

MAYBANK ISLAMIC BERHAD
(Co. Reg. No.: 200701029411)
(Incorporated in Malaysia)

CONDENSED FINANCIAL STATEMENTS
INCOME STATEMENT
FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Note	Unaudited		Audited	
		31 December 2021 RM'000	31 December 2020 RM'000	31 December 2021 RM'000	31 December 2020 RM'000
Income derived from investment of depositors' funds	A23	2,254,139	2,100,166	8,811,464	8,577,690
Income derived from investment of investment account funds	A24	257,036	246,479	951,680	1,008,062
Income derived from investment of shareholder's funds	A25	123,623	119,078	506,671	411,548
Writeback of/(allowances for) impairment losses on financing and advances, net	A26	149,856	(392,703)	(524,543)	(928,878)
(Allowances for)/writeback of impairment losses on financial investments, net	A27	(664)	(240,345)	241,111	(253,252)
Allowances for impairment losses on other financial assets, net	A28	(2,727)	(1,362)	(5,629)	(1,452)
Total distributable income		2,781,263	1,831,313	9,980,754	8,813,718
Profit share income from investment accounts		23	-	85	-
Profit distributed to depositors	A29	(876,052)	(883,874)	(3,472,144)	(4,361,490)
Profit distributed to investment account holders		(72,899)	(77,328)	(289,503)	(370,986)
Total net income		1,832,335	870,111	6,219,192	4,081,242
Overhead expenses	A30	(482,412)	(383,057)	(1,660,118)	(1,595,737)
Finance costs	A31	(103,421)	(112,555)	(409,401)	(482,323)
Profit before taxation and zakat		1,246,502	374,499	4,149,673	2,003,182
Taxation	A32	(307,917)	(76,964)	(1,007,119)	(478,886)
Zakat	A32	(6,296)	7,424	(25,533)	(13,248)
Profit for the period/year		932,289	304,959	3,117,021	1,511,048
Profit attributable to:					
Equity holder of the Bank		932,289	304,959	3,117,021	1,511,048
Earnings per share attributable to equity holder of the Bank					
- basic/diluted (sen)		218.04	83.46	808.41	429.84

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

MAYBANK ISLAMIC BERHAD
(Co. Reg. No.: 200701029411)
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CONDENSED FINANCIAL STATEMENTS
STATEMENT OF COMPREHENSIVE INCOME
FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Unaudited		Audited	
	Fourth Quarter Ended		Cumulative 12 Months Ended	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
	RM'000	RM'000	RM'000	RM'000
Profit for the period/year	932,289	304,959	3,117,021	1,511,048
Other comprehensive income/(loss):				
<i>Items that may be reclassified subsequently to profit or loss</i>				
Net gain/(loss) on foreign exchange translation	49	269	(451)	321
Net (loss)/gain on financial investments at fair value through other comprehensive income	(72,235)	27,447	(567,768)	306,702
- Net (loss)/gain from change in fair value	(90,501)	39,685	(744,977)	399,934
- Changes in expected credit losses	(3,454)	(2,713)	(1,585)	2,752
- Income tax effect	21,720	(9,525)	178,794	(95,984)
Other comprehensive (loss)/income for the period/year, net of tax	(72,186)	27,716	(568,219)	307,023
Total comprehensive income for the period/year, net of tax	860,103	332,675	2,548,802	1,818,071
Total comprehensive income attributable to:				
Equity holder of the Bank	860,103	332,675	2,548,802	1,818,071

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

MAYBANK ISLAMIC BERHAD
(Co. Reg. No.: 200701029411)
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CONDENSED FINANCIAL STATEMENTS
AUDITED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

	Note	31 December 2021 RM'000	31 December 2020 RM'000
ASSETS			
Cash and short-term funds		12,123,992	9,890,517
Deposits and placements with banks and other financial institutions		3,000,157	-
Financial assets purchased under resale agreements		10,420,749	3,625,611
Financial investments at fair value through profit or loss	A11(i)	784,302	-
Financial investments at fair value through other comprehensive income	A11(ii)	15,082,779	18,453,139
Financial investments at amortised cost	A11(iii)	22,867,781	16,381,007
Financing and advances	A12	192,465,717	203,666,875
Derivative assets	A13	117,420	385,303
Other assets	A14	4,804,475	2,804,924
Statutory deposit with Bank Negara Malaysia		20,447	12,591
Property, plant and equipment		546	979
Right-of-use assets		6,126	9,901
Deferred tax assets		190,616	-
TOTAL ASSETS		261,885,107	255,230,847
LIABILITIES			
Customers' funding:			
- Deposits from customers	A15	179,514,918	165,268,246
- Investment accounts of customers ¹	A16	28,720,799	23,840,796
Deposits and placements of banks and other financial institutions	A17	24,186,628	38,770,852
Bills and acceptances payable		19,561	38,086
Derivative liabilities	A13	177,545	656,302
Other liabilities	A18	1,521,121	339,080
Provision for zakat		27,544	14,373
Term funding	A20	10,923,177	10,895,058
Subordinated sukuk	A21	2,021,814	2,028,303
Capital securities	A22	1,002,441	1,002,441
Deferred tax liabilities		-	449,812
TOTAL LIABILITIES		248,115,548	243,303,349

¹ Investment accounts of customers are used to fund financing and advances as disclosed in Note A12.

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CONDENSED FINANCIAL STATEMENTS
AUDITED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

	Note	31 December 2021 RM'000	31 December 2020 RM'000
EQUITY ATTRIBUTABLE TO EQUITY HOLDER OF THE BANK			
Share capital		10,322,374	7,929,444
Retained profits		3,247,267	2,756,457
Other reserves		199,918	1,241,597
TOTAL SHAREHOLDER'S EQUITY		13,769,559	11,927,498
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY		261,885,107	255,230,847
Restricted investment accounts managed by the Bank	A16	30,147,795	-
TOTAL ISLAMIC BANKING ASSETS OWNED AND MANAGED BY THE BANK		292,032,902	255,230,847
COMMITMENTS AND CONTINGENCIES	A35	83,982,957	76,524,814
<u>CAPITAL ADEQUACY</u>	A36		
The capital adequacy ratios of the Bank are as follows:			
CET1 capital ratio		15.981%	13.773%
Tier 1 capital ratio		17.173%	15.030%
Total capital ratio		20.077%	18.063%

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

MAYBANK ISLAMIC BERHAD
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CONDENSED FINANCIAL STATEMENTS
AUDITED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	<=====Non-distributable=====>					Distributable	
	Share capital RM'000	Equity contribution from the holding company RM'000	Fair value through other comprehensive income reserve RM'000	Regulatory reserve RM'000	Exchange fluctuation reserve RM'000	Retained profits RM'000	Total equity RM'000
At 1 January 2021	7,929,444	1,697	645,023	594,474	403	2,756,457	11,927,498
Profit for the year	-	-	-	-	-	3,117,021	3,117,021
Other comprehensive loss	-	-	(567,768)	-	(451)	-	(568,219)
Total comprehensive (loss)/income for the year	-	-	(567,768)	-	(451)	3,117,021	2,548,802
Transfer from regulatory reserve	-	-	-	(473,460)	-	473,460	-
Issue of ordinary shares (Note A8(i)(a))	2,392,930	-	-	-	-	-	2,392,930
Dividend on ordinary shares (Note A9(a) & (b))	-	-	-	-	-	(3,099,671)	(3,099,671)
Total transactions with shareholder/ other equity movements	2,392,930	-	-	(473,460)	-	(2,626,211)	(706,741)
At 31 December 2021	10,322,374	1,697	77,255	121,014	(48)	3,247,267	13,769,559

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CONDENSED FINANCIAL STATEMENTS
AUDITED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	<=====Non-distributable=====>					Distributable	
	Share capital RM'000	Equity contribution from the holding company RM'000	Fair value through other comprehensive income reserve RM'000	Regulatory reserve RM'000	Exchange fluctuation reserve RM'000	Retained profits RM'000	Total equity RM'000
At 1 January 2020	7,197,398	1,697	338,321	846,497	82	2,457,477	10,841,472
Profit for the year	-	-	-	-	-	1,511,048	1,511,048
Other comprehensive income	-	-	306,702	-	321	-	307,023
Total comprehensive income for the year	-	-	306,702	-	321	1,511,048	1,818,071
Transfer from regulatory reserve	-	-	-	(252,023)	-	252,023	-
Issue of ordinary shares	732,046	-	-	-	-	-	732,046
Dividend on ordinary shares	-	-	-	-	-	(1,464,091)	(1,464,091)
Total transactions with shareholder/ other equity movements	732,046	-	-	(252,023)	-	(1,212,068)	(732,045)
At 31 December 2020	7,929,444	1,697	645,023	594,474	403	2,756,457	11,927,498

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

MAYBANK ISLAMIC BERHAD
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CONDENSED FINANCIAL STATEMENTS
AUDITED CASH FLOW STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	31 December 2021 RM'000	31 December 2020 RM'000
Cash flows from operating activities		
Profit before taxation and zakat	4,149,673	2,003,182
Adjustments for:		
Amortisation of premiums	55,478	31,983
Allowances for impairment losses on financing and advances	598,721	1,019,200
(Writeback of)/allowances for impairment losses on financial investments	(241,111)	253,252
Allowances for impairment losses on other financial assets	5,629	1,452
Modification loss on contractual cash flows arising from financial assets	106,838	240,920
Depreciation of property, plant and equipment	446	505
Depreciation of right-of-use assets	2,503	3,129
Finance cost on lease liabilities	297	398
Unrealised (gains)/losses on revaluation of derivatives	(1,456)	15,203
Unrealised (gains)/losses on revaluation of financial investments at fair value through profit or loss	(1,417)	674
Gains on disposal of financial investments at fair value through other comprehensive income	(73,199)	(101,270)
Gains on redemption of financial investments at amortised cost	(889)	-
Gains on disposal of financial investment at fair value through profit or loss	(2,819)	(8,829)
Losses/(gains) on foreign exchange translations	11,183	(97,821)
ESGP expenses	2,903	2,066
Finance costs	409,401	482,323
Operating profit before working capital changes	<u>5,022,181</u>	<u>3,846,367</u>
Change in deposits and placements with banks and other financial institutions	(3,000,157)	-
Change in financial assets purchased under resale agreements	(6,800,767)	(3,627,063)
Change in financial investments portfolio	(9,706,258)	(9,268,095)
Change in financing and advances	(14,329,256)	(15,155,806)
Change in derivative assets and liabilities	(209,418)	234,536
Change in other assets	(2,427,278)	937,068
Change in statutory deposit with Bank Negara Malaysia	(7,856)	4,229,446
Change in deposits from customers	14,246,672	4,229,106
Change in deposits and placements of banks and other financial institutions	14,916,552	41,028
Change in investment accounts of customers	5,515,840	3,103,126
Change in bills and acceptances payable	(18,525)	(99,807)
Change in other liabilities	1,181,684	168,381
Cash generated from/(used in) operating activities	<u>4,383,414</u>	<u>(11,361,713)</u>
Taxes and zakat paid	(1,052,569)	(237,239)
Net cash generated from/(used in) operating activities	<u><u>3,330,845</u></u>	<u><u>(11,598,952)</u></u>

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CONDENSED FINANCIAL STATEMENTS
AUDITED CASH FLOW STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	31 December 2021 RM'000	31 December 2020 RM'000
Cash flows from investing activities		
Purchase of property, plant and equipment	(15)	(3)
Net cash used in investing activities	(15)	(3)
Cash flows from financing activities		
Proceeds from issuance of shares	2,392,930	732,046
Dividend paid on ordinary shares	(3,099,671)	(1,464,091)
Dividend paid for capital securities	(49,500)	(49,364)
Dividend paid for subordinated sukuk	(82,647)	(91,759)
Dividend paid for term funding	(253,354)	(453,790)
(Redemption)/drawdown of term funding	(2,270)	1,115,919
Repayment of lease liabilities	(2,843)	(2,728)
Net cash used in financing activities	(1,097,355)	(213,767)
Net increase/(decrease) in cash and cash equivalents	2,233,475	(11,812,722)
Cash and cash equivalents at beginning of year	9,890,517	21,703,239
Cash and cash equivalents at end of year	12,123,992	9,890,517
Cash and cash equivalents comprise:		
Cash and short term funds	12,123,992	9,890,517

(These audited condensed interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to the 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 audited condensed interim financial statements for Maybank Islamic Berhad (“MIB” or “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 and derivative financial instruments.

The audited condensed interim financial statements have been prepared in accordance with the requirements of MFRS 134 *Interim Financial Reporting*, IAS 34 *Interim Financial Reporting* and the principles of Shariah.

The audited 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 audited 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 Bank since the financial year ended 31 December 2020.

The significant accounting policies and methods of computation applied by 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 *Profit Rate Benchmark Reform (Phase 2)*
- Amendment to MFRS 16 *Leases 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 Bank's financial statements.

Amendments to MFRS 4, MFRS 7, MFRS 9, MFRS 16 and MFRS 139 *Profit Rate Benchmark Reform (Phase 2)*

The amendments provide temporary relief which address the financial reporting effects when interbank offered rate (“IBOR”) is replaced with an alternative nearly risk-free rate (“RFR”).

The amendments provide a practical expedient whereby a entity would not derecognise or adjust the carrying amount of financial instruments for modifications required by profit rate benchmark reform, but would instead update the effective profit rate to reflect the change in the 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.

The amendments are effective for annual reporting periods beginning on or after 1 January 2021, retrospectively in accordance with MFRS 108 *Accounting Policies, Changes in Accounting Estimates and Errors*, without the need to restate comparative information. Restatement of prior periods is permitted if, and only if, it is possible without the use of hindsight. Earlier application is permitted. These amendments do not have any significant impact to the financial statements of the Bank.

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A1. Basis of preparation (cont'd.)

Amendment to MFRS 16 Leases 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.

The amendment applies to annual reporting periods beginning on or after 1 April 2021, which has been early adopted by the Bank. This amendment does not have any significant impact to the financial statements of the Bank.

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

During the financial year ended 31 December 2021, BNM had announced the extension of regulatory measures to facilitate financing repayment assistance to 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 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 recipients of Bantuan Prihatin Nasional ("BPN") and microenterprises with financing facilities not more than RM150,000 that 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 customers who have lost their employment, B40 customers registered under BSH/BPR, SMEs and microenterprises with financing facilities not more than RM150,000 that were approved on or before 30 June 2021 and not in arrears for more than 90 days. All affected customers may opt for 3-month deferment of instalment or a 50% reduction in their monthly instalment payment for a period of 6 months.

(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 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 individuals, 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 of profit and any penalty profit during the moratorium period.

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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.)

(iv) Financial management and resilience programme ("URUS")

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").

Under URUS, AKPK will provide eligible customers with a personalised financial plan with the following options:

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

Application for URUS is open from 15 November 2021 until 31 January 2022 for individual customers:

- (i) from B50 income segment (having gross household income of RM5,880 or lower based on definition by the Department of Statistics Malaysia);
- (ii) that have experienced either loss of employment or reduction of income of at least 50%;
- (iii) under an existing repayment assistance programme (e.g. Targeted Repayment Assistance, PEMERKASA+, PEMULIH, the Bank's own rescheduling and restructuring, etc.) as at 30 September 2021; and
- (iv) whose financing is still performing (not in arrears exceeding 90 days) as at the date of their application.

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 indicating evidence of significant increase in credit risk ("SICR"). The Bank will continue to apply judgement and perform more holistic assessment of all relevant indicators and information such as historical repayment and delinquency trend in determining SICR.

The 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 Bank is required to report the credit-impaired status consistently with the accounting classification.

Supervisory and Prudential Measures

During the financial year ended 31 December 2021, financial institutions are allowed to operate below the minimum Liquidity Coverage Ratio of 100%, lowered Net Stable Funding Ratio to 80% from 100%, draw down the capital conservation buffer of 2.5% and reduce the regulatory reserves held against expected losses to 0%. However, financial institutions are expected to restore their buffer to the minimum regulatory requirement by 30 September 2021. The Bank did not opt for any of the prudential buffers.

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A1. Basis of preparation (cont'd.)

Standards and annual improvements to standards issued but not yet effective

The following are standards and annual improvements to standards issued by Malaysian Accounting Standards Board (“MASB”), but not yet effective, up to the date of issuance of the Bank’s financial statements. The Bank intends to adopt these standards and annual improvements to standards, if applicable, when they become effective:

Description	Effective for annual periods beginning on or after
Annual Improvements to MFRS Standards 2018 - 2020	1 January 2022
Amendments to MFRS 116 <i>Property, Plant and Equipment - Proceeds before Intended Use</i>	1 January 2022
Amendments to MFRS 137 <i>Provisions, Contingent Liabilities and Contingent Assets - Onerous Contract - Cost of Fulfilling a Contract</i>	1 January 2022
Amendments to MFRS 101 <i>Presentation of Financial Statements - Disclosure of Accounting Policies</i>	1 January 2023
Amendments to MFRS 101 <i>Classification of Liabilities as Current or Non-current</i>	1 January 2023
Amendments to MFRS 108 <i>Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates</i>	1 January 2023
Amendments to MFRS 112 <i>Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
Amendments to MFRS 10 and MFRS 128: <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

Annual Improvements to MFRS Standards 2018 - 2020

The amendments permit a subsidiary that elects to apply paragraph D13(a) of MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards to measure cumulative translation differences using the amounts reported by the parent, based on the parent’s date of transition to MFRS. The amendments are also applied to an associate or joint venture that elects to apply paragraph D13(a) of MFRS 1. The amendments are effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted. The amendments are not expected to have any impact on the Bank’s financial statements.

Amendments to MFRS 116 *Property, Plant and Equipment - Proceeds before Intended Use*

The amendments prohibit entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment. The amendments are not expected to have any impact on the Bank’s financial statements.

A1. Basis of preparation (cont'd.)

Standards and annual improvements to standards issued but not yet effective (cont'd.)

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

The amendments clarify that the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling contracts. Before recognising a separate provision for an onerous contract, the entity recognises any impairment loss that has occurred on assets used in fulfilling the contract.

The amendments are to be applied prospectively in annual periods beginning on or after 1 January 2022, with earlier application permitted. The amendments are not expected to have any impact on the Bank's financial statements.

Amendments to MFRS 101 *Presentation of Financial Statements - Disclosure of Accounting Policies*

The amendments require companies to disclose material accounting policies rather than significant accounting policies. Entities are expected to make disclosure of accounting policies specific to the entity and not generic disclosure on MFRS applications.

The amendments explain that an accounting policy is material if, without it the users of the financial statements would be unable to understand other material information in the financial statements or/and when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decision that the primary users of general purpose financial statements make on the basis of those financial statements. Immaterial accounting policy information need not be disclosed. However, if it is disclosed, it should not obscure material accounting information.

The amendments are to be applied prospectively in annual periods beginning on or after 1 January 2023, earlier application is permitted. These amendments are not expected to have a significant impact on the preparation of the Bank's financial statements.

Amendments to MFRS 101 *Classification of Liabilities as Current or Non-current*

The amendments clarify the following:

- What is meant by a right to defer settlement;
- That a right to defer must exist at the end of the reporting period;
- That classification is unaffected by the likelihood that an entity will exercise its deferral right; and
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

The amendments are to be applied prospectively in annual periods beginning on or after 1 January 2023, with earlier application permitted. The amendments are not expected to have any impact on the Bank's financial statements.

A1. Basis of preparation (cont'd.)

Standards and annual improvements to standards issued but not yet effective (cont'd.)

Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates

The amendments redefined accounting estimates as "monetary amounts in financial statements that are subject to measurement uncertainty". These amendments provide clarity on how to distinguish changes in accounting policies from changes in accounting estimates. The amendments clarify that the effects of a change in an input or measurement technique used to develop an accounting estimate is a change in accounting estimate if the changes do not arise from prior period errors.

The distinction is important because changes in accounting estimates are applied prospectively but changes in accounting policies are applied retrospectively. The amendments are to be applied prospectively in annual periods beginning on or after 1 January 2023, earlier application is permitted. These amendments are not expected to have a significant impact on the preparation of the Bank's financial statements.

Amendments to MFRS 112 Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments specify the treatment for deferred tax on transactions related to leases and decommissioning obligation. The amendments clarify that the initial recognition exemption set out in MFRS 112 does not apply to transactions that give rise to equal amounts of taxable and deductible temporary difference. The aim of the amendments is to reduce diversity in the reporting of deferred tax on leases and decommissioning obligations.

The amendments are to be applied prospectively in annual periods beginning on or after 1 January 2023, earlier application is permitted. These amendments are not expected to have a significant impact on the preparation of the Bank's financial statements.

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

The amendments clarify that:

- Gains and losses resulting from transactions involving assets that do not constitute a business, between investor and its associate or joint venture are recognised in the entity's financial statements only to the extent of unrelated investors' interests in the associate or joint venture; and
- Gains and losses resulting from transactions involving the sale or contribution of assets to an associate or a joint venture that constitute a business is recognised in full.

The amendments are to be applied prospectively to the sale or contribution of assets occurring in annual periods beginning on or after a date to be determined by the MASB. Earlier application is permitted. These amendments are not expected to have any impact on the Bank.

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A2. Significant accounting policies

The audited annual financial statements 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 audited 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.

A3. Significant accounting estimates and judgements

The preparation of audited 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 audited condensed interim financial statements, the significant judgements made by management in applying 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 financial statements for the financial year ended 31 December 2020 was not qualified.

A5. Seasonal or cyclical factors

The operations of the Bank were not materially affected by any seasonal or cyclical factors during the financial year ended 31 December 2021.

A6. Unusual items due to their nature, size or incidence

During the financial year ended 31 December 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 Bank.

A7. Changes in estimates

There were no material changes in estimates during the financial year ended 31 December 2021.

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A8. Changes in debt and equity securities

- (i) The following are the changes in debt and equity securities for the Bank during the financial year ended 31 December 2021:

(a) **Share Capital**

The share capital of the Bank increased from RM7,929,443,460 as at 31 December 2020 to RM10,322,374,000 as at 31 December 2021 as follows:

- (A) The issuance of 22,594,000 new ordinary shares at RM31.28 per share to Maybank on the basis of one new share for every sixteen existing ordinary shares held; and
- (B) The issuance of 48,012,250 new ordinary shares at RM35.12 per share to Maybank on the basis of one new share for every eight existing ordinary shares held.

(b) **Term funding**

Issuance/redemption of term funding by the Bank

The aggregate nominal value of the Islamic commercial papers issued by the Bank and outstanding as at 31 December 2021 are as follows:

Currency	Description	Aggregate Nominal Value (in Million)
RM	Zero Profit Islamic Commercial Paper ("ICP")	8,000.0

(c) **Subordinated sukuk**

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

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

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

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A9. Dividends paid/declared

Dividends paid/declared during the financial year ended 31 December 2021 are as follows:

- (a) During the Annual General Meeting held on 22 June 2021, a single-tier final dividend in respect of the financial year ended 31 December 2020 of RM3.91 per share on 361,504,000 ordinary shares, amounting to a dividend payable of RM1,413,480,640 was approved by shareholder. The payment of dividend was completed on 28 June 2021.
- (b) On 26 August 2021, the Board of Directors had declared a single-tier interim dividend in respect of the financial year ended 31 December 2021 of RM4.39 per share on 384,098,000 ordinary shares, amounting to RM1,686,190,220. The payment of dividend was completed on 28 September 2021.
- (c) On 22 February 2022, the Board of Directors had declared a single-tier second interim dividend in respect of the current financial year ended 31 December 2021 of RM3.30 per ordinary share on 432,110,250 ordinary shares, amounting to a dividend payable of RM1,425,963,825.

The financial statements for the current financial year do not reflect this declared dividend. Such dividend will be accounted for in the statement of changes in equity as an appropriation of retained profits in the financial year ending 31 December 2022.

A10. Related party transactions

All related party transactions within the Maybank Group had been entered into in the normal course of business and were carried out on normal commercial terms.

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A11. Financial investments portfolio

	Note	31 December 2021 RM'000	31 December 2020 RM'000
Financial investments at fair value through profit or loss	(i)	784,302	-
Financial investments at fair value through other comprehensive income	(ii)	15,082,779	18,453,139
Financial investments at amortised cost	(iii)	22,867,781	16,381,007
		<u>38,734,862</u>	<u>34,834,146</u>

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

	31 December 2021 RM'000	31 December 2020 RM'000
At fair value		
Money market instruments:		
Malaysian Government Treasury Bills	<u>659,118</u>	-
Unquoted securities:		
Outside Malaysia:		
Islamic Corporate Sukuk	<u>125,184</u>	-
Total financial investments at FVTPL	<u>784,302</u>	-

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

	Note	31 December 2021 RM'000	31 December 2020 RM'000
At fair value			
Money market instruments:			
Malaysian Government Investment Issues		10,848,583	13,473,916
Khazanah Sukuk		29,614	29,032
		<u>10,878,197</u>	<u>13,502,948</u>

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A11. Financial investments portfolio (cont'd.)

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

	Note	31 December 2021 RM'000	31 December 2020 RM'000
Unquoted securities:			
In Malaysia:			
Corporate Sukuk	(a)	3,274,997	4,147,084
Government Sukuk		-	41,892
Equity		1,250	1,250
		<u>3,276,247</u>	<u>4,190,226</u>
Outside Malaysia:			
Islamic Corporate Sukuk		928,335	759,965
		<u>4,204,582</u>	<u>4,950,191</u>
Total financial investments at FVOCI		<u>15,082,779</u>	<u>18,453,139</u>

(a) As at 31 December 2021, the Corporate Sukuk funded by RPSIA amounting to RM343.8 million was recorded off-balance sheet, upon revision in the agreement between the Bank with the holding company and with the third party on the timing of cash flow remittance received from the financial investment to the investment account holders.

(b) Movements in the allowances for impairment losses on financial investments at FVOCI are as follows:

	Stage 1 12-month ECL RM'000	Stage 2 Lifetime ECL not credit impaired RM'000	Stage 3 Lifetime ECL credit impaired RM'000	Total RM'000
As at 31 December 2021				
At 1 January 2021	2,812	551	-	3,363
Transferred to Stage 1	551	(551)	-	-
Net remeasurement of allowances	(114)	-	-	(114)
New financial assets purchased	2,923	-	-	2,923
Financial assets derecognised	(2,649)	-	-	(2,649)
Changes in models/risk parameters	31	-	-	31
Exchange differences	78	-	-	78
At 31 December 2021	<u>3,632</u>	<u>-</u>	<u>-</u>	<u>3,632</u>

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A11. Financial investments portfolio (cont'd.)

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

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

	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	
	12-month	Lifetime ECL	Lifetime ECL	Total
As at 31 December 2020	ECL	not credit	credit	RM'000
	RM'000	impaired	impaired	RM'000
	RM'000	RM'000	RM'000	RM'000
At 1 January 2020	1,866	-	-	1,866
Transferred to Stage 2	(279)	279	-	-
Net remeasurement of allowances	246	272	-	518
New financial assets purchased	2,261	-	-	2,261
Financial assets derecognised	(1,142)	-	-	(1,142)
Changes in models/risk parameters	(34)	-	-	(34)
Exchange differences	(106)	-	-	(106)
At 31 December 2020	<u>2,812</u>	<u>551</u>	<u>-</u>	<u>3,363</u>

(iii) Financial investments at amortised cost

	Note	31 December 2021 RM'000	31 December 2020 RM'000
Money market instruments:			
Malaysian Government Investment Issues		11,246,266	4,588,339
Khazanah Sukuk		<u>826,400</u>	<u>932,288</u>
		12,072,666	5,520,627
Unquoted securities:			
In Malaysia:			
Corporate Sukuk	(a)	<u>10,823,470</u>	<u>11,130,024</u>
Allowances for impairment losses	(b)	<u>(28,355)</u>	<u>(269,644)</u>
Total financial investments at amortised cost		<u>22,867,781</u>	<u>16,381,007</u>

(a) As at 31 December 2020, included in the financial investments at amortised cost are Corporate Sukuk funded by RPSIA amounting to RM2,884.2 million.

Effective 31 December 2021, the Corporate Sukuk funded by RPSIA amounting to RM4,984.0 million was recorded off-balance sheet, upon revision in the agreement between the Bank with the holding company on the timing of cash flow remittance received from the financial investment to the investment account holders.

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A11. Financial investments portfolio (cont'd.)

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

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

	Stage 1	Stage 2	Stage 3	
	12-month	Lifetime ECL	Lifetime ECL	
	ECL	not credit	credit	
	impairment	impairment	impairment	Total
As at 31 December 2021	RM'000	RM'000	RM'000	RM'000
At 1 January 2021	38,379	231,265	-	269,644
Transferred to Stage 1	346	(346)	-	-
Net remeasurement of allowances	(17,119)	-	-	(17,119)
New financial assets purchased	1,636	-	-	1,636
Financial assets derecognised	(1,249)	(230,919)	-	(232,168)
Changes in models/risk parameters	6,349	-	-	6,349
Exchange differences	13	-	-	13
At 31 December 2021	28,355	-	-	28,355

	Stage 1	Stage 2	Stage 3	
	12-month	Lifetime ECL	Lifetime ECL	
	ECL	not credit	credit	
	impairment	impairment	impairment	Total
As at 31 December 2020	RM'000	RM'000	RM'000	RM'000
At 1 January 2020	17,995	-	-	17,995
Transferred to Stage 2	(1,879)	1,879	-	-
Net remeasurement of allowances	16,628	229,386	-	246,014
New financial assets purchased	9,257	-	-	9,257
Financial assets derecognised	(3,695)	-	-	(3,695)
Changes in models/risk parameters	73	-	-	73
At 31 December 2020	38,379	231,265	-	269,644

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A12. Financing and advances

	31 December 2021 RM'000	31 December 2020 RM'000
Financing and advances*:		
(A) Financing and advances at FVOCI	2,175,615	2,741,267
(B) Financing and advances at amortised cost	262,214,501	289,662,732
	264,390,116	292,403,999
Unearned income	(68,980,345)	(85,698,158)
Gross financing and advances	195,409,771	206,705,841
Allowances for ECL and impairment losses:		
- Stage 1 - 12-month ECL	(556,209)	(574,213)
- Stage 2 - Lifetime ECL not credit impaired	(1,678,410)	(1,209,931)
- Stage 3 - Lifetime ECL credit impaired	(709,435)	(1,254,822)
Net financing and advances	192,465,717	203,666,875

* As at 31 December 2020, included in the financing and advances are financial assets funded by RPSIA amounting to RM26,483.7 million. The expected credit losses relating to these financing amounting to RM446.6 million are reflected as a reduction in both financing and advances and deposits and placements of banks and other financial institutions as disclosed in Note A17.

Effective 31 December 2021, the financing and advances funded by RPSIA amounting to RM25,033.6 million was recorded off-balance sheet, upon revision in the agreement between the Bank with the holding company and with the third party on the timing of cash flow remittance received from the financing and advances to the investment account holders.

The gross exposure of the financing funded by investment accounts of customers ("IA") as at 31 December 2021 was RM28,720.8 million (2020: RM23,840.8 million).

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A12. Financing and advances (cont'd.)

(i) Financing and advances analysed by type and Shariah concepts are as follows:

As at 31 December 2021	Bai'¹	Murabahah	Musharakah	Al-Ijarah Thumma Al- Bai' ("AITAB")²	Ijarah³	Others	Total financing and advances
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Cashline	-	6,287,366	-	-	-	-	6,287,366
Term financing							
- House financing	12,828,267	81,673,329	1,719,726	-	-	602	96,221,924
- Syndicated financing	-	5,955,729	-	-	-	-	5,955,729
- Hire purchase receivables	-	11,676,586	-	36,500,533	-	-	48,177,119
- Lease receivables	-	-	-	-	815,909	-	815,909
- Other term financing	8,317,772	82,612,398	536,521	-	-	30,604	91,497,295
Trust receipts	-	132,385	-	-	-	-	132,385
Claims on customers under acceptance credits	-	5,227,288	-	-	-	-	5,227,288
Staff financing	340,773	2,357,766	7,330	156,719	-	36,492	2,899,080
Credit card receivables	-	-	-	-	-	1,355,004	1,355,004
Revolving credit	-	5,760,355	-	-	-	-	5,760,355
Share margin financing	-	55,212	-	-	-	-	55,212
Financing to:							
- Directors of the Bank	-	1,451	-	-	-	4	1,455
- Directors of related companies	-	3,570	-	300	-	125	3,995
	21,486,812	201,743,435	2,263,577	36,657,552	815,909	1,422,831	264,390,116
Unearned income							(68,980,345)
Gross financing and advances ⁴							195,409,771
Allowances for ECL and impairment losses:							
- Stage 1 - 12-month ECL							(556,209)
- Stage 2 - Lifetime ECL not credit impaired							(1,678,410)
- Stage 3 - Lifetime ECL credit impaired							(709,435)
Net financing and advances							192,465,717

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

² The Bank 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 Bank 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 IA.

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A12. Financing and advances (cont'd.)

(i) Financing and advances analysed by type and Shariah concepts are as follows (cont'd.):

As at 31 December 2020	Bai'¹	Murabahah	Musharakah	Al-Ijarah Thumma Al- Bai' ("AITAB")²	Ijarah³	Others	Total financing and advances
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Cashline	-	6,354,760	-	-	-	-	6,354,760
Term financing							
- House 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 receivable	-	-	-	-	-	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	-	2,024	-	-	-	8	2,032
- Directors of related companies	-	3,879	-	340	-	48	4,267
	<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							<u>(85,698,158)</u>
Gross financing and advances ⁴							206,705,841
Allowances for ECL and impairment losses:							
- Stage 1 - 12-month ECL							(574,213)
- Stage 2 - Lifetime ECL not credit impaired							(1,209,931)
- Stage 3 - Lifetime ECL credit impaired							<u>(1,254,822)</u>
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 Bank 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 Bank 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 RPSIA and IA.

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A12. Financing and advances (cont'd.)

(ii) Financing and advances analysed by type of customers are as follows:

	31 December 2021 RM'000	31 December 2020 RM'000
Domestic non-banking financial institutions	4,102,492	4,385,735
Domestic business enterprises:		
- Small and medium enterprises	30,636,404	26,319,703
- Others	19,993,497	30,637,837
Government and statutory bodies	2,315,399	16,144,388
Individuals	136,439,893	127,787,608
Other domestic entities	75,855	33,265
Foreign entities	1,846,231	1,397,305
Gross financing and advances	<u>195,409,771</u>	<u>206,705,841</u>

(iii) Financing and advances analysed by profit rate sensitivity are as follows:

	31 December 2021 RM'000	31 December 2020 RM'000
Fixed rate:		
- House financing	1,618,632	1,506,079
- Hire purchase receivables	32,783,987	31,474,156
- Other financing	13,899,657	33,281,314
Floating rate:		
- House financing	59,652,877	53,987,854
- Other financing	87,454,618	86,456,438
Gross financing and advances	<u>195,409,771</u>	<u>206,705,841</u>

(iv) Financing and advances analysed by their economic purposes are as follows:

	31 December 2021 RM'000	31 December 2020 RM'000
Purchase of securities	25,278,402	24,118,381
Purchase of transport vehicles	43,898,276	40,840,421
Purchase of landed properties:		
- Residential	61,572,937	54,518,350
- Non-residential	16,204,503	14,667,103
Purchase of fixed assets (excluding landed properties)	177,947	148,492
Personal use	3,252,580	4,784,845
Purchase of consumer durables	520	346
Constructions	2,037,500	2,542,260
Mergers and acquisitions	500,000	-
Working capital	41,086,366	63,783,960
Credit/charge cards	1,400,740	1,301,683
Gross financing and advances	<u>195,409,771</u>	<u>206,705,841</u>

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A12. Financing and advances (cont'd.)

(v) The maturity profile of financing and advances are as follows:

	31 December 2021 RM'000	31 December 2020 RM'000
Within one year	23,468,423	33,131,625
One year to three years	7,961,295	8,896,910
Three years to five years	16,372,043	15,229,505
After five years	147,608,010	149,447,801
Gross financing and advances	<u>195,409,771</u>	<u>206,705,841</u>

(vi) Movements in the credit impaired financing and advances are as follows:

	31 December 2021 RM'000	31 December 2020 RM'000
Gross impaired financing and advances at 1 January	2,452,406	3,115,266
Impaired during the financial year	238,626	584,878
Reclassified as non-impaired	(36,215)	(485,955)
Amount recovered	(339,776)	(437,564)
Amount written off	(233,810)	(317,043)
Amount related to Restricted Investment Account	(588,475)	(7,176)
Gross impaired financing and advances at 31 December	<u>1,492,756</u>	<u>2,452,406</u>
Less: Stage 3 - Lifetime ECL credit impaired	<u>(709,435)</u>	<u>(1,254,822)</u>
Net impaired financing and advances at 31 December	<u>783,321</u>	<u>1,197,584</u>

Calculation of ratio of net impaired financing and advances (excluding financing funded by IA)¹:

Gross impaired financing and advances	1,429,024	1,776,012
Less: Stage 3 - Lifetime ECL credit impaired	(709,435)	(1,254,822)
Net impaired financing and advances	<u>719,589</u>	<u>521,190</u>
Gross financing and advances	166,688,972	156,381,322
Less: Allowances for financing and advances at amortised cost and at fair value through other comprehensive income	(2,946,356)	(3,043,122)
Net financing and advances	<u>163,742,616</u>	<u>153,338,200</u>
Ratio of net impaired financing and advances	<u>0.44%</u>	<u>0.34%</u>

¹ Excludes financing funded by RPSIA for the financial year ended 31 December 2020

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A12. Financing and advances (cont'd.)

(vii) Credit impaired financing and advances analysed by their economic purposes are as follows:

	31 December 2021 RM'000	31 December 2020 RM'000
Purchase of securities	11,569	76,253
Purchase of transport vehicles	126,187	174,184
Purchase of landed properties:		
- Residential	291,858	381,806
- Non-residential	146,632	178,437
Purchase of fixed assets (excluding landed properties)	920	889
Personal use	39,409	49,336
Purchase of consumer durables	2	2
Constructions	25,099	50,111
Working capital	844,904	1,536,493
Credit/charge cards	6,176	4,895
Gross credit impaired financing and advances	<u>1,492,756</u>	<u>2,452,406</u>

(viii) 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	
As at 31 December 2021				
At 1 January 2021	1,662	2,494	-	4,156
Net remeasurement of allowances	133	-	-	133
New financial assets originated or purchased	47	-	-	47
Financial assets derecognised	(636)	(2,494)	-	(3,130)
Changes in models/risk parameters	1,085	-	-	1,085
Exchange differences	11	-	-	11
At 31 December 2021	<u>2,302</u>	<u>-</u>	<u>-</u>	<u>2,302</u>

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A12. Financing and advances (cont'd.)

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

At fair value through other comprehensive income (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	
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	
As at 31 December 2021				
At 1 January 2021	574,213	1,209,931	1,254,822	3,038,966
Transferred to Stage 1	241,131	(229,027)	(12,104)	-
Transferred to Stage 2	(17,310)	45,043	(27,733)	-
Transferred to Stage 3	(5,392)	(27,532)	32,924	-
Net remeasurement of allowances	(245,822)	741,141	117,932	613,251
New financial assets originated or purchased	115,763	51,554	-	167,317
Financial assets derecognised	(42,288)	(75,656)	(24,227)	(142,171)
Changes in models/risk parameters	(44,063)	(20,640)	-	(64,703)
Amount related to Restricted Investment Accounts	(20,279)	(17,223)	(409,064)	(446,566)
Amount written off	-	-	(233,810)	(233,810)
Exchange differences	256	819	10,695	11,770
At 31 December 2021	556,209	1,678,410	709,435	2,944,054

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A12. Financing and advances (cont'd.)

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

At amortised cost (cont'd.)

	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>Total</u>
	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	<u>574,213</u>	<u>1,209,931</u>	<u>1,254,822</u>	<u>3,038,966</u>

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A13. Derivative financial instruments

The table below shows the fair values of derivative financial instruments, recorded as assets or liabilities, together with their notional amounts. The notional amount, recorded gross, is the amount of derivative's underlying asset, reference rate or index and is the basis upon which change in the value of derivatives are measured. The notional amounts indicate the volume of transactions outstanding at the reporting date and are indicative of neither the market risks nor the credit risk.

The Bank enters into derivative financial instruments at the request and on behalf of its customers as well as to hedge the Bank's own exposures and not for speculative purpose.

	31 December 2021			31 December 2020		
	Principal Amount RM'000	Fair value Assets RM'000	Fair value Liabilities RM'000	Principal Amount RM'000	Fair value Assets RM'000	Fair value Liabilities RM'000
<u>Trading derivatives</u>						
<u>Foreign exchange related contracts</u>						
Currency forwards:						
- Less than one year	8,617,698	26,173	(35,464)	7,302,204	16,665	(215,360)
- One year to three years	574,349	2,475	(2,475)	881,114	8,609	(8,609)
- More than three years	2,704,174	6,242	(6,242)	2,498,574	30,465	(30,465)
	<u>11,896,221</u>	<u>34,890</u>	<u>(44,181)</u>	<u>10,681,892</u>	<u>55,739</u>	<u>(254,434)</u>
Currency swaps:						
- Less than one year	15,398,762	19,239	(65,804)	15,836,028	180,934	(260,507)
Currency spot:						
- Less than one year	400,910	65	(1,283)	426,413	11,262	(865)
Currency options:						
- Less than one year	7,157	38	(38)	1,161	10	(10)

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A13. Derivative financial instruments (cont'd.)

	31 December 2021			31 December 2020		
	Principal Amount RM'000	Fair value Assets RM'000	Fair value Liabilities RM'000	Principal Amount RM'000	Fair value Assets RM'000	Fair value Liabilities RM'000
<u>Trading derivatives (cont'd.)</u>						
<u>Foreign exchange related contracts (cont'd.)</u>						
Cross currency profit rate swaps:						
- Less than one year	2,114,560	7,548	(7,548)	-	-	-
- One year to three years	24,137	112	(112)	2,092,853	31,242	(31,242)
- More than three years	405,012	7,759	(7,759)	415,320	2,135	(2,135)
	2,543,709	15,419	(15,419)	2,508,173	33,377	(33,377)
<u>Profit rate related contracts</u>						
Profit rate swaps:						
- Less than one year	490,000	4,185	(4,185)	80,340	456	(452)
- One year to three years	4,622,648	37,370	(36,085)	1,490,000	35,702	(35,702)
- More than three years	392,321	6,214	(10,550)	2,145,654	67,823	(70,955)
	5,504,969	47,769	(50,820)	3,715,994	103,981	(107,109)
Total	35,751,728	117,420	(177,545)	33,169,661	385,303	(656,302)

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A14. Other assets

	31 December 2021 RM'000	31 December 2020 RM'000
Amount due from holding company	3,880,724	1,772,618
Handling fees	190,877	191,339
Prepayments and deposits	16,079	21,796
Tax recoverable	171,447	319,391
Margin account with holding company	114,110	98,420
Others debtors	431,238	401,360
	<u>4,804,475</u>	<u>2,804,924</u>

A15. Deposits from customers

(i) By type of deposits

	31 December 2021 RM'000	31 December 2020 RM'000
Savings deposits		
Murabahah	26,302,000	-
Qard	3,496,477	23,708,048
	<u>29,798,477</u>	<u>23,708,048</u>
Demand deposits		
Murabahah	32,042,239	-
Qard	1,362,014	26,703,465
	<u>33,404,253</u>	<u>26,703,465</u>
Term deposits		
Murabahah	115,751,729	114,498,944
Qard	560,459	357,789
	<u>116,312,188</u>	<u>114,856,733</u>
	<u>179,514,918</u>	<u>165,268,246</u>

During the financial year ended 31 December 2021, the Bank changed the underlying shariah contract for deposits from customers from Qard to Murabahah for certain applicable products.

(ii) By type of customers

	31 December 2021 RM'000	31 December 2020 RM'000
Business enterprises	54,833,259	55,608,362
Individuals	51,692,158	45,188,774
Government and statutory bodies	36,389,382	32,798,930
Others	36,600,119	31,672,180
	<u>179,514,918</u>	<u>165,268,246</u>

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A16. Investment accounts

	31 December 2021 RM'000	31 December 2020 RM'000
Investment accounts of customers		
- Unrestricted investment accounts ¹	28,720,799	23,840,796
Restricted investment accounts managed by the Bank ²	30,147,795	-

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

	Unrestricted investment accounts ¹ RM'000	Restricted investment accounts managed by the Bank ² RM'000
As at 31 December 2021		
Business enterprises	16,564,421	-
Individuals	10,159,957	-
Government and statutory bodies	205,058	-
Licensed banks	-	29,511,958
Others	1,791,363	635,837
	28,720,799	30,147,795
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	-

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A16. Investment accounts (cont'd.)

(ii) Maturity profile of investment accounts are as follows:

	Unrestricted investment accounts¹ RM'000	Restricted investment accounts managed by the Bank² RM'000
As at 31 December 2021		
- without maturity	23,666,368	-
- with maturity	5,054,431	30,147,795
Within six months	3,560,977	8,099,298
Six months to one year	1,483,337	54,362
One year to three years	4,741	3,715,037
Three years to five years	5,376	18,279,098
	28,720,799	30,147,795
As at 31 December 2020		
- without maturity	18,243,257	-
- with maturity	5,597,539	-
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	-
	23,840,796	-

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A16. Investment accounts (cont'd.)

(iii) The allocation of investment assets are as follows:

	Unrestricted investment accounts¹ RM'000	Restricted investment accounts managed by the Bank² RM'000
As at 31 December 2021		
Retail financing	26,965,529	-
Non-retail financing	1,755,270	24,819,965
Corporate Sukuk	-	5,327,830
	28,720,799	30,147,795
	Unrestricted investment accounts RM'000	Restricted investment accounts managed by the Bank² RM'000
As at 31 December 2020		
Retail financing	22,550,499	-
Non-retail financing	1,290,297	-
Corporate Sukuk	-	-
	23,840,796	-

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A16. Investment accounts (cont'd.)

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

	Investment account holder ("IAH")	
	Average profit sharing ratio (%)	Average rate of return (%)
As at 31 December 2021		
Investment accounts of customers		
- Unrestricted investment accounts ¹	29.55	1.18
Restricted investment accounts managed by the Bank ²	78.41	3.20
As at 31 December 2020		
Investment accounts of customers		
- Unrestricted investment accounts	36.53	1.64
- Restricted investment accounts ³	99.95	4.03

¹ Included in the unrestricted investment accounts are funds received from the Multi-Asset Investment Account-i ("MAIA") product of RM254.1 million that are managed by the Bank. The amount represents 50% of the total funds invested in MAIA product of RM515.4 million. The remaining are managed by a related entity, Maybank Islamic Asset Management Sdn Bhd ("MIAM") where the funds are invested in marketable securities with net asset value of RM261.3 million as at 31 December 2021. The funds managed by MIAM are excluded from the asset and liability of the Bank.

² Included in the restricted investment accounts managed by the Bank is an arrangement between the Bank with the holding company and with the third party where the Bank acts as an investment agent to manage and administer the restricted investment accounts amounting to RM29,512.0 million and RM635.8 million respectively. The amount of restricted investment accounts managed by the Bank are disclosed net of any impairment allowances required on the underlying financial assets funded by the restricted investment accounts.

³ As at 31 December 2020, the restricted investment accounts have been fully withdrawn.

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A17. Deposits and placements of banks and other financial institutions

	31 December 2021 RM'000	31 December 2020 RM'000
<u>Mudharabah Fund</u>		
Licensed banks ¹	-	28,997,440
<u>Non-Mudharabah Fund</u>		
Licensed banks	21,378,327	7,662,450
Licensed Islamic banks	948,712	549,213
Licensed investment banks	267,265	49,721
Other financial institutions	1,592,324	1,512,028
	24,186,628	9,773,412
	24,186,628	38,770,852

¹ As at 31 December 2020, included in the Mudharabah deposits and placements of licensed banks is the Restricted Profit Sharing Investment Account ("RPSIA") placed by the holding company amounting to RM28,997.4 million. These placements are used to fund certain specific financing and advances and purchase of financial investments at amortised cost.

Effective 31 December 2021, the Mudharabah deposits and placements of licensed banks funded by RPSIA amounting to RM29,512.0 million were recorded off-balance sheet, upon revision in the agreement between the Bank and the holding company. Details of these Mudharabah deposits and placements are now disclosed in Note A16 under restricted investment accounts managed by the Bank.

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A18. Other liabilities

	Note	31 December 2021 RM'000	31 December 2020 RM'000
Sundry creditors		1,285,618	175,210
Deposit on trade financing		125,593	34,457
Provisions and accruals		44,371	25,654
Provisions for commitments and contingencies		-	47,918
Allowances for impairment losses on financing commitments and financial guarantee contracts	(i)	50,720	36,341
Lease liabilities		5,957	9,896
Structured deposits		3,592	1,161
Amount due to related company		5,270	8,443
		<u>1,521,121</u>	<u>339,080</u>

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

	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 2021				RM'000
At 1 January 2021	26,366	9,592	383	36,341
Transferred to Stage 1	76	(76)	-	-
Transferred to Stage 2	(18)	18	-	-
Transferred to Stage 3	(98)	-	98	-
Net remeasurement of allowances	(22,761)	563	1,422	(20,776)
New credit exposures originated or purchased	31,073	9,653	-	40,726
Credit exposures derecognised	(3,190)	(2,294)	(281)	(5,765)
Changes in models/risk parameters	1	(39)	-	(38)
Exchange differences	216	16	-	232
At 31 December 2021	<u>31,665</u>	<u>17,433</u>	<u>1,622</u>	<u>50,720</u>

	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				RM'000
At 1 January 2020	20,003	4,541	2,138	26,682
Transferred to Stage 1	337	(327)	(10)	-
Transferred to Stage 2	(6,163)	6,163	-	-
Transferred to Stage 3	-	(73)	73	-
Net remeasurement of allowances	689	355	(1,772)	(728)
New credit exposures originated or purchased	14,393	2,260	-	16,653
Credit exposures derecognised	(2,851)	(3,294)	(46)	(6,191)
Changes in models/risk parameters	1	(16)	-	(15)
Exchange differences	(43)	(17)	-	(60)
At 31 December 2020	<u>26,366</u>	<u>9,592</u>	<u>383</u>	<u>36,341</u>

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A19. Sources and uses of charity funds

	31 December 2021 RM'000	31 December 2020 RM'000
Sources of charity funds		
Shariah non-compliant/prohibited income	-	39
Total sources of charity funds during the year	-	39
Uses of charity funds		
Contribution to non-profit organisation ¹	-	39
Total uses of charity funds during the year	-	39
Undistributed charity funds at 31 December	-	-

¹ Does not include fund refunded to customers of RM61.84 made during the year (2020: RM40.47).

A20. Term Funding

	31 December 2021 RM'000	31 December 2020 RM'000
Unsecured term funding:		
(a) Commercial Paper		
- Less than one year	7,947,135	7,945,896
(b) Medium Term Notes		
- Less than one year	2,002,762	-
- More than one year	-	2,003,222
(c) Term funding		
- More than one year (note(a))	973,280	945,940
Total term funding	10,923,177	10,895,058

Note(a): Term funding relates to amounts received by the Bank 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.

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A21. Subordinated Sukuk

	31 December 2021 RM'000	31 December 2020 RM'000
RM1,000 million subordinated sukuk due in 2026	-	1,017,454
RM1,000 million subordinated sukuk due in 2029	1,010,849	1,010,849
RM1,000 million subordinated sukuk due in 2031	1,010,965	-
	2,021,814	2,028,303

A22. Capital Securities

	31 December 2021 RM'000	31 December 2020 RM'000
RM1,000 million 4.95% Additional Tier 1 Sukuk Wakalah	1,002,441	1,002,441

A23. Income derived from investment of depositors' funds

	Unaudited		Audited	
	Fourth Quarter Ended		Cumulative 12 Months Ended	
	31 December 2021 RM'000	31 December 2020 RM'000	31 December 2021 RM'000	31 December 2020 RM'000
Income derived from investment of:				
i) General investment deposits	1,531,135	1,690,518	5,708,917	5,961,250
ii) Other deposits	723,004	409,648	3,102,547	2,616,440
	2,254,139	2,100,166	8,811,464	8,577,690

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A23. Income derived from investment of depositors' funds (cont'd.)

i) Income derived from investment of general investment deposits

	Unaudited		Audited	
	Fourth Quarter Ended 31 December 2021 RM'000	31 December 2020 RM'000	Cumulative 12 Months Ended 31 December 2021 RM'000	31 December 2020 RM'000
Finance income and hibah				
Financing and advances (Note A25 (note(a)))	1,105,573	1,311,235	4,261,360	4,568,090
Money at call and deposits with financial institutions	36,812	44,552	162,844	220,898
Financial assets purchased under resale agreements	22,974	3,815	53,361	3,821
Financial investments at fair value through other comprehensive income	97,590	124,744	388,357	410,070
Financial investments at amortised cost	180,513	120,374	552,221	398,368
Financial investments at fair value through profit or loss	185	151	3,166	2,756
	<u>1,443,647</u>	<u>1,604,871</u>	<u>5,421,309</u>	<u>5,604,003</u>
Amortisation of premiums	(9,088)	(12,319)	(33,991)	(21,210)
Total finance income and hibah	1,434,559	1,592,552	5,387,318	5,582,793
Other operating income :				
Fee income:				
- Processing fees	15,168	8,477	36,747	16,309
- Commissions	39,568	38,162	127,759	117,363
- Service charges and other fees	34,844	35,231	114,187	116,459
Gains on disposal of financial investments at fair value through other comprehensive income	3,045	7,015	44,849	67,158
(Losses)/gains on redemption of financial investments at amortised cost	(9)	-	296	-
Gains/(losses) on disposal of financial investments at fair value through profit or loss	1,454	(413)	1,727	5,855
Unrealised gains/(losses) on revaluation of:				
- Financial investments at fair value through profit or loss	737	645	868	(447)
- Derivatives	4,488	(3,675)	892	(10,082)
Gains/(losses) on foreign exchange:				
- Realised	36,381	(69,542)	110,233	(28,329)
- Unrealised	(39,358)	81,862	(117,085)	93,200
Realised gains on derivatives	104	204	508	971
Others	154	-	618	-
Total other operating income	96,576	97,966	321,599	378,457
Total	1,531,135	1,690,518	5,708,917	5,961,250

Included in finance income are income on impaired assets amounting to RM31.0 million (31 December 2020: RM42.2 million).

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A23. Income derived from investment of depositors' funds (cont'd.)

ii) Income derived from investment of other deposits

	Unaudited		Audited	
	Fourth Quarter Ended 31 December 2021 RM'000	31 December 2020 RM'000	Cumulative 12 Months Ended 31 December 2021 RM'000	31 December 2020 RM'000
Finance income and hibah				
Financing and advances (Note A25 (note(a)))	518,400	322,073	2,315,575	2,004,970
Money at call and deposits with financial institutions	16,713	5,831	88,487	96,954
Financial assets purchased under resale agreements	11,691	1,674	28,996	1,677
Financial investments at fair value through other comprehensive income	45,442	32,548	211,029	179,983
Financial investments at amortised cost	88,389	31,201	300,071	174,847
Financial investments at fair value through profit or loss	22	(136)	1,720	1,210
	680,657	393,191	2,945,878	2,459,641
Amortisation of premiums	(4,288)	(4,715)	(18,470)	(9,309)
Total finance income and hibah	676,369	388,476	2,927,408	2,450,332
Other operating income :				
Fee income:				
- Processing fees	7,679	3,111	19,968	7,158
- Commissions	19,200	10,587	69,423	51,512
- Service charges and other fees	16,864	9,143	62,048	51,115
Gains on disposal of financial investments at fair value through other comprehensive income	563	(1,601)	24,370	29,476
Gains on redemption of financial investments at amortised cost	10	-	545	-
Gains/(losses) on disposal of financial investments at fair value through profit or loss	784	(669)	939	2,570
Unrealised gains/(losses) on revaluation of:				
- Financial investments at fair value through profit or loss	398	368	472	(196)
- Derivatives	2,533	(1,114)	485	(4,425)
Gains/(losses) on foreign exchange:				
- Realised	17,842	(33,730)	59,899	(12,434)
- Unrealised	(19,357)	35,047	(63,622)	40,906
Realised gains on derivatives	46	30	276	426
Others	73	-	336	-
Total other operating income	46,635	21,172	175,139	166,108
Total	723,004	409,648	3,102,547	2,616,440

Included in finance income are income on impaired assets amounting to RM16.9 million (31 December 2020: RM18.5 million).

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A24. Income derived from investment of investment account funds

	Unaudited		Audited	
	Fourth Quarter Ended 31 December 2021 RM'000	31 December 2020 RM'000	Cumulative 12 Months Ended 31 December 2021 RM'000	31 December 2020 RM'000
Financing and advances (Note A25 (note(a)))	256,895	246,417	951,347	1,007,631
Total finance income and hibah	256,895	246,417	951,347	1,007,631
Other operating income :				
Fee income:				
- Commissions	124	54	294	377
- Service charges and other fees	17	8	39	54
Total other operating income	141	62	333	431
Total	257,036	246,479	951,680	1,008,062

A25. Income derived from investment of shareholder's funds

	Unaudited		Audited	
	Fourth Quarter Ended 31 December 2021 RM'000	31 December 2020 RM'000	Cumulative 12 Months Ended 31 December 2021 RM'000	31 December 2020 RM'000
Finance income and hibah				
Financing and advances (note(a))	88,854	92,333	378,183	315,370
Money at call and deposits with financial institutions	2,897	3,173	14,452	15,250
Financial assets purchased under resale agreements	1,950	263	4,736	264
Financial investments at fair value through other comprehensive income	7,808	8,770	34,466	28,310
Financial investments at amortised cost	14,929	8,464	49,008	27,502
Financial investments at fair value through profit or loss	8	12	281	190
	116,446	113,015	481,126	386,886
Amortisation of premiums	(734)	(855)	(3,017)	(1,464)
Total finance income and hibah	115,712	112,160	478,109	385,422

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A25. Income derived from investment of shareholder's funds (cont'd.)

	Unaudited		Audited	
	Fourth Quarter Ended 31 December 2021 RM'000	31 December 2020 RM'000	Cumulative 12 Months Ended 31 December 2021 RM'000	31 December 2020 RM'000
Other operating income :				
Fee income:				
- Processing fees	1,283	590	3,261	1,126
- Commissions	3,252	2,678	11,338	8,102
- Service charges and other fees	2,860	2,477	10,134	8,040
Gains on disposal of financial investments at fair value through other comprehensive income	147	517	3,980	4,636
(Losses)/gains on redemption of financial investments at amortised cost	(1)	-	48	-
Gains/(losses) on disposal of financial investments at fair value through profit or loss	128	(25)	153	404
Unrealised gains/(losses) on revaluation of:				
- Financial investments at fair value through profit or loss	65	44	77	(31)
- Derivatives	409	(257)	79	(696)
Gains/(losses) on foreign exchange:				
- Realised	3,012	(4,778)	9,783	(1,956)
- Unrealised	(3,265)	5,658	(10,391)	6,434
Realised gains on derivatives	8	14	45	67
Others	13	-	55	-
Total other operating income	7,911	6,918	28,562	26,126
Total	123,623	119,078	506,671	411,548

Included in finance income are income on impaired assets amounting to RM2.8 million (31 December 2020: RM2.9 million).

Note(a): Included the net effects under government support measures to assist customers adversely impacted by COVID-19 amounting to RM106,838,000 (2020: RM240,920,000) for the Bank.

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A26. (Writeback of)/allowances for impairment losses on financing and advances, net

	Unaudited		Audited	
	Fourth Quarter Ended 31 December 2021 RM'000	31 December 2020 RM'000	Cumulative 12 Months Ended 31 December 2021 RM'000	31 December 2020 RM'000
(Writeback of)/allowances for impairment losses on financing and advances:				
- Stage 1 - 12-month ECL, net	(93,388)	10,515	(210,658)	51,185
- Stage 2 - Lifetime ECL not credit impaired, net	(33,521)	377,173	701,788	682,235
- Stage 3 - Lifetime ECL credit impaired, net	(4,710)	37,037	94,846	271,712
Impaired financing and advances written off	3,581	5,703	12,458	13,934
Impaired financing and advances recovered	(21,920)	(37,842)	(74,178)	(90,322)
Allowances for impairment losses on other debts	102	117	287	134
	(149,856)	392,703	524,543	928,878

A27. Allowances for/(writeback of) impairment losses on financial investments, net

	Unaudited		Audited	
	Fourth Quarter Ended 31 December 2021 RM'000	31 December 2020 RM'000	Cumulative 12 Months Ended 31 December 2021 RM'000	31 December 2020 RM'000
Financial investments at fair value through other comprehensive income				
- Stage 1 - 12-month ECL, net	1,022	(3,544)	191	1,331
- Stage 2 - Lifetime ECL not credit impaired, net	-	-	-	272
	1,022	(3,544)	191	1,603
Financial investments at amortised cost				
- Stage 1 - 12-month ECL, net	(358)	17,981	(10,383)	22,263
- Stage 2 - Lifetime ECL not credit impaired, net	-	225,908	(230,919)	229,386
	(358)	243,889	(241,302)	251,649
	664	240,345	(241,111)	253,252

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A28. Allowances for impairment losses on other financial assets, net

	Unaudited		Audited	
	Fourth Quarter Ended		Cumulative 12 Months Ended	
	31 December	31 December	31 December	31 December
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Financial assets purchased under resale agreements				
- Stage 1 - 12-month ECL, net	2,727	1,362	5,629	1,452
	<u>2,727</u>	<u>1,362</u>	<u>5,629</u>	<u>1,452</u>

A29. Profit distributed to depositors

	Unaudited		Audited	
	Fourth Quarter Ended		Cumulative 12 Months Ended	
	31 December	31 December	31 December	31 December
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Deposits from customers				
- Non-mudharabah fund	554,332	636,007	2,265,905	3,251,412
	<u>554,332</u>	<u>636,007</u>	<u>2,265,905</u>	<u>3,251,412</u>
Deposits and placements of banks and other financial institutions				
- Mudharabah fund	219,901	225,805	937,947	922,947
- Non-mudharabah fund	101,773	22,057	268,217	186,975
	<u>321,674</u>	<u>247,862</u>	<u>1,206,164</u>	<u>1,109,922</u>
Structured deposits				
- Non-mudharabah fund	46	5	75	156
	<u>46</u>	<u>5</u>	<u>75</u>	<u>156</u>
	<u>876,052</u>	<u>883,874</u>	<u>3,472,144</u>	<u>4,361,490</u>

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A30. Overhead expenses

	Unaudited		Audited	
	Fourth Quarter Ended		Cumulative 12 Months Ended	
	31 December 2021 RM'000	31 December 2020 RM'000	31 December 2021 RM'000	31 December 2020 RM'000
Personnel expenses	17,363	10,563	55,432	49,763
- Salaries, allowances and bonuses	12,906	7,642	41,838	35,771
- Pension costs - defined contribution plan	1,978	1,176	6,325	5,710
- Share/options granted under ESGP	698	680	2,903	2,066
- Other staff related expenses	1,781	1,065	4,366	6,216
Establishment costs	2,001	3,131	7,388	9,047
- Depreciation of right-of-use assets	227	804	2,503	3,129
- Depreciation of property, plant and equipment	117	124	446	505
- Repairs, servicing and maintenance	15	14	108	65
- Information technology expenses	1,603	2,091	4,033	4,947
- Finance cost on lease liabilities	38	95	297	398
- Others	1	3	1	3
Marketing costs	3,546	6,800	10,360	12,627
- Advertisement and publicity	2,365	4,786	5,542	5,261
- Others	1,181	2,014	4,818	7,366
Administration and general expenses	459,502	362,563	1,586,938	1,524,300
- Fees and brokerage	30,762	23,244	78,754	63,230
- Administrative expenses	4,349	4,034	14,068	12,491
- General expenses	(4,956)	(8,577)	(37,366)	60,818
- Shared service cost paid/payable to Maybank and related company	429,347	343,862	1,531,482	1,387,761
Total	482,412	383,057	1,660,118	1,595,737

A31. Finance costs

	Unaudited		Audited	
	Fourth Quarter Ended		Cumulative 12 Months Ended	
	31 December 2021 RM'000	31 December 2020 RM'000	31 December 2021 RM'000	31 December 2020 RM'000
Subordinated sukuk	18,652	23,063	76,158	91,751
Capital securities	12,477	12,477	49,500	49,636
Term funding	72,292	77,015	283,743	340,936
	103,421	112,555	409,401	482,323

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A32. Taxation and zakat

The analysis of the taxation and zakat expense are as follows:

	Unaudited		Audited	
	Fourth Quarter Ended		Cumulative 12 Months Ended	
	31 December 2021 RM'000	31 December 2020 RM'000	31 December 2021 RM'000	31 December 2020 RM'000
Malaysian income tax	279,119	188,317	1,039,566	230,590
Foreign income tax	-	-	-	27
	279,119	188,317	1,039,566	230,617
Under/(over) provision in prior period/year:				
Malaysian income tax	641	(22,557)	429,187	(22,557)
Deferred tax				
- Relating to origination and reversal of temporary differences	454,570	(88,796)	(35,221)	270,826
- Over provision in prior period/year	(428,546)	-	(428,546)	-
- Effect of an increase in tax rate	2,133	-	2,133	-
Tax expense for the financial period/year	307,917	76,964	1,007,119	478,886
Zakat	6,296	(7,424)	25,533	13,248
	314,213	69,540	1,032,652	492,134

Domestic current income tax is calculated at the statutory tax rate of 24% of the estimated chargeable profit for the financial year. As announced in the Budget 2022, the prosperity tax (or also known as “Cukai Makmur”) is a one-off tax measure whereby companies with chargeable income above the RM100.0 million will be taxed at a rate of 33% and the income below and equal RM100.0 million will be taxed at the current statutory tax rate of 24% for year of assessment (“YA”) 2022.

A33. Credit exposure arising from credit transactions with connected parties

The credit exposures disclosed below are based on requirement of Paragraph 9.1 of Bank Negara Malaysia's revised Guidelines on Credit Transactions and Exposures with Connected Parties:

	31 December 2021	31 December 2020
Outstanding credit exposure with connected parties (RM'000)	9,720,795	7,655,809
Percentage of outstanding credit exposures to connected parties as proportion of total credit exposures	3.90%	3.45%
Percentage of outstanding credit exposures to connected parties which is impaired* or in default	-	-

* Impaired refers to non-performing as stated in Paragraph 9.1 of Bank Negara Malaysia's revised Guidelines on Credit Transactions and Exposures with Connected Parties.

A34. Subsequent events to the balance sheet

There were no material events subsequent to the balance sheet date that require disclosure or adjustment to the audited condensed interim financial statements.

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A35. Commitments and contingencies

In the normal course of business, the Bank makes various commitments and incurs 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 Bank as at the reporting dates are as follows:

	31 December 2021			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
<u>Contingent liabilities</u>						
Direct credit substitutes	2,845,299	2,236,690	1,589,255	2,832,337	2,786,746	2,258,338
Certain transaction-related contingent items	3,316,724	1,623,110	1,120,828	2,533,185	1,246,136	778,165
Short-term self-liquidating trade-related contingencies	500,796	102,269	39,713	162,041	34,164	15,170
	6,662,819	3,962,069	2,749,796	5,527,563	4,067,046	3,051,673
<u>Commitments</u>						
Irrevocable commitments to extend credit:						
- maturity within one year	31,073,338	1,493,386	262,960	27,288,508	1,388,834	261,485
- maturity exceeding one year	10,411,607	20,641,624	8,367,924	10,452,802	17,979,661	7,763,819
	41,484,945	22,135,010	8,630,884	37,741,310	19,368,495	8,025,304
Miscellaneous commitments and contingencies	83,465	-	-	86,280	-	-
Total credit-related commitments and contingencies	48,231,229	26,097,079	11,380,680	43,355,153	23,435,541	11,076,977

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A35. Commitments and contingencies (cont'd.)

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

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

	31 December 2021			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
<u>Derivative financial instruments</u>						
Foreign exchange related contracts:						
- less than one year	26,539,087	173,490	54,161	23,565,806	152,805	58,958
- one year to less than five years	1,577,464	87,013	34,567	3,571,063	158,246	123,372
- more than five years	2,130,208	176,384	82,878	2,316,798	185,877	145,433
Profit rate related contracts:						
- less than one year	490,000	5,042	3,028	80,340	80	24
- one year to less than five years	4,714,969	82,015	61,906	3,335,654	146,381	119,953
- more than five years	300,000	22,879	8,803	300,000	34,064	15,797
Total treasury-related commitments and contingencies	35,751,728	546,823	245,343	33,169,661	677,453	463,537
Total commitments and contingencies	83,982,957	26,643,902	11,626,023	76,524,814	24,112,994	11,540,514

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

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A36. Capital Adequacy

(a) Capital Adequacy Framework

- (i) Bank Negara Malaysia ("BNM") had on 9 December 2020 issued the Capital Adequacy Framework for Islamic Banks (Capital Components) on the computation of capital and capital adequacy ratios for Islamic banks. All financial institutions shall hold and maintain at all times, the following minimum capital adequacy ratios:

Common Equity Tier I ("CET1") 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 Capital Adequacy Framework for Islamic Banks (Risk-Weighted Assets) issued by BNM on 3 May 2019 for Islamic Banks.

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 ratio of the Bank are computed in accordance with BNM's Capital Adequacy Framework for Islamic Banks (Capital Components) and Capital Adequacy Framework for Islamic Banks (Risk Weighted Assets) both issued on 9 December 2020 and 3 May 2019 respectively. The total RWA are computed based on the following approaches:

- (i) Credit risk under Internal Ratings-Based Approach and Standardised Approach;
- (ii) Market risk under Standardised Approach; and
- (iii) Operational risk under Basic Indicator Approach.

The minimum regulatory capital adequacy requirements for CET1, Tier 1 and Total Capital are 4.5%, 6.0% and 8.0% of total RWA for the current financial year ended 31 December 2021 (2020: 4.5%, 6.0% and 8.0% of total RWA).

(c) The capital adequacy ratios of the Bank

On 22 February 2022, the Board of Directors had declared a single-tier second interim dividend in respect of the current financial year ended 31 December 2021 of RM3.30 per ordinary share on 432,110,250 ordinary shares, amounting to a dividend payable of RM1,425,963,825.

In arriving the capital adequacy ratios for the financial year ended 31 December 2021, the single-tier second interim dividend has not been deducted from the calculation of CET1 Capital.

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

	31 December 2021	31 December 2020
Capital ratios		
CET1 capital ratio	15.981%	13.773%
Tier 1 capital ratio	17.173%	15.030%
Total capital ratio	20.077%	18.063%

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A36. Capital Adequacy (cont'd.)

(d) Components of Tier 1 and Tier 2 capital:

	31 December 2021 RM'000	31 December 2020 RM'000
CET1 capital		
Share capital	10,322,374	7,929,444
Retained profits	3,247,267	2,756,457
Other reserves	193,984	1,234,078
CET1 capital before regulatory adjustments	13,763,625	11,919,979
Less: Regulatory adjustment applied in CET1 capital	(359,160)	(960,375)
Deferred tax assets	(190,616)	-
Gain of financial instruments classified as 'fair value through other comprehensive income'	(47,530)	(365,901)
Regulatory reserve	(121,014)	(594,474)
Total CET1 Capital	13,404,465	10,959,604
Additional Tier 1 Capital		
Capital securities	1,000,000	1,000,000
Total Tier 1 capital	14,404,465	11,959,604
Tier 2 capital		
Subordinated sukuk	2,000,000	2,000,000
General provision ¹	10,735	11,523
Surplus of eligible provision over expected loss	425,171	401,538
Total Tier 2 capital	2,435,906	2,413,061
Total Capital	16,840,371	14,372,665

¹ 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.

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

	31 December 2021 RM'000	31 December 2020 RM'000
Standardised Approach exposure	2,192,197	2,970,081
Internal Ratings-Based Approach exposure after scaling factor	83,621,226	80,460,704
Total RWA for credit risk	85,813,423	83,430,785
Total RWA for credit risk absorbed by the holding company and Investment Account Holders ("IAH") [^]	(12,759,358)	(13,537,755)
Total RWA for market risk	1,316,769	1,177,963
Total RWA for operational risk	9,507,656	8,499,254
Total RWA	83,878,490	79,570,247

[^] 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. Fair value measurements of financial instruments

(a) 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 those 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 sukuk and less illiquid equities and consumer financing and advances 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 market inputs. The valuation techniques used are consistent with the Level 2 but incorporate the Bank's own assumptions and data. Examples of Level 3 instruments include corporate sukuk in illiquid markets, private equity investments and financing and advances priced primarily based on internal credit assessment.

(b) Valuation techniques

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

Derivatives

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

Financial investments at fair value through profit or loss and financial investments at fair value through other comprehensive income

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

Financing and advances 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 customers with similar credit profiles.

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A37. Fair value of financial instruments (cont'd.)

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

As at 31 December 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:				
Financial investments at fair value through profit and loss	-	784,302	-	784,302
<i>Money market instruments</i>	-	659,118	-	659,118
<i>Unquoted Securities</i>	-	125,184	-	125,184
Financial investments at fair value through other comprehensive income	-	15,081,529	1,250	15,082,779
<i>Money market instruments</i>	-	10,878,197	-	10,878,197
<i>Unquoted securities</i>	-	4,203,332	1,250	4,204,582
Financing and advances at fair value through other comprehensive income	-	-	2,175,615	2,175,615
Derivative assets	-	117,420	-	117,420
<i>Foreign exchange related contracts</i>	-	69,651	-	69,651
<i>Profit rate related contracts</i>	-	47,769	-	47,769
	-	15,983,251	2,176,865	18,160,116
Financial liabilities measured at fair value:				
Derivative liabilities	-	177,545	-	177,545
<i>Foreign exchange related contracts</i>	-	126,725	-	126,725
<i>Profit rate related contracts</i>	-	50,820	-	50,820
	-	177,545	-	177,545

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A37. Fair value of financial instruments (cont'd.)

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

As 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 investments at fair value through other comprehensive income				
	-	18,451,889	1,250	18,453,139
<i>Money market instruments</i>	-	13,502,948	-	13,502,948
<i>Unquoted securities</i>	-	4,948,941	1,250	4,950,191
Financing and advances at fair value through other comprehensive income				
	-	-	2,741,267	2,741,267
Derivative assets				
	-	385,303	-	385,303
<i>Foreign exchange related contracts</i>	-	281,322	-	281,322
<i>Profit rate related contracts</i>	-	103,981	-	103,981
	-	18,837,192	2,742,517	21,579,709
Financial liabilities measured at fair value:				
Derivative liabilities				
	-	656,302	-	656,302
<i>Foreign exchange related contracts</i>	-	549,193	-	549,193
<i>Profit rate related contracts</i>	-	107,109	-	107,109
	-	656,302	-	656,302

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A37. Fair value of financial instruments (cont'd.)

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

As at 31 December 2021	At 1 January 2021 RM'000	Unrealised losses recognised in other comprehensive income RM'000	Purchases/ Issuances/ Additions RM'000	Settlements/ amount related to RPSIA RM'000	Exchange differences RM'000	At 31 December 2021 RM'000
Financial investments at fair value through other comprehensive income						
<i>Unquoted securities</i>	1,250	-	-	-	-	1,250
Financing and advances at fair value through other comprehensive income	2,741,267	(2)	133,394	(703,231)	4,187	2,175,615
Total Level 3 financial assets	2,742,517	(2)	133,394	(703,231)	4,187	2,176,865

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A37. Fair value of financial instruments (cont'd.)

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

As at 31 December 2020	At 1 January 2020 RM'000	Unrealised gains recognised in other comprehensive income RM'000	Purchases/ Issuances/ Additions RM'000	Settlements RM'000	Exchange differences RM'000	At 31 December 2020 RM'000
Financial investments at fair value through other comprehensive income						
<i>Unquoted securities</i>	1,250	-	-	-	-	1,250
Financing and advances at fair value through other comprehensive income	440,383	34,225	2,347,259	(80,600)	-	2,741,267
Total Level 3 financial assets	441,633	34,225	2,347,259	(80,600)	-	2,742,517

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

There were no transfers between Level 1 and Level 2 for the Bank during the 12 months financial year ended 31 December 2021.

Movements in Level 3 financial instruments measured at fair value

There were no transfers into or out of Level 3 for the Bank during the 12 months financial year ended 31 December 2021.

MAYBANK ISLAMIC BERHAD
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Part B: Review of Performance & Current Year Prospects

B1. Performance Review

The Bank posted profit before tax and zakat of RM4,149.7 million for the financial year ended 31 December 2021, an increase of RM2,146.5 million or 107.2% compared to the previous financial year.

The Bank's allowance for impairment of assets decreased by RM894.5 million or 75.6% to RM289.1 million as compared to RM1,183.6 million in the previous financial year.

Total income increased by RM272.5 million or 2.7% to RM10,269.8 million from previous financial year. Total income represents income derived from investment of depositors' funds, income derived from investment account funds and income derived from investment of shareholder's funds of RM8,811.5 million, RM951.7 million and RM506.7 million respectively.

The Bank's gross financing and advances decreased by 5.5% to RM195.4 billion as compared to RM206.7 billion recorded in previous financial year due to reclassification of financing funded by a number of Restricted Profit Sharing Investment Accounts ("RPSIA") arrangement amounting to RM25.2 billion that are now treated as off-balance sheet. Total Islamic banking assets owned and managed by the Bank increased by 14.4% to RM292.0 billion as compared to RM255.2 billion recorded in previous financial year.

As at 31 December 2021, total customer funding increased by 10.1% to RM208.2 billion, contributed by customer deposits which has increased by 8.6% at RM179.5 billion against RM165.3 billion in last financial year. Investment account of customers grew by RM4.9 billion to close at RM28.7 billion from RM23.8 billion in the previous financial year.

The Bank's capital position continued to be strong and well above regulatory requirements as reflected by its Common Equity Tier I, Tier I Capital Ratio and Total Capital Ratio of 15.981%, 17.173% and 20.077% respectively.

B2. Prospects

Amidst the global economic rebound in 2021 following the pandemic recession, the Malaysian economy is expected to grow (2022E:+6.0%) premised on the sustained broad based economic reopening following the moderate recovery recorded in 2021 of +3.1%. The mass immunisation and transition to the endemic phase of COVID-19 will be a boon to the momentum of the economic recovery in 2022. Moreover, the government's plan to lift the country's international border restrictions by 2Q2022 is anticipated to spur multiplier effects across various industries that will contribute towards the broad based growth of the domestic economy. The Bank Negara Malaysia (BNM) Overnight Policy Rate (OPR) is anticipated to remain accommodative at a record low of 1.75% throughout most of 2022 with an expected potential rate hike in 4Q2022, in tandem with potential inflationary pressure. Fiscal policy for the year remains expansionary with a budget deficit at 6.0% of GDP (2021:6.5% of GDP).

The Bank is focused on strengthening its income streams through innovative consumer-centric financial products and solutions through its Strategic Initiatives across its operations in Malaysia, Singapore, Indonesia, and Dubai-DIFC, with an emphasis on strengthening its fee based income streams and expanding its digital propositions. Concurrently, the Bank will maintain cost discipline to ensure prudent and balanced impact to overheads, as well as defending its low-cost funding base.

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Part B: Review of Performance & Current Year Prospects (cont'd.)

B2. Prospects (cont'd.)

The Bank has a sanguine outlook for 2022 and remains committed to support the domestic economies of its home markets and strives to meet customers' needs while delivering a positive impact on the communities we serve. The Bank together with its Group counterparts remains committed towards promoting greater financial inclusion, sustainable financing and solutions, as well as supporting the transition to a low-carbon economy. This entails ensuring access to financial assistance to our customers to strengthen their financial position, whilst continuing to provide financial support to pursue emerging growth opportunities. The Bank will remain vigilant of the risks arising from the pandemic and continue to proactively engage customers that require additional support, as part of our efforts to ensure strong asset quality management and maintaining the resilience of its capital and liquidity positions.