will also enter into a shareholders' agreement upon completion of the Proposed Subscription to form the basis of governance for the operations of MAMG following the Proposed Subscription and to govern the conduct, exercise of rights and performance of obligations of MAMG and PNB ("Shareholders' Agreement").

(Proposed Acquisitions and Proposed Subscription are collectively referred to as "Proposals")

The Proposals are subject to the following approval being obtained:

- (i) BNM for the Proposed Acquisitions;
- (ii) the Securities Commission Malaysia ("SC") for the Proposal;
- (iii) Monetary Authority of Singapore ("MAS") for the Proposal;
- (iv) shareholders of Maybank at a general meeting to be convened for the Proposed Subscription; and
- (v) any other relevant authorities and/or parties for the Proposed Acquisitions I, Proposed Acquisition II and Proposed Subscription, as the case may be (if required).

The Proposed Acquisitions and Proposed Subscription are not inter-conditional upon each other.

For the avoidance of doubt, the Proposed Acquisitions are not subject to the approval of the shareholders of Maybank.

On 7 March 2018, Maybank announced that MAS had approved, among others, the Proposed Subscription, subject to MAS being informed promptly when the Proposed SUTL Acquisition and Proposed Subscription are affected.

On 23 March 2018, Maybank announced that SC had approved, among others, the Proposed Subscription, subject to the following conditions:

- (a) Maybank Asset Management Sdn Bhd ("MAMS"), a wholly-owned subsidiary of the MAMG nominated to hold the AMB Shares pursuant to the terms of the AMB SPA, to fulfil the representations made in the application to the SC;

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B6. Status of Corporate Proposals Announced but Not Completed (cont'd.)

On 23 March 2018, Maybank announced that SC had approved, among others, the Proposed Subscription, subject to the following conditions (cont'd.):

- (b) MAMS is required to notify the SC on the alternative strategy for AMB;
- (c) MAMS to ensure the merger and integration of operations are managed effectively with no disruption to the functioning of the organisations;
- (d) the Proposed Subscription and Proposed Acquisitions should not adversely affect the financial soundness of the licensed entities; and
- (e) any potential risks are addressed and managed on an on-going basis.

On 12 April 2018, the Proposed Subscription was approved by Maybank's shareholders during the extraordinary general meeting.

On 20 April 2018, Maybank announced that BNM had on 19 April 2018, approved the application in relation to the Proposed Acquisition.

On 16 May 2018, Maybank announced that MAMG had issued separate letters of confirmation to the following parties:

- (i) ASNB to confirm the fulfilment of the AMB-CPs which are to be fulfilled by MAMG and vary the terms of the AMB SPA relating to the completion date of the AMB SPA and the definition of "Management Accounts", which was accepted by ASNB on even date ("MAMG AMB-CPs Confirmation Letter"); and
- (ii) PIL to confirm the fulfilment of the SUTL-CPs which are to be fulfilled by MAMG and vary the terms of the SUTL SPA relating to the completion date of the SUTL SPA and the definition of "Management Accounts", which was accepted by PIL on even date ("MAMG SUTL-CPs Confirmation Letter").

In addition:

- (i) ASNB had on 16 May 2018 issued a letter of confirmation to MAMG to confirm the fulfilment of the AMB-CPs which are to be fulfilled by ASNB and vary the terms of the AMB SPA relating to the completion date of the AMB SPA and the definition of "Management Accounts", which was accepted by MAMG on even date ("ASNB AMB-CPs Confirmation Letter");
- (ii) ASNB had on 16 May 2018 issued a second supplemental letter to MAMG to vary the term of the AMB SPA relating to the definition of "Management Accounts", which was accepted by MAMG on even date ("AMB SPA Second Supplemental Letter");
- (iii) PIL had on 16 May 2018 issued a letter of confirmation to MAMG to confirm the fulfilment of the SUTL-CPs which are to be fulfilled by PIL and vary the terms of the SUTL SPA relating to the completion date of the SUTL SPA and the definition of "Management Accounts", which was accepted by MAMG on even date ("PIL SUTL-CPs Confirmation Letter"); and
- (iv) PIL had on 16 May 2018 issued a second supplemental letter to MAMG to vary the term of the SUTL SPA relating to the definition of "Management Accounts" and to vary the designated account details of PIL, which was accepted by MAMG on even date ("SUTL SPA Second Supplemental Letter").

In view of the MAMG AMB-CPs Confirmation Letter, ASNB AMB-CPs Confirmation Letter, AMB SPA Second Supplemental Letter, MAMG SUTL-CPs Confirmation Letter, PIL SUTL-CPs Confirmation Letter and SUTL SPA Second Supplemental Letter, the AMB-CPs and SUTL-CPs in relation to the Proposed Acquisitions have been fulfilled and the AMB SPA and SUTL SPA have become unconditional.

On 17 May 2018, Maybank announced that the Proposed Acquisitions have been completed following the settlement of the purchase consideration.

The completion of the Proposed Acquisitions and Proposed Subscription will not have any effect on the issued and paid-up share capital and shareholding of the substantial shareholders of Maybank, and no material effect on the earnings per share, net assets per share and gearing of the Group for the financial year ending 31 December 2018.

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B7. Status of Utilisation of Proceeds Raised from Corporate Proposal

The proceeds raised from the borrowings, issuance of subordinated obligations and capital securities have been used for working capital, general banking and other corporate purposes, as intended.

B8. Deposits from Customers, Investment Accounts of Customers, Deposits and Placements from Financial Institutions and Debt Securities

Please refer to Note A14, A15, A16, A17 and A40g.

B9. Derivative Financial Instruments

Please refer to Note A37.

B10. Changes in Material Litigation

There is no material litigation during the first quarter ended 31 March 2018.

B11. Dividend

No interim dividend has been recommended during the first quarter ended 31 March 2018.

B12. Earnings Per Share ("EPS")

Basic EPS

The basic EPS of the Group is calculated by dividing the net profit for the quarter/period attributable to equity holders of the Bank by the weighted average number of ordinary shares in issue during the period.

	First Quarter Ended		Cumulative 3 Months Ended	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Net profit for the quarter/period attributable to equity holders of the Bank (RM'000)	1,871,036	1,702,797	1,871,036	1,702,797
Weighted average number of ordinary shares in issue ('000)	10,840,162	10,179,040	10,840,162	10,179,040
Basic earnings per share	17.26 sen	16.73 sen	17.26 sen	16.73 sen

Diluted EPS

The diluted EPS of the Group is calculated by dividing the net profit for the quarter/period attributable to equity holders of the Bank by the weighted average number of ordinary shares in issue, which has been adjusted for the number of ordinary shares that could have been issued under the Maybank Group Employees' Share Scheme ("ESS").

In the diluted EPS calculation, it was assumed that certain number of ordinary shares under the ESS relating to the RSU are vested and awarded to employees through issuance of additional ordinary shares. A calculation is done to determine the number of ordinary shares that could have been issued at fair value (determined as the average price of the Bank's ordinary shares during the quarter/period) based on the monetary value of the ESS entitlement attached to the outstanding RSU granted and the number of ordinary shares that could have been issued at an assumed price (determined as the 5-day average price of the Bank's ordinary shares as at 31 March 2018 and 31 March 2017). This calculation serves to determine the number of dilutive shares to be added to the weighted average ordinary shares in issue for the purpose of computing the dilution. No adjustment was made to the net profit for the quarter/period.

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B12. Earnings Per Share ("EPS")(cont'd.)

Diluted EPS (cont'd.)

	First Quarter Ended		Cumulative 3 Months Ended	
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
Net profit for the quarter/period attributable to equity holders of the Bank (RM'000)	1,871,036	1,702,797	1,871,036	1,702,797
Weighted average number of ordinary shares in issue ('000)	10,840,162	10,179,040	10,840,162	10,179,040
Effects of dilution ('000)	5,801	166	5,801	1,522
Adjusted weighted average number of ordinary shares in issue ('000)	10,845,963	10,179,206	10,845,963	10,180,562
Diluted earnings per share	17.25 sen	16.73 sen	17.25 sen	16.73 sen

By Order of the Board

Wan Marzimin Wan Muhammad
LS0009924
Company Secretary
28 May 2018