

MALAYAN BANKING BERHAD
(Co. Reg. No.: 196001000142)
(Incorporated in Malaysia)

CONDENSED FINANCIAL STATEMENTS
UNAUDITED INCOME STATEMENTS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021

<u>Group</u>	Note	Third Quarter Ended		Cumulative 9 Months Ended	
		30 September 2021 RM'000	30 September 2020 RM'000	30 September 2021 RM'000	30 September 2020 RM'000
Interest income	A21	4,262,490	4,491,911	12,910,580	14,980,394
Interest expense	A22	(1,220,368)	(1,794,016)	(3,941,263)	(6,673,480)
Net interest income		3,042,122	2,697,895	8,969,317	8,306,914
Income from Islamic Banking Scheme operations	A40a	1,770,698	1,589,986	5,614,194	4,462,383
Net earned insurance premiums	A23	1,983,440	2,990,262	6,679,211	6,676,083
Other operating income	A25	1,312,830	2,036,510	3,478,082	5,797,041
Total operating income		8,109,090	9,314,653	24,740,804	25,242,421
Net insurance benefits and claims incurred, net fee and commission expenses, change in expense liabilities and taxation of life and takaful fund	A26	(1,959,172)	(3,236,869)	(5,592,034)	(6,791,921)
Net operating income		6,149,918	6,077,784	19,148,770	18,450,500
Overhead expenses	A27	(2,821,338)	(2,704,406)	(8,563,782)	(8,352,752)
Operating profit before impairment losses		3,328,580	3,373,378	10,584,988	10,097,748
Allowances for impairment losses on loans, advances, financing and other debts, net	A28	(1,126,236)	(804,357)	(2,501,258)	(3,505,291)
Allowances for impairment losses on financial investments, net	A29	(6,898)	(1,449)	(133,163)	(45,366)
Writeback of/(allowances for) impairment losses on other financial assets, net	A30	7,821	(80)	73,388	(20,236)
Operating profit		2,203,267	2,567,492	8,023,955	6,526,855
Share of profits in associates and joint ventures		65,580	43,833	142,447	137,971
Profit before taxation and zakat		2,268,847	2,611,325	8,166,402	6,664,826
Taxation and zakat	B5	(530,854)	(601,714)	(1,967,484)	(1,586,687)
Profit for the financial period		1,737,993	2,009,611	6,198,918	5,078,139
Attributable to:					
Equity holders of the Bank		1,684,702	1,952,432	6,039,358	4,943,814
Non-controlling interests		53,291	57,179	159,560	134,325
		1,737,993	2,009,611	6,198,918	5,078,139
Earnings per share attributable to equity holders of the Bank					
Basic/diluted	B12	14.41 sen	17.37 sen	52.34 sen	43.98 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 2020 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 THIRD QUARTER ENDED 30 SEPTEMBER 2021

<u>Group</u>	Third Quarter Ended		Cumulative 9 Months Ended	
	30 September 2021 RM'000	30 September 2020 RM'000	30 September 2021 RM'000	30 September 2020 RM'000
Profit for the financial period	1,737,993	2,009,611	6,198,918	5,078,139
Other comprehensive (loss)/income:				
<i>Items that will not be reclassified subsequently to profit or loss:</i>				
Defined benefit plan actuarial (loss)/gain	(670)	913	1,077	(5,315)
Income tax effect	(28)	53	(1,305)	(702)
Net (loss)/gain from change in fair value on equity instruments at fair value through other comprehensive income	(5,808)	(184)	738	43,081
	(6,506)	782	510	37,064
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Net (loss)/gain on debt instruments at fair value through other comprehensive income	(214,726)	465,946	(3,217,565)	1,598,459
- Net (loss)/gain from change in fair value	(289,345)	596,914	(3,563,582)	1,635,338
- Changes in expected credit losses	3,958	10,163	(431,415)	317,829
- Income tax effect	70,661	(141,131)	777,432	(354,708)
Net gain/(loss) on foreign exchange translation	178,327	(1,229,315)	599,822	(562,076)
Net gain/(loss) on cash flow hedge	139,400	(1)	139,400	-
Net (loss)/gain on net investment hedge	(1,406)	4,820	(6,491)	(2,334)
Cost of hedging for fair value hedge	9,669	(3,609)	(5,215)	17,025
Net gain/(loss) on capital reserve	312	(118)	691	(1,080)
Share of change in associates' reserve	(84,483)	(1,041)	(61,330)	32,934
	27,093	(763,318)	(2,550,688)	1,082,928
Other comprehensive income/(loss) for the financial period, net of tax	20,587	(762,536)	(2,550,178)	1,119,992
Total comprehensive income for the financial period	1,758,580	1,247,075	3,648,740	6,198,131
Other comprehensive income/(loss) for the financial period, attributable to:				
Equity holders of the Bank	24,700	(758,476)	(2,503,257)	1,118,707
Non-controlling interests	(4,113)	(4,060)	(46,921)	1,285
	20,587	(762,536)	(2,550,178)	1,119,992
Total comprehensive income for the financial period, attributable to:				
Equity holders of the Bank	1,709,402	1,193,956	3,536,101	6,062,521
Non-controlling interests	49,178	53,119	112,639	135,610
	1,758,580	1,247,075	3,648,740	6,198,131

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UNAUDITED INCOME STATEMENTS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021

<u>Bank</u>	Note	Third Quarter Ended		Cumulative 9 Months Ended	
		30 September 2021 RM'000	30 September 2020 RM'000	30 September 2021 RM'000	30 September 2020 RM'000
Interest income	A21	2,855,690	2,981,469	8,684,354	10,039,298
Interest expense	A22	(825,646)	(1,102,643)	(2,523,619)	(4,371,046)
Net interest income		2,030,044	1,878,826	6,160,735	5,668,252
Dividends from subsidiaries and associates	A24	2,182,186	216,812	3,781,640	2,296,120
Other operating income	A25	769,937	921,125	2,462,026	3,452,740
		2,952,123	1,137,937	6,243,666	5,748,860
Net operating income		4,982,167	3,016,763	12,404,401	11,417,112
Overhead expenses	A27	(1,259,830)	(1,158,095)	(3,769,835)	(3,442,456)
Operating profit before impairment losses		3,722,337	1,858,668	8,634,566	7,974,656
Allowances for impairment losses on loans, advances, financing and other debts, net	A28	(539,558)	(580,821)	(1,713,904)	(2,315,645)
(Allowances for)/writeback of impairment losses on financial investments, net	A29	(12,452)	2,856	66,849	(21,135)
(Allowances for)/writeback of impairment losses on other financial assets, net	A30	(1,827)	8,510	45,366	(2,334)
Profit before taxation and zakat		3,168,500	1,289,213	7,032,877	5,635,542
Taxation and zakat	B5	(196,040)	(250,225)	(774,318)	(792,315)
Profit for the financial period		2,972,460	1,038,988	6,258,559	4,843,227

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FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021

<u>Bank</u>	Third Quarter Ended		Cumulative 9 Months Ended	
	30 September 2021 RM'000	30 September 2020 RM'000	30 September 2021 RM'000	30 September 2020 RM'000
Profit for the financial period	2,972,460	1,038,988	6,258,559	4,843,227
Other comprehensive (loss)/income:				
<i>Items that will not be reclassified subsequently to profit or loss:</i>				
Net (loss)/gain from change in fair value on equity instruments at fair value through other comprehensive income	(776)	157	414	46,927
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Net (loss)/gain on debt instruments at fair value through other comprehensive income	(131,694)	309,645	(2,364,407)	1,135,099
- Net (loss)/gain from change in fair value	(176,793)	405,155	(2,540,500)	1,083,248
- Changes in expected credit losses	2,534	1,717	(433,805)	305,617
- Income tax effect	42,565	(97,227)	609,898	(253,766)
Net gain/(loss) on foreign exchange translation	1,840	(154,267)	185,758	40,167
Net gain on cash flow hedge	139,400	-	139,400	-
Cost of hedging for fair value hedge	9,669	(3,609)	(5,215)	17,025
	19,215	151,769	(2,044,464)	1,192,291
Other comprehensive income/(loss) for the financial period, net of tax	18,439	151,926	(2,044,050)	1,239,218
Total comprehensive income for the financial period	2,990,899	1,190,914	4,214,509	6,082,445

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MALAYAN BANKING BERHAD
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CONDENSED FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2021

	Note	Group		Bank	
		30 September 2021 RM'000	31 December 2020 RM'000	30 September 2021 RM'000	31 December 2020 RM'000
ASSETS					
Cash and short-term funds		58,313,460	43,884,714	36,033,702	24,106,030
Deposits and placements with financial institutions		14,781,376	10,128,931	29,771,156	15,268,348
Financial assets purchased under resale agreements		12,199,493	17,543,987	12,066,518	14,849,421
Financial assets designated upon initial recognition at fair value through profit or loss	A10(i)	13,476,692	14,028,031	-	-
Financial investments at fair value through profit or loss	A10(ii)	29,762,108	27,179,846	15,698,787	18,189,480
Financial investments at fair value through other comprehensive income	A10(iii)	121,148,418	127,502,681	70,222,101	75,533,793
Financial investments at amortised cost	A10(iv)	57,623,180	46,475,916	39,413,812	39,856,983
Loans, advances and financing to financial institutions	A11(i)	969,867	899,986	29,578,259	30,042,986
Loans, advances and financing to customers	A11(ii)	528,951,936	511,310,107	207,833,870	199,881,476
Derivative assets	A37	13,448,459	19,907,957	13,104,967	19,713,802
Reinsurance/retakaful assets and other insurance receivables	A12	6,350,101	5,778,581	-	-
Other assets	A13	11,258,629	10,236,874	3,988,637	4,116,602
Investment properties		941,662	941,545	-	-
Statutory deposits with central banks		7,163,993	7,468,213	1,546,044	1,647,066
Investment in subsidiaries		-	-	33,217,559	30,903,363
Interest in associates and joint ventures		2,643,053	2,680,402	440,730	440,730
Property, plant and equipment		2,138,032	2,206,849	889,251	941,767
Right-of-use assets		1,085,758	1,245,454	431,826	424,139
Intangible assets		6,718,969	6,648,504	391,830	387,660
Deferred tax assets		1,667,189	790,936	608,790	-
TOTAL ASSETS		890,642,375	856,859,514	495,237,839	476,303,646
LIABILITIES					
Customers' funding:					
- Deposits from customers	A14	584,192,391	556,349,372	275,323,558	250,025,335
- Investment accounts of customers ¹	A40g	25,408,966	23,840,796	-	-
Deposits and placements from financial institutions	A15	41,748,106	37,878,866	44,913,201	34,720,115
Obligations on financial assets sold under repurchase agreements		5,450,470	11,131,215	24,057,842	36,922,305
Derivative liabilities	A37	12,644,332	19,151,751	12,293,883	18,724,393
Financial liabilities at fair value through profit or loss	A16	10,546,065	10,161,921	10,546,065	10,161,921
Bills and acceptances payable		1,305,678	997,663	490,411	458,617
Insurance/takaful contract liabilities and other insurance payables	A18	40,072,665	37,694,765	-	-
Other liabilities	A19	28,849,620	21,027,915	10,690,780	7,810,067
Provision for taxation and zakat		1,271,354	151,919	673,278	66,120
Deferred tax liabilities		597,163	1,470,856	-	377,830
Borrowings	A17(i)	37,179,604	38,097,224	29,147,308	33,134,255
Subordinated obligations	A17(ii)	12,008,193	8,967,831	11,908,955	8,808,639
Capital securities	A17(iii)	2,798,673	2,827,793	2,798,673	2,827,793
TOTAL LIABILITIES		804,073,280	769,749,887	422,843,954	404,037,390

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

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	Note	Group		Bank	
		30 September 2021 RM'000	31 December 2020 RM'000	30 September 2021 RM'000	31 December 2020 RM'000
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE BANK					
Share capital		51,712,559	48,280,355	51,712,559	48,280,355
Retained profits		27,947,959	29,494,627	15,483,722	16,809,095
Reserves		4,225,350	6,661,665	5,197,604	7,176,806
		83,885,868	84,436,647	72,393,885	72,266,256
Non-controlling interests		2,683,227	2,672,980	-	-
		86,569,095	87,109,627	72,393,885	72,266,256
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY					
		890,642,375	856,859,514	495,237,839	476,303,646
COMMITMENTS AND CONTINGENCIES	A35	1,248,507,997	1,305,384,589	1,151,196,867	1,225,860,019
<u>CAPITAL ADEQUACY</u>					
	A36				
The capital adequacy ratios of the Group and of the Bank are as follows:					
CET1 Capital Ratio		14.201%	15.313%	12.953%	15.581%
Tier 1 Capital Ratio		14.892%	16.026%	13.670%	16.343%
Total Capital Ratio		18.173%	18.683%	17.223%	18.639%
Net assets per share attributable to equity holders of the Bank					
		RM7.17	RM7.51	RM6.19	RM6.43

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CONDENSED FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021

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

<u>Group</u>	Share Capital RM'000	Statutory Reserve RM'000	Regulatory Reserve RM'000	Fair Value Through Other Comprehensive Income Reserve RM'000	Exchange Fluctuation Reserve RM'000	ESGP 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 2021	48,280,355	317,823	2,115,455	4,572,569	(127,567)	96,186	(312,801)	29,494,627	84,436,647	2,672,980	87,109,627
Profit for the financial period	-	-	-	-	-	-	-	6,039,358	6,039,358	159,560	6,198,918
Other comprehensive (loss)/income	-	-	-	(3,193,147)	561,748	-	128,142	-	(2,503,257)	(46,921)	(2,550,178)
Defined benefit plan actuarial loss	-	-	-	-	-	-	(209)	-	(209)	(19)	(228)
Share of associates' reserve	-	-	-	(17,152)	(44,178)	-	-	-	(61,330)	-	(61,330)
Net gain/(loss) on foreign exchange translation	-	-	-	-	605,926	-	-	-	605,926	(6,104)	599,822
Net loss on financial investments at fair value through other comprehensive income	-	-	-	(3,175,995)	-	-	-	-	(3,175,995)	(40,832)	(3,216,827)
Net loss on net investment hedge	-	-	-	-	-	-	(6,491)	-	(6,491)	-	(6,491)
Net gain on cash flow hedge	-	-	-	-	-	-	139,400	-	139,400	-	139,400
Cost of hedging for fair value hedge	-	-	-	-	-	-	(5,215)	-	(5,215)	-	(5,215)
Net gain on capital reserve	-	-	-	-	-	-	657	-	657	34	691
Total comprehensive (loss)/income for the financial period	-	-	-	(3,193,147)	561,748	-	128,142	6,039,358	3,536,101	112,639	3,648,740
Carried forward	48,280,355	317,823	2,115,455	1,379,422	434,181	96,186	(184,659)	35,533,985	87,972,748	2,785,619	90,758,367

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FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021

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

Group (cont'd.)	Share Capital RM'000	Statutory Reserve RM'000	Regulatory Reserve RM'000	Fair Value Through Other Comprehensive Income Reserve RM'000	Exchange Fluctuation Reserve RM'000	ESGP Reserve RM'000	¹ Other Reserves RM'000	² Retained Profits RM'000	Total Shareholders' Equity RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
Brought forward	48,280,355	317,823	2,115,455	1,379,422	434,181	96,186	(184,659)	35,533,985	87,972,748	2,785,619	90,758,367
Net gain on disposal of financial investments at fair value through other comprehensive income	-	-	-	(666)	-	-	-	666	-	-	-
Share-based payment under Maybank Group Employees' Share Grant Plan ("ESGP")	-	-	-	-	-	60,868	-	-	60,868	-	60,868
Effect of changes in corporate structure within the Group	-	-	-	-	-	-	-	-	-	(25,183)	(25,183)
Effect of net acquisition from/disposal to non-controlling interests	-	-	-	-	-	-	-	-	-	13,323	13,323
Transfer to statutory reserve	-	12,534	-	-	-	-	-	(12,534)	-	-	-
Transfer from regulatory reserve	-	-	(5,794)	-	-	-	-	5,794	-	-	-
Issue of shares pursuant to Dividend Reinvestment Plan ("DRP") (Note A8(i)(a))	3,432,204	-	-	-	-	-	-	-	3,432,204	-	3,432,204
Dividends paid (Note A9(a) & (c))	-	-	-	-	-	-	-	(5,527,643)	(5,527,643)	(90,532)	(5,618,175)
Dividends payable (Note A9(b))	-	-	-	-	-	-	-	(2,052,309)	(2,052,309)	-	(2,052,309)
Total transactions with shareholders/ other equity movements	3,432,204	12,534	(5,794)	(666)	-	60,868	-	(7,586,026)	(4,086,880)	(102,392)	(4,189,272)
At 30 September 2021	51,712,559	330,357	2,109,661	1,378,756	434,181	157,054	(184,659)	27,947,959	83,885,868	2,683,227	86,569,095

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 RM740.0 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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FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021

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

<u>Group</u>	Attributable to equity holders of the Bank							Non-Distributable		Total Shareholders' Equity RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Statutory Reserve RM'000	Regulatory Reserve RM'000	Fair Value Through Other Comprehensive Income Reserve RM'000	Exchange Fluctuation Reserve RM'000	ESGP Reserve RM'000	Other ¹ Reserves RM'000	Retained ² Profits RM'000				
At 1 January 2020	48,280,355	279,355	2,771,806	2,973,151	399,826	37,195	(333,649)	27,162,899	81,570,938	2,498,286	84,069,224	
Profit for the financial period	-	-	-	-	-	-	-	4,943,814	4,943,814	134,325	5,078,139	
Other comprehensive income/(loss)	-	-	-	1,740,247	(629,157)	-	7,617	-	1,118,707	1,285	1,119,992	
Defined benefit plan actuarial (loss)/gain	-	-	-	-	-	-	(6,062)	-	(6,062)	45	(6,017)	
Share of associates' reserve	-	-	-	109,966	(77,032)	-	-	-	32,934	-	32,934	
Net loss on foreign exchange translation	-	-	-	-	(552,125)	-	-	-	(552,125)	(9,951)	(562,076)	
Net gain on financial investments at fair value through other comprehensive income	-	-	-	1,630,281	-	-	-	-	1,630,281	11,259	1,641,540	
Net loss on net investment hedge	-	-	-	-	-	-	(2,334)	-	(2,334)	-	(2,334)	
Cost of hedging for fair value hedge	-	-	-	-	-	-	17,025	-	17,025	-	17,025	
Net loss on capital reserve	-	-	-	-	-	-	(1,012)	-	(1,012)	(68)	(1,080)	
Total comprehensive income/(loss) for the financial period	-	-	-	1,740,247	(629,157)	-	7,617	4,943,814	6,062,521	135,610	6,198,131	
Carried forward	48,280,355	279,355	2,771,806	4,713,398	(229,331)	37,195	(326,032)	32,106,713	87,633,459	2,633,896	90,267,355	

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FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021

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

<u>Group (cont'd.)</u>	Share Capital RM'000	Statutory Reserve RM'000	Regulatory Reserve RM'000	Fair Value Through Other Comprehensive Income Reserve RM'000	Exchange Fluctuation Reserve RM'000	ESGP 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	48,280,355	279,355	2,771,806	4,713,398	(229,331)	37,195	(326,032)	32,106,713	87,633,459	2,633,896	90,267,355
Net gain on disposal of financial investments at fair value through other comprehensive income	-	-	-	(1,126)	-	-	-	1,126	-	-	-
Share-based payment under Maybank Group Employees' Share Grant Plan ("ESGP")	-	-	-	-	-	40,585	-	-	40,585	-	40,585
Effect of changes in corporate structure within the Group	-	-	-	-	-	-	-	-	-	5,981	5,981
Transfer to statutory reserve	-	35,289	-	-	-	-	-	(35,289)	-	-	-
Transfer from regulatory reserve	-	-	(656,100)	-	-	-	-	656,100	-	-	-
Dividends paid	-	-	-	-	-	-	-	(4,384,131)	(4,384,131)	(89,310)	(4,473,441)
Total transactions with shareholders/ other equity movements	-	35,289	(656,100)	(1,126)	-	40,585	-	(3,762,194)	(4,343,546)	(83,329)	(4,426,875)
At 30 September 2020	48,280,355	314,644	2,115,706	4,712,272	(229,331)	77,780	(326,032)	28,344,519	83,289,913	2,550,567	85,840,480

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 RM611.6 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 2020 and the accompanying explanatory notes attached to these financial statements)

MALAYAN BANKING BERHAD
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CONDENSED FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021

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

Bank	Share Capital RM'000	Statutory Reserve RM'000	Regulatory Reserve RM'000	Fair Value Through Other Comprehensive Income Reserve RM'000	Exchange Fluctuation Reserve RM'000	ESGP Reserve RM'000	Hedge Reserve RM'000	Distributable Retained Profits RM'000	Total Equity RM'000
At 1 January 2021	48,280,355	69,518	1,495,500	3,261,447	2,241,350	96,186	12,805	16,809,095	72,266,256
Profit for the financial period	-	-	-	-	-	-	-	6,258,559	6,258,559
Other comprehensive (loss)/income	-	-	-	(2,363,993)	185,758	-	134,185	-	(2,044,050)
Net gain on foreign exchange translation	-	-	-	-	185,758	-	-	-	185,758
Net loss on financial investments at fair value through other comprehensive income	-	-	-	(2,363,993)	-	-	-	-	(2,363,993)
Net gain on cash flow hedge	-	-	-	-	-	-	139,400	-	139,400
Cost of hedging for fair value hedge	-	-	-	-	-	-	(5,215)	-	(5,215)
Total comprehensive (loss)/income for the financial period	-	-	-	(2,363,993)	185,758	-	134,185	6,258,559	4,214,509
Net gain on disposal of financial investments at fair value through other comprehensive income	-	-	-	(620)	-	-	-	620	-
Share-based payment under Maybank Group Employees' Share Grant Plan ("ESGP")	-	-	-	-	-	60,868	-	-	60,868
Transfer to statutory reserve	-	4,600	-	-	-	-	-	(4,600)	-
Issue of shares pursuant to Dividend Reinvestment Plan ("DRP") (Note A8(i)(a))	3,432,204	-	-	-	-	-	-	-	3,432,204
Dividends paid (Note A9(a))	-	-	-	-	-	-	-	(5,527,643)	(5,527,643)
Dividends payable (Note A9(b))	-	-	-	-	-	-	-	(2,052,309)	(2,052,309)
Total transactions with shareholders/ other equity movements	3,432,204	4,600	-	(620)	-	60,868	-	(7,583,932)	(4,086,880)
At 30 September 2021	51,712,559	74,118	1,495,500	896,834	2,427,108	157,054	146,990	15,483,722	72,393,885

(These unaudited condensed interim financial statements should be read in conjunction with the audited annual financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to these financial statements)

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CONDENSED FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021

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

<u>Bank</u>	Share Capital RM'000	Statutory Reserve RM'000	Regulatory Reserve RM'000	Fair Value Through Other Comprehensive Income Reserve RM'000	Exchange Fluctuation Reserve RM'000	ESGP Reserve RM'000	Hedge Reserve RM'000	Distributable Retained Profits RM'000	Total Equity RM'000
At 1 January 2020	48,280,355	59,502	1,894,921	2,260,271	2,308,456	37,195	(345)	15,223,022	70,063,377
Profit for the financial period	-	-	-	-	-	-	-	4,843,227	4,843,227
Other comprehensive income	-	-	-	1,182,026	40,167	-	17,025	-	1,239,218
Net gain on foreign exchange translation	-	-	-	-	40,167	-	-	-	40,167
Net gain on financial investments at fair value through other comprehensive income	-	-	-	1,182,026	-	-	-	-	1,182,026
Cost of hedging for fair value hedge	-	-	-	-	-	-	17,025	-	17,025
Total comprehensive income for the financial period	-	-	-	1,182,026	40,167	-	17,025	4,843,227	6,082,445
Share-based payment under Maybank Group Employees' Share Grant Plan ("ESGP")	-	-	-	-	-	40,585	-	-	40,585
Transfer to statutory reserve	-	8,403	-	-	-	-	-	(8,403)	-
Transfer from regulatory reserve	-	-	(399,421)	-	-	-	-	399,421	-
Dividends paid	-	-	-	-	-	-	-	(4,384,131)	(4,384,131)
Total transactions with shareholders/ other equity movements	-	8,403	(399,421)	-	-	40,585	-	(3,993,113)	(4,343,546)
At 30 September 2020	48,280,355	67,905	1,495,500	3,442,297	2,348,623	77,780	16,680	16,073,136	71,802,276

(These unaudited condensed interim financial statements should be read in conjunction with the audited annual financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to these financial statements)

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CONDENSED FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF CASH FLOWS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021

	Group		Bank	
	30 September 2021 RM'000	30 September 2020 RM'000	30 September 2021 RM'000	30 September 2020 RM'000
Cash flows from operating activities				
Profit before taxation and zakat	8,166,402	6,664,826	7,032,877	5,635,542
Adjustments for:				
Share of profits in associates and joint ventures	(142,447)	(137,971)	-	-
Depreciation of property, plant and equipment	223,899	231,247	69,326	76,525
Depreciation of right-of-use assets	339,860	337,596	83,327	86,268
Amortisation of intangible assets	215,076	213,195	47,726	42,481
Loss/(gain) on disposal of property, plant and equipment	802	(20,181)	1,245	(17,218)
Net (gain)/loss on liquidation/disposal of subsidiaries	(1,406)	10,160	-	-
Net gain on disposal of financial assets at fair value through profit or loss	(86,061)	(55,575)	(15,059)	(176,095)
Net gain on disposal of financial investments at fair value through other comprehensive income	(566,688)	(1,938,554)	(411,619)	(1,491,386)
Net gain on redemption of financial investments at amortised cost	(18)	-	(18)	-
Unrealised loss/(gain) on revaluation of financial assets at fair value through profit or loss and derivatives	1,111,847	(1,594,638)	565,180	(1,012,533)
Unrealised gain on revaluation of financial liabilities at fair value through profit or loss	(951,086)	(42,368)	(951,086)	(42,368)
Unrealised loss on revaluation of loans, advances and financing at fair value through profit or loss	-	1,001	-	1,001
Allowances for impairment losses on loans, advances and financing, net	2,712,687	3,725,017	1,802,902	2,434,924
Allowances for impairment losses on other debts	10,786	9,797	1,325	481
Allowances for/(writeback of) impairment losses on financial investments, net	133,163	45,366	(66,849)	21,135
(Writeback of)/allowances for impairment losses on other financial assets, net	(73,388)	20,236	(45,366)	2,334
Dividend income	(127,143)	(81,032)	(3,787,209)	(2,301,922)
ESGP expenses	84,091	56,515	44,541	29,367
Other adjustments for non-operating and non-cash items	199,333	92,566	(90,418)	(106,443)
Operating profit before working capital changes	11,249,709	7,537,203	4,280,825	3,182,093
Change in cash and short-term funds with original maturity of more than three months	13,896,276	889,262	8,274,181	128,879
Change in deposits and placements with financial institutions with original maturity of more than three months	(8,676,720)	2,345,880	(17,091,918)	16,506,044
Change in financial investments portfolio	(11,119,173)	(17,396,240)	6,122,676	(5,450,093)
Change in loans, advances and financing	(16,321,292)	(1,711,699)	(7,376,923)	(2,629,335)
Change in statutory deposits with central banks	304,240	7,877,447	101,022	2,281,525
Change in deposits from customers	24,173,938	26,315,491	23,693,312	10,654,157
Change in investment accounts of customers	1,568,170	2,738,005	-	-
Change in deposits and placements from financial institutions	3,869,239	(12,523,773)	10,193,086	(3,843,314)
Change in financial liabilities at fair value through profit or loss	28,424	(4)	28,424	(4)
Change in reinsurance/retakaful assets and other insurance receivables	(541,040)	(1,053,164)	-	-
Change in insurance/takaful contract liabilities and other insurance payables	2,377,900	4,815,319	-	-
Change in other operating activities	4,834,593	(7,423,345)	(9,100,903)	(10,168,443)
Cash generated from operations	25,644,264	12,410,382	19,123,782	10,661,509
Taxes and zakat paid	(1,749,365)	(717,344)	(560,271)	(409,614)
Net cash generated from operating activities	23,894,899	11,693,038	18,563,511	10,251,895

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FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021

	Group		Bank	
	30 September 2021 RM'000	30 September 2020 RM'000	30 September 2021 RM'000	30 September 2020 RM'000
Cash flows from investing activities				
Dividends received from:				
- financial investments portfolio	127,143	81,032	5,569	5,802
- subsidiaries	-	-	3,780,744	2,296,120
- associates	-	-	896	-
Purchase of property, plant and equipment	(142,886)	(133,720)	(11,392)	(16,758)
Purchase of intangible assets	(195,054)	(203,912)	(53,247)	(38,038)
Purchase of investment properties	(279)	(665)	-	-
Purchase of additional ordinary shares in existing subsidiaries	-	-	(2,392,931)	(732,788)
Proceeds from disposal of property, plant and equipment	3,500	22,186	121	17,995
Purchase of shares in deemed controlled entities	-	-	-	(15,643)
Net effect arising from transaction with non-controlling interests	(11,860)	5,981	-	-
Net effect arising from disposal of deemed controlled entities	-	-	78,735	-
Net effect arising from capital repayment of a subsidiary	-	-	-	1,213,920
Net cash (used in)/generated from investing activities	(219,436)	(229,098)	1,408,495	2,730,610
Cash flows from financing activities				
Proceeds from issuance of shares	3,432,204	-	3,432,204	-
(Repayment)/drawdown of borrowings, net	(1,347,729)	1,428,202	(4,314,162)	942,640
Issuance of subordinated obligations	3,000,000	-	3,000,000	-
Redemption of subordinated obligations	(60,689)	-	-	-
Issuance of financial liabilities at fair value through profit or loss	2,470,920	3,823,060	2,470,920	3,823,060
Redemption of financial liabilities at fair value through profit or loss	(1,393,899)	(715,368)	(1,393,899)	(715,368)
Repayment of lease liabilities	(131,459)	(81,608)	(49,851)	(51,726)
Recourse obligations on loans and financing sold to Cagamas, net	-	(1,526,225)	-	(1,526,225)
Dividends paid	(5,911,971)	(4,384,131)	(5,911,971)	(4,384,131)
Dividends paid to non-controlling interests	(90,532)	(89,310)	-	-
Net cash used in financing activities	(33,155)	(1,545,380)	(2,766,759)	(1,911,750)
Net increase in cash and cash equivalents	23,642,308	9,918,560	17,205,247	11,070,755
Cash and cash equivalents at beginning of period	43,813,448	47,306,745	27,902,551	21,934,867
Effects of foreign exchange rate changes	658,771	127,159	409,452	134,828
Cash and cash equivalents at end of period	68,114,527	57,352,464	45,517,250	33,140,450
Cash and cash equivalents comprise:				
Cash and short-term funds	58,326,700	55,654,967	36,040,146	30,080,670
Deposits and placements with financial institutions	14,797,042	11,771,964	29,778,256	11,853,710
	73,123,742	67,426,931	65,818,402	41,934,380
Less:				
Cash and short-term funds and deposits and placements with financial institutions, with original maturity of more than three months	(5,009,215)	(10,074,467)	(20,301,152)	(8,793,930)
Cash and cash equivalents at end of period	68,114,527	57,352,464	45,517,250	33,140,450

(These unaudited condensed interim financial statements should be read in conjunction with the audited annual financial statements for the financial year ended 31 December 2020 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 2020. 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 2020.

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 2020 except for adoption of the following amendments to Malaysian Financial Reporting Standards ("MFRSs"), which are effective for annual periods beginning on or after 1 January 2021:

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

The adoption of the above amendments to MFRSs do not have any significant financial impact to the Group's and the Bank's financial statements.

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

The amendments provide a practical expedient whereby an entity would not derecognise or adjust the carrying amount of financial instruments for modifications required by interest/profit rate benchmark reform, but would instead update the effective interest/profit rate to reflect the change in the interest/profit rate benchmark. On hedging relationship, entities would be required to amend the formal designation of a hedging relationship to reflect the modifications and/or changes made to the hedged item and/or hedging instruments as a result of the reform. However, the modification does not constitute discontinuation of the hedging relationship nor the designation of a new hedging relationship.

Amendment to MFRS 16 - *COVID-19-Related Rent Concessions beyond 30 June 2021*

The amendment extends the availability of the practical expedient provided in 2020 where the amendment provides lessees with an option to treat qualifying COVID-19 related rent concession not as lease modification. Lessees may account the concession as a variable lease payment in the period it is granted. This practical expedient applies to rent concession that due on or before 30 June 2022.

Measures announced by Bank Negara Malaysia ("BNM") to assist individuals, small-medium enterprise ("SMEs") and microenterprises affected by COVID-19

During the financial period ended 30 September 2021, BNM had announced the extension of regulatory measures to facilitate loan/financing repayment assistance to borrowers/customers affected by the COVID-19 pandemic in line with the Government economic stimulus packages. The support measures include the following:

Targeted repayment assistance ("TRA") and moratorium

- (i) *Enhanced targeted repayment assistance under Perlindungan Ekonomi dan Rakyat Malaysia ("PERMAI")*

An extension of TRA under PERMAI was announced on 18 January 2021. The extension applied to all TRA schemes announced previously where borrowers/customers can apply for 3-month deferment of instalment or a 50% reduction in their monthly instalment payment for a period of 6 months. The TRA was applicable to all B40 (who registered in Bantuan Sara Hidup ("BSH") or Bantuan Prihatin Rakyat ("BPR")), M40 (who are recipient of Bantuan Prihatin Nasional ("BPN")) and microenterprises with loan/financing facilities not more than RM150,000 whose loans/financing were approved on or before 30 September 2020 and not in arrears for more than 90 days.

- (ii) *Targeted repayment assistance under Program Strategik Memperkasa Rakyat dan Ekonomi Tambahan ("PEMERKASA+")*

TRA under PEMERKASA+ was announced on 31 May 2021. The TRA was applicable to all borrowers/customers who have lost their employment, B40 borrowers/customers registered under BSH/BPR, SMEs and microenterprises with loan/financing facilities not more than RM150,000 whose loans/financing were approved on or before 30 June 2021 and not in arrears for more than 90 days. All these affected borrowers/customers may opt for 3-month deferment of instalment or a 50% reduction in their monthly instalment payment for a period of 6 months.

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A1. Basis of Preparation (cont'd.)

Measures announced by Bank Negara Malaysia ("BNM") to assist individuals, small-medium enterprise ("SMEs") and microenterprises affected by COVID-19 (cont'd.)

Targeted repayment assistance ("TRA") and moratorium (cont'd.)

(iii) *Six-month moratorium under Perlindungan Rakyat dan Pemulihan Ekonomi ("PEMULIH")*

The six-month moratorium under PEMULIH was announced on 28 June 2021. The moratorium applies to ringgit and foreign currency denominated loans/financing approved on or before 30 June 2021, not in arrears exceeding 90 days and customers must not be adjudicated bankrupts or under bankruptcy proceedings. All individual, SMEs and microenterprises may opt for 6-month deferment of instalment or 50% reduction in their monthly instalment payment for a period of 6 months. There will be no compounding interest/profit and any penalty interest/profit during the moratorium period.

The repayment assistance/moratorium does not applicable to credit card balances. For outstanding credit card balances, customers were offered an option to convert the outstanding balance into an instalment programme of 36 months (3 years).

Credit risk monitoring, stress testing and classification in the Central Credit Reference Information System ("CCRIS")

The repayment assistance/moratorium does not automatically result in a stage transfer under MFRS 9 in the absence of other factors indication evidence of significant increase in credit risk ("SICR"). The Group and the Bank will continue to apply judgement and perform more holistic assessment of all relevant indicator and information such as historical repayment and delinquency trend in determining SICR.

The loan/financing that are approved under repayment assistance on or before 31 December 2021 are exempted to be reported as rescheduling and restructuring ("R&R") in CCRIS. However, the Group and the Bank are required to report the credit-impaired status consistently with the accounting classification.

Financial management and resilience programme (URUS)

Subsequent to the financial period ended 30 September 2021, pursuant to the statement issued by the Prime Minister on 13 October 2021, banking industry, represented collectively by The Association of Banks in Malaysia ("ABM"), Association of Islamic Banking and Financial Institutions Malaysia ("AIBIM") and Association of Development Finance Institutions of Malaysia ("ADFIM") had on 14 October 2021 announced its continued support to individual customers. The Bank has worked alongside with Agensi Kaunseling dan Pengurusan Kredit ("AKPK") to offer a comprehensive extended financial assistance scheme called Financial Management and Resilience Programme ("URUS").

The scheme is open to individual customers, on application, who are under an existing repayment assistance (e.g. Targeted Repayment Assistance, PEMERKASA+, PEMULIH, the Bank's own rescheduling and restructuring, etc.) as at 30 September 2021 and meet the following criteria:

- (i) From B50 income segment i.e. customer with household income of RM5,880 or lower based on definition by the Department of Statistic of Malaysia;
- (ii) Have experience either loss of employment or reduction of income of at least 50%; and
- (iii) Whose loan/financing is still performing (not in arrears exceeding 90 days) as at the date of their application.

Under URUS, AKPK will provide the customer with a personalised financial plan that encompass the following options:

- (a) An interest/profit waiver for a period of 3 months, commencing the month following the customer's on boarding into the scheme; or
- (b) A 3-month interest/profit waiver together with reduced instalments for a period of up to 24 months. This option will also benefit customers with unsecured personal loan/financing and credit cards.

Individual customers who fulfil the abovementioned criteria can apply for URUS effective 15 November 2021 until 31 January 2022.

A2. Significant Accounting Policies

The audited annual financial statements of the Group and of the Bank for the financial year ended 31 December 2020 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 2020 except for the adoption of the amendments to MFRSs which are effective for annual periods beginning on or after 1 January 2021 as disclosed in Note A1.

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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 and the Bank'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 2020.

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 2020 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 financial period ended 30 September 2021.

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

During the financial period ended 30 September 2021, 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 financial period ended 30 September 2021.

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 financial period ended 30 September 2021:

(a) **Share capital**

The share capital of the Bank increased from RM48,280,355,135 as at 31 December 2020 to RM51,712,559,701 as at 30 September 2021 as follow:

- (A) Issuance of 172,632,753 new ordinary shares amounting to RM1,325,130,714 arising from the Dividend Reinvestment Plan ("DRP") relating to electable portion of the single-tier interim dividend of 13.5 sen in respect of the financial year ended 31 December 2020; and
- (B) Issuance of 279,343,269 new ordinary shares amounting to RM2,107,073,852 arising from the DRP relating to electable portion of the single-tier final dividend of 21.0 sen in respect of the financial year ended 31 December 2020.

The issued ordinary shares of the Bank as at 30 September 2021 is 11,693,337,909 units (31 December 2020: 11,241,361,887 units).

(b) **Borrowings**

Issuance/redemption of medium term notes by the Bank

Currency	Description	Aggregate Nominal Value (in million)
Issuance of medium term notes		
USD	Zero Coupon Notes*	335.0
USD	Fixed Rate Notes	63.0
HKD	Fixed Rate Notes	1,375.0
AUD	Fixed Rate Notes	63.0
CNY	Fixed Rate Notes	2,850.0
Redemption of medium term notes		
HKD	Fixed Rate Notes	900.0
HKD	Floating Rate Notes	450.0
CHF	Zero Coupon Notes	100.0
USD	Zero Coupon Notes *	347.0
USD	Floating Rate Notes	20.0
RM	Zero Coupon Notes	50.0

* Borrowings designated at fair value through profit or loss ("FVTPL")

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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 financial period ended 30 September 2021 (cont'd.):

(b) **Borrowings (cont'd.)**

Issuance/redemption of bonds by PT Bank Maybank Indonesia Tbk and its subsidiaries

Currency	Description	Aggregate Nominal Value (in million)
Issuance of bonds		
IDR	Fixed Rate Notes	1,000,000.0
Redemption of bonds		
IDR	Fixed Rate Notes	1,610,500.0

Issuance of commercial papers by the Bank

The aggregate nominal value of the commercial papers issued by the Bank and outstanding as at 30 September 2021 are as follows:

Currency	Description	Aggregate Nominal Value (in million)
RM	Zero Coupon Notes	2,050.0
USD	Zero Coupon Notes	150.0
SGD	Fixed Rate Notes*	315.2
USD	Fixed Rate Notes*	30.0

* Extendible money market certificates

Issuance of Islamic commercial papers by Maybank Islamic Berhad

The aggregate nominal value of the Islamic commercial papers ("ICP") issued by Maybank Islamic Berhad and outstanding as at 30 September 2021 are as follows:

Currency	Description	Aggregate Nominal Value (in million)
RM	Zero Profit ICP	8,000.0

(c) **Subordinated Obligations**

Issuance/redemption of Tier 2 Subordinated Sukuk Murabahah pursuant to the RM10.0 billion Sukuk Murabahah Programme by Maybank Islamic Berhad

Issuance/redemption	Issue Date	First Call Date	Maturity Date	Nominal Value	Description	Tenor
Issuance	15 February 2021	16 February 2026	14 February 2031	RM1.0 billion	Tier 2 Subordinated Sukuk Murabahah (10 non-call 5)	10 years
Redemption	15 February 2016	15 February 2021	13 February 2026	RM1.0 billion	Tier 2 Subordinated Sukuk Murabahah (10 non-call 5) ¹	10 years

¹The subordinated sukuk was fully redeemed on the First Call Date.

Issuance of Tier 2 Subordinated Sukuk Murabahah pursuant to the RM30.0 billion Sukuk Programme by the Bank

Issuance	Issue Date	First Call Date	Maturity Date	Nominal Value	Description	Tenor
Issuance	5 August 2021	5 August 2026	5 August 2031	RM3.0 billion	Tier 2 Subordinated Sukuk Murabahah (10 non-call 5)	10 years

Redemption of subordinated bonds by PT Bank Maybank Indonesia Tbk

Redemption	Maturity Date	Nominal Value	Description	Tenor
Redemption	8 July 2021	IDR1,500.0 billion	Shelf Subordinated Bonds II Bank BII Tranche I Year 2014	7 years

- (ii) The following are the changes in debt securities for the Group and the Bank subsequent to the third quarter ended 30 September 2021 and have not been reflected in the financial statements for the third quarter ended 30 September 2021:

(a) **Increase in share capital**

The share capital of the Bank increased from RM51,712,559,701 as at 30 September 2021 to RM53,115,110,531 as at 21 October 2021 via issuance of 179,814,209 new ordinary shares amounting to RM1,402,550,830 arising from the Dividend Reinvestment Plan ("DRP") relating to electable portion of the single-tier interim dividend of 14.0 sen in respect of the financial year ending 31 December 2021.

The issued ordinary shares of the Bank as at 21 October 2021 is 11,873,152,118 units (30 September 2021: 11,693,337,909 units).

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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 third quarter ended 30 September 2021 and have not been reflected in the financial statements for the third quarter ended 30 September 2021 (cont'd.):

(b) **Borrowings**

Issuance/redemption of medium term notes by the Bank

Currency	Description	Aggregate Nominal Value (in million)
Issuance of medium term notes		
USD	Zero Coupon Notes*	255.0
CNY	Fixed Rate Notes	250.0
JPY	Fixed Rate Notes	10,000.0
AUD	Floating Rate Notes	26.0
Redemption of medium term notes		
HKD	Fixed Rate Notes	378.0

* Borrowings designated at fair value through profit or loss ("FVTPL")

Redemption of bonds by PT Bank Maybank Indonesia Tbk and its subsidiaries

Currency	Description	Aggregate Nominal Value (in million)
IDR	Fixed Rate Notes	369,000.0

(c) **Subordinated Obligations**

Redemption of USD500 million Tier 2 Fixed Rate Subordinated Notes pursuant to the RM15.0 billion Multicurrency Medium Term Note Programme by the Bank

Redemption	First Call Date	Maturity Date	Nominal Value	Description	Tenor
Redemption	29 October 2021	29 October 2026	USD500 million	Tier 2 Subordinated Note (10.5 non-call 5.5)	10.5 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 paid/payable

Dividends paid/payable during the financial period ended 30 September 2021 are as follows:

(a) On 27 November 2020, the Board of Directors declared a single-tier interim dividend in respect of the financial year ended 31 December 2020 of 13.5 sen per ordinary share, in which the entire 13.5 sen can be elected to be reinvested in new Maybank shares in accordance with Dividend Reinvestment Plan ("DRP").

The single-tier interim dividend of 13.5 sen per ordinary share amounting to RM1,517,583,477 was paid on 15 January 2021.

The financial statements reflect the net interim dividend of RM1,133,255,366 of which RM384,328,111 was the dividend payable made during the financial year ended 31 December 2020 on a portion of the electable portion of the single-tier interim dividends assumed to be paid in cash in accordance with BNM's Implementation Guidance on Capital Adequacy Framework (Capital Components).

During the Adjourned 61st Annual General Meeting held on 6 May 2021, a final dividend in respect of the financial year ended 31 December 2020 of 38.5 sen single-tier dividend per ordinary share, amounting to RM4,394,387,936 was approved by the shareholders.

The dividend consists of cash portion of 17.5 sen per ordinary share amounting to RM1,997,449,062 and an electable portion of 21.0 sen per ordinary share amounting to RM2,396,938,874 where the electable portion could be elected to be reinvested in new Maybank shares in accordance with the Dividend Reinvestment Plan ("DRP").

The payment date for cash dividends and crediting of ordinary shares under the DRP was completed on 28 June 2021.

(b) A single-tier first interim dividend, in respect of the financial year ending 31 December 2021 of 28.0 sen per ordinary share, was declared by the Bank on 26 August 2021.

The dividend consists of 14.0 sen to be paid in cash amounting to RM1,637,067,307 and an electable portion of 14.0 sen amounting to RM1,637,067,307 which can be elected to be reinvested in new ordinary shares in accordance with the DRP.

The financial statements for the current financial quarter ended 30 September 2021 record 14.0 sen cash portion and a portion of an electable portion of the dividends assumed to be paid in cash.

The Book Closure date and the payment date for the single-tier first interim dividend and DRP were fixed on 23 September 2021 and 21 October 2021 respectively.

(c) Dividends paid by Maybank's subsidiaries to non-controlling interests amounted to RM90,532,000 during the financial period ended 30 September 2021.

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A10. Financial Investments Portfolio

	Note	Group		Bank	
		30 September 2021 RM'000	31 December 2020 RM'000	30 September 2021 RM'000	31 December 2020 RM'000
Financial assets designated upon initial recognition at fair value through profit or loss	(i)	13,476,692	14,028,031	-	-
Financial investments at fair value through profit or loss	(ii)	29,762,108	27,179,846	15,698,787	18,189,480
Financial investments at fair value through other comprehensive income	(iii)	121,148,418	127,502,681	70,222,101	75,533,793
Financial investments at amortised cost	(iv)	57,623,180	46,475,916	39,413,812	39,856,983
		222,010,398	215,186,474	125,334,700	133,580,256

(i) Financial assets designated upon initial recognition at fair value through profit or loss ("FVTPL")

	Group		Bank	
	30 September 2021 RM'000	31 December 2020 RM'000	30 September 2021 RM'000	31 December 2020 RM'000
At fair value				
Money market instruments:				
Malaysian Government Securities	337,462	233,228	-	-
Malaysian Government Investment Issues	338,154	406,583	-	-
	675,616	639,811	-	-
Quoted securities:				
In Malaysia:				
Shares, warrants and loan stocks	-	114,951	-	-
Unit trusts	3,932	3,932	-	-
Outside Malaysia:				
Shares, warrants and loan stocks	13,728	11,270	-	-
	17,660	130,153	-	-
Unquoted securities:				
In Malaysia:				
Corporate Bonds and Sukuk	12,542,234	13,008,116	-	-
Outside Malaysia:				
Corporate Bonds and Sukuk	241,182	249,951	-	-
	12,783,416	13,258,067	-	-
Total financial assets designated upon initial recognition at FVTPL	13,476,692	14,028,031	-	-

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A10. Financial Investments Portfolio (cont'd.)

(ii) Financial investments at fair value through profit or loss ("FVTPL")

	Group		Bank	
	30 September 2021 RM'000	31 December 2020 RM'000	30 September 2021 RM'000	31 December 2020 RM'000
At fair value				
Money market instruments:				
Malaysian Government Securities	1,656,075	2,464,259	1,636,026	2,404,369
Malaysian Government Investment Issues	642,017	2,240,840	640,503	2,133,207
Cagamas Bonds	15,114	47,024	15,114	47,024
Negotiable instruments of deposits	-	120,485	-	120,485
Foreign Government Securities	3,360,864	3,227,160	2,559,696	2,934,336
Malaysian Government Treasury Bills	3,861,346	1,065,724	2,695,817	1,065,724
Bank Negara Malaysia Bills and Notes	376,840	1,656,882	376,840	1,656,882
Foreign Government Treasury Bills	1,702,551	1,395,379	1,702,551	1,395,379
	11,614,807	12,217,753	9,626,547	11,757,406
Quoted securities:				
In Malaysia:				
Shares, warrants, mutual funds and loan stocks	7,168,217	4,962,630	-	79,685
Unit trusts	478,607	478,003	271,654	201,260
Outside Malaysia:				
Shares, warrants, mutual funds and loan stocks	294,930	285,720	355	116
Unit trusts	837,919	457,683	299,287	237,644
Corporate Bonds and Sukuk	1,259,210	1,207,422	-	-
Government Bonds	645,063	707,185	-	-
Government Treasury Bills	584,733	668,020	-	-
	11,268,679	8,766,663	571,296	518,705
Unquoted securities:				
In Malaysia:				
Shares	964,176	931,054	698,991	682,508
Unit trusts	2,066	1,928	-	-
Corporate Bonds and Sukuk	784,536	757,346	131,381	298,648
Structured deposits	92,593	87,737	-	-
Outside Malaysia:				
Shares	383	764	-	-
Mutual funds	93,911	16,517	-	-
Corporate Bonds and Sukuk	2,223,047	3,750,966	1,952,663	4,283,095
Government Bonds	2,717,910	649,118	2,717,909	649,118
	6,878,622	6,195,430	5,500,944	5,913,369
Total financial investments at FVTPL	29,762,108	27,179,846	15,698,787	18,189,480

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A10. Financial Investments Portfolio (cont'd.)

(iii) Financial investments at fair value through other comprehensive income ("FVOCI")

	Group		Bank	
	30 September 2021 RM'000	31 December 2020 RM'000	30 September 2021 RM'000	31 December 2020 RM'000
At fair value				
Money market instruments:				
Malaysian Government Securities	10,952,233	13,448,869	10,566,191	13,249,223
Malaysian Government Investment Issues	19,817,526	23,197,246	7,506,934	9,164,855
Negotiable instruments of deposits	-	150,337	-	150,337
Foreign Government Securities	15,209,656	13,088,016	5,425,852	4,535,913
Foreign Government Treasury Bills	14,452,391	16,939,946	5,129,835	4,014,112
Khazanah Bonds	282,627	353,303	253,192	324,271
Cagamas Bonds	152,332	358,627	152,332	358,627
	60,866,765	67,536,344	29,034,336	31,797,338
Quoted securities:				
In Malaysia:				
Shares, warrants and loan stocks	89,500	6,992	16,729	17,836
Outside Malaysia:				
Shares, warrants and loan stocks	33	33	-	-
Corporate Bonds and Sukuk	4,185,731	2,762,299	-	-
Government Bonds	623,137	730,155	-	-
	4,898,401	3,499,479	16,729	17,836
Unquoted securities:				
In Malaysia:				
Shares and loan stocks	337,829	336,378	322,951	322,417
Government Bonds	422,804	378,606	422,804	336,714
Corporate Bonds and Sukuk	24,674,569	23,992,461	13,432,171	15,552,830
Outside Malaysia:				
Shares	3,677	2,444	-	-
Government Bonds	16,348,759	14,660,955	16,238,242	14,524,455
Corporate Bonds and Sukuk	13,595,614	17,096,014	10,754,868	12,982,203
	55,383,252	56,466,858	41,171,036	43,718,619
Total financial investments at FVOCI	121,148,418	127,502,681	70,222,101	75,533,793

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A10. Financial Investments Portfolio (cont'd.)

(iii) Financial investments at fair value through other comprehensive income ("FVOCI") (cont'd.)

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

Group	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
As at 30 September 2021	RM'000	RM'000	RM'000	RM'000
At 1 January 2021	34,819	1,718	107,281	143,818
Transferred to Stage 1	551	(551)	-	-
Net remeasurement of allowances	(6,064)	1,083	(686)	(5,667)
New financial assets originated or purchased	12,229	-	16,866	29,095
Financial assets derecognised	(13,379)	-	-	(13,379)
Changes in models/risk parameters	(247)	(73)	-	(320)
Exchange differences	5,012	(1,031)	1,989	5,970
At 30 September 2021	<u>32,921</u>	<u>1,146</u>	<u>125,450</u>	<u>159,517</u>

Group	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
As at 31 December 2020	RM'000	RM'000	RM'000	RM'000
At 1 January 2020	23,070	540	118,727	142,337
Transferred to Stage 2	(337)	337	-	-
Net remeasurement of allowances	4,181	965	(534)	4,612
New financial assets originated or purchased	20,856	-	-	20,856
Financial assets derecognised	(10,968)	(81)	(3,357)	(14,406)
Changes in models/risk parameters	(267)	(43)	(659)	(969)
Amount written-off	-	-	(6,942)	(6,942)
Exchange differences	(1,716)	-	46	(1,670)
At 31 December 2020	<u>34,819</u>	<u>1,718</u>	<u>107,281</u>	<u>143,818</u>

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A10. Financial Investments Portfolio (cont'd.)

(iii) Financial investments at fair value through other comprehensive income ("FVOCI") (cont'd.)

(a) Movements in the allowances for impairment losses on financial investments at fair value through other comprehensive income are as follows (cont'd.):

	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
Bank				
As at 30 September 2021	RM'000	RM'000	RM'000	RM'000
At 1 January 2021	16,676	495	71,056	88,227
Net remeasurement of allowances	(631)	-	(271)	(902)
New financial assets originated or purchased	6,558	-	16,866	23,424
Financial assets derecognised	(6,947)	-	-	(6,947)
Changes in models/risk parameters	(278)	(73)	-	(351)
Exchange differences	691	-	(2)	689
At 30 September 2021	16,069	422	87,649	104,140

	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
Bank				
As at 31 December 2020	RM'000	RM'000	RM'000	RM'000
At 1 January 2020	13,472	400	81,877	95,749
Transferred to Stage 2	(58)	58	-	-
Net remeasurement of allowances	611	153	(534)	230
New financial assets originated or purchased	8,420	-	-	8,420
Financial assets derecognised	(5,470)	(73)	(3,345)	(8,888)
Changes in models/risk parameters	(351)	(43)	-	(394)
Amount written-off	-	-	(6,942)	(6,942)
Exchange differences	52	-	-	52
At 31 December 2020	16,676	495	71,056	88,227

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A10. Financial Investments Portfolio (cont'd.)

(iv) Financial investments at amortised cost

	Group		Bank	
	30 September 2021 RM'000	31 December 2020 RM'000	30 September 2021 RM'000	31 December 2020 RM'000
Money market instruments:				
Malaysian Government Securities	9,073,913	8,664,711	9,073,810	8,664,609
Malaysian Government Investment Issues	18,214,253	11,456,207	7,606,968	6,867,868
Foreign Government Securities	2,034,372	1,068,622	-	-
Khazanah Bonds	863,815	1,073,781	43,592	141,493
Cagamas Bonds	50,801	50,259	50,801	50,259
	30,237,154	22,313,580	16,775,171	15,724,229
Unquoted securities:				
In Malaysia:				
Corporate Bonds and Sukuk	24,434,573	20,912,781	19,483,998	20,327,704
Outside Malaysia:				
Corporate Bonds and Sukuk	2,065,429	2,925,090	3,215,590	3,965,708
Government Bonds	1,559,171	872,817	133,682	114,756
	28,059,173	24,710,688	22,833,270	24,408,168
Allowances for impairment losses	(673,147)	(548,352)	(194,629)	(275,414)
Total financial investments at amortised cost	57,623,180	46,475,916	39,413,812	39,856,983

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

Group	Stage 1	Stage 2	Stage 3	Total
	12-month ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	
As at 30 September 2021				RM'000
At 1 January 2021	57,578	395,043	95,731	548,352
Transferred to Stage 1	346	(346)	-	-
Transferred to Stage 2	(216)	216	-	-
Net remeasurement of allowances	323	(1,524)	43,438	42,237
New financial assets originated or purchased	11,524	433,797	-	445,321
Financial assets derecognised	(7,389)	(352,994)	-	(360,383)
Changes in models/risk parameters	117	(3,858)	-	(3,741)
Exchange differences	115	1,246	-	1,361
At 30 September 2021	62,398	471,580	139,169	673,147

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A10. Financial Investments Portfolio (cont'd.)

(iv) Financial investments at amortised cost (cont'd.)

(a) Movements in the allowances for impairment losses on financial investments at amortised cost are as follows (cont'd.):

Group	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
As at 31 December 2020	RM'000	RM'000	RM'000	RM'000
At 1 January 2020	29,061	23,961	91,618	144,640
Transferred to Stage 2	(2,824)	2,824	-	-
Net remeasurement of allowances	19,012	368,573	4,113	391,698
New financial assets originated or purchased	19,667	-	-	19,667
Financial assets derecognised	(7,371)	(103)	-	(7,474)
Changes in models/risk parameters	67	(133)	-	(66)
Exchange differences	(34)	(79)	-	(113)
At 31 December 2020	57,578	395,043	95,731	548,352

Bank	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
As at 30 September 2021	RM'000	RM'000	RM'000	RM'000
At 1 January 2021	16,077	163,606	95,731	275,414
Net remeasurement of allowances	67	(1,247)	43,438	42,258
New financial assets originated or purchased	7,682	-	-	7,682
Financial assets derecognised	(6,223)	(122,075)	-	(128,298)
Changes in models/risk parameters	143	(3,858)	-	(3,715)
Exchange differences	42	1,246	-	1,288
At 30 September 2021	17,788	37,672	139,169	194,629

Bank	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
As at 31 December 2020	RM'000	RM'000	RM'000	RM'000
At 1 January 2020	9,978	23,827	91,618	125,423
Transferred to Stage 2	(945)	945	-	-
Net remeasurement of allowances	2,226	139,154	4,113	145,493
New financial assets originated or purchased	8,308	-	-	8,308
Financial assets derecognised	(3,461)	(103)	-	(3,564)
Changes in models/risk parameters	(6)	(133)	-	(139)
Exchange differences	(23)	(84)	-	(107)
At 31 December 2020	16,077	163,606	95,731	275,414

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A11. Loans, Advances and Financing

	Note	Group		Bank	
		30 September 2021 RM'000	31 December 2020 RM'000	30 September 2021 RM'000	31 December 2020 RM'000
Loans, advances and financing to financial institutions	(i)	969,867	899,986	29,578,259	30,042,986
Loans, advances and financing to customers	(ii)	528,951,936	511,310,107	207,833,870	199,881,476
		529,921,803	512,210,093	237,412,129	229,924,462
(i) Loans, advances and financing to financial institutions^:					
(A) Loans, advances and financing to financial institutions at amortised cost		872,456	906,576	30,059,569	30,490,995
(B) Loans, advances and financing to financial institutions at fair value through other comprehensive income		104,942	-	346,399	-
Gross loans, advances and financing to financial institutions		977,398	906,576	30,405,968	30,490,995
Allowances for loans, advances and financing:					
- Stage 1 - 12-month ECL		(7,324)	(6,223)	(35,914)	(21,722)
- Stage 2 - Lifetime ECL not credit impaired		(207)	(367)	(443,666)	(17,223)
- Stage 3 - Lifetime ECL credit impaired		-	-	(348,129)	(409,064)
Net loans, advances and financing to financial institutions		969,867	899,986	29,578,259	30,042,986
(ii) Loans, advances and financing to customers:					
(A) Loans, advances and financing to customers at fair value through profit or loss		15,438	170,712	15,438	170,712
(B) Loans, advances and financing to customers at fair value through other comprehensive income		17,829,904	16,031,857	14,650,490	13,290,590
(C) Loans, advances and financing to customers at amortised cost		606,822,373	593,837,430	200,766,986	193,755,229
		624,667,715	610,039,999	215,432,914	207,216,531
Unearned interest and income		(82,891,533)	(87,222,999)	(964,646)	(1,139,318)
Gross loans, advances and financing to customers		541,776,182	522,817,000	214,468,268	206,077,213
Allowances for loans, advances and financing:					
- Stage 1 - 12-month ECL		(2,089,427)	(1,994,831)	(885,934)	(856,954)
- Stage 2 - Lifetime ECL not credit impaired		(5,170,888)	(3,376,730)	(2,749,403)	(1,705,204)
- Stage 3 - Lifetime ECL credit impaired		(5,563,931)	(6,135,332)	(2,999,061)	(3,633,579)
Net loans, advances and financing to customers		528,951,936	511,310,107	207,833,870	199,881,476
Net loans, advances and financing	(i) & (ii)	529,921,803	512,210,093	237,412,129	229,924,462

^ Included in the Bank's loans/financing to financial institutions is financing granted to Maybank Islamic Berhad ("MIB"), a subsidiary of the Bank, under a government financing scheme as part of the government support measures in response to COVID-19 pandemic for the purpose of SME lending amounting to RM965.9 million (31 December 2020: RM945.9 million), and under the Restricted Profit-Sharing Investment Account ("RPSIA") amounting to RM28,504.9 million net of expected credit losses (31 December 2020: RM28,997.4 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	
	30 September 2021 RM'000	31 December 2020 RM'000	30 September 2021 RM'000	31 December 2020 RM'000
(iii) Loans, advances and financing to financial institutions and customers				
Loans/financing to financial institutions	977,398	906,576	30,405,968	30,490,995
Overdrafts/cashline	17,707,099	19,065,309	6,509,053	7,481,675
Term loans:				
- Housing loans/financing	182,043,669	174,145,515	44,077,442	43,022,417
- Syndicated loans/financing	51,009,771	50,214,403	42,077,590	40,563,771
- Hire purchase receivables	74,126,225	75,607,626	11,488,341	13,009,452
- Lease receivables	839,976	521,253	-	-
- Other loans/financing	206,969,916	207,218,162	60,764,144	61,901,874
Credit card receivables	8,217,692	8,664,565	5,340,509	5,652,016
Bills receivables	6,904,451	2,718,711	6,426,275	2,189,748
Trust receipts	4,289,671	2,716,310	3,648,239	2,189,538
Claims on customers under acceptance credits	9,727,572	9,302,357	4,221,865	4,259,393
Revolving credits	51,353,328	49,360,283	27,789,245	24,244,977
Share margin financing	7,588,056	5,960,978	2,547,038	2,135,038
Staff loans	3,788,488	3,721,072	541,858	565,441
Loans to:				
- Directors of the Bank	4,150	4,489	1,234	1,120
- Directors of subsidiaries	6,693	5,954	69	69
Others	90,958	813,012	12	2
	<u>625,645,113</u>	<u>610,946,575</u>	<u>245,838,882</u>	<u>237,707,526</u>
Unearned interest and income	<u>(82,891,533)</u>	<u>(87,222,999)</u>	<u>(964,646)</u>	<u>(1,139,318)</u>
Gross loans, advances and financing	<u>542,753,580</u>	<u>523,723,576</u>	<u>244,874,236</u>	<u>236,568,208</u>
Allowances for loans, advances and financing:				
- Stage 1 - 12-month ECL	(2,096,751)	(2,001,054)	(921,848)	(878,676)
- Stage 2 - Lifetime ECL not credit impaired	(5,171,095)	(3,377,097)	(3,193,069)	(1,722,427)
- Stage 3 - Lifetime ECL credit impaired	(5,563,931)	(6,135,332)	(3,347,190)	(4,042,643)
Net loans, advances and financing	<u>529,921,803</u>	<u>512,210,093</u>	<u>237,412,129</u>	<u>229,924,462</u>

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

	Group		Bank	
	30 September 2021 RM'000	31 December 2020 RM'000	30 September 2021 RM'000	31 December 2020 RM'000
Domestic banking institutions	947,431	901,894	30,380,289	30,490,995
Domestic non-banking financial institutions	19,129,513	18,364,255	14,371,989	13,654,089
Domestic business enterprises:				
- Small and medium enterprises	68,630,777	61,403,405	27,656,759	25,363,794
- Others	113,339,406	116,540,316	64,368,571	64,623,343
Government and statutory bodies	15,680,427	16,260,952	117,243	116,564
Individuals	269,813,437	262,645,679	64,550,463	66,284,495
Other domestic entities	12,399,195	11,961,524	3,647,879	2,778,440
Foreign entities	42,813,394	35,645,551	39,781,043	33,256,488
Gross loans, advances and financing	<u>542,753,580</u>	<u>523,723,576</u>	<u>244,874,236</u>	<u>236,568,208</u>

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

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

	Group		Bank	
	30 September	31 December	30 September	31 December
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Malaysia	332,565,852	326,828,279	152,609,563	152,682,615
Singapore	134,010,653	122,904,956	57,042,650	52,187,746
Indonesia	29,919,016	31,151,046	-	-
Labuan Offshore	12,483,654	14,486,857	12,483,654	14,486,857
Hong Kong SAR	14,331,598	11,673,338	13,913,225	10,698,916
United States of America	1,138,265	810,455	1,137,676	809,890
People's Republic of China	4,676,005	2,943,282	4,676,005	2,943,282
Vietnam	1,699,438	1,257,994	1,062,643	921,657
United Kingdom	1,181,948	1,033,429	1,181,948	1,033,429
Brunei	525,120	533,429	525,120	533,429
Cambodia	3,446,496	3,138,433	-	-
Philippines	4,415,237	5,153,819	-	-
Thailand	2,118,546	1,537,872	-	-
Laos	59,708	68,927	59,708	68,927
Myanmar	182,044	201,460	182,044	201,460
Gross loans, advances and financing	542,753,580	523,723,576	244,874,236	236,568,208

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

	Group		Bank	
	30 September	31 December	30 September	31 December
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Fixed rate:				
- Housing loans/financing	26,662,702	21,686,920	431,501	439,894
- Hire purchase receivables	55,494,387	58,098,807	9,400,066	11,043,302
- Other fixed rate loans/financing	66,354,614	68,698,013	51,992,839	51,067,697
Variable rate:				
- Base lending/financing rate/ base rate plus	215,910,099	206,192,623	77,259,259	75,789,317
- Cost plus	58,181,385	57,502,327	42,168,128	43,262,247
- Other variable rates	120,150,393	111,544,886	63,622,443	54,965,751
Gross loans, advances and financing	542,753,580	523,723,576	244,874,236	236,568,208

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

	Group		Bank	
	30 September	31 December	30 September	31 December
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Purchase of securities	37,446,375	36,337,689	7,512,068	7,199,018
Purchase of transport vehicles	66,738,514	68,521,829	9,092,472	10,932,965
Purchase of landed properties:				
- Residential	145,998,134	134,192,016	43,320,936	41,585,622
- Non-residential	40,269,969	40,258,823	16,883,789	17,448,919
Purchase of fixed assets (excluding landed properties)	3,725,923	3,522,105	3,000,233	2,838,799
Personal use	9,492,103	11,533,431	3,899,480	4,476,932
Credit card	8,282,820	8,701,661	5,371,856	5,654,347
Purchase of consumer durables	6,410	9,715	5,910	9,369
Constructions	17,642,803	16,482,318	10,050,905	9,061,197
Mergers and acquisitions	1,763,578	1,467,097	1,102,119	1,460,384
Working capital	173,221,054	163,786,319	115,779,025	105,602,857
Others	38,165,897	38,910,573	28,855,443	30,297,799
Gross loans, advances and financing	542,753,580	523,723,576	244,874,236	236,568,208

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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	
	30 September 2021 RM'000	31 December 2020 RM'000	30 September 2021 RM'000	31 December 2020 RM'000
Within one year	135,652,794	115,325,443	82,594,576	67,488,355
One year to three years	49,701,013	55,128,115	36,714,123	40,521,401
Three years to five years	60,586,062	52,964,359	29,114,650	24,256,065
After five years	296,813,711	300,305,659	96,450,887	104,302,387
Gross loans, advances and financing	542,753,580	523,723,576	244,874,236	236,568,208

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

	Group		Bank	
	30 September 2021 RM'000	31 December 2020 RM'000	30 September 2021 RM'000	31 December 2020 RM'000
At 1 January	11,674,491	13,857,936	7,120,298	8,825,195
Impaired during the financial period	2,275,648	3,899,391	900,594	1,398,869
Reclassified as non-impaired	(445,719)	(1,126,502)	(150,513)	(330,357)
Amount recovered	(1,540,134)	(1,766,812)	(693,637)	(760,065)
Amount written-off	(1,907,155)	(3,485,303)	(1,497,856)	(2,311,501)
Exchange differences	392,431	295,781	307,189	298,157
Gross impaired loans at 30 September 2021/ 31 December 2020	10,449,562	11,674,491	5,986,075	7,120,298
Less: Stage 3 - Lifetime ECL credit impaired	(5,659,258)	(6,208,777)	(3,442,517)	(4,116,088)
Net impaired loans at 30 September 2021/ 31 December 2020	4,790,304	5,465,714	2,543,558	3,004,210

Calculation of ratio of net impaired loans:

	Group		Bank	
	30 September 2021 RM'000	31 December 2020 RM'000	30 September 2021 RM'000	31 December 2020 RM'000
Gross impaired loans at 30 September 2021/ 31 December 2020 (excluding financing funded by Investment Account*)	10,368,172	11,586,572	5,986,075	7,120,298
Less: Stage 3 - Lifetime ECL credit impaired	(5,659,258)	(6,208,777)	(3,442,517)	(4,116,088)
Net impaired loans	4,708,914	5,377,795	2,543,558	3,004,210
Gross loans, advances and financing	542,753,580	523,723,576	244,874,236	236,568,208
Less: Funded by Investment Account*	(25,408,966)	(23,840,796)	-	-
Less: Allowances for impaired loans, advances and financing at fair value through other comprehensive income and at amortised cost	(13,275,457)	(12,404,277)	(7,899,029)	(7,530,386)
Net loans, advances and financing	504,069,157	487,478,503	236,975,207	229,037,822
Ratio of net impaired loans	0.93%	1.10%	1.07%	1.31%

*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	
	30 September 2021 RM'000	31 December 2020 RM'000	30 September 2021 RM'000	31 December 2020 RM'000
Purchase of securities	80,399	144,436	10,338	16,428
Purchase of transport vehicles	503,647	543,608	88,797	94,880
Purchase of landed properties:				
- Residential	1,026,537	1,178,937	335,181	375,072
- Non-residential	459,097	515,602	172,340	214,484
Purchase of fixed assets (excluding landed properties)	1,270,196	1,427,124	1,257,833	1,413,945
Personal use	223,694	257,705	141,592	162,320
Credit card	72,189	65,846	28,098	24,064
Purchase of consumer durables	3,552	6,659	3,550	6,657
Constructions	1,268,140	950,179	1,206,304	859,978
Working capital	5,188,182	5,606,863	2,631,143	3,220,169
Others	353,929	977,532	110,899	732,301
Gross impaired loans, advances and financing	10,449,562	11,674,491	5,986,075	7,120,298

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

	Group		Bank	
	30 September 2021 RM'000	31 December 2020 RM'000	30 September 2021 RM'000	31 December 2020 RM'000
Malaysia	4,420,011	5,063,672	2,741,744	3,191,060
Singapore	3,025,786	3,834,761	2,583,476	3,258,461
Indonesia	1,809,723	1,567,942	-	-
Labuan Offshore	84,608	70,755	84,608	70,755
Hong Kong SAR	130,471	132,863	122,578	124,744
United States of America	213,610	209,065	213,021	208,498
People's Republic of China	171,753	162,307	171,753	162,307
Vietnam	4,734	39,781	4,260	39,193
Brunei	64,492	64,419	64,492	64,419
Cambodia	108,681	67,493	-	-
Philippines	383,530	416,341	-	-
Thailand	32,020	34,487	-	-
Laos	143	861	143	861
Others	-	9,744	-	-
Gross impaired loans, advances and financing	10,449,562	11,674,491	5,986,075	7,120,298

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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:

At fair value through other comprehensive income

Group	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
As at 30 September 2021	RM'000	RM'000	RM'000	RM'000
At 1 January 2021	40,781	776,568	73,445	890,794
Transferred to Stage 2	(1,963)	1,963	-	-
Net remeasurement of allowances	(1,602)	(494,172)	20,933	(474,841)
New financial assets originated or purchased	7,696	5,352	-	13,048
Financial assets derecognised	(750)	-	(3)	(753)
Changes in models/risk parameters	6,355	(4,412)	-	1,943
Exchange differences	1,123	11,414	952	13,489
At 30 September 2021	51,640	296,713	95,327	443,680

Group	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
As at 31 December 2020	RM'000	RM'000	RM'000	RM'000
At 1 January 2020	29,184	199,953	417,241	646,378
Transferred to Stage 2	(3,949)	3,949	-	-
Net remeasurement of allowances	(640)	318,891	366,674	684,925
New financial assets originated or purchased	30,411	259,336	-	289,747
Financial assets derecognised	(15,259)	(3,792)	(243,679)	(262,730)
Changes in models/risk parameters	1,833	116	-	1,949
Amount written-off	-	-	(466,034)	(466,034)
Exchange differences	(799)	(1,885)	(757)	(3,441)
At 31 December 2020	40,781	776,568	73,445	890,794

Bank	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
As at 30 September 2021	RM'000	RM'000	RM'000	RM'000
At 1 January 2021	39,122	774,073	73,445	886,640
Transferred to Stage 2	(1,963)	1,963	-	-
Net remeasurement of allowances	(1,673)	(494,172)	20,933	(474,912)
New financial assets originated or purchased	7,047	5,352	-	12,399
Financial assets derecognised	(384)	-	(3)	(387)
Changes in models/risk parameters	4,854	(5,146)	-	(292)
Exchange differences	1,110	11,412	952	13,474
At 30 September 2021	48,113	293,482	95,327	436,922

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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 (cont'd.):

At fair value through other comprehensive income (cont'd.)

	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
Bank				
As at 31 December 2020	RM'000	RM'000	RM'000	RM'000
At 1 January 2020	28,662	197,574	417,241	643,477
Transferred to Stage 2	(3,949)	3,949	-	-
Net remeasurement of allowances	(640)	318,891	366,674	684,925
New financial assets originated or purchased	29,375	259,336	-	288,711
Financial assets derecognised	(15,259)	(3,792)	(243,679)	(262,730)
Changes in models/risk parameters	1,732	-	-	1,732
Amount written-off	-	-	(466,034)	(466,034)
Exchange differences	(799)	(1,885)	(757)	(3,441)
At 31 December 2020	39,122	774,073	73,445	886,640

At amortised cost

	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
Group				
As at 30 September 2021	RM'000	RM'000	RM'000	RM'000
At 1 January 2021	2,001,054	3,377,097	6,135,332	11,513,483
Transferred to Stage 1	461,853	(438,639)	(23,214)	-
Transferred to Stage 2	(76,333)	146,839	(70,506)	-
Transferred to Stage 3	(17,394)	(80,898)	98,292	-
Net remeasurement of allowances	(446,385)	2,107,276	1,658,820	3,319,711
New financial assets originated or purchased	416,676	268,787	-	685,463
Financial assets derecognised	(235,460)	(273,254)	(406,205)	(914,919)
Changes in models/risk parameters	(37,269)	24,059	(3,495)	(16,705)
Amount written-off	-	-	(1,907,155)	(1,907,155)
Exchange differences	30,009	39,828	82,062	151,899
At 30 September 2021	2,096,751	5,171,095	5,563,931	12,831,777

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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 (cont'd.):

At amortised cost (cont'd.)

Group	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
As at 31 December 2020	RM'000	RM'000	RM'000	RM'000
At 1 January 2020	1,435,017	1,865,171	6,767,580	10,067,768
Transferred to Stage 1	449,149	(415,653)	(33,496)	-
Transferred to Stage 2	(78,599)	321,206	(242,607)	-
Transferred to Stage 3	(12,437)	(328,277)	340,714	-
Net remeasurement of allowances	177,035	1,915,961	3,429,617	5,522,613
New financial assets originated or purchased	590,062	432,554	-	1,022,616
Financial assets derecognised	(404,938)	(418,549)	(1,010,020)	(1,833,507)
Changes in models/risk parameters	(144,167)	37,124	3,980	(103,063)
Amount related to RPSIA	-	-	(48,424)	(48,424)
Amount written-off	-	-	(3,019,269)	(3,019,269)
Exchange differences	(10,068)	(32,440)	(52,743)	(95,251)
At 31 December 2020	2,001,054	3,377,097	6,135,332	11,513,483

Bank	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
As at 30 September 2021	RM'000	RM'000	RM'000	RM'000
At 1 January 2021	878,676	1,722,427	4,042,643	6,643,746
Transferred to Stage 1	192,736	(186,446)	(6,290)	-
Transferred to Stage 2	(47,871)	82,097	(34,226)	-
Transferred to Stage 3	(7,090)	(58,856)	65,946	-
Net remeasurement of allowances	(145,070)	1,149,865	994,132	1,998,927
New financial assets originated or purchased	146,198	570,795	-	716,993
Financial assets derecognised	(116,378)	(118,650)	(264,276)	(499,304)
Changes in models/risk parameters	(4,975)	4,640	-	(335)
Amount written-off	-	-	(1,497,856)	(1,497,856)
Exchange differences	25,622	27,197	47,117	99,936
At 30 September 2021	921,848	3,193,069	3,347,190	7,462,107

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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 (cont'd.):

At amortised cost (cont'd.)

Bank	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
As at 31 December 2020	RM'000	RM'000	RM'000	RM'000
At 1 January 2020	525,812	875,388	4,669,093	6,070,293
Transferred to Stage 1	166,049	(156,329)	(9,720)	-
Transferred to Stage 2	(38,511)	74,309	(35,798)	-
Transferred to Stage 3	(8,007)	(183,947)	191,954	-
Net remeasurement of allowances	186,733	1,143,203	1,831,599	3,161,535
New financial assets originated or purchased	320,032	222,242	-	542,274
Financial assets derecognised	(238,886)	(233,783)	(764,113)	(1,236,782)
Changes in models/risk parameters	(27,043)	8,211	-	(18,832)
Amount written-off	-	-	(1,845,467)	(1,845,467)
Exchange differences	(7,503)	(26,867)	5,095	(29,275)
At 31 December 2020	<u>878,676</u>	<u>1,722,427</u>	<u>4,042,643</u>	<u>6,643,746</u>

A12. Reinsurance/Retakaful Assets and Other Insurance Receivables

	Note	Group	
		30 September 2021	31 December 2020
		RM'000	RM'000
Reinsurance/retakaful assets	(i)	5,350,433	5,045,832
Other insurance receivables	(ii)	999,668	732,749
		<u>6,350,101</u>	<u>5,778,581</u>

(i) Reinsurance/retakaful assets	Group	
	30 September 2021	31 December 2020
	RM'000	RM'000
Reinsurers' share of:	4,902,468	4,590,468
Life insurance contract liabilities	727,360	480,310
General insurance contract liabilities	4,175,108	4,110,158
Retakaful operators' share of:	453,551	474,578
Family takaful certificate liabilities	199,723	162,130
General takaful certificate liabilities	253,828	312,448
Allowances for impairment losses	(5,586)	(19,214)
	<u>5,350,433</u>	<u>5,045,832</u>

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A12. Reinsurance/Retakaful Assets and Other Insurance Receivables (cont'd.)

	Group	
	30 September 2021 RM'000	31 December 2020 RM'000
(ii) Other insurance receivables		
Due premium including agents/brokers and co-insurers balances	820,267	639,008
Due from reinsurers and cedants/retakaful operators	201,183	131,640
	1,021,450	770,648
Allowances for impairment losses	(iii) (21,782)	(37,899)
	999,668	732,749

(iii) Movements in the allowances for impairment losses on reinsurance/retakaful assets and other insurance receivables:

	Stage 1	Stage 2	Stage 3	Total
	12-month ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	
Group As at 30 September 2021				RM'000
At 1 January 2021	57,113	-	-	57,113
Net remeasurement of allowances	(30,169)	-	-	(30,169)
Exchange differences	424	-	-	424
At 30 September 2021	27,368	-	-	27,368

	Stage 1	Stage 2	Stage 3	Total
	12-month ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	
Group As at 31 December 2020				RM'000
At 1 January 2020	42,751	-	-	42,751
Net remeasurement of allowances	13,108	-	-	13,108
Exchange differences	1,254	-	-	1,254
At 31 December 2020	57,113	-	-	57,113

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A13. Other Assets

	Group		Bank	
	30 September 2021 RM'000	31 December 2020 RM'000	30 September 2021 RM'000	31 December 2020 RM'000
Other debtors, net of allowances for impairment losses	5,854,235	5,631,409	3,807,812	3,928,749
Amount due from brokers and clients	3,806,271	2,943,008	-	-
Prepayments and deposits	1,110,736	1,167,957	152,325	159,353
Tax recoverable	126,544	148,569	-	-
Foreclosed properties	360,843	345,931	28,500	28,500
	11,258,629	10,236,874	3,988,637	4,116,602

A14. Deposits from Customers

(i) By type of deposit

	Group		Bank	
	30 September 2021 RM'000	31 December 2020 RM'000	30 September 2021 RM'000	31 December 2020 RM'000
Fixed deposits and negotiable instruments of deposits				
- One year or less	242,931,271	236,489,723	131,950,434	119,594,928
- More than one year	14,151,940	16,387,002	445,274	1,224,903
	257,083,211	252,876,725	132,395,708	120,819,831
Money market deposits	67,001,972	73,678,562	13,701,690	12,355,003
Savings deposits	104,810,636	92,157,487	37,958,707	33,763,701
Demand deposits	155,296,572	137,636,598	91,267,453	83,086,800
	584,192,391	556,349,372	275,323,558	250,025,335

(ii) By type of customer

	Group		Bank	
	30 September 2021 RM'000	31 December 2020 RM'000	30 September 2021 RM'000	31 December 2020 RM'000
Business enterprises	247,332,488	232,438,733	156,187,731	134,459,714
Individuals	232,494,580	231,305,676	88,889,899	84,669,685
Government and statutory bodies	52,595,186	46,151,797	12,824,089	12,831,965
Others	51,770,137	46,453,166	17,421,839	18,063,971
	584,192,391	556,349,372	275,323,558	250,025,335

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

	Group		Bank	
	30 September 2021 RM'000	31 December 2020 RM'000	30 September 2021 RM'000	31 December 2020 RM'000
Within six months	192,075,658	186,092,752	105,562,250	98,146,714
Six months to one year	50,855,613	50,396,971	26,388,184	21,448,214
One year to three years	13,917,845	15,839,042	381,853	1,163,363
Three years to five years	234,095	547,960	63,421	61,540
	257,083,211	252,876,725	132,395,708	120,819,831

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A15. Deposits and Placements from Financial Institutions

	Group		Bank	
	30 September 2021 RM'000	31 December 2020 RM'000	30 September 2021 RM'000	31 December 2020 RM'000
Licensed banks	38,317,157	32,147,684	43,138,705	30,935,440
Licensed finance companies	186,138	603,389	186,137	603,389
Licensed investment banks	651,825	986,576	651,825	986,576
Other financial institutions	2,592,986	4,141,217	936,534	2,194,710
	41,748,106	37,878,866	44,913,201	34,720,115

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

	Group		Bank	
	30 September 2021 RM'000	31 December 2020 RM'000	30 September 2021 RM'000	31 December 2020 RM'000
One year or less	34,911,980	33,194,515	40,496,938	33,968,995
More than one year	6,836,126	4,684,351	4,416,263	751,120
	41,748,106	37,878,866	44,913,201	34,720,115

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

	Group		Bank	
	30 September 2021 RM'000	31 December 2020 RM'000	30 September 2021 RM'000	31 December 2020 RM'000
Structured deposits	28,445	-	28,445	-
Borrowings				
Unsecured				
Medium Term Notes				
- More than one year				
Denominated in:				
- USD	10,517,620	10,161,921	10,517,620	10,161,921
Total financial liabilities at fair value through profit or loss	10,546,065	10,161,921	10,546,065	10,161,921

The carrying amounts of both structured deposits and borrowings designated at FVTPL of the Group and of the Bank as at 30 September 2021 were RM11,787,032,000 (31 December 2020: RM10,451,802,000). 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	
	30 September 2021 RM'000	31 December 2020 RM'000	30 September 2021 RM'000	31 December 2020 RM'000
(i) Borrowings				
Secured				
(a) Borrowings				
- Less than one year				
Denominated in:				
- IDR	43,892	14,296	-	-
	<u>43,892</u>	<u>14,296</u>	<u>-</u>	<u>-</u>
- More than one year				
Denominated in:				
- IDR	1,618,433	2,062,856	-	-
	<u>1,618,433</u>	<u>2,062,856</u>	<u>-</u>	<u>-</u>
Total secured borrowings	<u>1,662,325</u>	<u>2,077,152</u>	<u>-</u>	<u>-</u>
Unsecured				
(a) Borrowings				
- Less than one year				
Denominated in:				
- USD	636,885	5,884,816	628,200	5,840,621
- CNY	382,641	-	382,641	-
- SGD	3,534,721	1,020,472	1,101,998	1,020,472
- THB	2,319,410	1,425,133	-	-
- HKD	-	176,184	-	176,184
- IDR	82,173	44,959	-	-
- PHP	3,280	-	-	-
- AUD	-	773,724	-	773,724
- RM	2,045,020	2,830,790	2,044,990	2,830,790
	<u>9,004,130</u>	<u>12,156,078</u>	<u>4,157,829</u>	<u>10,641,791</u>
- More than one year				
Denominated in:				
- USD	837,205	1,467,065	-	764,815
- IDR	685,677	668,135	-	-
- CNY	630,329	-	630,329	-
- JPY	788	1,145	-	-
- RM (Note (a))	2,147,134	1,614,483	2,147,134	1,614,483
	<u>4,301,133</u>	<u>3,750,828</u>	<u>2,777,463</u>	<u>2,379,298</u>

Note (a): Included in the borrowings is the amount received by the Group and the Bank under government financing scheme as part of the government support measure in response amounting to COVID-19 pandemic of RM1,597,134,000 (31 December 2020: RM1,564,483,000) for the purpose of SME lending at a below market rate with a six-year maturity to be repaid on 17 June 2026. The financing under the government scheme is for lending at concession rates to SMEs and for COVID-19 related relief measures.

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

	Group		Bank	
	30 September 2021 RM'000	31 December 2020 RM'000	30 September 2021 RM'000	31 December 2020 RM'000
(i) Borrowings (cont'd.)				
Unsecured (cont'd.)				
(b) Medium Term Notes				
- Less than one year				
Denominated in:				
- USD	557,928	80,865	557,928	80,865
- HKD	1,050,258	931,825	1,050,258	931,825
- SGD	686	686	686	686
- JPY	2,388,543	-	2,388,543	-
- AUD	108,689	-	108,689	-
- CNH	1,694,839	17,588	1,694,839	17,588
- CNY	652,013	8,621	652,013	8,621
- CHF	-	452,172	-	452,172
- RM	359	750	359	750
	6,453,315	1,492,507	6,453,315	1,492,507
- More than one year				
Denominated in:				
- USD	8,682,285	8,629,473	8,682,285	8,629,473
- HKD	2,174,088	2,190,257	2,174,088	2,190,257
- JPY	3,216,206	5,827,903	3,216,206	5,827,903
- AUD	488,403	420,279	488,403	420,279
- CNH	1,197,719	939,057	1,197,719	939,057
- CNY	-	613,690	-	613,690
	15,758,701	18,620,659	15,758,701	18,620,659
Total unsecured borrowings	35,517,279	36,020,072	29,147,308	33,134,255
Total borrowings	37,179,604	38,097,224	29,147,308	33,134,255
	Group	Group	Bank	Bank
	30 September 2021 RM'000	31 December 2020 RM'000	30 September 2021 RM'000	31 December 2020 RM'000
(ii) Subordinated Obligations				
Unsecured				
- More than one year				
Denominated in:				
- RM	9,782,679	6,787,309	9,780,430	6,787,309
- USD	2,128,525	2,021,330	2,128,525	2,021,330
- IDR	96,989	159,192	-	-
	12,008,193	8,967,831	11,908,955	8,808,639

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

	Group		Bank	
	30 September 2021 RM'000	31 December 2020 RM'000	30 September 2021 RM'000	31 December 2020 RM'000
(iii) Capital Securities				
Unsecured				
- More than one year				
Denominated in:				
- RM	<u>2,798,673</u>	2,827,793	<u>2,798,673</u>	2,827,793
	<u>2,798,673</u>	<u>2,827,793</u>	<u>2,798,673</u>	<u>2,827,793</u>

A18. Insurance/Takaful Contract Liabilities and Other Insurance Payables

Group	Note	30 September 2021 RM'000	31 December 2020 RM'000
Insurance/takaful contract liabilities	(i)	39,172,212	36,830,150
Other insurance payables	(ii)	<u>900,453</u>	864,615
		<u>40,072,665</u>	<u>37,694,765</u>

(i) Insurance/takaful contract liabilities

	Gross contract liabilities RM'000	Reinsurance/ retakaful assets RM'000	Net contract liabilities RM'000
At 30 September 2021			
Life insurance/family takaful	31,717,189	(927,083)	30,790,106
General insurance/general takaful	<u>7,455,023</u>	<u>(4,423,350)</u>	<u>3,031,673</u>
	<u>39,172,212</u>	<u>(5,350,433)</u>	<u>33,821,779</u>
At 31 December 2020			
Life insurance/family takaful	29,529,240	(642,440)	28,886,800
General insurance/general takaful	<u>7,300,910</u>	<u>(4,403,392)</u>	<u>2,897,518</u>
	<u>36,830,150</u>	<u>(5,045,832)</u>	<u>31,784,318</u>

(ii) Other insurance payables

	30 September 2021 RM'000	31 December 2020 RM'000
Due to agents and intermediaries	197,428	218,840
Due to reinsurers and cedants	636,879	604,582
Due to retakaful operators	<u>66,146</u>	41,193
	<u>900,453</u>	<u>864,615</u>

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A19. Other Liabilities

	Note	Group		Bank	
		30 September 2021 RM'000	31 December 2020 RM'000	30 September 2021 RM'000	31 December 2020 RM'000
Amount due to brokers and clients		8,766,611	4,918,837	-	-
Deposits, other creditors and accruals		15,740,341	11,214,207	9,748,089	6,895,028
Defined benefit pension plans		579,480	542,947	-	-
Provisions for commitments and contingencies		26,392	75,798	26,392	27,880
Allowances for impairment losses on loan commitments and financial guarantee contracts	(i)	300,020	247,147	182,152	164,194
Lease liabilities		1,037,433	1,178,902	426,396	410,438
Structured deposits		2,399,343	2,850,077	307,751	312,527
		28,849,620	21,027,915	10,690,780	7,810,067

(i) Movements in the allowances for impairment losses on loan commitments and financial guarantee contracts are as follows:

Group	Stage 1	Stage 2	Stage 3	Total
	12-month ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	
As at 30 September 2021				RM'000
At 1 January 2021	97,130	61,222	88,795	247,147
Transferred to Stage 1	11,649	(11,348)	(301)	-
Transferred to Stage 2	(3,620)	3,687	(67)	-
Transferred to Stage 3	(79)	(152)	231	-
Net remeasurement of allowances	(38,885)	8,064	10,527	(20,294)
New credit exposures originated or purchased	85,872	48,242	-	134,114
Financial assets derecognised	(26,321)	(26,065)	(11,071)	(63,457)
Changes in models/risk parameters	248	8	(87)	169
Exchange differences	332	1,537	472	2,341
At 30 September 2021	126,326	85,195	88,499	300,020
Group	Stage 1	Stage 2	Stage 3	Total
As at 31 December 2020	12-month ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	
At 1 January 2020	92,086	108,132	478,014	678,232
Transferred to Stage 1	11,741	(11,520)	(221)	-
Transferred to Stage 2	(7,727)	7,989	(262)	-
Transferred to Stage 3	(133)	(287)	420	-
Net remeasurement of allowances	(9,304)	(39,803)	(88,402)	(137,509)
New credit exposures originated or purchased	42,500	15,675	-	58,175
Financial assets derecognised	(31,246)	(19,931)	(301,212)	(352,389)
Changes in models/risk parameters	(738)	1,043	13	318
Exchange differences	(49)	(76)	445	320
At 31 December 2020	97,130	61,222	88,795	247,147

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A19. Other Liabilities (cont'd.)

(i) **Movements in the allowances for impairment losses on loan commitments and financial guarantee contracts are as follows (cont'd.):**

	Stage 1	Stage 2	Stage 3	Total
	12-month ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	
Bank				
As at 30 September 2021				RM'000
At 1 January 2021	42,445	37,100	84,649	164,194
Transferred to Stage 1	1,519	(1,405)	(114)	-
Transferred to Stage 2	(3,016)	3,071	(55)	-
Net remeasurement of allowances	(18,004)	4,891	(2,826)	(15,939)
New credit exposures originated or purchased	47,267	33,006	-	80,273
Financial assets derecognised	(13,844)	(22,773)	(10,505)	(47,122)
Changes in models/risk parameters	(275)	8	-	(267)
Exchange differences	(508)	1,295	226	1,013
At 30 September 2021	55,584	55,193	71,375	182,152
	Stage 1	Stage 2	Stage 3	
	12-month ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	Total RM'000
Bank				
As at 31 December 2020				RM'000
At 1 January 2020	48,324	99,999	469,725	618,048
Transferred to Stage 1	1,456	(1,456)	-	-
Transferred to Stage 2	(673)	820	(147)	-
Transferred to Stage 3	(46)	(13)	59	-
Net remeasurement of allowances	(8,292)	(59,070)	(93,006)	(160,368)
New credit exposures originated or purchased	19,966	9,219	-	29,185
Financial assets derecognised	(18,903)	(12,689)	(292,563)	(324,155)
Changes in models/risk parameters	86	545	-	631
Exchange differences	527	(255)	581	853
At 31 December 2020	42,445	37,100	84,649	164,194

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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	Hedge Reserve RM'000	Total Other Reserves RM'000
At 1 January 2021	12,092	(2,712)	28,069	(350,250)	(312,801)
Other comprehensive income/(loss)	657	-	(209)	127,694	128,142
Defined benefit plan actuarial loss	-	-	(209)	-	(209)
Net loss on net investment hedge	-	-	-	(6,491)	(6,491)
Net gain on cash flow hedge	-	-	-	139,400	139,400
Cost of hedging for fair value hedge	-	-	-	(5,215)	(5,215)
Net gain on capital reserve	657	-	-	-	657
Total comprehensive income/(loss) for the financial period	657	-	(209)	127,694	128,142
At 30 September 2021	12,749	(2,712)	27,860	(222,556)	(184,659)

<u>Group</u>	<===== Non-Distributable =====>				
	Capital Reserve RM'000	Revaluation Reserve RM'000	Defined Benefit Reserve RM'000	Hedge Reserve RM'000	Total Other Reserves RM'000
At 1 January 2020	14,244	(2,712)	21,141	(366,322)	(333,649)
Other comprehensive (loss)/income	(1,012)	-	(6,062)	14,691	7,617
Defined benefit plan actuarial loss	-	-	(6,062)	-	(6,062)
Net loss on net investment hedge	-	-	-	(2,334)	(2,334)
Cost of hedging for fair value hedge	-	-	-	17,025	17,025
Net loss on capital reserve	(1,012)	-	-	-	(1,012)
Total comprehensive (loss)/income for the financial period	(1,012)	-	(6,062)	14,691	7,617
At 30 September 2020	13,232	(2,712)	15,079	(351,631)	(326,032)

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A21. Interest Income

Group	Third Quarter Ended		Cumulative 9 Months Ended	
	30 September	30 September	30 September	30 September
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Loans, advances and financing (Note (a))	2,945,828	3,121,018	8,840,066	10,601,349
Money at call and deposits and placements with financial institutions	80,657	90,975	261,804	366,008
Financial assets purchased under resale agreements	15,098	34,921	97,890	203,979
Financial assets at FVTPL	248,462	255,229	768,955	824,752
Financial investments at FVOCI	703,893	694,472	2,114,166	2,136,577
Financial investments at amortised cost	311,242	323,239	945,612	872,905
	4,305,180	4,519,854	13,028,493	15,005,570
Amortisation of premiums, net	(42,690)	(27,943)	(117,913)	(25,176)
	4,262,490	4,491,911	12,910,580	14,980,394

Bank	Third Quarter Ended		Cumulative 9 Months Ended	
	30 September	30 September	30 September	30 September
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Loans, advances and financing (Note (a))	1,862,282	1,927,884	5,640,985	6,509,856
Money at call and deposits and placements with financial institutions	131,792	72,390	366,158	393,978
Financial assets purchased under resale agreements	6,471	7,902	27,706	91,159
Financial assets at FVTPL	62,085	80,262	202,766	294,259
Financial investments at FVOCI	454,508	529,351	1,414,292	1,654,057
Financial investments at amortised cost	304,716	320,236	932,016	890,807
	2,821,854	2,938,025	8,583,923	9,834,116
Accretion of discounts, net	33,836	43,444	100,431	205,182
	2,855,690	2,981,469	8,684,354	10,039,298

Included in interest income for the nine-month financial period ended 30 September 2021 was interest on impaired assets amounting to approximately RM190,750,000 (30 September 2020: RM273,081,000) for the Group and RM136,093,000 (30 September 2020: RM192,242,000) for the Bank.

Note (a): Included in interest income on loans, financing and advances was the net effects under government support measures to assist borrowers and customer adversely impacted by COVID-19 in order to sustain their business operations amounting to RM19,369,000 (30 September 2020: RM71,407,000) for the Group and RM19,369,000 (30 September 2020: RM50,316,000) for the Bank.

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A22. Interest Expense

Group	Third Quarter Ended		Cumulative 9 Months Ended	
	30 September	30 September	30 September	30 September
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Deposits and placements from financial institutions	53,088	86,478	192,899	488,474
Deposits from customers	800,793	1,240,527	2,636,109	4,476,139
Loans sold to Cagamas	-	-	-	20,755
Obligations on financial assets sold under repurchase agreements	6,291	28,166	40,187	177,899
Borrowings	176,055	228,216	532,796	838,682
Subordinated notes	124,110	137,405	358,290	398,062
Capital securities	29,159	29,159	86,531	86,846
Structured deposits	4,713	10,395	14,950	54,558
Financial liabilities at FVTPL	26,159	33,670	79,501	132,065
	1,220,368	1,794,016	3,941,263	6,673,480

Bank	Third Quarter Ended		Cumulative 9 Months Ended	
	30 September	30 September	30 September	30 September
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Deposits and placements from financial institutions	55,709	112,710	177,689	581,482
Deposits from customers	467,330	649,952	1,443,916	2,483,249
Loans sold to Cagamas	-	-	-	20,755
Obligations on financial assets sold under repurchase agreements	33,047	33,234	122,624	237,097
Borrowings	110,159	136,304	335,890	508,730
Subordinated notes	102,877	105,342	273,342	314,690
Capital securities	29,159	29,159	86,531	86,846
Structured deposits	1,206	2,272	4,126	6,132
Financial liabilities at FVTPL	26,159	33,670	79,501	132,065
	825,646	1,102,643	2,523,619	4,371,046

A23. Net Earned Insurance Premiums

Group	Third Quarter Ended		Cumulative 9 Months Ended	
	30 September	30 September	30 September	30 September
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Gross earned premiums	2,396,107	3,331,266	8,093,281	7,770,656
Premiums ceded to reinsurers	(412,667)	(341,004)	(1,414,070)	(1,094,573)
	1,983,440	2,990,262	6,679,211	6,676,083

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A24. Dividends from Subsidiaries and Associates

	Third Quarter Ended		Cumulative 9 Months Ended	
	30 September 2021 RM'000	30 September 2020 RM'000	30 September 2021 RM'000	30 September 2020 RM'000
Bank				
Gross dividend income from:				
Subsidiaries	2,181,290	216,812	3,780,744	2,296,120
Associates	896	-	896	-
	2,182,186	216,812	3,781,640	2,296,120

A25. Other Operating Income

	Third Quarter Ended		Cumulative 9 Months Ended	
	30 September 2021 RM'000	30 September 2020 RM'000	30 September 2021 RM'000	30 September 2020 RM'000
Group				
(a) Fee income:				
Commission	309,750	332,460	1,023,221	910,359
Service charges and fees	326,553	273,016	1,139,537	899,010
Underwriting fees	15,264	5,298	44,177	15,096
Brokerage income	103,897	132,760	389,442	366,358
Fees on loans, advances and financing	66,068	46,535	149,286	145,572
	821,532	790,069	2,745,663	2,336,395
(b) Investment income:				
Net gain on disposal of financial assets at FVTPL	11,005	338,226	86,515	45,284
Net gain on disposal of financial investments at FVOCI	89,308	346,867	497,244	1,843,215
Net gain on redemption of financial investments at amortised cost	18	-	18	-
Net gain/(loss) on liquidation/disposal of subsidiaries	8,549	-	1,406	(10,160)
	108,880	685,093	585,183	1,878,339
(c) Gross dividend income from:				
Financial investments portfolio	37,135	25,910	127,143	81,032
(d) Unrealised (loss)/gain on revaluation of:				
Financial assets designated upon initial recognition at FVTPL	(8,077)	201,707	(698,290)	390,616
Financial investments at FVTPL	56,574	49,260	(263,848)	(112,302)
Financial liabilities at FVTPL	153,979	332,544	951,086	42,368
Derivatives	(260,576)	386,975	(155,900)	1,328,212
Loans, advances and financing at FVTPL	-	(1,953)	-	(1,001)
	(58,100)	968,533	(166,952)	1,647,893
(e) Other income:				
Foreign exchange (loss)/gain, net	(40,666)	25,722	54,606	171,459
Realised gain/(loss) on derivatives	409,032	(453,232)	129,469	(453,325)
Realised loss on financial liabilities at FVTPL	-	(87,217)	(138,277)	(87,217)
Rental income	11,470	6,813	33,780	20,596
Gain/(loss) on disposal of property, plant and equipment	136	8,704	(802)	20,181
Loss on disposal of foreclosed properties	(265)	(312)	(1,212)	(5,523)
Fair value adjustments on investments properties	(37)	(38)	(111)	(111)
Others	23,713	66,465	109,592	187,322
	403,383	(433,095)	187,045	(146,618)
Total other operating income	1,312,830	2,036,510	3,478,082	5,797,041

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A25. Other Operating Income (cont'd.)

Bank	Third Quarter Ended		Cumulative 9 Months Ended	
	30 September	30 September	30 September	30 September
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
(a) Fee income:				
Commission	187,153	206,766	652,967	578,884
Service charges and fees	200,255	200,909	639,870	592,263
Underwriting fees	2,594	2,743	7,941	9,532
Fees on loans, advances and financing	33,848	20,386	79,277	69,876
	423,850	430,804	1,380,055	1,250,555
(b) Investment income:				
Net gain on disposal of financial assets at FVTPL	27,397	73,705	15,059	176,095
Net gain on disposal of financial investments at FVOCI	72,879	316,694	411,619	1,491,386
Net gain on redemption of financial investments at amortised cost	18	-	18	-
Net gain on disposal of deemed controlled structured entities	34,137	-	34,137	-
	134,431	390,399	460,833	1,667,481
(c) Gross dividend income from:				
Financial investments portfolio	1,382	2,610	5,569	5,802
(c) Unrealised (loss)/gain on revaluation of:				
Financial investments at FVTPL	(15,121)	(28,516)	(85,724)	(93,156)
Financial liabilities at FVTPL	153,979	332,544	951,086	42,368
Derivatives	(412,218)	304,003	(479,456)	1,105,689
Loans, advances and financing at FVTPL	-	(1,953)	-	(1,001)
	(273,360)	606,078	385,906	1,053,900
(d) Other income:				
Foreign exchange gain, net	2,493	31,352	37,585	100,194
Realised gain/(loss) on derivatives	436,944	(483,704)	195,555	(622,837)
Realised loss on financial liabilities at FVTPL	-	(87,217)	(138,277)	(87,217)
Rental income	16,467	28,305	45,674	42,020
(Loss)/gain on disposal of property, plant and equipment	(81)	6,292	(1,245)	17,218
Others	27,811	(3,794)	90,371	25,624
	483,634	(508,766)	229,663	(524,998)
Total other operating income	769,937	921,125	2,462,026	3,452,740

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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	Third Quarter Ended		Cumulative 9 Months Ended	
	30 September	30 September	30 September	30 September
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Gross benefits and claims paid	1,172,008	1,117,542	3,528,401	2,943,994
Claims ceded to reinsurers	(106,025)	(114,226)	(385,330)	(229,069)
Gross change to contract liabilities	(195,383)	2,772,569	2,426,151	4,737,461
Change in contract liabilities ceded to reinsurers	980,135	(648,690)	(208,247)	(972,697)
Net insurance benefits and claims incurred	1,850,735	3,127,195	5,360,975	6,479,689
Net fee and commission expenses	91,443	81,901	256,071	236,094
Change in expense liabilities	2,485	(4,413)	(25,581)	30,686
Taxation of life and takaful fund	14,509	32,186	569	45,452
Net fee and commission expenses, change in expense liabilities and taxation of life and takaful fund	108,437	109,674	231,059	312,232
Total net insurance benefits and claims incurred, net fee and commission expenses, change in expense liabilities and taxation of life and takaful fund	1,959,172	3,236,869	5,592,034	6,791,921

A27. Overhead Expenses

Group	Third Quarter Ended		Cumulative 9 Months Ended	
	30 September	30 September	30 September	30 September
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
(a) Personnel expenses				
Salaries, allowances and bonuses	1,290,014	1,217,510	3,887,010	3,803,986
Social security cost	11,262	11,153	34,064	33,592
Pension costs - defined contribution plan	150,488	143,523	467,046	450,735
ESGP expenses	27,502	17,761	84,091	56,515
Other staff related expenses	203,576	191,596	643,131	607,679
	1,682,842	1,581,543	5,115,342	4,952,507
(b) Establishment costs				
Depreciation of property, plant and equipment	73,563	77,233	223,899	231,247
Depreciation of right-of-use assets	112,836	114,141	339,860	337,596
Amortisation of intangible assets	69,182	72,884	215,076	213,195
Rental of leasehold land and premises	6,609	(3,710)	19,489	23,530
Repairs and maintenance of property, plant and equipment	43,182	54,064	128,430	126,663
Information technology expenses	150,331	148,499	470,971	400,493
Finance cost on lease liabilities	11,861	15,030	33,105	47,265
Others	4,960	4,385	15,703	18,982
	472,524	482,526	1,446,533	1,398,971
(c) Marketing expenses				
Advertisement and publicity	33,473	27,456	100,663	84,927
Others	48,126	56,636	182,374	184,347
	81,599	84,092	283,037	269,274

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A27. Overhead Expenses (cont'd.)

Group (cont'd.)	Third Quarter Ended		Cumulative 9 Months Ended	
	30 September 2021 RM'000	30 September 2020 RM'000	30 September 2021 RM'000	30 September 2020 RM'000
(d) Administration and general expenses				
Fees and brokerage	250,373	238,993	740,821	716,728
Administrative expenses	142,805	142,535	425,433	424,372
General expenses	190,732	168,510	523,092	587,700
Others	463	6,207	29,524	3,200
	584,373	556,245	1,718,870	1,732,000
Total overhead expenses	2,821,338	2,704,406	8,563,782	8,352,752
Cost to income ratio ("CIR")¹	45.9%	44.5%	44.7%	45.3%

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 Maybank Kim Eng Holdings Limited. Income refers to net operating income amount as disclosed on the face of income statements.

Bank	Third Quarter Ended		Cumulative 9 Months Ended	
	30 September 2021 RM'000	30 September 2020 RM'000	30 September 2021 RM'000	30 September 2020 RM'000
(a) Personnel expenses				
Salaries, allowances and bonuses	673,147	613,627	2,018,809	1,911,052
Social security cost	5,720	5,565	17,183	16,692
Pension costs - defined contribution plan	100,193	90,462	304,701	284,766
ESGP expenses	14,401	9,423	44,541	29,367
Other staff related expenses	100,580	101,294	320,411	299,850
	894,041	820,371	2,705,645	2,541,727
(b) Establishment costs				
Depreciation of property, plant and equipment	22,033	24,973	69,326	76,525
Depreciation of right-of-use assets	28,143	26,508	83,327	86,268
Amortisation of intangible assets	16,420	14,461	47,726	42,481
Rental of leasehold land and premises	1,463	1,583	5,373	5,692
Repairs and maintenance of property, plant and equipment	22,214	18,832	63,322	53,800
Information technology expenses	215,757	234,108	701,226	630,354
Finance cost on lease liabilities	4,015	2,969	9,888	11,402
Others	2,348	906	5,820	2,074
	312,393	324,340	986,008	908,596
(c) Marketing expenses				
Advertisement and publicity	15,278	13,487	43,046	31,833
Others	21,807	23,732	76,181	85,139
	37,085	37,219	119,227	116,972
(d) Administration and general expenses				
Fees and brokerage	157,107	163,018	471,474	465,572
Administrative expenses	47,642	50,874	138,051	145,851
General expenses	87,445	60,848	217,403	192,156
Others	3,011	1,988	4,321	3,196
	295,205	276,728	831,249	806,775
(e) Overhead expenses allocated to subsidiaries, net	(278,894)	(300,563)	(872,294)	(931,614)
Total overhead expenses	1,259,830	1,158,095	3,769,835	3,442,456
Cost to income ratio ("CIR")²	25.3%	38.4%	30.4%	30.2%

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	Third Quarter Ended		Cumulative 9 Months Ended	
	30 September 2021 RM'000	30 September 2020 RM'000	30 September 2021 RM'000	30 September 2020 RM'000
Allowances for/(Writeback of) impairment losses on loans, advances and financing:				
- Stage 1 - 12-month ECL, net	6,948	(63,291)	(269,825)	(94,680)
- Stage 2 - Lifetime ECL not credit impaired, net	775,827	294,916	1,663,885	1,750,159
- Stage 3 - Lifetime ECL credit impaired, net	415,445	642,463	1,269,419	2,001,485
Bad debts and financing written-off	12,378	37,515	49,208	68,053
Bad debts and financing recovered	(90,319)	(115,083)	(222,215)	(229,523)
Allowances for impairment losses on other debts	5,957	7,837	10,786	9,797
	1,126,236	804,357	2,501,258	3,505,291

Bank	Third Quarter Ended		Cumulative 9 Months Ended	
	30 September 2021 RM'000	30 September 2020 RM'000	30 September 2021 RM'000	30 September 2020 RM'000
(Writeback of)/allowances for impairment losses on loans, advances and financing:				
- Stage 1 - 12-month ECL, net	(19,568)	23,481	(95,237)	63,667
- Stage 2 - Lifetime ECL not credit impaired, net	310,264	295,806	1,127,816	1,312,043
- Stage 3 - Lifetime ECL credit impaired, net	278,060	300,476	737,455	1,010,341
Bad debts and financing written-off	4,971	28,314	32,868	48,873
Bad debts and financing recovered	(34,816)	(67,583)	(90,323)	(119,760)
Allowances for impairment losses on other debts	647	327	1,325	481
	539,558	580,821	1,713,904	2,315,645

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

Group	Third Quarter Ended		Cumulative 9 Months Ended	
	30 September 2021 RM'000	30 September 2020 RM'000	30 September 2021 RM'000	30 September 2020 RM'000
Financial investments at fair value through other comprehensive income				
- Stage 1 - 12-month ECL, net	(5,734)	8,598	(7,461)	16,506
- Stage 2 - Lifetime ECL not credit impaired, net	(440)	624	1,010	1,386
- Stage 3 - Lifetime ECL credit impaired, net	(210)	75	16,180	(3,848)
Net	(6,384)	9,297	9,729	14,044
Financial investments at amortised cost				
- Stage 1 - 12-month ECL, net	2,284	7,607	4,575	13,478
- Stage 2 - Lifetime ECL not credit impaired, net	(2,349)	(14,113)	75,421	22,255
- Stage 3 - Lifetime ECL credit impaired, net	13,347	(1,342)	43,438	(4,411)
Net	13,282	(7,848)	123,434	31,322
	6,898	1,449	133,163	45,366

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

	Third Quarter Ended		Cumulative 9 Months Ended	
	30 September	30 September	30 September	30 September
	2021	2020	2021	2020
Bank	RM'000	RM'000	RM'000	RM'000
Financial investments at fair value through other comprehensive income				
- Stage 1 - 12-month ECL, net	(419)	(1,979)	(1,298)	3,749
- Stage 2 - Lifetime ECL not credit impaired, net	(33)	1,351	(73)	1,255
- Stage 3 - Lifetime ECL credit impaired, net	205	(90)	16,595	(3,790)
Net	<u>(247)</u>	<u>(718)</u>	<u>15,224</u>	<u>1,214</u>
Financial investments at amortised cost				
- Stage 1 - 12-month ECL, net	1,424	1,989	1,669	5,573
- Stage 2 - Lifetime ECL not credit impaired, net	(2,072)	(2,785)	(127,180)	18,759
- Stage 3 - Lifetime ECL credit impaired, net	13,347	(1,342)	43,438	(4,411)
Net	<u>12,699</u>	<u>(2,138)</u>	<u>(82,073)</u>	<u>19,921</u>
	<u>12,452</u>	<u>(2,856)</u>	<u>(66,849)</u>	<u>21,135</u>

A30. (Writeback of)/allowances for Impairment Losses on Other Financial Assets, net

	Third Quarter Ended		Cumulative 9 Months Ended	
	30 September	30 September	30 September	30 September
	2021	2020	2021	2020
Group	RM'000	RM'000	RM'000	RM'000
Cash and short-term funds				
- Stage 1 - 12-month ECL, net	(197)	(3,416)	3,367	(5,028)
Net	<u>(197)</u>	<u>(3,416)</u>	<u>3,367</u>	<u>(5,028)</u>
Deposits and placements with financial institutions				
- Stage 1 - 12-month ECL, net	765	4,488	(3,142)	7,783
Net	<u>765</u>	<u>4,488</u>	<u>(3,142)</u>	<u>7,783</u>
Financial assets purchased under resale agreements				
- Stage 1 - 12-month ECL, net	(1,404)	(8,245)	(183)	(2,468)
Net	<u>(1,404)</u>	<u>(8,245)</u>	<u>(183)</u>	<u>(2,468)</u>
Reinsurance/retakaful assets and other insurance receivables				
- Stage 1 - 12-month ECL, net	(6,976)	6,533	(30,169)	13,300
Net	<u>(6,976)</u>	<u>6,533</u>	<u>(30,169)</u>	<u>13,300</u>
Other assets				
- Stage 1 - 12-month ECL, net	(295)	1,335	(523)	1,725
- Stage 2 - Lifetime ECL not credit impaired	-	23	3	11
- Stage 3 - Lifetime ECL credit impaired	(3)	(599)	(42,721)	3,640
Net	<u>(298)</u>	<u>759</u>	<u>(43,241)</u>	<u>5,376</u>
Statutory deposit with central banks				
- Stage 1 - 12-month ECL, net	289	(39)	(20)	1,273
Net	<u>289</u>	<u>(39)</u>	<u>(20)</u>	<u>1,273</u>
	<u>(7,821)</u>	<u>80</u>	<u>(73,388)</u>	<u>20,236</u>

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A30. (Writeback of)/allowances for Impairment Losses on Other Financial Assets, net (cont'd.)

	Third Quarter Ended		Cumulative 9 Months Ended	
	30 September 2021 RM'000	30 September 2020 RM'000	30 September 2021 RM'000	30 September 2020 RM'000
Bank				
Cash and short-term funds				
- Stage 1 - 12-month ECL, net	(1,213)	(2,777)	1,545	(5,767)
Net	<u>(1,213)</u>	<u>(2,777)</u>	<u>1,545</u>	<u>(5,767)</u>
Deposits and placements with financial institutions				
- Stage 1 - 12-month ECL, net	979	(356)	927	2,643
Net	<u>979</u>	<u>(356)</u>	<u>927</u>	<u>2,643</u>
Financial assets purchased under resale agreements				
- Stage 1 - 12-month ECL, net	(272)	(4,519)	(1,520)	(16)
Net	<u>(272)</u>	<u>(4,519)</u>	<u>(1,520)</u>	<u>(16)</u>
Other assets				
- Stage 3 - Lifetime ECL credit impaired, net	2,333	(858)	(46,318)	5,474
Net	<u>2,333</u>	<u>(858)</u>	<u>(46,318)</u>	<u>5,474</u>
	<u>1,827</u>	<u>(8,510)</u>	<u>(45,366)</u>	<u>2,334</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 include 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 include 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 businesses.

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 include long-term loans such as project financing, short-term credit such as overdrafts and trade financing, and fee-based 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 =====>							
	<===== Group Global Banking =====>						Head Office and Others RM'000	Total RM'000
	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	Group		
Nine Months Ended 30 September 2021								
Net interest income:								
- External	5,229,886	3,166,131	230,664	168	973,749	(631,281)	8,969,317	
- Inter-segment	-	-	(9,165)	1,615	39,437	(31,887)	-	
	<u>5,229,886</u>	<u>3,166,131</u>	<u>221,499</u>	<u>1,783</u>	<u>1,013,186</u>	<u>(663,168)</u>	<u>8,969,317</u>	
Net interest income	5,229,886	3,166,131	221,499	1,783	1,013,186	(663,168)	8,969,317	
Income from IBS operations	3,110,042	1,405,581	34,025	-	-	1,064,546	5,614,194	
Net earned insurance premiums	-	-	-	-	6,679,211	-	6,679,211	
Other operating income/(loss)	<u>2,080,083</u>	<u>1,605,931</u>	<u>836,444</u>	<u>95,755</u>	<u>(517,383)</u>	<u>(622,748)</u>	<u>3,478,082</u>	
Total operating income	<u>10,420,011</u>	<u>6,177,643</u>	<u>1,091,968</u>	<u>97,538</u>	<u>7,175,014</u>	<u>(221,370)</u>	<u>24,740,804</u>	
Net insurance benefits and claims incurred, net fee and commission expenses, change in expense liabilities and taxation of life and takaful fund	-	-	-	-	(5,791,888)	199,854	(5,592,034)	
Net operating income	<u>10,420,011</u>	<u>6,177,643</u>	<u>1,091,968</u>	<u>97,538</u>	<u>1,383,126</u>	<u>(21,516)</u>	<u>19,148,770</u>	
Overhead expenses	<u>(5,531,094)</u>	<u>(1,446,119)</u>	<u>(734,911)</u>	<u>(91,202)</u>	<u>(760,456)</u>	<u>-</u>	<u>(8,563,782)</u>	
Operating profit/(loss) before impairment losses	4,888,917	4,731,524	357,057	6,336	622,670	(21,516)	10,584,988	
(Allowances for)/writeback of impairment losses on loans, advances, financing and other debts, net	(1,389,713)	(1,107,740)	(5,501)	(102)	1,798	-	(2,501,258)	
(Allowances for)/writeback of impairment losses on financial investments, net	-	(135,190)	6,543	-	(4,516)	-	(133,163)	
Writeback of/(allowances for) impairment losses on other financial assets, net	521	47,811	(5,429)	(5)	30,490	-	73,388	
Operating profit/(loss)	<u>3,499,725</u>	<u>3,536,405</u>	<u>352,670</u>	<u>6,229</u>	<u>650,442</u>	<u>(21,516)</u>	<u>8,023,955</u>	
Share of profits in associates and joint ventures	-	139,973	2,474	-	-	-	142,447	
Profit/(loss) before taxation and zakat	<u>3,499,725</u>	<u>3,676,378</u>	<u>355,144</u>	<u>6,229</u>	<u>650,442</u>	<u>(21,516)</u>	<u>8,166,402</u>	
Taxation and zakat							<u>(1,967,484)</u>	
Profit after taxation and zakat							<u>6,198,918</u>	
Non-controlling interests							<u>(159,560)</u>	
Profit for the financial period attributable to equity holders of the Bank							<u>6,039,358</u>	

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A31. Segment Information (cont'd.)

By business segments (cont'd.)

	<===== Business Segments =====>						Head Office and Others RM'000	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			
Nine Months Ended 30 September 2021 (cont'd.)								
Included in other operating income are:								
Fee income:								
Commission	956,824	76,104	70,099	36,702	-	(116,508)	1,023,221	
Service charges and fees	661,945	246,272	172,533	122,081	39,337	(102,631)	1,139,537	
Underwriting fees	-	7,941	36,236	-	-	-	44,177	
Brokerage income	-	-	389,442	-	-	-	389,442	
Fees on loans, advances and financing	51,501	103,999	676	-	-	(6,890)	149,286	
Fee income from IBS operations	222,610	82,238	30,544	-	-	6,427	341,819	
Included in overhead expenses are:								
Depreciation of property, plant and equipment	(146,220)	(37,517)	(25,453)	(378)	(14,331)	-	(223,899)	
Depreciation of right-of-use assets	(204,955)	(74,439)	(41,356)	(3,063)	(16,047)	-	(339,860)	
Amortisation of intangible assets	(148,039)	(40,450)	(3,991)	-	(22,596)	-	(215,076)	

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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	Group Head Office and Others RM'000	
Nine Months Ended 30 September 2020							
Net interest income:							
- External	5,273,866	3,133,584	179,129	166	865,043	(1,144,874)	8,306,914
- Inter-segment	-	-	(1,268)	1,693	77,245	(77,670)	-
	<u>5,273,866</u>	<u>3,133,584</u>	<u>177,861</u>	<u>1,859</u>	<u>942,288</u>	<u>(1,222,544)</u>	<u>8,306,914</u>
Net interest income	5,273,866	3,133,584	177,861	1,859	942,288	(1,222,544)	8,306,914
Income from IBS operations	2,368,080	1,160,254	59,596	-	-	874,453	4,462,383
Net earned insurance premiums	-	-	-	-	6,673,242	2,841	6,676,083
Other operating income/(loss)	1,952,006	2,365,015	793,721	83,048	745,294	(142,043)	5,797,041
Total operating income	<u>9,593,952</u>	<u>6,658,853</u>	<u>1,031,178</u>	<u>84,907</u>	<u>8,360,824</u>	<u>(487,293)</u>	<u>25,242,421</u>
Net insurance benefits and claims incurred, net fee and commission expenses, change in expense liabilities and taxation of life and takaful fund	-	-	-	-	(7,032,463)	240,542	(6,791,921)
Net operating income	<u>9,593,952</u>	<u>6,658,853</u>	<u>1,031,178</u>	<u>84,907</u>	<u>1,328,361</u>	<u>(246,751)</u>	<u>18,450,500</u>
Overhead expenses	(5,455,576)	(1,383,808)	(735,700)	(84,083)	(693,585)	-	(8,352,752)
Operating profit/(loss) before impairment losses	<u>4,138,376</u>	<u>5,275,045</u>	<u>295,478</u>	<u>824</u>	<u>634,776</u>	<u>(246,751)</u>	<u>10,097,748</u>
Allowances for impairment losses on loans, advances, financing and other debts, net	(1,298,175)	(2,197,941)	(3,548)	(1)	(5,626)	-	(3,505,291)
(Allowances for)/writeback of impairment losses on financial investments, net	(22)	(45,445)	255	-	(154)	-	(45,366)
Allowances for impairment losses on other financial assets, net	(37)	(27)	(842)	(4)	(16,081)	(3,245)	(20,236)
Operating profit/(loss)	<u>2,840,142</u>	<u>3,031,632</u>	<u>291,343</u>	<u>819</u>	<u>612,915</u>	<u>(249,996)</u>	<u>6,526,855</u>
Share of profits in associates and joint ventures	-	136,879	1,092	-	-	-	137,971
Profit/(loss) before taxation and zakat	<u>2,840,142</u>	<u>3,168,511</u>	<u>292,435</u>	<u>819</u>	<u>612,915</u>	<u>(249,996)</u>	<u>6,664,826</u>
Taxation and zakat							(1,586,687)
Profit after taxation and zakat							<u>5,078,139</u>
Non-controlling interests							(134,325)
Profit for the financial period attributable to equity holders of the Bank							<u>4,943,814</u>

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A31. Segment Information (cont'd.)

By business segments (cont'd.)

	<===== Business Segments =====>						Head Office and Others RM'000	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			
Nine Months Ended 30 September 2020 (cont'd.)								
Included in other operating income are:								
Fee income:								
Commission	884,065	81,871	19,537	36,427	-	(111,541)	910,359	
Service charges and fees	603,524	219,552	103,561	54,712	(744)	(81,595)	899,010	
Underwriting fees	-	9,532	5,564	-	-	-	15,096	
Brokerage income	-	-	366,358	-	-	-	366,358	
Fees on loans, advances and financing	54,217	83,485	7,611	-	-	259	145,572	
Fee income from IBS operations	197,867	67,656	44,225	-	-	(31,737)	278,011	
Included in overhead expenses are:								
Depreciation of property, plant and equipment	(148,237)	(39,883)	(28,539)	(408)	(14,180)	-	(231,247)	
Depreciation of right-of-use assets	(201,036)	(75,903)	(41,271)	(1,914)	(17,472)	-	(337,596)	
Amortisation of intangible assets	(144,425)	(39,953)	(9,090)	(181)	(19,546)	-	(213,195)	

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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 2020.

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 financial period ended 30 September 2021.

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 30 September 2021			As at 31 December 2020		
	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
Contingent liabilities						
Direct credit substitutes	10,783,605	9,666,590	6,862,167	10,940,746	9,408,679	6,667,779
Certain transaction-related contingent items	15,207,696	7,461,448	4,957,212	14,338,122	6,901,117	4,717,191
Short-term self-liquidating trade-related contingencies	4,000,601	1,488,857	942,896	2,788,743	715,672	419,682
	29,991,902	18,616,895	12,762,275	28,067,611	17,025,468	11,804,652
Commitments						
Irrevocable commitments to extend credit:						
- Maturity within one year	124,765,322	13,882,302	4,171,146	128,087,058	13,806,768	4,562,969
- Maturity exceeding one year	42,679,287	54,761,405	25,647,646	39,195,697	55,482,054	26,617,515
	167,444,609	68,643,707	29,818,792	167,282,755	69,288,822	31,180,484
Miscellaneous commitments and contingencies	18,428,213	460,821	313,112	5,728,133	986,226	371,132
Total credit-related commitments and contingencies	215,864,724	87,721,423	42,894,179	201,078,499	87,300,516	43,356,268
Derivative financial instruments						
Foreign exchange related contracts:						
- Less than one year	461,171,866	6,061,112	1,456,127	544,059,314	8,706,925	1,529,800
- One year to less than five years	30,158,006	2,448,731	1,170,483	30,742,568	2,619,230	1,315,007
- Five years and above	7,691,532	1,119,818	581,846	6,596,360	958,528	335,022
	499,021,404	9,629,661	3,208,456	581,398,242	12,284,683	3,179,829
Interest rate related contracts:						
- Less than one year	136,239,069	63,205	20,222	186,361,268	72,980	32,188
- One year to less than five years	257,953,550	1,381,118	817,514	221,399,527	1,504,867	852,397
- Five years and above	128,856,801	2,664,868	1,702,429	109,622,660	2,168,784	1,403,142
	523,049,420	4,109,191	2,540,165	517,383,455	3,746,631	2,287,727

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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 30 September 2021			As at 31 December 2020		
	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
Group (cont'd.)						
<u>Derivative financial instruments</u>						
<u>(cont'd.)</u>						
Equity and commodity related contracts:						
- Less than one year	7,826,071	303,934	203,185	5,383,643	245,702	101,334
- One year to less than five years	2,718,130	318,688	144,497	65,390	13,880	12,253
	10,544,201	622,622	347,682	5,449,033	259,582	113,587
Credit related contracts:						
- Less than one year	28,248	-	-	75,360	-	-
Total treasury-related commitments and contingencies	1,032,643,273	14,361,474	6,096,303	1,104,306,090	16,290,896	5,581,143
Total commitments and contingencies	1,248,507,997	102,082,897	48,990,482	1,305,384,589	103,591,412	48,937,411
Bank						
<u>Contingent liabilities</u>						
Direct credit substitutes	7,116,869	6,082,076	4,194,195	7,466,677	6,041,129	3,990,003
Certain transaction-related contingent items	11,619,109	5,650,061	3,703,366	11,506,071	5,475,238	3,806,228
Short-term self-liquidating trade-related contingencies	3,268,077	1,264,254	781,939	2,092,315	478,043	223,572
	22,004,055	12,996,391	8,679,500	21,065,063	11,994,410	8,019,803
<u>Commitments</u>						
Irrevocable commitments to extend credit:						
- Maturity within one year	70,618,341	7,027,808	1,648,159	83,806,525	6,955,310	1,897,783
- Maturity exceeding one year	28,776,123	30,314,080	16,151,283	17,828,264	34,888,721	18,252,090
	99,394,464	37,341,888	17,799,442	101,634,789	41,844,031	20,149,873
Miscellaneous commitments and contingencies	13,064,210	793,858	379,904	3,294,116	1,855,264	545,148
Total credit-related commitments and contingencies	134,462,729	51,132,137	26,858,846	125,993,968	55,693,705	28,714,824
<u>Derivative financial instruments</u>						
Foreign exchange related contracts:						
- Less than one year	450,307,095	5,742,526	1,292,859	545,723,025	8,429,411	1,377,250
- One year to less than five years	29,799,800	2,202,364	989,299	29,651,424	2,470,975	1,146,587
- Five years and above	7,396,280	969,986	484,794	5,673,466	828,538	203,181
	487,503,175	8,914,876	2,766,952	581,047,915	11,728,924	2,727,018

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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 30 September 2021			As at 31 December 2020		
	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>						
<u>(cont'd.)</u>						
Interest rate related contracts:						
- Less than one year	136,245,913	60,966	24,557	185,732,911	72,296	31,673
- One year to less than five years	257,136,700	1,205,103	653,423	221,822,106	1,323,301	680,533
- Five years and above	129,577,649	2,664,582	1,702,179	109,622,660	2,168,036	1,402,488
	522,960,262	3,930,651	2,380,159	517,177,677	3,563,633	2,114,694
Equity and commodity related contracts:						
- Less than one year	3,524,323	468,714	243,075	1,499,709	154,587	66,484
- One year to less than five years	2,718,130	318,688	144,497	65,390	13,880	12,253
	6,242,453	787,402	387,572	1,565,099	168,467	78,737
Credit related contracts:						
- Less than one year	28,248	-	-	75,360	-	-
Total treasury-related commitments and contingencies	1,016,734,138	13,632,929	5,534,683	1,099,866,051	15,461,024	4,920,449
Total commitments and contingencies	1,151,196,867	64,765,066	32,393,529	1,225,860,019	71,154,729	33,635,273

* The credit equivalent amount and the risk-weighted amount are derived from 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 30 September 2021, the amount of credit risk in the Group, measured in terms of the cost to replace the profitable contracts, was RM13,448.5 million (31 December 2020: RM19,908.0 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 9 December 2020 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) Capital Ratio	Tier 1 Capital Ratio	Total Capital Ratio
4.5%*	6.0%	8.0%

* In addition, BNM had introduced Capital Conservation Buffer of 2.5% of total risk-weighted assets ("RWA") as well as Countercyclical Capital Buffer ranging between 0% - 2.5% of total RWA.

- (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 3 May 2019 for Conventional banks and Islamic banks respectively.

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) issued on 9 December 2020 and Capital Adequacy Framework (Basel II - Risk-Weighted Assets) issued on 3 May 2019. The total RWA are computed based on the following approaches:

- (A) Credit risk under Internal Ratings-Based Approach and Standardised 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) issued on 9 December 2020 and Capital Adequacy Framework for Islamic Banks (Risk-Weighted Assets) issued on 3 May 2019. The total RWA are computed based on the following approaches:

- (A) Credit risk under Internal Ratings-Based Approach and 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 financial year ending 31 December 2021 (2020: 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) issued on 9 December 2020 and Capital Adequacy Framework (Basel II - Risk-Weighted Assets) issued on 3 May 2019. 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 financial year ending 31 December 2021 (2020: 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 for the financial year ending 31 December 2021 is 9% up to less than 10% (2020: 9% up to less than 10%) of total RWA.

(iv) For Maybank Singapore Limited, the computation of capital adequacy ratios are based on MAS Notice 637 dated 14 September 2012 (last revised on 14 June 2021) issued by the Monetary Authority of Singapore ("MAS"). The total RWA are computed based on the following approaches:

- (A) Credit risk under Internal Ratings-Based Approach and Standardised Approach;
- (B) Market risk under Standardised Approach;
- (C) Operational risk under Basic Indicator Approach; and
- (D) Capital floor adjustment to RWA under MAS Notice 637.

The minimum regulatory capital adequacy requirements for CET1, Tier 1 and Total Capital are 6.5%, 8.0% and 10.0% of total RWA for the financial year ending 31 December 2021 (2020: 6.5%, 8.0% and 10.0% 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.

Pursuant to Note A9(b), in arriving the capital adequacy ratios for the nine months financial period ended 30 September 2021, the cash portion and a portion of the electable portion of declared dividend which assumed to be paid in cash have 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	
	30 September 2021	31 December 2020	30 September 2021	31 December 2020
CET1 Capital Ratio	14.201%	15.313%	12.953%	15.581%
Tier 1 Capital Ratio	14.892%	16.026%	13.670%	16.343%
Total Capital Ratio	18.173%	18.683%	17.223%	18.639%

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A36. Capital Adequacy (cont'd.)

(d) Components of capital:

	Group		Bank	
	30 September 2021 RM'000	31 December 2020 RM'000	30 September 2021 RM'000	31 December 2020 RM'000
CET1 Capital				
Share capital	51,712,559	48,280,355	51,712,559	48,280,355
Retained profits ¹	18,669,519	22,447,018	12,513,632	16,811,402
Other reserves ¹	3,565,948	5,473,660	4,656,555	6,201,908
Qualifying non-controlling interests	115,496	115,096	-	-
CET1 Capital before regulatory adjustments	<u>74,063,522</u>	76,316,129	<u>68,882,746</u>	71,293,665
Less: Regulatory adjustments applied on CET1 Capital:				
Deferred tax assets	(1,593,926)	(722,391)	(608,790)	-
Goodwill	(5,669,759)	(5,536,309)	(81,015)	(81,015)
Other intangibles	(863,538)	(955,439)	(310,815)	(306,645)
Gains on financial instruments classified as 'fair value through other comprehensive income'	(491,259)	(1,922,600)	(254,135)	(1,279,711)
Regulatory reserve	(2,109,661)	(2,115,455)	(1,495,500)	(1,495,500)
Investment in ordinary shares of unconsolidated financial and insurance/takaful entities ²	(3,227,663)	(3,265,013)	(33,628,949)	(31,314,753)
Total CET1 Capital	<u>60,107,716</u>	61,798,922	<u>32,503,542</u>	36,816,041
Additional Tier 1 Capital				
Capital securities	2,800,000	2,800,000	2,800,000	2,800,000
Qualifying CET1 and Additional Tier 1 Capital instruments held by third parties	127,294	78,005	-	-
Less: Investment in capital instruments of unconsolidated financial and insurance/takaful entities	-	-	(1,000,000)	(1,000,000)
Total Tier 1 Capital	<u>63,035,010</u>	64,676,927	<u>34,303,542</u>	38,616,041
Tier 2 Capital				
Subordinated obligations	11,794,000	8,707,823	11,794,000	8,707,823
Qualifying CET1, Additional Tier 1 and Tier 2 Capital instruments held by third parties	43,252	41,209	-	-
General provisions ³	302,938	332,053	40,206	69,408
Surplus of total eligible provision over total expected loss	1,745,023	1,640,773	1,083,136	989,825
Less: Investment in capital instruments of unconsolidated financial and insurance/takaful entities	-	-	(4,001,453)	(4,341,683)
Total Tier 2 Capital	<u>13,885,213</u>	10,721,858	<u>8,915,889</u>	5,425,373
Total Capital	<u>76,920,223</u>	75,398,785	<u>43,219,431</u>	44,041,414

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 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 RM57,000 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.

³ 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 are derived from consolidated balances of the Bank and its subsidiaries, excluding the investments in insurance and takaful entities and associates.

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A36. Capital Adequacy (cont'd.)

(d) Components of capital (cont'd.):

The capital adequacy ratios of the Bank are 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).

(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	Maybank Singapore Limited
<u>At 30 September 2021</u>				
CET1 Capital Ratio	13.446%	23.249%	-	13.226%
Tier 1 Capital Ratio	14.613%	23.249%	-	13.226%
Total Capital Ratio	17.474%	25.350%	26.618%	17.328%
<u>At 31 December 2020</u>				
CET1 Capital Ratio	13.773%	20.560%	-	13.906%
Tier 1 Capital Ratio	15.030%	20.560%	-	13.906%
Total Capital Ratio	18.063%	22.906%	24.312%	18.049%

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A36. Capital Adequacy (cont'd.)

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

At 30 September 2021

	Group RM'000	Bank RM'000	Maybank Islamic Berhad RM'000	Maybank Investment Bank Berhad RM'000	PT Bank Maybank Indonesia Tbk RM'000	Maybank Singapore Limited RM'000
Standardised Approach exposure	52,732,834	21,301,692	2,274,622	677,288	23,741,999	15,858,356
Internal Ratings-Based Approach exposure after scaling factor	290,837,122	180,522,677	92,208,223	-	-	26,518,785
Credit valuation adjustment	-	-	-	-	-	43,671
Total RWA for credit risk	343,569,956	201,824,369	94,482,845	677,288	23,741,999	42,420,812
Total RWA for credit risk absorbed by Maybank and Investment Account Holders*	-	-	(19,134,665)	-	-	-
Total RWA for market risk	35,295,340	27,652,260	1,132,568	1,005,720	952,102	11,137
Total RWA for operational risk	44,404,752	21,462,476	9,237,199	920,723	5,721,744	3,580,597
Total RWA	423,270,048	250,939,105	85,717,947	2,603,731	30,415,845	46,012,546

At 31 December 2020

	Group RM'000	Bank RM'000	Maybank Islamic Berhad RM'000	Maybank Investment Bank Berhad RM'000	PT Bank Maybank Indonesia Tbk RM'000	Maybank Singapore Limited RM'000
Standardised Approach exposure	53,316,271	23,834,870	2,970,081	869,357	25,386,773	14,807,055
Internal Ratings-Based Approach exposure after scaling factor	273,462,139	164,970,850	80,460,704	-	-	25,869,467
Credit valuation adjustment	-	-	-	-	-	87,700
Total RWA for credit risk	326,778,410	188,805,720	83,430,785	869,357	25,386,773	40,764,222
Total RWA for credit risk absorbed by Maybank and Investment Account Holders*	-	-	(13,537,755)	-	-	-
Total RWA for market risk	33,242,608	25,137,353	1,177,963	873,356	865,980	15,082
Total RWA for operational risk	43,557,083	22,345,775	8,499,254	836,086	5,672,335	3,528,759
Total RWA	403,578,101	236,288,848	79,570,247	2,578,799	31,925,088	44,308,063

* In accordance to the BNM Investment Account policy, the credit risk weighted assets funded by investment accounts (Unrestricted Investment Account and Restricted Investment Account) are excluded from the calculation of capital adequacy ratio of the Bank.

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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 ----->		Principal Amount RM'000	<----- Fair Value ----->	
<u>At 30 September 2021</u>	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	58,309,168	494,456	(348,339)	43,137,492	394,158	(298,128)
- One year to three years	1,553,577	69,202	(8,163)	1,602,678	69,202	(8,163)
- More than three years	4,707,167	50,837	(7,981)	3,458,724	50,837	(7,981)
	<u>64,569,912</u>	<u>614,495</u>	<u>(364,483)</u>	<u>48,198,894</u>	<u>514,197</u>	<u>(314,272)</u>
Currency swaps:						
- Less than one year	374,989,713	1,365,310	(1,376,528)	380,879,755	1,366,110	(1,384,541)
- One year to three years	716,872	96	(14)	716,872	96	(14)
	<u>375,706,585</u>	<u>1,365,406</u>	<u>(1,376,542)</u>	<u>381,596,627</u>	<u>1,366,206</u>	<u>(1,384,555)</u>
Currency spots:						
- Less than one year	7,388,804	8,802	(15,717)	6,959,822	8,674	(12,606)
Currency options:						
- Less than one year	6,811,454	47,863	(20,505)	6,832,397	47,838	(19,542)
- One year to three years	689,552	48,571	(76,553)	2,239,114	48,571	(65,305)
	<u>7,501,006</u>	<u>96,434</u>	<u>(97,058)</u>	<u>9,071,511</u>	<u>96,409</u>	<u>(84,847)</u>
Cross currency interest rate swaps ¹ :						
- Less than one year	9,375,709	240,838	(223,819)	8,200,611	221,682	(214,214)
- One year to three years	14,171,436	380,359	(310,722)	12,772,787	336,984	(303,350)
- More than three years	10,139,095	110,100	(86,797)	10,534,066	108,632	(84,582)
	<u>33,686,240</u>	<u>731,297</u>	<u>(621,338)</u>	<u>31,507,464</u>	<u>667,298</u>	<u>(602,146)</u>
<u>Interest rate related contracts</u>						
Interest rate swaps ² :						
- Less than one year	125,286,209	278,751	(883,121)	125,418,692	277,740	(882,148)
- One year to three years	128,011,245	1,025,616	(1,125,226)	127,518,023	1,017,543	(1,118,302)
- More than three years	219,174,098	6,534,631	(5,289,836)	219,969,176	6,650,303	(5,280,576)
	<u>472,471,552</u>	<u>7,838,998</u>	<u>(7,298,183)</u>	<u>472,905,891</u>	<u>7,945,586</u>	<u>(7,281,026)</u>
Interest rate futures:						
- Less than one year	10,259,866	459,800	(278,382)	10,134,227	459,778	(278,382)
- One year to three years	23,850,658	2,651	(964)	23,452,800	2,642	(960)
- More than three years	1,256,400	754	-	1,256,400	754	-
	<u>35,366,924</u>	<u>463,205</u>	<u>(279,346)</u>	<u>34,843,427</u>	<u>463,174</u>	<u>(279,342)</u>
Interest rate options:						
- Less than one year	64,794	-	-	64,794	-	-
- One year to three years	1,454,910	19,578	-	1,454,910	19,578	-
- More than three years	11,038,591	1,517,665	(1,985,387)	11,038,591	1,517,665	(1,985,387)
	<u>12,558,295</u>	<u>1,537,243</u>	<u>(1,985,387)</u>	<u>12,558,295</u>	<u>1,537,243</u>	<u>(1,985,387)</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 30 September 2021 (cont'd.)	Assets RM'000	Liabilities RM'000	Assets RM'000	Liabilities RM'000	Assets RM'000	Liabilities RM'000
Trading derivatives (cont'd.)						
<u>Equity related contracts</u>						
Equity options:						
- Less than one year	2,456,042	217,194	(104,813)	-	-	-
Equity swaps:						
- Less than one year	1,845,706	72,575	(155,133)	-	-	-
<u>Commodity related contracts</u>						
Commodity options:						
- Less than one year	2,911,358	241,507	(243,201)	2,911,358	241,507	(243,201)
- One year to three years	2,689,136	233,153	(231,459)	2,689,136	233,153	(231,459)
	5,600,494	474,660	(474,660)	5,600,494	474,660	(474,660)
Commodity swaps:						
- Less than one year	612,965	104,910	(104,349)	612,965	104,910	(104,349)
- One year to three years	28,994	2,845	(2,490)	28,994	2,845	(2,490)
	641,959	107,755	(106,839)	641,959	107,755	(106,839)
<u>Credit related contracts</u>						
Credit default swaps						
- Less than one year	28,248	334	(295)	28,248	334	(295)
Hedging derivatives						
<u>Foreign exchange related contracts</u>						
Cross currency interest rate swaps ¹ :						
- Less than one year	4,297,018	34,082	(50,642)	4,297,018	34,082	(50,642)
- One year to three years	3,808,520	134,161	(85,240)	3,808,520	134,161	(85,240)
- More than three years	2,063,319	69,242	(36,663)	2,063,319	69,242	(36,663)
	10,168,857	237,485	(172,545)	10,168,857	237,485	(172,545)
<u>Interest rate related contracts</u>						
Interest rate swaps ² :						
- Less than one year	628,200	8,628	(4,314)	628,200	8,628	(4,314)
- One year to three years	83,760	-	(31)	83,760	-	(31)
- More than three years	1,940,689	87,468	(1,168)	1,940,689	87,468	(1,168)
	2,652,649	96,096	(5,513)	2,652,649	96,096	(5,513)
Netting effects for reporting under MFRS 132						
	-	(413,520)	413,520	-	(410,150)	410,150
Total	1,032,643,273	13,448,459	(12,644,332)	1,016,734,138	13,104,967	(12,293,883)

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A37. Derivative Financial Instruments (cont'd.)

	Group			Bank		
	Principal Amount RM'000	<----- Fair Value ----->		Principal Amount RM'000	<----- Fair Value ----->	
<u>At 31 December 2020</u>		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	41,389,068	237,115	(680,895)	28,410,818	186,133	(595,247)
- One year to three years	1,280,097	57,707	(51,623)	1,156,198	57,707	(51,623)
- More than three years	3,824,022	18,398	(114,482)	2,811,973	18,399	(114,482)
	<u>46,493,187</u>	<u>313,220</u>	<u>(847,000)</u>	<u>32,378,989</u>	<u>262,239</u>	<u>(761,352)</u>
Currency swaps:						
- Less than one year	481,879,831	4,494,746	(4,498,757)	496,973,717	4,659,177	(4,491,525)
- One year to three years	320,901	-	(32)	320,901	-	(32)
	<u>482,200,732</u>	<u>4,494,746</u>	<u>(4,498,789)</u>	<u>497,294,618</u>	<u>4,659,177</u>	<u>(4,491,557)</u>
Currency spots:						
- Less than one year	3,080,992	22,698	(11,278)	3,126,492	12,349	(11,070)
Currency options:						
- Less than one year	6,254,401	51,265	(52,737)	6,282,615	51,198	(52,690)
- One year to three years	993,461	39,997	(104,402)	1,716,514	39,997	(75,716)
	<u>7,247,862</u>	<u>91,262</u>	<u>(157,139)</u>	<u>7,999,129</u>	<u>91,195</u>	<u>(128,406)</u>
Cross currency interest rate swaps ¹ :						
- Less than one year	8,209,260	238,581	(254,225)	7,683,621	226,756	(244,675)
- One year to three years	15,768,295	382,221	(425,017)	14,460,192	324,557	(410,212)
- More than three years	9,639,761	435,795	(274,694)	9,346,721	414,137	(274,433)
	<u>33,617,316</u>	<u>1,056,597</u>	<u>(953,936)</u>	<u>31,490,534</u>	<u>965,450</u>	<u>(929,320)</u>
<u>Interest rate related contracts</u>						
Interest rate swaps ² :						
- Less than one year	162,613,631	862,776	(864,853)	162,628,000	860,387	(862,676)
- One year to three years	123,186,294	1,294,699	(1,989,367)	123,489,360	1,286,580	(1,984,052)
- More than three years	193,156,912	9,172,516	(7,253,272)	193,276,425	9,132,520	(7,250,276)
	<u>478,956,837</u>	<u>11,329,991</u>	<u>(10,107,492)</u>	<u>479,393,785</u>	<u>11,279,487</u>	<u>(10,097,004)</u>
Interest rate futures:						
- Less than one year	23,722,391	1,690,975	(1,654,652)	23,079,665	1,690,975	(1,653,793)
Interest rate options:						
- Less than one year	25,246	-	(111)	25,246	-	(111)
- One year to three years	3,010,667	32,306	(5,325)	3,010,667	32,306	(5,325)
- More than three years	10,603,809	1,523,065	(1,947,716)	10,603,809	1,523,065	(1,947,716)
	<u>13,639,722</u>	<u>1,555,371</u>	<u>(1,953,152)</u>	<u>13,639,722</u>	<u>1,555,371</u>	<u>(1,953,152)</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 ---->	
<u>At 31 December 2020 (cont'd.)</u>	Assets RM'000	Liabilities RM'000	Assets RM'000	Liabilities RM'000	Assets RM'000	Liabilities RM'000
Trading derivatives (cont'd.)						
<u>Equity related contracts</u>						
Index futures:						
- Less than one year	73,109	120,534	(125,544)	73,109	120,534	(125,544)
Equity options:						
- Less than one year	2,942,526	117,408	(193,832)	-	-	-
Equity swaps:						
- Less than one year	1,011,998	52,657	(97,826)	70,590	1,113	(8,670)
<u>Commodity related contracts</u>						
Commodity options:						
- Less than one year	40,721	6,760	(6,760)	40,721	6,760	(6,760)
- One year to three years	2,600	333	(333)	2,600	333	(333)
	43,321	7,093	(7,093)	43,321	7,093	(7,093)
Commodity swaps:						
- Less than one year	1,315,289	53,041	(52,862)	1,315,289	53,041	(52,862)
- One year to three years	62,790	8,068	(7,381)	62,790	8,068	(7,381)
	1,378,079	61,109	(60,243)	1,378,079	61,109	(60,243)
<u>Credit-related contract</u>						
Credit default swaps						
- Less than one year	75,360	334	(21)	75,360	334	(21)
Hedging derivatives						
<u>Foreign exchange related contracts</u>						
Cross currency interest rate swaps ¹ :						
- Less than one year	3,245,762	193,317	-	3,245,762	193,317	-
- One year to three years	3,845,728	220,833	(19,124)	3,845,728	220,833	(19,124)
- More than three years	1,666,663	72,919	(30,430)	1,666,663	72,919	(30,430)
	8,758,153	487,069	(49,554)	8,758,153	487,069	(49,554)
<u>Interest rate related contracts</u>						
Interest rate swaps ² :						
- One year to three years	682,890	10,671	(5,314)	682,890	10,671	(5,314)
- More than three years	381,615	67,336	-	381,615	67,336	-
	1,064,505	78,007	(5,314)	1,064,505	78,007	(5,314)
Netting effects for reporting under MFRS 132						
	-	(1,571,114)	1,571,114	-	(1,557,700)	1,557,700
Total	1,104,306,090	19,907,957	(19,151,751)	1,099,866,051	19,713,802	(18,724,393)

¹ The contractual notional amount of cross currency interest rate swaps held for hedging which is based on interbank offered rates is RM6,987.9 million (31 December 2020: RM5,554.6 million) for the Group and the Bank.

² The contractual notional amount of interest rate swaps held for hedging which is based on interbank offered rates is RM766.4 million (31 December 2020: RM482.0 million) for the Group and the Bank.

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A38. Fair Value Measurements of Financial Instruments

Valuation principles

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 classification in the fair value hierarchy of the Group's and the Bank's financial assets and financial liabilities measured at fair value as at 30 September 2021 and 31 December 2020 is summarised in the table:

Group	<u>Valuation technique using</u>			Total
	Quoted Market Price (Level 1) RM'000	Observable Inputs (Level 2) RM'000	Unobservable Inputs (Level 3) RM'000	
At 30 September 2021				
Financial assets measured at fair value:				
Financial assets designated upon initial recognition at fair value through profit or loss	17,660	13,459,032	-	13,476,692
Money market instruments	-	675,616	-	675,616
Quoted securities	17,660	-	-	17,660
Unquoted securities	-	12,783,416	-	12,783,416
Financial investments at fair value through profit or loss	11,268,679	17,634,072	859,357	29,762,108
Money market instruments	-	11,614,807	-	11,614,807
Quoted securities	11,268,679	-	-	11,268,679
Unquoted securities	-	6,019,265	859,357	6,878,622
Financial investments at fair value through other comprehensive income	4,898,401	115,699,693	550,324	121,148,418
Money market instruments	-	60,866,765	-	60,866,765
Quoted securities	4,898,401	-	-	4,898,401
Unquoted securities	-	54,832,928	550,324	55,383,252
Loans, advances and financing at fair value through profit or loss	-	-	15,438	15,438
Loans, advances and financing at fair value through other comprehensive income	-	-	17,934,846	17,934,846

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

The classification in the fair value hierarchy of the Group's and the Bank's financial assets and financial liabilities measured at fair value as at 30 September 2021 and 31 December 2020 is summarised in the table (cont'd.):

Group (cont'd.) At 30 September 2021	<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 assets measured at fair value (cont'd.):				
Derivative assets	-	12,877,150	571,309	13,448,459
Foreign exchange related contracts	-	3,053,919	-	3,053,919
Interest rate related contracts	-	9,935,542	-	9,935,542
Equity and commodity related contracts	-	300,875	571,309	872,184
Credit related contracts	-	334	-	334
Netting effects under MFRS 132 Amendments	-	(413,520)	-	(413,520)
	16,184,740	159,669,947	19,931,274	195,785,961
Financial liabilities measured at fair value:				
Financial liabilities at fair value through profit or loss	-	10,546,065	-	10,546,065
Structured deposits	-	28,445	-	28,445
Borrowings	-	10,517,620	-	10,517,620
Derivative liabilities	-	12,073,023	571,309	12,644,332
Foreign exchange related contracts	-	2,647,683	-	2,647,683
Interest rate related contracts	-	9,568,429	-	9,568,429
Equity and commodity related contracts	-	270,136	571,309	841,445
Credit related contracts	-	295	-	295
Netting effects under MFRS 132 Amendments	-	(413,520)	-	(413,520)
	-	22,619,088	571,309	23,190,397
Group At 31 December 2020	<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 assets measured at fair value:				
Financial assets designated upon initial recognition at fair value through profit or loss	130,153	13,897,878	-	14,028,031
Money market instruments	-	639,811	-	639,811
Quoted securities	130,153	-	-	130,153
Unquoted securities	-	13,258,067	-	13,258,067
Financial investments at fair value through profit or loss	8,766,663	17,541,955	871,228	27,179,846
Money market instruments	-	12,217,753	-	12,217,753
Quoted securities	8,766,663	-	-	8,766,663
Unquoted securities	-	5,324,202	871,228	6,195,430
Financial investments at fair value through other comprehensive income	3,499,479	123,459,360	543,842	127,502,681
Money market instruments	-	67,536,344	-	67,536,344
Quoted securities	3,499,479	-	-	3,499,479
Unquoted securities	-	55,923,016	543,842	56,466,858
Loans, advances and financing at fair value through profit or loss	-	-	170,712	170,712
Loans, advances and financing at fair value through other comprehensive income	-	-	16,031,857	16,031,857

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

The classification in the fair value hierarchy of the Group's and the Bank's financial assets and financial liabilities measured at fair value as at 30 September 2021 and 31 December 2020 is summarised in the table (cont'd.):

Group (cont'd.) At 31 December 2020	<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 assets measured at fair value (cont'd.):				
Derivative assets	-	19,854,044	53,913	19,907,957
Foreign exchange related contracts	-	6,465,592	-	6,465,592
Interest rate related contracts	-	14,654,344	-	14,654,344
Equity and commodity related contracts	-	304,888	53,913	358,801
Credit related contracts	-	334	-	334
Netting effects under MFRS 132 Amendments	-	(1,571,114)	-	(1,571,114)
	<u>12,396,295</u>	<u>174,753,237</u>	<u>17,671,552</u>	<u>204,821,084</u>
Financial liabilities measured at fair value:				
Financial liabilities at fair value through profit or loss	-	10,161,921	-	10,161,921
Borrowings	-	10,161,921	-	10,161,921
Derivative liabilities	-	19,097,838	53,913	19,151,751
Foreign exchange related contracts	-	6,517,696	-	6,517,696
Interest rate related contracts	-	13,720,610	-	13,720,610
Equity and commodity related contracts	-	430,625	53,913	484,538
Credit related contracts	-	21	-	21
Netting effects under MFRS 132 Amendments	-	(1,571,114)	-	(1,571,114)
	<u>-</u>	<u>29,259,759</u>	<u>53,913</u>	<u>29,313,672</u>
Bank				
<u>Valuation technique using</u>				
Bank At 30 September 2021	Quoted Market Price (Level 1) RM'000	Observable Inputs (Level 2) RM'000	Unobservable Inputs (Level 3) RM'000	Total RM'000
Financial assets measured at fair value:				
Financial investments at fair value through profit or loss	571,296	14,428,500	698,991	15,698,787
Money market instruments	-	9,626,547	-	9,626,547
Quoted securities	571,296	-	-	571,296
Unquoted securities	-	4,801,953	698,991	5,500,944
Financial investments at fair value through other comprehensive income	16,729	69,688,971	516,401	70,222,101
Money market instruments	-	29,034,336	-	29,034,336
Quoted securities	16,729	-	-	16,729
Unquoted securities	-	40,654,635	516,401	41,171,036
Loans, advances and financing at fair value through profit or loss	-	-	15,438	15,438
Loans, advances and financing at fair value through other comprehensive income	-	-	14,996,889	14,996,889
Derivative assets	-	12,533,658	571,309	13,104,967
Foreign exchange related contracts	-	2,890,269	-	2,890,269
Interest rate related contracts	-	10,042,099	-	10,042,099
Equity and commodity related contracts	-	11,106	571,309	582,415
Credit related contracts	-	334	-	334
Netting effects under MFRS 132 Amendments	-	(410,150)	-	(410,150)
	<u>588,025</u>	<u>96,651,129</u>	<u>16,799,028</u>	<u>114,038,182</u>

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

The classification in the fair value hierarchy of the Group's and the Bank's financial assets and financial liabilities measured at fair value as at 30 September 2021 and 31 December 2020 is summarised in the table (cont'd.):

Bank (cont'd.) At 30 September 2021	<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 at fair value through profit or loss	-	10,546,065	-	10,546,065
Structured deposits	-	28,445	-	28,445
Borrowings	-	10,517,620	-	10,517,620
Derivative liabilities	-	11,722,574	571,309	12,293,883
Foreign exchange related contracts	-	2,570,971	-	2,570,971
Interest rate related contracts	-	9,551,268	-	9,551,268
Equity and commodity related contracts	-	10,190	571,309	581,499
Credit related contracts	-	295	-	295
Netting effects under MFRS 132 Amendments	-	(410,150)	-	(410,150)
	-	22,268,639	571,309	22,839,948
Bank At 31 December 2020				
	<u>Quoted Market Price (Level 1) RM'000</u>	<u>Observable Inputs (Level 2) RM'000</u>	<u>Unobservable Inputs (Level 3) RM'000</u>	<u>Total RM'000</u>
Financial assets measured at fair value:				
Financial investments at fair value through profit or loss	518,705	16,988,267	682,508	18,189,480
Money market instruments	-	11,757,406	-	11,757,406
Quoted securities	518,705	-	-	518,705
Unquoted securities	-	5,230,861	682,508	5,913,369
Financial investments at fair value through other comprehensive income	17,836	75,004,340	511,617	75,533,793
Money market instruments	-	31,797,338	-	31,797,338
Quoted securities	17,836	-	-	17,836
Unquoted securities	-	43,207,002	511,617	43,718,619
Loans, advances and financing at fair value through profit or loss	-	-	170,712	170,712
Loans, advances and financing at fair value through other comprehensive income	-	-	13,290,590	13,290,590
Derivative assets	-	19,659,889	53,913	19,713,802
Foreign exchange related contracts	-	6,477,479	-	6,477,479
Interest rate related contracts	-	14,603,840	-	14,603,840
Equity and commodity related contracts	-	135,936	53,913	189,849
Credit related contracts	-	334	-	334
Netting effects under MFRS132 Amendments	-	(1,557,700)	-	(1,557,700)
	536,541	111,652,496	14,709,340	126,898,377

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

The classification in the fair value hierarchy of the Group's and the Bank's financial assets and financial liabilities measured at fair value as at 30 September 2021 and 31 December 2020 is summarised in the table (cont'd.):

Bank (cont'd.) At 31 December 2020	Quoted Market Price (Level 1) RM'000	Valuation technique using		Total RM'000
		Observable Inputs (Level 2) RM'000	Unobservable Inputs (Level 3) RM'000	
Financial liabilities measured at fair value:				
Financial liabilities at fair value through profit or loss	-	10,161,921	-	10,161,921
Borrowings	-	10,161,921	-	10,161,921
Derivative liabilities	-	18,670,480	53,913	18,724,393
Foreign exchange related contracts	-	6,371,259	-	6,371,259
Interest rate related contracts	-	13,709,263	-	13,709,263
Equity and commodity related contracts	-	147,637	53,913	201,550
Credit related contracts	-	21	-	21
Netting effects under MFRS132 Amendments	-	(1,557,700)	-	(1,557,700)
	-	28,832,401	53,913	28,886,314

Valuation techniques

The valuation techniques used for the financial and non-financial assets and financial liabilities 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 upon initial recognition at fair value through profit or loss, financial investments at fair value through profit or loss and financial investments at fair value through other comprehensive income

The fair values of these financial assets/financial investments are determined by reference to prices quoted by independent data providers and independent brokers. Fair values for unquoted equity securities held for socio economic reasons (classified as Level 3) are determined based on the net tangible assets of the companies.

Loans, advances and financing at fair value through profit or loss and at fair value through other comprehensive income

The fair values are estimated based on expected future cash flows of contractual instalment payments, discounted at applicable and prevailing rates at reporting date offered for similar facilities to new borrowers with similar credit profiles.

Financial liabilities 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:

<u>Group</u>	At 1 January 2021 RM'000	Other gains recognised in income statements*	Unrealised gains recognised in income statements#	Unrealised gains recognised in other comprehensive income	Purchases/ Issuances/ Additions 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 30 September 2021 RM'000
Financial investments at fair value through profit or loss											
Unquoted securities	871,228	5,441	31,964	-	-	(49,269)	-	(7)	-	-	859,357
Financial investments at fair value through other comprehensive income											
Unquoted securities	543,842	4,785	-	-	-	-	-	1,697	-	-	550,324
Loans, advances and financing at fair value through profit or loss	170,712	-	-	-	3	-	(161,360)	6,083	-	-	15,438
Loans, advances and financing at fair value through other comprehensive income	16,031,857	-	-	87,866	6,652,763	-	(5,072,987)	235,347	-	-	17,934,846
Derivative assets											
Equity and commodity related contracts	53,913	284,628	229,225	-	245,330	(241,787)	-	-	-	-	571,309
Total Level 3 financial assets	<u>17,671,552</u>	<u>294,854</u>	<u>261,189</u>	<u>87,866</u>	<u>6,898,096</u>	<u>(291,056)</u>	<u>(5,234,347)</u>	<u>243,120</u>	<u>-</u>	<u>-</u>	<u>19,931,274</u>
Derivative liabilities											
Equity and commodity related contracts	(53,913)	295,005	229,225	-	245,330	(144,338)	-	-	-	-	571,309
Total Level 3 financial liabilities	<u>(53,913)</u>	<u>295,005</u>	<u>229,225</u>	<u>-</u>	<u>245,330</u>	<u>(144,338)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>571,309</u>
Total net Level 3 financial assets/(liabilities)	<u>17,617,639</u>	<u>589,859</u>	<u>490,414</u>	<u>87,866</u>	<u>7,143,426</u>	<u>(435,394)</u>	<u>(5,234,347)</u>	<u>243,120</u>	<u>-</u>	<u>-</u>	<u>20,502,583</u>

* Included within 'Other operating income', 'Allowances for 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.)

<u>Group</u>	At 1 January 2020 RM'000	Other gains recognised in income statements*	Unrealised gains recognised in income statements#	Unrealised gains recognised in other comprehensive income RM'000	Purchases/ Issuances/ Additions 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 2020 RM'000
As at 31 December 2020											
Financial investments at fair value through profit or loss											
Unquoted securities	807,125	3,900	64,870	-	-	(4,680)	-	13	-	-	871,228
Financial investments at fair value through other comprehensive income											
Unquoted securities	463,260	-	-	80,671	-	-	-	(89)	-	-	543,842
Loans, advances and financing at fair value through profit or loss	401,703	-	479	-	155,483	-	(382,457)	(4,496)	-	-	170,712
Loans, advances and financing at fair value through other comprehensive income	11,821,285	-	-	212,883	6,472,615	-	(2,461,126)	(13,800)	-	-	16,031,857
Derivative assets											
Equity and commodity related contracts	83,393	456,777	77,240	-	36,870	-	(600,367)	-	-	-	53,913
Total Level 3 financial assets	<u>13,576,766</u>	<u>460,677</u>	<u>142,589</u>	<u>293,554</u>	<u>6,664,968</u>	<u>(4,680)</u>	<u>(3,443,950)</u>	<u>(18,372)</u>	<u>-</u>	<u>-</u>	<u>17,671,552</u>
Derivative liabilities											
Equity and commodity related contracts	(83,393)	457,440	77,240	-	(36,870)	-	(468,330)	-	-	-	(53,913)
Total Level 3 financial liabilities	<u>(83,393)</u>	<u>457,440</u>	<u>77,240</u>	<u>-</u>	<u>(36,870)</u>	<u>-</u>	<u>(468,330)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(53,913)</u>
Total net Level 3 financial assets/(liabilities)	<u>13,493,373</u>	<u>918,117</u>	<u>219,829</u>	<u>293,554</u>	<u>6,628,098</u>	<u>(4,680)</u>	<u>(3,912,280)</u>	<u>(18,372)</u>	<u>-</u>	<u>-</u>	<u>17,617,639</u>

* 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.):

	At 1 January 2021 RM'000	Other (losses)/gains recognised in income statements* RM'000	Unrealised gains recognised in income statements# RM'000	Unrealised gains recognised in other comprehensive income RM'000	Purchases/ Issuances/ Additions 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 30 September 2021 RM'000
Bank											
As at 30 September 2021											
Financial investments at fair value through profit or loss											
Unquoted securities	682,508	(4,588)	21,071	-	-	-	-	-	-	-	698,991
Financial investments at fair value through other comprehensive income											
Unquoted securities	511,617	4,784	-	-	-	-	-	-	-	-	516,401
Loans, advances and financing at fair value through profit or loss											
	170,712	-	-	-	3	-	(161,360)	6,083	-	-	15,438
Loans, advances and financing at fair value through other comprehensive income											
	13,290,590	-	-	105,685	6,277,273	-	(4,907,387)	230,728	-	-	14,996,889
Derivative assets											
Equity and commodity related contracts	53,913	284,628	229,225	-	245,330	(241,787)	-	-	-	-	571,309
Total Level 3 financial assets	14,709,340	284,824	250,296	105,685	6,522,606	(241,787)	(5,068,747)	236,811	-	-	16,799,028
Derivative liabilities											
Equity and commodity related contracts	(53,913)	295,005	229,225	-	245,330	(144,338)	-	-	-	-	571,309
Total Level 3 financial liabilities	(53,913)	295,005	229,225	-	245,330	(144,338)	-	-	-	-	571,309
Total net Level 3 financial assets/(liabilities)	14,655,427	579,829	479,521	105,685	6,767,936	(386,125)	(5,068,747)	236,811	-	-	17,370,337

* 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	Other	Unrealised	Unrealised	Purchases/	Sales	Settlements	Exchange	Transfer	Transfer	At
As at 31 December 2020	1 January	gains	gains	gains	Issuances/	RM'000	RM'000	differences	into	out from	31 December
	2020	recognised in	recognised in	recognised in	Additions			RM'000	Level 3	Level 3	2020
	RM'000	income	income	other	RM'000				RM'000	RM'000	RM'000
		statements*	statements#	comprehensive							
		RM'000	RM'000	income							
				RM'000							
Financial investments at fair value through profit or loss											
Unquoted securities	622,176	-	60,332	-	-	-	-	-	-	-	682,508
Financial investments at fair value through other comprehensive income											
Unquoted securities	429,654	-	-	81,963	-	-	-	-	-	-	511,617
Loans, advances and financing at fair value through profit or loss											
	401,703	-	479	-	155,483	-	(382,457)	(4,496)	-	-	170,712
Loans, advances and financing at fair value through other comprehensive income											
	11,380,901	-	-	178,658	4,125,357	-	(2,380,526)	(13,800)	-	-	13,290,590
Derivative assets											
Equity and commodity related contracts	83,393	456,777	77,240	-	36,870	-	(600,367)	-	-	-	53,913
Total Level 3 financial assets	12,917,827	456,777	138,051	260,621	4,317,710	-	(3,363,350)	(18,296)	-	-	14,709,340
Derivative liabilities											
Equity and commodity related contracts	(83,393)	457,440	77,240	-	(36,870)	-	(468,330)	-	-	-	(53,913)
Total Level 3 financial liabilities	(83,393)	457,440	77,240	-	(36,870)	-	(468,330)	-	-	-	(53,913)
Total net Level 3 financial assets/(liabilities)	12,834,434	914,217	215,291	260,621	4,280,840	-	(3,831,680)	(18,296)	-	-	14,655,427

* Included within 'Other operating income' and '(Allowances for)/writeback of impairment losses on financial investments'.

Included within 'Other operating income'.

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

There were no transfers between Level 1 and Level 2 for the Group and the Bank during the third quarter ended 30 September 2021.

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 third quarter ended 30 September 2021.

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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 document issued on 27 September 2019, 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 and Shareholders' and General Fund are disclosed as follows:

(a) Unaudited Income Statements for the Third Quarter Ended 30 September 2021

Group Nine-Month Ended	Life Fund		Family Takaful Fund		General Takaful Fund		Shareholders' and General Fund		Total	
	30 September 2021	30 September 2020	30 September 2021	30 September 2020	30 September 2021	30 September 2020	30 September 2021	30 September 2020	30 September 2021	30 September 2020
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Interest income	417,563	366,527	344,318	336,421	60,831	55,174	190,475	185,148	1,013,187	943,270
Interest expense	-	-	-	-	-	-	-	(983)	-	(983)
Net interest income	417,563	366,527	344,318	336,421	60,831	55,174	190,475	184,165	1,013,187	942,287
Net earned insurance premiums	3,328,224	3,617,635	1,241,368	1,103,138	964,464	1,028,263	1,145,155	927,047	6,679,211	6,676,083
Other operating (loss)/income	(268,273)	109,403	(291,368)	409,447	(3,058)	39,481	45,316	185,618	(517,383)	743,949
Total operating income	3,477,514	4,093,565	1,294,318	1,849,006	1,022,237	1,122,918	1,380,946	1,296,830	7,175,015	8,362,319
Net insurance benefits and claims incurred, net fee and commission expenses, change in expense liabilities and taxation of life and takaful fund	(3,296,357)	(3,925,316)	(1,283,849)	(1,816,770)	(1,026,941)	(1,119,625)	(184,741)	(170,752)	(5,791,888)	(7,032,463)
Net operating income	181,157	168,249	10,469	32,236	(4,704)	3,293	1,196,205	1,126,078	1,383,127	1,329,856
Overhead expenses	(181,389)	(166,099)	(17,483)	(25,222)	(309)	(175)	(542,206)	(504,895)	(741,387)	(696,391)
Operating (loss)/profit before impairment losses	(232)	2,150	(7,014)	7,014	(5,013)	3,118	653,999	621,183	641,740	633,465
(Allowances for)/writeback of impairment losses on loans, advances, financing and other debts, net	(55)	(68)	(17)	-	(2,274)	268	4,144	(5,827)	1,798	(5,627)
(Allowances for)/writeback of impairment losses on financial investments, net	(3,897)	(455)	-	-	-	-	(619)	301	(4,516)	(154)
Writeback of/(allowances for) impairment on other financial assets, net	4,184	(1,627)	7,031	(7,014)	7,287	(3,386)	11,987	(4,054)	30,489	(16,081)
Profit before taxation and zakat	-	-	-	-	-	-	669,511	611,603	669,511	611,603
Taxation and zakat	-	-	-	-	-	-	(195,604)	(200,266)	(195,604)	(200,266)
Profit for the financial period	-	-	-	-	-	-	473,907	411,337	473,907	411,337

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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 document issued on 27 September 2019, 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 and Shareholders' and General Fund are disclosed as follows (cont'd.):

(b) Unaudited Statements of Financial Position as at 30 September 2021

Group	Life Fund		Family Takaful Fund		General Takaful Fund		Shareholders' and General Fund		Total	
	30 September 2021	31 December 2020	30 September 2021	31 December 2020	30 September 2021	31 December 2020	30 September 2021	31 December 2020	30 September 2021	31 December 2020
	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	530,480	722,325	18,017	5,783	54,423	38,477	426,197	252,170	1,029,117	1,018,755
Deposits and placements with financial institutions	356,803	1,896,199	1,021,055	2,811,690	94,645	969,131	854,520	1,829,400	2,327,023	7,506,420
Financial assets designated upon initial recognition at fair value through profit or loss	6,510,365	6,719,541	5,851,436	5,910,702	19,701	20,424	987,115	1,166,021	13,368,617	13,816,688
Financial investments at fair value through profit or loss	5,206,054	4,860,250	631,037	540,374	117,262	28,190	578,664	569,661	6,533,017	5,998,475
Financial investments at fair value through other comprehensive income	7,136,261	4,054,891	4,541,205	3,059,659	2,029,397	1,227,357	4,864,706	3,960,583	18,571,569	12,302,490
Loans, advances and financing	263,169	261,372	-	-	-	-	95,487	88,900	358,656	350,272
Derivative assets	16,744	140,502	-	-	-	-	590	12,037	17,334	152,539
Reinsurance/retakaful assets and other insurance receivables	778,828	541,915	394,725	316,950	368,256	356,542	4,808,292	4,563,174	6,350,101	5,778,581
Other assets	618,250	82,112	20,996	27,314	4,559	4,400	1,718,788	530,815	2,362,593	644,641
Investment properties	796,529	796,250	-	-	-	-	138,885	138,840	935,414	935,090
Interest in associates	-	-	-	-	-	-	152	152	152	152
Property, plant and equipment	88,610	91,931	-	-	-	-	62,883	64,391	151,493	156,322
Right-of-use assets	145	86	-	-	-	-	18,317	24,923	18,462	25,009
Intangible assets	53,358	50,920	-	-	-	-	89,663	59,268	143,021	110,188
Deferred tax assets	3,067	3,438	5,914	3,746	5,980	4,572	58,302	56,789	73,263	68,545
TOTAL ASSETS	22,358,663	20,221,732	12,484,385	12,676,218	2,694,223	2,649,093	14,702,561	13,317,124	52,239,832	48,864,167
LIABILITIES										
Derivative liabilities	34,620	3,473	-	-	-	-	8,063	-	42,683	3,473
Insurance/takaful contract liabilities and other insurance payables	19,588,892	17,670,026	12,152,374	11,984,943	2,245,875	2,238,292	6,085,524	5,801,504	40,072,665	37,694,765
Other liabilities #	2,695,534	2,501,180	306,999	636,813	444,080	397,599	(338,199)	(430,416)	3,108,414	3,105,176
Provision for taxation and zakat	(15,285)	(32,868)	317	(938)	-	-	47,940	93,264	32,972	59,458
Deferred tax liabilities	54,902	79,921	24,695	55,400	4,268	13,202	333,839	338,858	417,704	487,381
Subordinated obligations	-	-	-	-	-	-	1,000,000	-	1,000,000	-
TOTAL LIABILITIES	22,358,663	20,221,732	12,484,385	12,676,218	2,694,223	2,649,093	7,137,167	5,803,210	44,674,438	41,350,253
EQUITY ATTRIBUTABLE TO EQUITYHOLDERS OF THE SUBSIDIARIES										
Share capital	-	-	-	-	-	-	660,865	660,865	660,865	660,865
Other reserves	-	-	-	-	-	-	6,904,529	6,853,049	6,904,529	6,853,049
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	22,358,663	20,221,732	12,484,385	12,676,218	2,694,223	2,649,093	14,702,561	13,317,124	52,239,832	48,864,167

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 Third Quarter Ended 30 September 2021

Group	Third Quarter Ended		Cumulative 9 Months Ended	
	30 September 2021 RM'000	30 September 2020 RM'000	30 September 2021 RM'000	30 September 2020 RM'000
Income derived from investment of depositors' funds (Note (a))	2,044,000	2,107,370	6,557,325	6,477,524
Income derived from investment of investment account funds (Note (a))	239,580	245,322	694,644	761,583
Income derived from investment of Islamic Banking Funds (Note (a))	169,223	112,923	413,974	337,895
(Allowances for)/writeback of impairment losses on financing and advances, net	(331,173)	16,981	(675,140)	(536,470)
(Allowances for)/writeback of impairment losses on financial investments, net	(1,039)	3,601	241,775	(12,907)
Allowances for impairment losses on other financial assets, net	(2,170)	(90)	(2,902)	(90)
Total distributable income	2,118,421	2,486,107	7,229,676	7,027,535
Profit share from restricted investment account	37	-	62	-
Profit distributed to depositors	(872,318)	(1,041,247)	(2,596,092)	(3,658,509)
Profit distributed to investment account holders	(72,723)	(76,591)	(216,604)	(293,658)
Total net income	1,173,417	1,368,269	4,417,042	3,075,368
Finance cost	(102,813)	(121,290)	(305,980)	(369,768)
Overhead expenses	(409,004)	(392,448)	(1,203,809)	(1,242,030)
Profit before taxation and zakat	661,600	854,531	2,907,253	1,463,570
Taxation	(160,117)	(209,589)	(700,181)	(383,743)
Zakat	(8,422)	(9,646)	(20,242)	(21,882)
Profit for the financial period	493,061	635,296	2,186,830	1,057,945

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

Group	Third Quarter Ended		Cumulative 9 Months Ended	
	30 September 2021 RM'000	30 September 2020 RM'000	30 September 2021 RM'000	30 September 2020 RM'000
Income derived from investment of depositors' funds (Note (a))	2,044,000	2,107,370	6,557,325	6,477,524
Income derived from investment of investment account funds (Note (a))	239,580	245,322	694,644	761,583
Income derived from investment of Islamic Banking Funds (Note (a))	169,223	112,923	413,974	337,895
Total income before allowances for impairment losses on financial assets and overhead expenses	2,452,803	2,465,615	7,665,943	7,577,002
Profit share from restricted investment account	37	-	62	-
Profit distributed to depositors	(872,318)	(1,041,247)	(2,596,092)	(3,658,509)
Profit distributed to investment account holders	(72,723)	(76,591)	(216,604)	(293,658)
	1,507,799	1,347,777	4,853,309	3,624,835
Finance cost	(102,813)	(121,290)	(305,980)	(369,768)
Net of intercompany income and expenses	365,712	363,499	1,066,865	1,207,316
Income from Islamic Banking Scheme operations reported in the Income Statement of the Group	1,770,698	1,589,986	5,614,194	4,462,383

Note (a): Included in income derived from investment of depositors' funds/ investment account funds / Islamic Banking Funds were the net effects under government support measures to assist customers adversely impacted by COVID-19 in order to sustain their business operations amounting to RM100,347,000 (30 September 2020: RM243,289,000).

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

A40b. Unaudited Statements of Comprehensive Income for the Third Quarter Ended 30 September 2021

Group	Third Quarter Ended		Cumulative 9 Months Ended	
	30 September 2021 RM'000	30 September 2020 RM'000	30 September 2021 RM'000	30 September 2020 RM'000
Profit for the financial period	493,061	635,296	2,186,830	1,057,945
Other comprehensive (loss)/income:				
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Net (loss)/gain on foreign exchange translation	(27)	174	(500)	52
Net (loss)/gain on financial investments at fair value through other comprehensive income	(94,870)	101,308	(495,533)	279,255
- Net (loss)/gain from change in fair value	(125,845)	127,439	(654,476)	360,249
- Changes in expected credit losses	772	4,454	1,869	5,465
- Income tax effect	30,203	(30,585)	157,074	(86,459)
	(94,897)	101,482	(496,033)	279,307
Other comprehensive (loss)/income for the financial period, net of tax	(94,897)	101,482	(496,033)	279,307
Total comprehensive income for the financial period	398,164	736,778	1,690,797	1,337,252

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

A40c. Unaudited Statement of Financial Position as at 30 September 2021

<u>Group</u>	Note	30 September 2021 RM'000	31 December 2020 RM'000
ASSETS			
Cash and short-term funds		19,228,299	9,919,980
Deposits and placements with financial institutions		500,529	-
Financial assets purchased under resale agreements		6,399,821	3,625,611
Financial investments at fair value through profit or loss		1,584,593	-
Financial investments at fair value through other comprehensive income		15,620,379	18,453,139
Financial investments at amortised cost		26,478,113	16,381,007
Financing and advances	A40e	208,457,041	203,666,875
Derivative assets		254,835	385,303
Other assets		3,626,546	3,459,012
Statutory deposit with central banks		14,505	12,591
Property, plant and equipment		661	979
Right-of-use assets		7,611	9,901
Deferred tax assets		197,054	-
Total Assets		282,369,987	255,914,398
LIABILITIES			
Customers' funding:			
- Deposits from customers	A40f	176,706,339	165,268,243
- Investment accounts of customers ¹	A40g	25,408,966	23,840,796
Deposits and placements from financial institutions		50,920,897	38,770,852
Bills and acceptances payable		40,054	38,086
Derivative liabilities		229,769	656,302
Other liabilities		1,575,970	783,382
Deferred tax liabilities		-	449,812
Provision for taxation and zakat		368,302	21,256
Term funding	A40h	10,935,262	10,895,058
Subordinated sukuk	A40i	2,025,723	2,028,303
Capital securities	A40j	1,014,782	1,002,441
Total Liabilities		269,226,064	243,754,531
ISLAMIC BANKING CAPITAL FUNDS			
Islamic Banking Funds		10,327,374	7,934,444
Retained profits		2,070,986	2,983,827
Other reserves		745,563	1,241,596
		13,143,923	12,159,867
Total liabilities and Islamic Banking Capital Funds		282,369,987	255,914,398
Restricted investment accounts managed by the Group	A40g	546,766	-
TOTAL ISLAMIC BANKING ASSETS OWNED AND MANAGED BY THE GROUP		282,916,753	255,914,398
COMMITMENTS AND CONTINGENCIES		84,136,532	76,524,814

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 Third Quarter Ended 30 September 2021

<u>Group</u>	←-----Non-distributable----->						Distributable Retained Profits RM'000	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 ¹			
At 1 January 2021	7,934,444	594,474	645,022	403	1,697	2,983,827	12,159,867	
Profit for the financial period	-	-	-	-	-	2,186,830	2,186,830	
Other comprehensive loss	-	-	(495,533)	(500)	-	-	(496,033)	
Net loss on foreign exchange translation	-	-	-	(500)	-	-	(500)	
Net loss on financial investments at fair value through other comprehensive income	-	-	(495,533)	-	-	-	(495,533)	
Total comprehensive (loss)/income for the financial period	-	-	(495,533)	(500)	-	2,186,830	1,690,797	
Issue of ordinary shares	2,392,930	-	-	-	-	-	2,392,930	
Dividends paid	-	-	-	-	-	(3,099,671)	(3,099,671)	
At 30 September 2021	10,327,374	594,474	149,489	(97)	1,697	2,070,986	13,143,923	

¹This equity contribution reserve from the holding company is pertaining to waiver of intercompany balances 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 Third Quarter Ended 30 September 2021 (cont'd.)

<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	¹ Equity contribution from the holding company RM'000	Distributable Retained Profits RM'000	
At 1 January 2020	7,202,398	846,497	338,320	259	1,697	2,887,335	11,276,506
Profit for the financial period	-	-	-	-	-	1,057,945	1,057,945
Other comprehensive gain	-	-	279,255	52	-	-	279,307
Net gain on foreign exchange translation	-	-	-	52	-	-	52
Net gain on financial investments at fair value through other comprehensive income	-	-	279,255	-	-	-	279,255
Total comprehensive income for the financial period	-	-	279,255	52	-	1,057,945	1,337,252
Issue of ordinary shares	732,046	-	-	-	-	-	732,046
Transfer from regulatory reserve	-	(252,023)	-	-	-	252,023	-
Dividends paid	-	-	-	-	-	(1,464,091)	(1,464,091)
At 30 September 2020	7,934,444	594,474	617,575	311	1,697	2,733,212	11,881,713

¹ This equity contribution reserve from the holding company is pertaining to waiver of intercompany balances between respective subsidiaries and its holding company.

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

A40e. Financing and Advances

Group	Note	30 September 2021 RM'000	31 December 2020 RM'000
Financing and advances to financial institution	(i)	104,942	-
Financing and advances to customers	(ii)	208,352,099	203,666,875
		<u>208,457,041</u>	<u>203,666,875</u>
(i) Financing and advances to financial institution:			
(A) Financing and advances at fair value through other comprehensive income [^]		104,942	-
Net financing and advances to financial institution		<u>104,942</u>	<u>-</u>
(ii) Financing and advances to customers:			
(A) Financing and advances at fair value through other comprehensive income		3,179,414	2,741,267
(B) Financing and advances at amortised cost		290,285,535	289,662,732
		<u>293,464,949</u>	<u>292,403,999</u>
Unearned income		(81,586,332)	(85,698,158)
Gross financing and advances to customers		211,878,617	206,705,841
Allowances for impaired financing and advances:			
- Stage 1 - 12-month ECL		(605,516)	(574,213)
- Stage 2 - Lifetime ECL not credit impaired		(1,768,013)	(1,209,931)
- Stage 3 - Lifetime ECL credit impaired		(1,152,989)	(1,254,822)
Net financing and advances to customers		<u>208,352,099</u>	<u>203,666,875</u>
Net financing and advances	(i) & (ii)	<u>208,457,041</u>	<u>203,666,875</u>

[^] Included in the financing and advances to financial institution is financing granted under RPSIA amounting to RM104.9 million (31 December 2020: Nil). The RPSIA is a contract based on the Mudharabah principle between two parties to finance a financing where the Group acts as the investor who solely provides capital to financial institution. The profit of the business venture is shared between both parties based on pre-agreed ratios. Losses, if any, are borne by the Group.

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

A40e. Financing and Advances (cont'd.)

Group	Bai¹	Murabahah	Musharakah	Al-Ijarah Thumma Al-Bai ("AITAB")²	Ijarah³	Others	Total Financing and Advances
As at 30 September 2021	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Financing to financial institution	-	-	-	-	-	104,942	104,942
Cashline	-	6,117,814	-	-	-	-	6,117,814
Term financing							
- Housing financing	13,093,814	80,155,212	1,759,620	-	-	602	95,009,248
- Syndicated financing	-	6,643,719	-	-	-	-	6,643,719
- Hire purchase receivables	-	11,042,516	-	34,507,611	-	-	45,550,127
- Lease receivables	-	-	-	-	640,673	-	640,673
- Other term financing	8,518,670	109,175,528	552,939	-	-	14,572	118,261,709
Bills receivables	-	-	-	-	-	418	418
Trust receipts	-	109,805	-	-	-	-	109,805
Claims on customers under acceptance credits	-	5,063,745	-	-	-	-	5,063,745
Staff financing	350,111	2,273,610	7,401	161,816	-	31,807	2,824,745
Credit card receivables	-	-	-	-	-	1,217,365	1,217,365
Revolving credit	-	11,970,942	-	-	-	-	11,970,942
Share margin financing	-	49,299	-	-	-	-	49,299
Financing to:							
- Directors of the Bank	-	2,914	-	-	-	2	2,916
- Directors of subsidiaries	-	2,174	-	241	-	9	2,424
	21,962,595	232,607,278	2,319,960	34,669,668	640,673	1,369,717	293,569,891
Unearned income							(81,586,332)
Gross financing and advances ⁴							211,983,559
Allowances for financing and advances:							
- Stage 1 - 12-month ECL							(605,516)
- Stage 2 - Lifetime ECL not credit impaired							(1,768,013)
- Stage 3 - Lifetime ECL credit impaired							(1,152,989)
Net financing and advances							208,457,041

¹ Bai' comprises of Bai' Bithaman Ajil, Bai' Al-Inah and Bai' Al-Dayn.

² The Group is the owner of the asset. The ownership of an asset will be transferred to the customer via sale at the end of the Ijarah financing.

³ The Group is the owner of the asset. The ownership of an asset will be transferred to the customer at the end of the Ijarah financing subject to the customer's execution of the purchase option.

⁴ 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	Bai¹	Murabahah	Musharakah	Al-Ijarah Thumma Al-Bai ("AITAB")²	Ijarah³	Others	Total Financing and Advances
As at 31 December 2020	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Cashline	-	6,354,760	-	-	-	-	6,354,760
Term financing							
- Housing financing	13,846,268	77,006,822	1,877,969	-	-	609	92,731,668
- Syndicated financing	-	7,106,556	-	-	-	-	7,106,556
- Hire purchase receivables	-	9,635,007	-	35,204,145	-	-	44,839,152
- Lease receivables	-	-	-	-	303,050	-	303,050
- Other term financing	10,653,246	106,866,849	610,568	-	-	18,364	118,149,027
Bills receivables	-	-	-	-	-	50	50
Trust receipts	-	106,257	-	-	-	-	106,257
Claims on customers under acceptance credits	-	4,723,695	-	-	-	-	4,723,695
Staff financing	390,857	2,110,096	8,384	179,242	-	33,633	2,722,212
Credit card receivables	-	-	-	-	-	1,263,404	1,263,404
Revolving credit	-	14,068,861	-	-	-	-	14,068,861
Share margin financing	-	29,008	-	-	-	-	29,008
Financing to:							
- Directors of the Bank	-	3,361	-	-	-	8	3,369
- Directors of subsidiaries	-	2,542	-	340	-	48	2,930
	<u>24,890,371</u>	<u>228,013,814</u>	<u>2,496,921</u>	<u>35,383,727</u>	<u>303,050</u>	<u>1,316,116</u>	<u>292,403,999</u>
Unearned income							(85,698,158)
Gross financing and advances ⁴							<u>206,705,841</u>
Allowances for financing and advances:							
- Stage 1 - 12-month ECL							(574,213)
- Stage 2 - Lifetime ECL not credit impaired							(1,209,931)
- Stage 3 - Lifetime ECL credit impaired							(1,254,822)
Net financing and advances							<u>203,666,875</u>

¹ Bai' comprises of Bai' Bithaman Ajil, Bai' Al-Inah and Bai' Al-Dayn.

² The Group is the owner of the asset. The ownership of an asset will be transferred to the customer via sale at the end of the Ijarah financing.

³ The Group is the owner of the asset. The ownership of an asset will be transferred to the customer at the end of the Ijarah financing subject to the customer's execution of the purchase option.

⁴ 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:

Group	30 September 2021 RM'000	31 December 2020 RM'000
At 1 January	2,452,406	3,115,266
Newly impaired	289,946	584,878
Reclassified as non-impaired	(36,687)	(485,955)
Amount recovered	(305,419)	(437,564)
Amount written-off	(142,282)	(317,043)
Amount related to Restricted Investment Account	(79,137)	(7,176)
Gross impaired financing at 30 September 2021/31 December 2020	<u>2,178,827</u>	2,452,406
Less: Stage 3 - Lifetime ECL credit impaired	<u>(1,152,989)</u>	(1,254,822)
Net impaired financing at 30 September 2021/31 December 2020	<u>1,025,838</u>	<u>1,197,584</u>

Calculation of ratio of net impaired financing (excluding financing funded by RPSIA and IA):

Gross impaired financing at 30 September 2021/31 December 2020	1,588,099	1,776,012
Less: Stage 3 - Lifetime ECL credit impaired	<u>(1,152,989)</u>	<u>(1,254,822)</u>
Net impaired financing at 30 September 2021/31 December 2020	<u>435,110</u>	<u>521,190</u>
Gross financing and advances	163,268,208	156,381,322
Less: Allowances for impaired financing and advances at amortised cost and at fair value through other comprehensive income	<u>(3,533,276)</u>	<u>(3,043,122)</u>
Net financing and advances	<u>159,734,932</u>	<u>153,338,200</u>
Net impaired financing as a percentage of net financing and advances	<u>0.27%</u>	<u>0.34%</u>

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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:

At fair value through other comprehensive income

	Stage 1	Stage 2	Stage 3	Total
	12-month ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	
Group				
As at 30 September 2021				
At 1 January 2021	1,662	2,494	-	4,156
Net remeasurement of allowances	72	-	-	72
New financial assets originated or purchased	648	-	-	648
Financial assets derecognised	(366)	-	-	(366)
Changes in models/risk parameters	1,502	734	-	2,236
Exchange differences	12	-	-	12
At 30 September 2021	3,530	3,228	-	6,758

	Stage 1	Stage 2	Stage 3	Total
	12-month ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	
Group				
As at 31 December 2020				
At 1 January 2020	523	2,378	-	2,901
New financial assets originated or purchased	1,036	-	-	1,036
Changes in models/risk parameters	103	116	-	219
At 31 December 2020	1,662	2,494	-	4,156

At amortised cost

	Stage 1	Stage 2	Stage 3	Total
	12-month ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	
Group				
As at 30 September 2021				
At 1 January 2021	574,213	1,209,931	1,254,822	3,038,966
Transferred to Stage 1	191,184	(181,194)	(9,990)	-
Transferred to Stage 2	(20,462)	51,920	(31,458)	-
Transferred to Stage 3	(5,037)	(27,799)	32,836	-
Net remeasurement of allowances	(162,200)	721,959	116,252	676,011
New financial assets originated or purchased	102,575	69,289	-	171,864
Financial assets derecognised	(52,505)	(71,354)	(18,009)	(141,868)
Changes in models/risk parameters	(24,473)	1,723	-	(22,750)
Amount related to Restricted Investment Accounts*	1,831	(7,374)	(74,518)	(80,061)
Amount written-off	-	-	(142,282)	(142,282)
Exchange differences	390	912	25,336	26,638
At 30 September 2021	605,516	1,768,013	1,152,989	3,526,518

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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.):

At amortised cost (cont'd.)

Group	Stage 1	Stage 2	Stage 3	Total
	12-month ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	
As at 31 December 2020				
At 1 January 2020	371,029	616,576	1,252,818	2,240,423
Transferred to Stage 1	192,492	(180,987)	(11,505)	-
Transferred to Stage 2	(24,260)	216,014	(191,754)	-
Transferred to Stage 3	(5,653)	(133,942)	139,595	-
Net remeasurement of allowances	89,882	615,209	436,543	1,141,634
New financial assets originated or purchased	111,779	105,132	-	216,911
Financial assets derecognised	(53,808)	(78,272)	(163,013)	(295,093)
Changes in models/risk parameters	(110,039)	40,745	-	(69,294)
Amount related to Restricted Investment Accounts*	3,084	11,681	122,297	137,062
Amount written-off	-	-	(317,043)	(317,043)
Exchange differences	(293)	(2,225)	(13,116)	(15,634)
At 31 December 2020	574,213	1,209,931	1,254,822	3,038,966

* As at 30 September 2021, the gross exposure of the financing funded by RPSIA was RM23,306.4 million (31 December 2020: RM26,483.7 million). The expected credit losses relating to these financing amounting to RM380.2 million (31 December 2020: RM446.6 million) are reflected as a reduction in both financing and advances and deposits and placements of banks and other financial institutions.

The gross exposure of the financing funded by IA as at 30 September 2021 was RM25,409.0 million (31 December 2020: RM23,840.8 million).

A40f. Deposits from Customers

Group	30 September 2021 RM'000	31 December 2020 RM'000
Savings deposits		
Qard	29,754,174	23,708,048
Demand deposits		
Qard	34,363,452	26,703,462
Term deposits		
Murabahah	112,049,093	114,498,944
Qard	539,620	357,789
	112,588,713	114,856,733
Total deposits from customers	176,706,339	165,268,243

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

A40g. Investment Accounts of Customers

Group	30 September 2021 RM'000	31 December 2020 RM'000
Mudharabah		
Unrestricted investment accounts ¹	25,408,966	23,840,796
Restricted investment accounts managed by the Group ²	546,766	-

¹ Included in the unrestricted investment accounts are funds received from the Multi-Asset Investment Account-i ("MAIA") product which are managed by the Group. 50% of the funds are invested in the Group's financing assets managed by a subsidiary of the Bank as part of its Islamic banking activities and are recorded as on-balance sheet. The remaining 50% of the funds are invested in marketable securities with net asset value of RM258.0 million as at 30 September 2021 managed by a subsidiary of the Bank as part of its investment management activities and are recorded as off-balance sheet.

² Included in restricted investment accounts managed by the Group is an arrangement between the Group and third party where the Group acts as an investment agent to manage and administer the restricted investment accounts, with underlying assets amounting to RM546.8 million.

(i) Investment accounts are sourced from the following type of customers:

Group	Unrestricted investment accounts RM'000
As at 30 September 2021	
Business enterprises	13,797,916
Individuals	9,740,837
Government and statutory bodies	194,759
Others	1,675,454
	25,408,966
As at 31 December 2020	
Business enterprises	13,328,580
Individuals	9,200,552
Government and statutory bodies	112,309
Others	1,199,355
	23,840,796

(ii) The maturity profile of investment accounts are as follows:

Group	Unrestricted investment accounts RM'000
As at 30 September 2021	
- without maturity	20,182,607
- with maturity	
Within six months	4,772,005
Six months to one year	436,430
One year to three years	12,447
Three years to five years	5,477
	5,226,359
Total investment accounts of customers	25,408,966

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

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

(ii) The maturity profile of investment accounts are as follows (cont'd.):

Group As at 31 December 2020	Unrestricted investment accounts RM'000
- without maturity	18,243,257
- with maturity	
Within six months	4,241,279
Six months to one year	1,342,789
One year to three years	9,158
Three years to five years	4,313
	5,597,539
Total investment accounts of customers	23,840,796

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

Group As at 30 September 2021	Unrestricted investment accounts RM'000
Retail financing	23,763,294
Non-retail financing	1,645,672
	25,408,966
 As at 31 December 2020	
Retail financing	22,550,499
Non-retail financing	1,290,297
	23,840,796

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

Group	Investment account holder ("IAH")	
	Average profit sharing ratio (%)	Average rate of return (%)
As at 30 September 2021		
Unrestricted investment accounts	30.46	1.18
 As at 31 December 2020		
Unrestricted investment accounts	36.53	1.64

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

A40h. Term Funding

Group	30 September 2021 RM'000	31 December 2020 RM'000
Unsecured term funding:		
(i) Commercial Papers		
- Less than one year	7,945,226	7,945,896
(ii) Medium Term Notes		
- More than one year	2,024,164	2,003,222
(iii) Term funding		
- More than one year (Note (a))	965,872	945,940
Total term funding	10,935,262	10,895,058

Note (a): Term funding relates to amounts received by the Group under government financing scheme as part of the government support measures in response to COVID-19 pandemic for the purpose of SME financing at a below market rate with a six-year maturity to be repaid on 17 June 2026. The financing under the government scheme is for financing at concession rates to SMEs and for COVID-19 related relief measures.

A40i. Subordinated Sukuk

Group	30 September 2021 RM'000	31 December 2020 RM'000
RM1.0 billion Islamic subordinated Sukuk Murabahah due in 2026	-	1,017,454
RM1.0 billion Islamic subordinated Sukuk Murabahah due in 2029	1,022,068	1,010,849
RM1.0 billion Islamic subordinated Sukuk Murabahah due in 2031	1,003,655	-
	2,025,723	2,028,303

A40j. Capital Securities

Group	30 September 2021 RM'000	31 December 2020 RM'000
RM1.0 billion 4.95% Additional Tier 1 Sukuk Wakalah	1,014,782	1,002,441

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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 RM6,039.4 million for the nine-month financial period ended 30 September 2021, an increase of RM1,095.6 million or 22.2% as compared to the previous corresponding nine-month financial period ended 30 September 2020.

The Group's net interest income and Islamic Banking income for the nine-month financial period ended 30 September 2021 increased by RM1,814.2 million or 14.2% to RM14,583.5 million as compared to the previous corresponding nine-month financial period ended 30 September 2020.

The Group's net earned insurance premiums from the Insurance and Takaful subsidiaries increased by RM3.1 million to RM6,679.2 million for the nine-month financial period ended 30 September 2021 as compared to the previous corresponding nine-month financial period ended 30 September 2020.

Other operating income of the Group for the nine-month financial period ended 30 September 2021 was RM3,478.1 million, a decrease of RM2,318.9 million or 40.0% from RM5,797.0 million in the previous corresponding nine-month financial period ended 30 September 2020. The decrease was mainly due to unrealised mark-to-market loss on revaluation of derivatives of RM155.9 million for the nine-month financial period ended 30 September 2021 as compared to unrealised mark-to-market gain of RM1,328.2 million for the previous corresponding nine-month financial period ended 30 September 2020, lower net gain in investment income of RM1,293.2 million, unrealised mark-to-market loss on revaluation of financial assets designated upon initial recognition at FVTPL of RM698.3 million for the nine-month financial period ended 30 September 2021 as compared to unrealised mark-to-market gain of RM390.6 million for the previous corresponding nine-month financial period ended 30 September 2020, higher unrealised mark-to-market loss of financial investments at FVTPL of RM151.5 million and lower net gain on foreign exchange of RM116.9 million for the nine-month financial period ended 30 September 2021. The decreases were, however, mitigated by higher unrealised mark-to-market gain on revaluation of financial liabilities at FVTPL of RM908.7 million, realised gain on derivatives of RM129.5 million for the nine-month financial period ended 30 September 2021 as compared to realised loss of RM453.3 million for the previous corresponding nine-month financial period ended 30 September 2020 and higher fee income of RM409.3 million.

The Group's overhead expenses for the nine-month financial period ended 30 September 2021 recorded an increase of RM211.0 million or 2.5% to RM8,563.8 million as compared to the previous corresponding nine-month financial period ended 30 September 2020. The increase in overhead expenses was mainly due to higher personnel expenses of RM162.8 million, higher establishment costs of RM47.6 million and higher marketing expenses of RM13.8 million. The increases were, however, mitigated by lower administration and general expenses of RM13.1 million.

The Group's allowances for impairment losses on loans, advances, financing and other debts decreased by RM1,004.0 million or 28.6% to RM2,501.3 million as compared to the previous corresponding nine-month financial period ended 30 September 2020.

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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 nine-month financial period ended 30 September 2021 compared to the previous corresponding nine-month financial period ended 30 September 2020 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 RM659.6 million or 23.2% to RM3,499.7 million for nine-month financial period ended 30 September 2021 from RM2,840.1 million for the previous corresponding nine-month financial period ended 30 September 2020. The increase was mainly due to higher net interest income and income from IBS operations of RM698.0 million, higher other operating income of RM128.1 million and net writeback of impairment losses on financial investments and other financial assets of RM0.5 million from net allowance of RM0.1 million. The increases were, however, offset by higher net allowance for impairment losses on loans, advances, financing and other debts of RM91.5 million and higher overhead expenses of RM75.5 million.

Group Global Banking

a) Group Corporate Banking & Global Markets

Group Corporate Banking & Global Markets' profit before taxation and zakat increased by RM507.9 million or 16.0% to RM3,676.4 million for the nine-month financial period ended 30 September 2021 from RM3,168.5 million for the previous corresponding nine-month financial period ended 30 September 2020. The increase was mainly due to lower net allowances for impairment losses on loans, advances, financing and other debts of RM1,090.2 million, higher net interest income and income from IBS operations of RM277.9 million and higher share of profits in associates and joint ventures of RM3.1 million. The increases were, however, offset by lower other operating income of RM759.1 million, higher overhead expenses of RM62.3 million, higher net allowances for impairment losses on financial investments and other financial assets of RM41.9 million.

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

Group Investment Banking's profit before taxation and zakat increased by RM62.7 million to RM355.1 million or 21.4% for the nine-month financial period ended 30 September 2021 from RM292.4 million for the previous corresponding nine-month financial period ended 30 September 2020. The increase was mainly due to higher other operating income of RM42.7 million, higher net interest income and income from IBS operations of RM18.1 million, net writeback of impairment losses on financial investments and other financial assets of RM1.1 million from net allowance of RM0.6 million, higher share of profits in associates and joint ventures of RM1.4 million and lower overhead expenses of RM0.8 million. The increases were, however, offset by higher net allowance for impairment losses on loans, advances, financing and other debts of RM2.0 million.

c) Group Asset Management

Group Asset Management's profit before taxation and zakat increased by RM5.4 million to RM6.2 million for the nine-month financial period ended 30 September 2021 from RM0.8 million for the previous corresponding nine-month financial period ended 30 September 2020. The increase was mainly due to higher other operating income of RM12.7 million. The increase was, however, offset by higher overhead expenses of RM7.1 million and higher net allowance for impairment losses on loans, advances, financing and other debts of RM0.1 million.

Group Insurance and Takaful

Group Insurance and Takaful's profit before taxation and zakat increased by RM37.5 million or 6.1% to RM650.4 million for the nine-month financial period ended 30 September 2021 from RM612.9 million for the previous corresponding nine-month financial period ended 30 September 2020. The increase was contributed mainly by lower net insurance benefits and claims incurred, net fee and commission expenses, change in expense liabilities and taxation of life and takaful fund of RM1,240.6 million, higher net earned insurance premiums of RM6.0 million, higher net interest income of RM70.9 million, net writeback of impairment losses on financial investments and other financial assets of RM26.0 million from net allowance of RM16.2 million, net writeback of impairment losses on loans, advances, financing and other debts of RM1.8 million from net allowance of RM5.6 million. The increases were, however, offset by lower other operating income of RM1,262.7 million, and higher overhead expenses of RM66.9 million.

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B1. Performance Review (cont'd.)

(ii) Current Quarter vs Previous Period Corresponding Quarter

The Group posted profit after tax and zakat attributable to equity holders of RM1,684.7 million for the quarter ended 30 September 2021, a decrease of RM267.7 million or 13.7% as compared to the previous period corresponding quarter ended 30 September 2020.

The Group's net interest income and Islamic Banking income for the quarter ended 30 September 2021 increased by RM524.9 million or 12.2% to RM4,812.8 million as compared to the previous period corresponding quarter ended 30 September 2020.

The Group's net earned insurance premiums from the Insurance and Takaful subsidiaries decreased by RM1,006.9 million or 33.7% to RM1,983.4 million as compared to the previous period corresponding quarter ended 30 September 2020.

The Group's other operating income decreased by RM723.7 million to RM1,312.8 million for the quarter ended 30 September 2021 as compared to the previous period corresponding quarter ended 30 September 2020. The decrease was mainly due to unrealised mark-to-market loss on revaluation of derivatives of RM260.6 million and financial assets designated upon initial recognition at FVTPL of RM8.1 million for the quarter ended 30 September 2021 as compared to unrealised mark-to-market gain on revaluation of derivatives of RM387.0 million and financial assets designated upon initial recognition at FVTPL of RM201.7 million for the previous period corresponding quarter ended 30 September 2020, lower net gain in investment income of RM576.2 million and lower unrealised mark-to-market gain on revaluation of financial liabilities at FVTPL of RM178.6 million. The decreases were, however, mitigated by realised gain of derivatives of RM409.0 million for the quarter ended 30 September 2021 as compared to realised loss on derivatives of RM453.2 million for the previous period corresponding quarter ended 30 September 2020.

The Group's overhead expenses for the quarter ended 30 September 2021 recorded an increase of RM116.9 million or 4.3% to RM2,821.3 million as compared to the previous period corresponding quarter ended 30 September 2020. The increase in overhead expenses was mainly due to higher personnel expenses of RM101.3 million and higher administration and general expenses of RM28.1 million. The increases were, however, mitigated by lower establishment costs of RM10.0 million and lower marketing expenses of RM2.5 million.

The Group's allowances for impairment losses on loans, advances, financing and other debts increased by RM321.9 million or 40.0% to RM1,126.2 million as compared to the previous period corresponding quarter ended 30 September 2020.

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B1. Performance Review (cont'd.)

(ii) Current Quarter vs Previous Period Corresponding Quarter (cont'd.)

The Group's profit before taxation and zakat for the quarter ended 30 September 2021 compared to the previous period corresponding quarter ended 30 September 2020 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 decreased by RM391.4 million or 34.2% to RM754.5 million for the quarter ended 30 September 2021 from RM1,145.9 million for the previous period corresponding quarter ended 30 September 2020. The decrease was mainly due to higher net allowance for impairment losses on loans, advances, financing and other debts of RM394.9 million, higher overhead expenses of RM74.9 million and lower other operating income of RM33.4 million. The decreases were, however, mitigated by higher net interest income and income from IBS operations of RM111.4 million and net writeback of impairment losses on financial investments and other financial assets of RM0.3 million from net writeback of RM0.1 million.

Group Global Banking

a) Group Corporate Banking & Global Markets

Group Corporate Banking & Global Markets's profit before taxation and zakat decreased by RM55.3 million or 4.3% to RM1,238.0 million for the quarter ended 30 September 2021 from RM1,293.3 million for the previous period corresponding quarter ended 30 September 2020. The decrease was mainly due to lower other operating income of RM133.6 million, higher overhead expenses of RM40.2 million and net allowance for impairment losses on financial investments and other financial assets of RM12.3 million from net writeback of RM11.0 million. The decreases were, however, mitigated by lower net allowance for impairment losses on loans, advances, financing and other debts of RM79.9 million, higher net interest income and income from IBS operations of RM40.3 million and higher share of profits in associates and joint ventures of RM21.5 million.

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

Group Investment Banking's profit before taxation and zakat decreased by RM99.9 million or 58.1% to RM72.1 million for the quarter ended 30 September 2021 from RM172.0 million for the previous period corresponding quarter ended 30 September 2020. The decrease was mainly due to lower other operating income of RM110.1 million, net allowance for impairment losses on loans, advances, financing and other debts of RM6.0 million from net writeback of RM1.4 million and lower net interest income and income from IBS operations of RM4.8 million. The decreases were, however, mitigated by lower overhead expenses by RM14.6 million and net writeback of impairment losses on financial investments and other financial assets of RM7.4 million from net allowance of RM0.2 million.

c) Group Asset Management

Group Asset Management's profit before taxation and zakat increased by RM0.6 million or 16.2% to RM4.3 million for the quarter ended 30 September 2021 from RM3.7 million for the previous period corresponding quarter ended 30 September 2020. The increase was mainly due to lower overhead expenses of RM3.4 million. The increase was, however, offset by lower other operating income of RM2.8 million.

Group Insurance and Takaful

Group Insurance and Takaful's profit before taxation and zakat decreased by RM10.8 million or 4.7% to RM219.3 million for the quarter ended 30 September 2021 from RM230.1 million for the previous period corresponding quarter ended 30 September 2020. The decrease was contributed mainly by lower net earned insurance premiums of RM1,004.0 million, lower other operating income of RM364.7 million and higher overhead expenses of RM19.9 million. The decreases were, however, mitigated by lower net insurance benefits and claims incurred, net fee and commission expenses, change in expense liabilities and taxation of life and takaful fund of RM1,317.6 million, higher net interest income of RM46.7 million, net writeback of impairment losses on financial investments and other financial assets of RM5.6 million from net allowance of RM7.5 million and lower net allowance for impairment losses on loans, advances, financing and other debts of RM0.4 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 for the quarter ended 30 September 2021 decreased by RM277.8 million to RM1,684.7 million against the preceding quarter ended 30 June 2021 of RM1,962.5 million.

The Group's net interest income for the quarter ended 30 September 2021 increased by RM22.2 million to RM3,042.1 million against the preceding quarter of RM3,019.9 million. Income from Islamic Banking Scheme operations decreased by RM188.6 million to RM1,770.7 million for the quarter ended 30 September 2021 compared to RM1,959.3 million in the preceding quarter ended 30 June 2021.

The Group's net earned insurance premiums for the quarter ended 30 September 2021 decreased by RM183.1 million to RM1,983.4 million compared to RM2,166.5 million in the preceding quarter ended 30 June 2021.

Other operating income of the Group for the quarter ended 30 September 2021 increased by RM162.7 million to RM1,312.8 million compared to RM1,150.1 million in the preceding quarter ended 30 June 2021. The increase was mainly due to unrealised mark-to-market gain on revaluation of financial liabilities at FVTPL of RM153.9 million and financial investments at FVTPL of RM56.6 million for the quarter ended 30 September 2021 as compared to unrealised mark-to-market loss on revaluation of financial liabilities at FVTPL of RM695.5 million and financial investments at FVTPL of RM159.3 million in the preceding quarter ended 30 June 2021 and realised gain on derivatives of RM409.0 million for the quarter ended 30 September 2021 as compared to realised loss of RM399.7 million in the preceding quarter ended 30 June 2021. The increases were, however, offset by unrealised mark-to-market loss on revaluation of derivatives of RM260.6 million and financial assets designated upon initial recognition at FVTPL of RM8.1 million for the quarter ended 30 September 2021 as compared to unrealised mark-to-market gain on revaluation of derivatives of RM990.9 million and financial assets designated upon initial recognition at FVTPL of RM264.6 million in the preceding quarter ended 30 June 2021, lower fee income of RM76.9 million and lower net investment income of RM73.8 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 decreased by RM162.9 million to RM1,959.2 million for the quarter ended 30 September 2021 compared to RM2,122.1 million in the preceding quarter ended 30 June 2021. The decrease was mainly due to lower net insurance benefits and claims incurred by the Insurance and Takaful subsidiaries of RM186.6 million.

The Group posted a decrease of RM99.5 million in overhead expenses to RM2,821.3 million for the quarter ended 30 September 2021 compared to RM2,920.8 million in the preceding quarter ended 30 June 2021. The decrease were mainly due to lower administration and general costs of RM29.1 million, lower personnel expenses of RM27.0 million, lower marketing expenses of RM25.1 million and lower establishment costs of RM18.3 million.

The Group's allowance for impairment losses on loans, advances, financing and other debts increased by RM601.4 million to RM1,126.2 million for the quarter ended 30 September 2021 compared to RM524.8 million in the preceding quarter ended 30 June 2021.

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B3. Prospects

The global economy is expected to rebound by +6.0% in 2021 (2020: -3.3%) following the gradual re-opening of the economy amid vaccination progress, coupled with continued accommodative monetary policies and expansionary fiscal policies.

In Malaysia, economic recovery is expected to be moderate (2021E: +3.8%; 2020: -5.6%) reflecting the impact of several rounds of nationwide containment measures to deal with the resurgence of COVID-19 cases that caused GDP to shrink -4.5% YoY in 3Q 2021 (2Q 2021: +16.1% YoY). However, recovery is expected to resume in the fourth quarter of 2021 and gain momentum in 2022 as the full vaccination rate of over 75% of the population as of November 2021 allows for economic re-opening. Monetary, fiscal and economic stimulus will continue, focusing on targeted support and interventions for the most-affected individuals and businesses. The Overnight Policy Rate (OPR) is expected to remain at a record low of 1.75% throughout 2021 despite a moderate return of inflation this year from deflation in 2020, while the expansionary fiscal policy continues to be supported by the higher Budget deficit in 2021 of 6.5% of GDP (2020: 6.2% of GDP), on top of the additional four economic stimulus packages in the first half of 2021 totalling RM225 billion.

For Singapore, its recovery remains on track to achieve a forecasted real GDP growth of +7.1% in 2021 (2020: -5.4%). With the full vaccination rate rising to about 89% in November 2021, the government has been gradually easing lockdown measures and border controls, providing support to economic growth. The Monetary Authority of Singapore (MAS) tightened its policy stance slightly in October 2021 by raising the slope of the SGD Nominal Effective Exchange Rate (SGD NEER), leaving the width and the level of the band unchanged. The move was to address the rising core inflation which is expected to increase to the 1% - 2% range while headline inflation is forecasted to move to the 1.5% - 2.5% range in 2022. Following the 13.9% of GDP deficit spending in 2020, Budget 2021 remains expansionary via a smaller fiscal deficit of 2.2% of GDP.

In Indonesia, the expected 2021 growth has been lowered from the previous forecast of +4.2% to +3.9% (2020: -2.1%). While vaccine deployment was initiated in January 2021, rollout has been slower than expected, while rise in infections have prolonged movement restrictions, dampening private consumption and investments that underpin the projected economic recovery in 2021. The accommodative monetary policy has extended into 2021, with an additional 25 bps interest rate cut to 3.50% announced in February 2021. To boost domestic consumption, Bank Indonesia eased bank lending rules and the Government announced tax incentives for auto and property purchases. Bank Indonesia will also continue purchasing government bonds to finance this year's Budget. Inflation has picked up in October 2021 on the back of rising transportation costs, but remains within the central bank's target range.

Premised on the improving vaccination rates and reopening of economies, growth is expected to recover going into 2022. Leveraging Maybank Group's strong capital and liquidity base, the Group will ensure that impacted customers continue to have access to the financial assistance and support they require in this recovery phase to also capitalise on emerging growth opportunities. Meanwhile, the Group will continue to prioritise low cost funds and targeted growth opportunities within our home markets, while remaining proactive in our engagement with customers to address asset quality concerns.

The Group will also target fee-based income opportunities through its wealth management, global markets, investment banking, asset management and insurance segments. Capitalising on our domestic franchise and leadership position in digital banking, we will focus on accelerating product roll-outs on our digital platform to increase market penetration and generate fee-based revenues. Furthermore, the Group will enhance productivity and efficiencies, while maintaining disciplined cost management to offset top line pressures.

Given the impact of the COVID-19 pandemic on the year 2021, the Group has set its Headline KPI of return on equity of circa 9% for FY2021.

B4. Profit Forecast or Profit Guarantee

Neither the Group nor the Bank has made any profit forecast or issued any profit guarantee for the financial period ended 30 September 2021.

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B5. Taxation and Zakat

The analysis of the tax expense for the financial period ended 30 September 2021 are as follows:

<u>Group</u>	Third Quarter Ended		Cumulative 9 Months Ended	
	30 September 2021 RM'000	30 September 2020 RM'000	30 September 2021 RM'000	30 September 2020 RM'000
Malaysian income tax	187,063	305,359	1,887,897	847,970
Foreign income tax	109,633	31,078	309,010	190,173
	296,696	336,437	2,196,907	1,038,143
Under/(over) provision in respect of prior period:				
Malaysian income tax	677,811	-	661,558	-
Foreign income tax	(1)	-	(582)	(25,338)
	974,506	336,437	2,857,883	1,012,805
Deferred tax				
- Relating to origination and reversal of temporary differences	(457,830)	251,102	(923,341)	532,696
Tax expense for the financial period	516,676	587,539	1,934,542	1,545,501
Zakat	14,178	14,175	32,942	41,186
	530,854	601,714	1,967,484	1,586,687

The Group's effective tax rate for the financial period ended 30 September 2021 was lower than the statutory tax rate due to certain income not subject to tax.

<u>Bank</u>	Third Quarter Ended		Cumulative 9 Months Ended	
	30 September 2021 RM'000	30 September 2020 RM'000	30 September 2021 RM'000	30 September 2020 RM'000
Malaysian income tax	252,359	193,588	911,560	614,347
Foreign income tax	2,010	11,596	6,605	16,212
	254,369	205,184	918,165	630,559
Under/(over) provision in respect of prior period:				
Malaysian income tax	249,265	-	249,265	-
Foreign income tax	-	(44)	-	(24,757)
	503,634	205,140	1,167,430	605,802
Deferred tax				
- Relating to origination and reversal of temporary differences	(307,594)	45,085	(393,112)	186,513
Tax expense for the financial period	196,040	250,225	774,318	792,315

The Bank's effective tax rate for the financial period ended 30 September 2021 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 period. Taxation for foreign subsidiaries in other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

MALAYAN BANKING BERHAD
(Co. Reg. No.: 196001000142)
(Incorporated in Malaysia)

B6. Status of Corporate Proposals Announced but Not Completed

There are no corporate proposals announced but not completed during the financial period ended 30 September 2021.

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 financial period ended 30 September 2021.

B11. Dividend

No interim dividend has been recommended during the financial period ended 30 September 2021.

B12. Earnings Per Share ("EPS")

Basic EPS

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

	Third Quarter Ended		Cumulative 9 Months Ended	
	30 September	30 September	30 September	30 September
	2021	2020	2021	2020
Net profit for the financial period attributable to equity holders of the Bank (RM'000)	1,684,702	1,952,432	6,039,358	4,943,814
Weighted average number of ordinary shares in issue ('000)	11,693,338	11,241,362	11,538,147	11,241,362
Basic earnings per share	14.41 sen	17.37 sen	52.34 sen	43.98 sen

Diluted EPS

The Group has no dilution in its earnings per ordinary share in the current and the preceding financial period as there are no dilutive potential ordinary shares.

By Order of the Board

Wan Marzimin Wan Muhammad

LS0009924

Company Secretary

25 November 2021