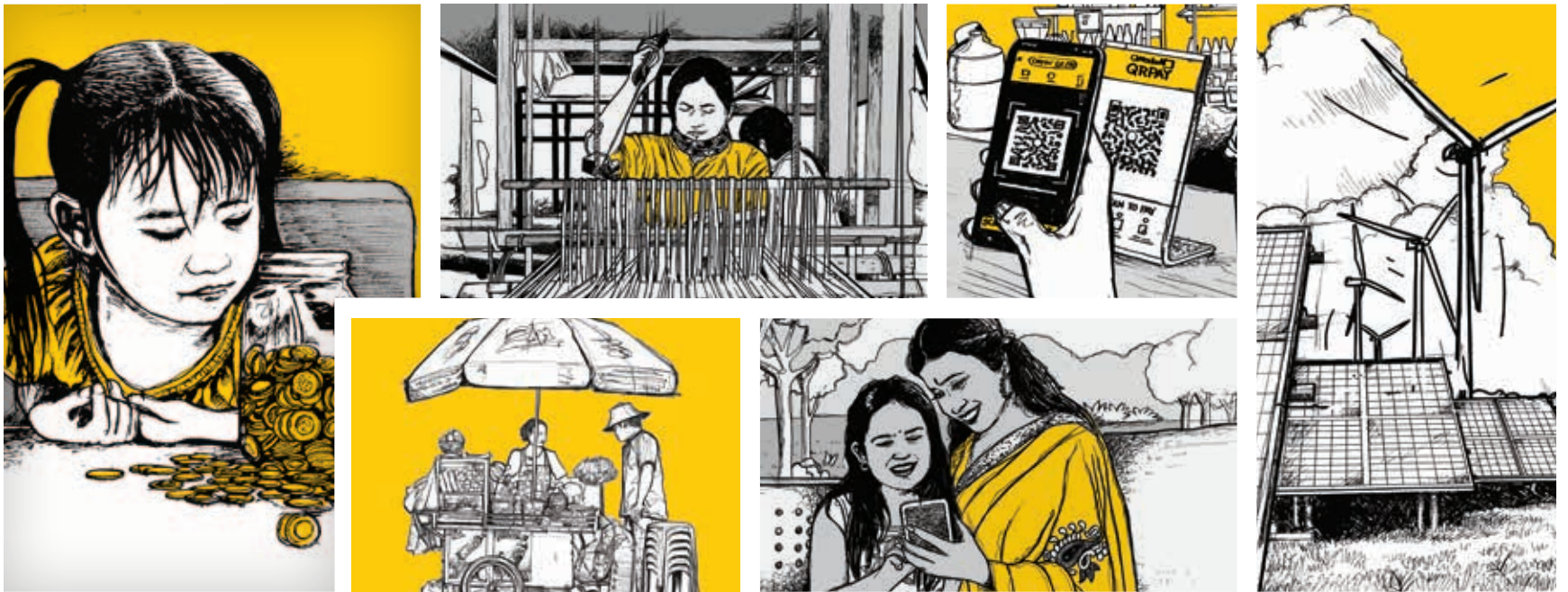


Leading Asia



BASEL II
PILLAR 3 DISCLOSURE



GREATER TOGETHER



INSIDE THIS REPORT

OVERVIEW

1

SCOPE OF APPLICATION

1

CAPITAL MANAGEMENT

2

RISK MANAGEMENT

15

CREDIT RISK

Regulatory Capital Requirement	16
Management of Credit Risk	16
Credit Impairment Policy and Classification and Impairment Provisions for Loans, Advances and Financing	34
Basel II Requirements	39
Non-Retail Portfolio	40
Retail Portfolio	50
Independent Model Validation	58
Credit Risk Mitigation	58
Securitisation Exposures	65
Credit Exposures Subject to Standardised Approach	65
Counterparty Credit Risk	69
Country Risk	74

16

MARKET RISK

Traded Market Risk	75
Non-Traded Market Risk	75
Capital Treatment for Market Risk	77
Liquidity Risk	77
Equity Risk in the Banking Book	77

75

NON-FINANCIAL RISK

Management of Non-Financial Risk	79
Capital Treatment for Operational Risk	80

79

SHARIAH GOVERNANCE

81

INVESTMENT ACCOUNT ("IA")

82

FORWARD-LOOKING STATEMENTS

83

OVERVIEW

The Pillar 3 Disclosure for the financial year ended 31 December 2021 for Malayan Banking Berhad (“Maybank” or the “Bank”) and its subsidiaries (“Maybank Group” or the “Group”) is in accordance with Bank Negara Malaysia’s (“BNM”) Risk-Weighted Capital Adequacy Framework (“RWCAF”) – Disclosure Requirements (“Pillar 3”) and Capital Adequacy Framework for Islamic Banks (“CAFIB”) – Disclosures Requirements (“Pillar 3”), which are the equivalent of that issued by the Basel Committee on Banking Supervision (“BCBS”) entitled International Convergence of Capital Measurement and Capital Standards.

The Group adopts the following approaches in determining the capital requirements of Pillar 1 in accordance with BNM’s Guidelines on Capital Adequacy Framework (Basel II – Risk Weighted Assets) and CAFIB (Basel II – Risk Weighted Assets):

- Credit Risk – Foundation Internal Ratings-Based (“FIRB”) Approach and supervisory slotting criteria to calculate credit risk-weighted assets (“RWA”) for major non-retail portfolios, and the Advanced Internal Ratings-Based (“AIRB”) Approach for major retail portfolios. Other credit portfolios, especially those in the Bank’s subsidiaries and some overseas units, are on the Standardised Approach and will migrate to the Internal Ratings-Based (“IRB”) approaches progressively.
- Market Risk – Standardised Approach (“SA”).
- Operational Risk – Basic Indicator Approach (“BIA”).

MEDIUM AND LOCATION OF DISCLOSURE

The Pillar 3 Disclosure will be made available under the Investor Relations section of the Group’s website at www.maybank.com and as a separate report in the annual and half-yearly financial reports, after the notes to the Financial Statements.

BASIS OF DISCLOSURE

This Pillar 3 Disclosure is prepared in accordance with BNM’s Pillar 3 Guidelines and the Group’s internal policy on Pillar 3 Disclosures, and is to be read in conjunction with the Group’s and Bank’s Financial Statements for the financial year ended 31 December 2021. Whilst this document discloses the Group’s assets both in terms of exposures and capital requirements, the information disclosed herein may not be directly comparable with the information in the Financial Statements 2021 published by the Group and the Bank.

These disclosures have been reviewed and verified by an independent internal party and approved by the Risk Management Committee (“RMC”), as delegated by the Board of Directors (“Board”) of the Group.

COMPARATIVE INFORMATION

This is the twelve full Pillar 3 Disclosure since the Group adopted the Basel II IRB Approach in July 2010. The corresponding Pillar 3 Disclosure in the preceding reporting period would be as at 31 December 2020.

SCOPE OF APPLICATION

The Pillar 3 Disclosure is prepared on a consolidated basis and comprises information of the Group, the Bank and Maybank Islamic Berhad (“Maybank Islamic”), a wholly-owned subsidiary of the Bank which provides Islamic banking financial services in Malaysia.

For regulatory reporting purposes, Maybank establishes two main levels of reporting namely at Maybank Group level, covering Maybank and its subsidiaries excluding the investments in insurance entities and associates; and at Maybank level, covering Maybank.

Information on subsidiaries and associates of the Group is available in the notes to the Financial Statements. The basis of consolidation for financial reporting is disclosed in the notes to the Financial Statements, which differs from that used for regulatory capital reporting purposes.

During the financial year, the Group did not experience any restrictions or other major impediments on the transfer of funds or regulatory capital within the Group.

CAPITAL MANAGEMENT

Effective capital management is fundamental to the sustainability of the Group. The Group proactively manages its capital to meet the expectations of key stakeholders such as regulators, shareholders, investors, rating agencies and analysts whilst ensuring that the returns on capital commensurate with risks undertaken by respective business units. The objectives are to:

- Maintain capital ratios at levels sufficiently above the regulatory minimum requirements;
- Support the Group's strong credit ratings from local and international rating agencies;
- Deploy capital efficiently to businesses and optimise returns on capital;
- Remain flexible to capitalise on future opportunities; and
- Build and invest in businesses, even in a stressed environment.

Group Capital Management Framework

The Group formulates the Maybank Group Capital Management Framework ("Framework") to ensure capital management and planning are integrated and aligned across the Group.

The Framework, which is approved by the Board, incorporates governance, identification, assessment, monitoring and escalation policies and procedures to ensure that capital is managed effectively and optimised across the group.

The Framework also contains guidance for implementation of Risk Adjusted Performance Measurement ("RAPM") to allocate capital optimally across the Group and measure the returns from the capital. The RAPM tool is implemented to promote optimal capital levels for business sectors, subsidiaries and overseas branches to minimise cost of capital and create value to the Group as a whole.

Overall responsibility for the management of capital rests with the Board whilst Group Executive Committee ("EXCO") is responsible for capital management policies on an ongoing basis.

Annual Group Capital and Funding Plan

The Annual Group Capital and Funding Plan ("Plan") aims to ensure the Group (inclusive of subsidiaries and overseas branches) has sufficient capital and optimal capital mix to support business plans and strategic objectives during the financial year.

The Plan is updated annually and is approved by the Board. It is comprehensively drawn up to cover at least a three-year horizon and takes into account, amongst others, the Group's strategic objectives and business plans, regulatory capital requirements, dividend plans, views from key stakeholders, peers benchmarking, new developments on capital guidelines and regulations both locally and overseas, available supply of capital and capital raising options, performance of business sectors based on RAPM approach, risks under Pillar 2 Internal Capital Adequacy Assessment Process ("ICAAP") as well as stress test results. Key issues pertaining to the capital position will be identified for discussion at the Board level and appropriate solutions are recommended for implementation.

Internal capital targets ("ICTs") are set for the Group, subsidiaries and overseas branches based on their respective risk profiles and regulatory requirements at the jurisdictions in which they are based. The ICTs are reviewed annually to ensure adequate capital buffers to support their risk profiles and business growth.

Group Capital Contingency Plan

The Group Capital Contingency Plan is embedded within the Maybank Group Capital Management Framework that is approved by the Board. The plan provides a comprehensive approach to the management and restoration of capital across the Group in the unlikely event of a capital crisis by:

- Establishing policies, procedures and governance for capital contingency planning;
- Providing early warning signals and establishing monitoring and escalation process; and
- Establishing strategies and action plans to ensure that capital is managed promptly.

The capital adequacy ratios of the Group (including subsidiaries and overseas branches) are monitored actively by Senior Management and the relevant committees on a monthly basis. Appropriate trigger points and early warning indicators are established based on the capital adequacy ratios governed under BNM guidelines and other local regulators (where relevant) in order to facilitate monitoring and escalation, reporting, decision-making and action planning. The trigger points formalise the basis of escalation to the appropriate departments and committees and also provide clear action plans to ensure that capital is restored back to healthy levels in the event of a capital crisis.

Capital Structure

The Group places strong emphasis on the quality of its capital and, accordingly, holds a significant amount of its capital in the form of common equity which is permanent and has the highest loss absorption capability on a going concern basis.

The common equity capital of the Group comprises of ordinary share capital, reserves and retained profits.

The Dividend Reinvestment Plan ("DRP") scheme was first announced by the Bank on 25 March 2010 to allow shareholders to reinvest their cash dividends into new ordinary shares in the Group. Based on the DRPs since its first implementation, the average reinvestment rates has been about 85%. There were 459,157,478 new shares issued under the DRP during the financial year.

In addition to common equity, the Group also maintains other types of capital instruments such as Additional Tier 1 capital instruments and Tier 2 subordinated notes in order to optimise and diversify capital mix as well as lower cost of capital.

Table 1 and 2 depict a summary of the Additional Tier 1 capital instruments and Tier 2 subordinated notes issued by the Bank, which are qualified in the capital computation in accordance with BNM's Capital Adequacy Framework (Capital Components) and Capital Adequacy Framework for Islamic Banks (Capital Components) issued on 9 December 2020. For further details of these capital instruments, please refer to Notes 31 and 32 of the Financial Statements.

CAPITAL MANAGEMENT**Table 1: Additional Tier 1 Capital Instruments**

Description	Issue Date	First Call Date (callable at the option of the Issuer)	Maturity Date	Nominal Value As at 31.12.2021 RM' Million
RM1.24 billion 4.08% Basel III-compliant Additional Tier 1 Sukuk Mudharabah Perpetual Non-Call 5	25 September 2019	25 September 2024	Perpetual	1,240
RM1.56 billion 4.13% Basel III-compliant Additional Tier 1 Sukuk Mudharabah Perpetual Non-Call 7	25 September 2019	25 September 2026	Perpetual	1,560

Table 2: Tier 2 Capital Instruments

Description	Issue Date	First Call Date (callable at the option of the Issuer)	Maturity Date	Nominal Value As at 31.12.2021 RM' Million
RM3.0 billion 3.41% Basel III-compliant Subordinated Sukuk Murabahah (10 Non-Call 5)	5 August 2021	5 August 2026	5 August 2031	3,000
RM2.3 billion 2.90% Basel III-compliant Subordinated Sukuk Murabahah (10 Non-Call 5)	9 October 2020	9 October 2025	9 October 2030	2,300
RM0.7 billion 3.10% Basel III-compliant Subordinated Sukuk Murabahah (12 Non-Call 7)	9 October 2020	8 October 2027	8 October 2032	700
RM2.0 billion 4.63% Basel III-compliant Subordinated Sukuk Murabahah (10 Non-Call 5)	31 January 2019	31 January 2024	31 January 2029	2,000
RM1.7 billion 4.71% Basel III-compliant Subordinated Sukuk Murabahah (12 Non-Call 7)	31 January 2019	30 January 2026	31 January 2031	1,700

Minimum Regulatory Capital Requirement**Table 3: Minimum Regulatory Capital Requirement [Applicable from 2021 to 2023]**

From 1 January Minimum CAR	2021 %	2022 %	2023 %
CET1 (a)	4.500	4.500	4.500
CCB (b)	2.500	2.500	2.500
HLA (c)	1.000	1.000	1.000
CET1 including CCB and HLA (a)+(b)+(c)	8.000	8.000	8.000
Tier 1 Capital Ratio	9.500	9.500	9.500
Total Capital Ratio	11.500	11.500	11.500

Group is categorised as a Domestic Systemically Important Bank (“D-SIB”) under Bucket 2 by BNM with effect from 31 January 2021. As such, in addition to the Capital Conservation Buffer (“CCB”) of 2.5% and the Countercyclical Capital Buffer (“CCyB”) ranging between 0% – 2.5% of total RWA, Group is also required to maintain a Higher Loss Absorbency (“HLA”) requirement of 1% of total RWA in the form of CET1 capital. With regards to CCyB, BNM will communicate its decision on the CCyB rate by up to 12 months before the date from which the rate applies.

CAPITAL MANAGEMENT

CAPITAL ADEQUACY RATIO

Table 4 and 5 depicts the Capital Adequacy Ratios and Capital Adequacy Structure for the Group, the Bank and Maybank Islamic respectively.

Table 4: Capital Adequacy Ratios for Maybank Group, Maybank and Maybank Islamic

Capital Adequacy Ratios	As at 31 December 2021			As at 31 December 2020		
	Group	Maybank	Maybank Islamic	Group	Maybank	Maybank Islamic
CET1 Capital Ratio	16.090%	15.462%	15.981%	15.313%	15.581%	13.773%
Tier 1 Capital Ratio	16.810%	16.223%	17.173%	16.026%	16.343%	15.030%
Total Capital Ratio ¹	19.518%	18.785%	20.077%	18.683%	18.639%	18.063%

Table 5: Capital Adequacy Structure for Maybank Group, Maybank and Maybank Islamic

	Group RM'000	Maybank RM'000	Maybank Islamic RM'000
As at 31.12.2021			
Total Capital	78,946,879	44,421,827	16,840,371
Credit RWA	329,855,488	192,833,309	85,813,423
Credit RWA absorbed by the parent and Investment Account Holders ("IAH") ²	-	-	(12,759,358)
Market RWA	30,188,261	22,637,025	1,316,769
Operational RWA	44,431,300	21,010,913	9,507,656
Total RWA	404,475,049	236,481,247	83,878,490
As at 31.12.2020			
Total Capital	75,398,785	44,041,414	14,372,665
Credit RWA	326,778,410	188,805,720	83,430,785
Credit RWA absorbed by the parent and Investment Account Holders ("IAH") ²	-	-	(13,537,755)
Market RWA	33,242,608	25,137,353	1,177,963
Operational RWA	43,557,083	22,345,775	8,499,254
Total RWA	403,578,101	236,288,848	79,570,247

Notes:

¹ Before proposed second interim final dividend and final dividend for financial year ended (FYE) 2021 and FYE 2020 respectively.

² In accordance to the BNM Investment Account policy, the credit risk weighted assets funded by investment accounts are excluded from the calculation of capital adequacy ratio of the Islamic Financial Institution.

The Total Capital Ratio of the Group as at 31 December 2021 stood at 19.518%, which is an increase from the previous financial year's ratio of 18.683%. At entity level, the Bank's Total Capital Ratio remains strong at 18.785% and Maybank Islamic registered a healthy ratio of 20.077%.

The Group is poised to maintain healthy capital ratios above the minimum regulatory capital requirement under BNM's Capital Adequacy Framework (Capital Components), a testament of the Group's resilience and strength in meeting its obligations. With the continued conservation of capital from the DRP coupled with active capital management across the Group, CET1 Capital Ratio will be maintained comfortably well ahead of the minimum level of 8% (inclusive of capital conservation buffer) as required by 2021.

Table 6 discloses Capital Adequacy under IRB Approach for the Group, the Bank and Maybank Islamic respectively.

Table 7 to 9 disclose the risk weighted assets and minimum regulatory capital requirement for credit risk under the IRB Approach for the Group, the Bank and Maybank Islamic, respectively. These tables tabulate the total RWA under the various exposure classes under the IRB approach and apply the minimum capital requirement at 8% as set by BNM to ascertain the minimum capital required for each of the portfolio assessed.

Please refer to Note 60 in the Financial Statements for detailed discussion on the Capital Adequacy Ratios.

CAPITAL MANAGEMENT

Table 6: Disclosure on Capital Adequacy under IRB Approach

As at 31.12.2021	Group RM'000	Maybank RM'000	Maybank Islamic RM'000
CET1 Capital			
Share Capital	53,156,473	53,156,473	10,322,374
Retained profits ¹	22,116,695	15,237,128	3,247,267
Other reserves ¹	2,376,687	4,145,878	193,984
Qualifying non-controlling interests	114,198	-	-
Less: Shares-held-in-trust	(1,274)	(1,274)	-
CET1 capital before regulatory adjustments	77,762,779	72,538,205	13,763,625
Less: Regulatory adjustments applied on CET1 Capital	(12,682,495)	(35,974,034)	(359,160)
Deferred tax assets	(1,411,183)	(468,101)	(190,616)
Goodwill	(5,613,782)	(81,015)	-
Other intangibles	(894,736)	(325,666)	-
Gains on financial instruments classified as 'fair value through other comprehensive income'	(371,487)	(301,887)	(47,530)
Regulatory reserve	(1,315,261)	(1,180,201)	(121,014)
Investment in ordinary shares of unconsolidated financial and insurance/takaful entities ²	(3,076,046)	(33,617,164)	-
Total CET1 capital	65,080,284	36,564,171	13,404,465
Additional Tier 1 Capital			
Capital securities	2,800,000	2,800,000	1,000,000
Qualifying CET1 and additional Tier 1 capital instruments held by third parties	113,077	-	-
Less: Investment in ordinary shares of unconsolidated financial and insurance/takaful entities ²	-	(1,000,000)	-
Total Tier 1 Capital	67,993,361	38,364,171	14,404,465
Tier 2 Capital			
Subordinated obligations	9,700,000	9,700,000	2,000,000
Qualifying CET1, additional Tier 1 and Tier 2 capital instruments held by third parties	41,180	-	-
General provision ³	239,683	28,571	10,735
Surplus of total eligible provision over total expected loss	1,663,655	1,025,761	425,171
Less: Investment in ordinary shares of unconsolidated financial and insurance/takaful entities ²	(691,000)	(4,696,676)	-
Total Tier 2 Capital	10,953,518	6,057,656	2,435,906
Total Capital	78,946,879	44,421,827	16,840,371

Notes:

- For the Group, the amount excludes retained profits and other reserves from insurance and takaful business. For the Bank, the amount includes retained profits and other reserves of Maybank International (L) Ltd.
- For the Bank, the regulatory adjustment includes cost of investment in subsidiaries and associates, except for: (i) Myfin Berhad of RM18,994,000 as its business, assets and liabilities have been transferred to the Bank; (ii) Maybank International (L) Ltd. of RM10,289,000 and (iii) Maybank Agro Fund Sdn. Bhd. of RM57,000 as its assets are included in the Bank's RWA. For the Group, the regulatory adjustment includes carrying amount of associates and investment in insurance and takaful entities.
- Refers to loss allowance measured at an amount equal to 12-month and lifetime expected credit losses and regulatory reserve, to the extent they are ascribed to non-credit impaired exposures, determined under Standardised Approach for credit risk.

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

CAPITAL MANAGEMENT

Table 6: Disclosure on Capital Adequacy under IRB Approach (cont'd.)

As at 31.12.2020	Group RM'000	Maybank RM'000	Maybank Islamic RM'000
CET1 Capital			
Share Capital	48,280,355	48,280,355	7,929,444
Retained profits ¹	22,447,018	16,811,402	2,756,457
Other reserves ¹	5,473,660	6,201,908	1,234,078
Qualifying non-controlling interests	115,096	-	-
CET1 capital before regulatory adjustments	76,316,129	71,293,665	11,919,979
Less: Regulatory adjustments applied on CET1 Capital	(14,517,207)	(34,477,624)	(960,375)
Deferred tax assets	(722,391)	-	-
Goodwill	(5,536,309)	(81,015)	-
Other intangibles	(955,439)	(306,645)	-
Gains on financial instruments classified as 'fair value through other comprehensive income'	(1,922,600)	(1,279,711)	(365,901)
Regulatory reserve	(2,115,455)	(1,495,500)	(594,474)
Investment in ordinary shares of unconsolidated financial and insurance/takaful entities ²	(3,265,013)	(31,314,753)	-
Total CET1 capital	61,798,922	36,816,041	10,959,604
Additional Tier 1 Capital			
Capital securities	2,800,000	2,800,000	1,000,000
Qualifying CET1 and additional Tier 1 capital instruments held by third parties	78,005	-	-
Less: Investment in ordinary shares of unconsolidated financial and insurance/takaful entities ²	-	(1,000,000)	-
Total Tier 1 Capital	64,676,927	38,616,041	11,959,604
Tier 2 Capital			
Subordinated obligations	8,707,823	8,707,823	2,000,000
Qualifying CET1, additional Tier 1 and Tier 2 capital instruments held by third parties	41,209	-	-
General provision ³	332,053	69,408	11,523
Surplus of total eligible provision over total expected loss	1,640,773	989,825	401,538
Less: Investment in ordinary shares of unconsolidated financial and insurance/takaful entities ²	-	(4,341,683)	-
Total Tier 2 Capital	10,721,858	5,425,373	2,413,061
Total Capital	75,398,785	44,041,414	14,372,665

Notes:

- For the Group, the amount excludes retained profits and other reserves from insurance and takaful business. For the Bank, the amount includes retained profits and other reserves of Maybank International (L) Ltd.
- For the Bank, the regulatory adjustment includes cost of investment in subsidiaries and associates, except for: (i) Myfin Berhad of RM18,994,000 as its business, assets and liabilities have been transferred to the Bank; (ii) Maybank International (L) Ltd. of RM10,289,000 and (iii) Maybank Agro Fund Sdn. Bhd. of RM57,000 as its assets are included in the Bank's RWA. For the Group, the regulatory adjustment includes carrying amount of associates and investment in insurance and takaful entities.
- Refers to loss allowance measured at an amount equal to 12-month and lifetime expected credit losses and regulatory reserve, to the extent they are ascribed to non-credit impaired exposures, determined under Standardised Approach for credit risk.

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

CAPITAL MANAGEMENT

Table 7: Disclosure on Capital Adequacy under IRB Approach for Maybank Group

Item	Exposure Class As at 31.12.2021	Gross Exposures/ EAD before CRM RM'000	Net Exposures/ EAD after CRM RM'000	Risk- Weighted Assets RM'000	Minimum Capital Requirement at 8% RM'000
1.0	Credit Risk				
1.1	Exempted Exposures (Standardised Approach)				
	<u>On-Balance Sheet Exposures</u>				
	Sovereigns/Central Banks	159,491,847	159,491,847	5,522,907	441,833
	Public Sector Entities	3,920,232	3,918,719	1,283,459	102,677
	Banks, Development Financial Institutions & MDBs	2,513,306	2,513,306	453,577	36,286
	Insurance Cos, Securities Firms & Fund Managers	1,366,208	1,366,208	808,263	64,661
	Corporates	21,262,572	15,112,962	14,147,097	1,131,768
	Regulatory Retail	23,379,335	21,912,686	16,761,191	1,340,895
	Residential Mortgages	1,979,659	1,977,687	737,393	58,991
	Higher Risk Assets	2,827	2,827	4,241	339
	Other Assets	15,577,103	15,576,937	8,097,511	647,801
	Securitisation Exposures	20,075	20,075	4,015	321
	Equity Exposures	348,582	348,582	440,864	35,269
	Defaulted Exposures	1,292,839	1,289,908	1,373,843	109,907
	Total On-Balance Sheet Exposures	231,154,585	223,531,744	49,634,361	3,970,748
	<u>Off-Balance Sheet Exposures</u>				
	OTC Derivatives	811,346	782,974	594,941	47,595
	Off-balance sheet exposures other than OTC derivatives or credit derivatives	2,444,311	2,162,248	2,074,703	165,976
	Defaulted Exposures	211,641	211,641	275,592	22,047
	Total Off-Balance Sheet Exposures	3,467,298	3,156,863	2,945,236	235,618
	Total On and Off-Balance Sheet Exposures	234,621,883	226,688,607	52,579,597	4,206,366
1.2	Exposures under the IRB Approach				
	<u>On-Balance Sheet Exposures</u>				
	Public Sector Entities	24,775,878	24,775,878	832,467	66,597
	Banks, Development Financial Institutions & MDBs	23,252,141	23,252,141	6,945,690	555,655
	Corporate Exposures	224,816,959	224,816,959	155,119,061	12,409,526
	a) Corporates (excluding Specialised Lending and firm-size adjustment)	167,626,093	167,626,093	113,376,970	9,070,158
	b) Corporates (with firm-size adjustment)	51,794,724	51,794,724	36,968,197	2,957,456
	c) Specialised Lending (Own PD Approach)				
	– Project Finance	4,879,872	4,879,872	4,582,771	366,622
	d) Specialised Lending (Slotting Approach)				
	– Project Finance	516,270	516,270	191,123	15,290
	Retail Exposures	252,055,991	252,055,991	51,782,043	4,142,564
	a) Residential Mortgages	107,851,215	107,851,215	18,385,857	1,470,869
	b) Qualifying Revolving Retail Exposures	9,078,923	9,078,923	3,407,050	272,564
	c) Hire Purchase Exposures	53,055,059	53,055,059	12,952,939	1,036,235
	d) Other Retail Exposures	82,070,794	82,070,794	17,036,197	1,362,896
	Defaulted Exposures	12,211,686	12,211,686	1,342,118	107,369
	Total On-Balance Sheet Exposures	537,112,655	537,112,655	216,021,379	17,281,711
	<u>Off-Balance Sheet Exposures</u>				
	OTC Derivatives	10,990,980	10,990,980	4,323,970	345,918
	Off-balance sheet exposures other than OTC derivatives or credit derivatives	87,474,229	87,474,229	41,203,760	3,296,301
	Defaulted Exposures	874,420	874,420	31,921	2,554
	Total Off-Balance Sheet Exposures	99,339,629	99,339,629	45,559,651	3,644,773
	Total On and Off-Balance Sheet Exposures	636,452,284	636,452,284	261,581,030	20,926,484
	Total IRB Approach after Scaling Factor of 1.06			277,275,891	22,182,071
	Total (Exposures under Standardised Approach & IRB Approach)	871,074,167	863,140,891	329,855,488	26,388,437
2.0	Market Risk				
	Interest Rate Risk			8,682,479	694,598
	Foreign Currency Risk			6,816,342	545,307
	Equity Risk			1,207,183	96,575
	Commodity Risk			–	–
	Option Risk			13,482,257	1,078,581
3.0	Operational Risk			44,431,300	3,554,504
4.0	Total RWA and Capital Requirements			404,475,049	32,358,002

CAPITAL MANAGEMENT

Table 7: Disclosure on Capital Adequacy under IRB Approach for Maybank Group (cont'd.)

Item	Exposure Class As at 31.12.2020	Gross Exposures/ EAD before CRM RM'000	Net Exposures/ EAD after CRM RM'000	Risk- Weighted Assets RM'000	Minimum Capital Requirement at 8% RM'000
1.0	Credit Risk				
1.1	Exempted Exposures (Standardised Approach)				
	<u>On-Balance Sheet Exposures</u>				
	Sovereigns/Central Banks	146,186,501	146,186,501	6,555,108	524,409
	Public Sector Entities	4,364,797	4,364,267	1,050,265	84,021
	Banks, Development Financial Institutions & MDBs	2,668,146	2,668,146	425,418	34,033
	Insurance Cos, Securities Firms & Fund Managers	466,307	466,307	466,307	37,305
	Corporates	20,923,703	15,755,610	14,820,532	1,185,643
	Regulatory Retail	22,743,556	21,229,923	16,265,590	1,301,247
	Residential Mortgages	2,618,565	2,616,057	1,185,106	94,808
	Higher Risk Assets	56,661	56,661	84,991	6,799
	Other Assets	14,033,243	14,031,913	6,659,794	532,784
	Securitisation Exposures	20,073	20,073	4,015	321
	Equity Exposures	349,407	349,407	433,675	34,694
	Defaulted Exposures	1,474,887	1,470,486	2,092,101	167,368
	Total On-Balance Sheet Exposures	215,905,846	209,215,351	50,042,902	4,003,432
	<u>Off-Balance Sheet Exposures</u>				
	OTC Derivatives	3,435,412	3,358,254	765,001	61,200
	Off-balance sheet exposures other than OTC derivatives or credit derivatives	3,210,111	2,904,928	2,494,213	199,537
	Defaulted Exposures	14,132	14,132	14,155	1,132
	Total Off-Balance Sheet Exposures	6,659,655	6,277,314	3,273,369	261,869
	Total On and Off-Balance Sheet Exposures	222,565,501	215,492,665	53,316,271	4,265,301
1.2	Exposures under the IRB Approach				
	<u>On-Balance Sheet Exposures</u>				
	Public Sector Entities	23,509,967	23,509,967	1,141,301	91,304
	Banks, Development Financial Institutions & MDBs	19,971,049	19,971,049	4,694,650	375,572
	Corporate Exposures	220,894,074	220,894,074	155,374,588	12,429,967
	a) Corporates (excluding Specialised Lending and firm-size adjustment)	163,271,883	163,271,883	114,121,651	9,129,732
	b) Corporates (with firm-size adjustment)	53,212,457	53,212,457	37,389,481	2,991,158
	c) Specialised Lending (Own PD Approach)				
	– Project Finance	3,757,833	3,757,833	3,603,146	288,252
	d) Specialised Lending (Slotting Approach)				
	– Project Finance	651,901	651,901	260,310	20,825
	Retail Exposures	238,237,823	238,237,823	49,693,855	3,975,508
	a) Residential Mortgages	98,655,601	98,655,601	18,226,842	1,458,147
	b) Qualifying Revolving Retail Exposures	9,010,213	9,010,213	3,446,469	275,718
	c) Hire Purchase Exposures	56,009,215	56,009,215	12,968,466	1,037,477
	d) Other Retail Exposures	74,562,794	74,562,794	15,052,078	1,204,166
	Defaulted Exposures	9,946,020	9,946,020	1,499,713	119,977
	Total On-Balance Sheet Exposures	512,558,933	512,558,933	212,404,107	16,992,328
	<u>Off-Balance Sheet Exposures</u>				
	OTC Derivatives	12,359,022	12,359,022	4,733,075	378,646
	Off-balance sheet exposures other than OTC derivatives or credit derivatives	83,941,061	83,941,061	40,805,094	3,264,407
	Defaulted Exposures	206,150	206,150	40,875	3,270
	Total Off-Balance Sheet Exposures	96,506,233	96,506,233	45,579,044	3,646,323
	Total On and Off-Balance Sheet Exposures	609,065,166	609,065,166	257,983,150	20,638,651
	Total IRB Approach after Scaling Factor of 1.06			273,462,139	21,876,970
	Total (Exposures under Standardised Approach & IRB Approach)	831,630,667	824,557,831	326,778,410	26,142,271
2.0	Market Risk				
	Interest Rate Risk			11,277,552	902,204
	Foreign Currency Risk			7,616,407	609,313
	Equity Risk			1,454,723	116,378
	Commodity Risk			-	-
	Option Risk			12,893,926	1,031,514
3.0	Operational Risk			43,557,083	3,484,567
4.0	Total RWA and Capital Requirements			403,578,101	32,286,247

CAPITAL MANAGEMENT

Table 8: Disclosure on Capital Adequacy under IRB Approach for Maybank

Item	Exposure Class As at 31.12.2021	Gross Exposures/ EAD before CRM RM'000	Net Exposures/ EAD after CRM RM'000	Risk- Weighted Assets RM'000	Minimum Capital Requirement at 8% RM'000
1.0	Credit Risk				
1.1	Exempted Exposures (Standardised Approach)				
	<u>On-Balance Sheet Exposures</u>				
	Sovereigns/Central Banks	91,825,167	91,825,167	2,290,553	183,244
	Public Sector Entities	3,344,633	3,344,612	1,116,472	89,318
	Banks, Development Financial Institutions & MDBs	1,004,617	1,004,617	105,602	8,448
	Insurance Cos, Securities Firms & Fund Managers	985,688	985,688	427,743	34,219
	Corporates	11,780,997	10,232,524	9,696,747	775,740
	Regulatory Retail	1,674,050	1,439,278	1,120,194	89,616
	Residential Mortgages	1,173,886	1,172,535	439,298	35,144
	Higher Risk Assets	-	-	-	-
	Other Assets	7,872,187	7,872,187	3,205,260	256,421
	Securitisation Exposures	20,075	20,075	4,015	321
	Equity Exposures	337,693	337,693	425,470	34,038
	Defaulted Exposures	840,333	839,174	817,019	65,362
	Total On-Balance Sheet Exposures	120,859,326	119,073,550	19,648,373	1,571,871
	<u>Off-Balance Sheet Exposures</u>				
	OTC Derivatives	629,410	629,410	431,039	34,483
	Off-balance sheet exposures other than OTC derivatives or credit derivatives	1,664,315	1,522,369	1,518,246	121,460
	Defaulted Exposures	211,512	211,512	275,398	22,032
	Total Off-Balance Sheet Exposures	2,505,237	2,363,291	2,224,683	177,975
	Total On and Off-Balance Sheet Exposures	123,364,563	121,436,841	21,873,056	1,749,846
1.2	Exposures under the IRB Approach				
	<u>On-Balance Sheet Exposures</u>				
	Public Sector Entities	17,053,270	17,053,270	335,780	26,862
	Banks, Development Financial Institutions & MDBs	52,933,640	52,933,640	14,914,174	1,193,134
	Corporate Exposures	152,005,905	152,005,905	101,312,749	8,105,020
	a) Corporates (excluding Specialised Lending and firm-size adjustment)	120,689,101	120,689,101	78,519,486	6,281,559
	b) Corporates (with firm-size adjustment)	27,009,729	27,009,729	19,107,974	1,528,638
	c) Specialised Lending (Own PD Approach)				
	- Project Finance	3,814,650	3,814,650	3,508,662	280,693
	d) Specialised Lending (Slotting Approach)				
	- Project Finance	492,425	492,425	176,627	14,130
	Retail Exposures	69,159,820	69,159,820	13,354,311	1,068,345
	a) Residential Mortgages	33,338,863	33,338,863	5,304,402	424,352
	b) Qualifying Revolving Retail Exposures	5,164,396	5,164,396	1,688,007	135,041
	c) Hire Purchase Exposures	5,852,880	5,852,880	1,588,100	127,048
	d) Other Retail Exposures	24,803,681	24,803,681	4,773,802	381,904
	Defaulted Exposures	9,067,496	9,067,496	403,651	32,292
	Total On-Balance Sheet Exposures	300,220,131	300,220,131	130,320,665	10,425,653
	<u>Off-Balance Sheet Exposures</u>				
	OTC Derivatives	10,906,000	10,906,000	4,180,065	334,405
	Off-balance sheet exposures other than OTC derivatives or credit derivatives	53,236,755	53,236,755	26,777,930	2,142,234
	Defaulted Exposures	794,301	794,301	4,596	368
	Total Off-Balance Sheet Exposures	64,937,056	64,937,056	30,962,591	2,477,007
	Total On and Off-Balance Sheet Exposures	365,157,187	365,157,187	161,283,256	12,902,660
	Total IRB Approach after Scaling Factor of 1.06			170,960,253	13,676,820
	Total (Exposures under Standardised Approach & IRB Approach)	488,521,750	486,594,028	192,833,309	15,426,666
2.0	Market Risk				
	Interest Rate Risk			7,242,964	579,437
	Foreign Currency Risk			2,466,717	197,337
	Equity Risk			-	-
	Commodity Risk			-	-
	Option Risk			12,927,344	1,034,188
3.0	Operational Risk			21,010,913	1,680,873
4.0	Total RWA and Capital Requirements			236,481,247	18,918,501

CAPITAL MANAGEMENT

Table 8: Disclosure on Capital Adequacy under IRB Approach for Maybank (cont'd.)

Item	Exposure Class As at 31.12.2020	Gross Exposures/ EAD before CRM RM'000	Net Exposures/ EAD after CRM RM'000	Risk- Weighted Assets RM'000	Minimum Capital Requirement at 8% RM'000
1.0	Credit Risk				
1.1	Exempted Exposures (Standardised Approach)				
	<u>On-Balance Sheet Exposures</u>				
	Sovereigns/Central Banks	84,389,147	84,389,147	3,149,542	251,963
	Public Sector Entities	3,472,112	3,472,112	823,935	65,915
	Banks, Development Financial Institutions & MDBs	957,672	957,672	80,576	6,446
	Insurance Cos, Securities Firms & Fund Managers	13,885	13,885	13,885	1,111
	Corporates	12,718,103	11,261,425	10,757,117	860,569
	Regulatory Retail	1,838,689	1,563,959	1,209,248	96,740
	Residential Mortgages	1,198,586	1,196,871	454,153	36,332
	Higher Risk Assets	-	-	-	-
	Other Assets	8,429,194	8,429,194	3,336,159	266,893
	Securitisation Exposures	20,073	20,073	4,015	321
	Equity Exposures	343,060	343,060	425,306	34,024
	Defaulted Exposures	877,363	873,649	1,255,842	100,467
	Total On-Balance Sheet Exposures	114,257,884	112,521,047	21,509,778	1,720,781
	<u>Off-Balance Sheet Exposures</u>				
	OTC Derivatives	3,155,492	3,155,180	560,765	44,861
	Off-balance sheet exposures other than OTC derivatives or credit derivatives	2,223,565	2,048,109	1,750,267	140,021
	Defaulted Exposures	14,060	14,060	14,060	1,125
	Total Off-Balance Sheet Exposures	5,393,117	5,217,349	2,325,092	186,007
	Total On and Off-Balance Sheet Exposures	119,651,001	117,738,396	23,834,870	1,906,788
1.2	Exposures under the IRB Approach				
	<u>On-Balance Sheet Exposures</u>				
	Public Sector Entities	18,547,766	18,547,766	1,134,622	90,770
	Banks, Development Financial Institutions & MDBs	36,575,801	36,575,801	9,547,124	763,770
	Corporate Exposures	149,076,828	149,076,828	99,309,345	7,944,748
	a) Corporates (excluding Specialised Lending and firm-size adjustment)	115,579,390	115,579,390	75,513,234	6,041,059
	b) Corporates (with firm-size adjustment)	29,974,191	29,974,191	20,729,709	1,658,377
	c) Specialised Lending (Own PD Approach)				
	- Project Finance	2,891,431	2,891,431	2,817,825	225,426
	d) Specialised Lending (Slotting Approach)				
	- Project Finance	631,816	631,816	248,577	19,886
	Retail Exposures	69,267,171	69,267,171	13,934,077	1,114,725
	a) Residential Mortgages	31,317,620	31,317,620	5,448,291	435,863
	b) Qualifying Revolving Retail Exposures	5,156,688	5,156,688	1,724,640	137,971
	c) Hire Purchase Exposures	7,427,098	7,427,098	1,820,705	145,656
	d) Other Retail Exposures	25,365,765	25,365,765	4,940,441	395,235
	Defaulted Exposures	6,203,517	6,203,517	397,527	31,802
	Total On-Balance Sheet Exposures	279,671,083	279,671,083	124,322,695	9,945,815
	<u>Off-Balance Sheet Exposures</u>				
	OTC Derivatives	12,254,566	12,254,566	4,379,007	350,321
	Off-balance sheet exposures other than OTC derivatives or credit derivatives	53,342,158	53,342,158	26,924,428	2,153,954
	Defaulted Exposures	164,887	164,887	6,746	540
	Total Off-Balance Sheet Exposures	65,761,611	65,761,611	31,310,181	2,504,815
	Total On and Off-Balance Sheet Exposures	345,432,694	345,432,694	155,632,876	12,450,630
	Total IRB Approach after Scaling Factor of 1.06			164,970,850	13,197,668
	Total (Exposures under Standardised Approach & IRB Approach)	465,083,695	463,171,090	188,805,720	15,104,456
2.0	Market Risk				
	Interest Rate Risk			10,305,505	824,440
	Foreign Currency Risk			2,372,167	189,773
	Equity Risk			93,530	7,482
	Commodity Risk			-	-
	Option Risk			12,366,151	989,292
3.0	Operational Risk			22,345,775	1,787,662
4.0	Total RWA and Capital Requirements			236,288,848	18,903,105

CAPITAL MANAGEMENT

Table 9: Disclosure on Capital Adequacy under IRB Approach for Maybank Islamic

Item	Exposure Class As at 31.12.2021	Gross Exposures/ EAD before CRM RM'000	Net Exposures/ EAD after CRM RM'000	Risk- Weighted Assets RM'000	Risk- Weighted Assets Absorbed by PSIA RM'000	Total Risk- Weighted Assets after effects of PSIA RM'000	Minimum Capital Requirement at 8% RM'000
1.0	Credit Risk						
1.1	Exempted Exposures (Standardised Approach)						
	<u>On-Balance Sheet Exposures</u>						
	Sovereigns/Central Banks	33,446,124	33,446,124	-	-	-	-
	Public Sector Entities	88,708	87,217	69,608	-	69,608	5,569
	Banks, Development Financial Institutions & MDBs	-	-	-	-	-	-
	Insurance Cos, Securities Firms & Fund Managers	71	71	71	-	71	6
	Corporates	1,036,060	823,834	393,746	-	393,746	31,500
	Regulatory Retail	1,835,434	1,192,960	1,091,365	-	1,091,365	87,309
	Residential Mortgages	661,453	660,831	243,373	-	243,373	19,470
	Higher Risk Assets	36	36	54	-	54	4
	Other Assets	1,786,584	1,786,584	302,365	-	302,365	24,189
	Equity Exposures	1,250	1,250	1,875	-	1,875	150
	Defaulted Exposures	36,295	36,184	33,462	-	33,462	2,677
	Total On-Balance Sheet Exposures	38,892,015	38,035,091	2,135,919	-	2,135,919	170,874
	<u>Off-Balance Sheet Exposures</u>						
	OTC Derivatives	39,019	39,019	39,019	-	39,019	3,121
	Off-balance sheet exposures other than OTC derivatives or credit derivatives	32,763	17,575	17,259	-	17,259	1,381
	Total Off-Balance Sheet Exposures	71,782	56,594	56,278	-	56,278	4,502
	Total On and Off-Balance Sheet Exposures	38,963,797	38,091,685	2,192,197	-	2,192,197	175,376
1.2	Exposures under the IRB Approach						
	<u>On-Balance Sheet Exposures</u>						
	Public Sector Entities	20,415,679	20,415,679	784,134	(287,446)	496,688	62,731
	Banks, Development Financial Institutions & MDBs	9,491,893	9,491,893	1,622,366	-	1,622,366	129,789
	Corporate Exposures	58,258,613	58,258,613	34,395,642	(7,311,671)	27,083,971	2,751,651
	a) Corporates (excluding Specialised Lending and firm-size adjustment)	41,130,767	41,130,767	22,049,890	(6,901,074)	15,148,816	1,763,991
	b) Corporates (with firm-size adjustment)	15,626,235	15,626,235	10,846,550	-	10,846,550	867,724
	c) Specialised Lending (Own PD Approach)						
	- Project Finance	1,477,766	1,477,766	1,484,706	(410,597)	1,074,109	118,776
	d) Specialised Lending (Slotting Approach)						
	- Project Finance	23,845	23,845	14,496	-	14,496	1,160
	Retail Exposures	153,780,406	153,780,406	29,940,855	(3,226,688)	26,714,167	2,395,268
	a) Residential Mortgages	49,825,115	49,825,115	8,701,762	(727,035)	7,974,727	696,141
	b) Qualifying Revolving Retail Exposures	2,358,364	2,358,364	664,418	-	664,418	53,153
	c) Hire Purchase Exposures	41,860,490	41,860,490	9,968,509	(1,201,172)	8,767,337	797,481
	d) Other Retail Exposures	59,736,437	59,736,437	10,606,166	(1,298,481)	9,307,685	848,493
	Defaulted Exposures	5,976,306	5,976,306	575,205	-	575,205	46,016
	Total On-Balance Sheet Exposures	247,922,897	247,922,897	67,318,202	(10,825,805)	56,492,397	5,385,455
	<u>Off-Balance Sheet Exposures</u>						
	OTC Derivatives	483,280	483,280	206,325	-	206,325	16,506
	Off-balance sheet exposures other than OTC derivatives or credit derivatives	25,901,610	25,901,610	11,355,666	(1,211,326)	10,144,340	908,453
	Defaulted Exposures	187,232	187,232	7,757	-	7,757	621
	Total Off-Balance Sheet Exposures	26,572,122	26,572,122	11,569,748	(1,211,326)	10,358,422	925,580
	Total On and Off-Balance Sheet Exposures	274,495,019	274,495,019	78,887,950	(12,037,131)	66,850,819	6,311,035
	Total IRB Approach after Scaling Factor of 1.06			83,621,226	(12,759,358)	70,861,868	6,689,698
	Total (Exposures under Standardised Approach & IRB Approach)	313,458,816	312,586,704	85,813,423	(12,759,358)	73,054,065	6,865,074
2.0	Market Risk						
	Benchmark Rate Risk			766,795	-	766,795	61,344
	Equity Risk			-	-	-	-
	Foreign Exchange Risk			549,974	-	549,974	43,998
	Option Risk			-	-	-	-
3.0	Operational Risk			9,507,656	-	9,507,656	760,613
4.0	Total RWA and Capital Requirements			96,637,848	(12,759,358)	83,878,490	7,731,028

CAPITAL MANAGEMENT

Table 9: Disclosure on Capital Adequacy under IRB Approach for Maybank Islamic (cont'd.)

Item	Exposure Class As at 31.12.2020	Gross Exposures/ EAD before CRM RM'000	Net Exposures/ EAD after CRM RM'000	Risk- Weighted Assets RM'000	Risk- Weighted Assets Absorbed by PSIA RM'000	Total Risk- Weighted Assets after effects of PSIA RM'000	Minimum Capital Requirement at 8% RM'000
1.0	Credit Risk						
1.1	Exempted Exposures (Standardised Approach)						
	<u>On-Balance Sheet Exposures</u>						
	Sovereigns/Central Banks	27,256,122	27,256,122	8,215	-	8,215	657
	Public Sector Entities	132,009	131,479	74,195	-	74,195	5,936
	Banks, Development Financial Institutions & MDBs	-	-	-	-	-	-
	Insurance Cos, Securities Firms & Fund Managers	97	97	97	-	97	8
	Corporates	1,475,534	1,267,504	836,734	-	836,734	66,939
	Regulatory Retail	1,983,682	1,289,537	1,182,420	-	1,182,420	94,594
	Residential Mortgages	624,101	623,307	226,496	-	226,496	18,120
	Higher Risk Assets	36	36	54	-	54	4
	Other Assets	1,625,770	1,625,770	425,639	-	425,639	34,051
	Equity Exposures	1,250	1,250	1,875	-	1,875	150
	Defaulted Exposures	37,964	37,834	33,898	-	33,898	2,711
	Total On-Balance Sheet Exposures	33,136,565	32,232,936	2,789,623	-	2,789,623	223,170
	<u>Off-Balance Sheet Exposures</u>						
	OTC Derivatives	68,992	68,993	68,993	-	68,993	5,519
	Off-balance sheet exposures other than OTC derivatives or credit derivatives	132,541	111,465	111,465	-	111,465	8,917
	Total Off-Balance Sheet Exposures	201,533	180,458	180,458	-	180,458	14,436
	Total On and Off-Balance Sheet Exposures	33,338,098	32,413,394	2,970,081	-	2,970,081	237,606
1.2	Exposures under the IRB Approach						
	<u>On-Balance Sheet Exposures</u>						
	Public Sector Entities	19,233,688	19,233,688	1,092,538	(1,085,858)	6,680	87,403
	Banks, Development Financial Institutions & MDBs	2,258,467	2,258,467	329,932	-	329,932	26,395
	Corporate Exposures	56,309,812	56,309,812	35,581,018	(7,625,423)	27,955,595	2,846,481
	a) Corporates (excluding Specialised Lending and firm-size adjustment)	41,177,625	41,177,625	25,194,680	(7,569,983)	17,624,697	2,015,574
	b) Corporates (with firm-size adjustment)	14,186,761	14,186,761	9,550,069	(16,226)	9,533,843	764,005
	c) Specialised Lending (Own PD Approach)						
	- Project Finance	925,342	925,342	824,536	(39,214)	785,322	65,963
	d) Specialised Lending (Slotting Approach)						
	- Project Finance	20,084	20,084	11,733	-	11,733	939
	Retail Exposures	141,289,810	141,289,810	26,994,847	(2,300,915)	24,693,932	2,159,588
	a) Residential Mortgages	45,112,848	45,112,848	8,238,594	(786,754)	7,451,840	659,088
	b) Qualifying Revolving Retail Exposures	2,261,406	2,261,406	674,152	-	674,152	53,932
	c) Hire Purchase Exposures	39,390,049	39,390,049	8,935,527	(275,158)	8,660,369	714,842
	d) Other Retail Exposures	54,525,507	54,525,507	9,146,574	(1,239,003)	7,907,571	731,726
	Defaulted Exposures	2,593,415	2,593,415	547,934	-	547,934	43,835
	Total On-Balance Sheet Exposures	221,685,192	221,685,192	64,546,269	(11,012,196)	53,534,073	5,163,702
	<u>Off-Balance Sheet Exposures</u>						
	OTC Derivatives	608,460	608,460	394,545	-	394,545	31,564
	Off-balance sheet exposures other than OTC derivatives or credit derivatives	23,285,234	23,285,234	10,957,198	(1,759,270)	9,197,928	876,576
	Defaulted Exposures	17,768	17,768	8,314	-	8,314	665
	Total Off-Balance Sheet Exposures	23,911,462	23,911,462	11,360,057	(1,759,270)	9,600,787	908,805
	Total On and Off-Balance Sheet Exposures	245,596,654	245,596,654	75,906,326	(12,771,466)	63,134,860	6,072,507
	Total IRB Approach after Scaling Factor of 1.06			80,460,704	(13,537,754)	66,922,950	6,436,857
	Total (Exposures under Standardised Approach & IRB Approach)	278,934,752	278,010,048	83,430,785	(13,537,754)	69,893,031	6,674,463
2.0	Market Risk						
	Benchmark Rate Risk			604,449	-	604,449	48,356
	Equity Risk			-	-	-	-
	Foreign Exchange Risk			573,514	-	573,514	45,881
	Option Risk			-	-	-	-
3.0	Operational Risk			8,499,254	-	8,499,254	679,940
4.0	Total RWA and Capital Requirements			93,108,002	(13,537,754)	79,570,247	7,448,640

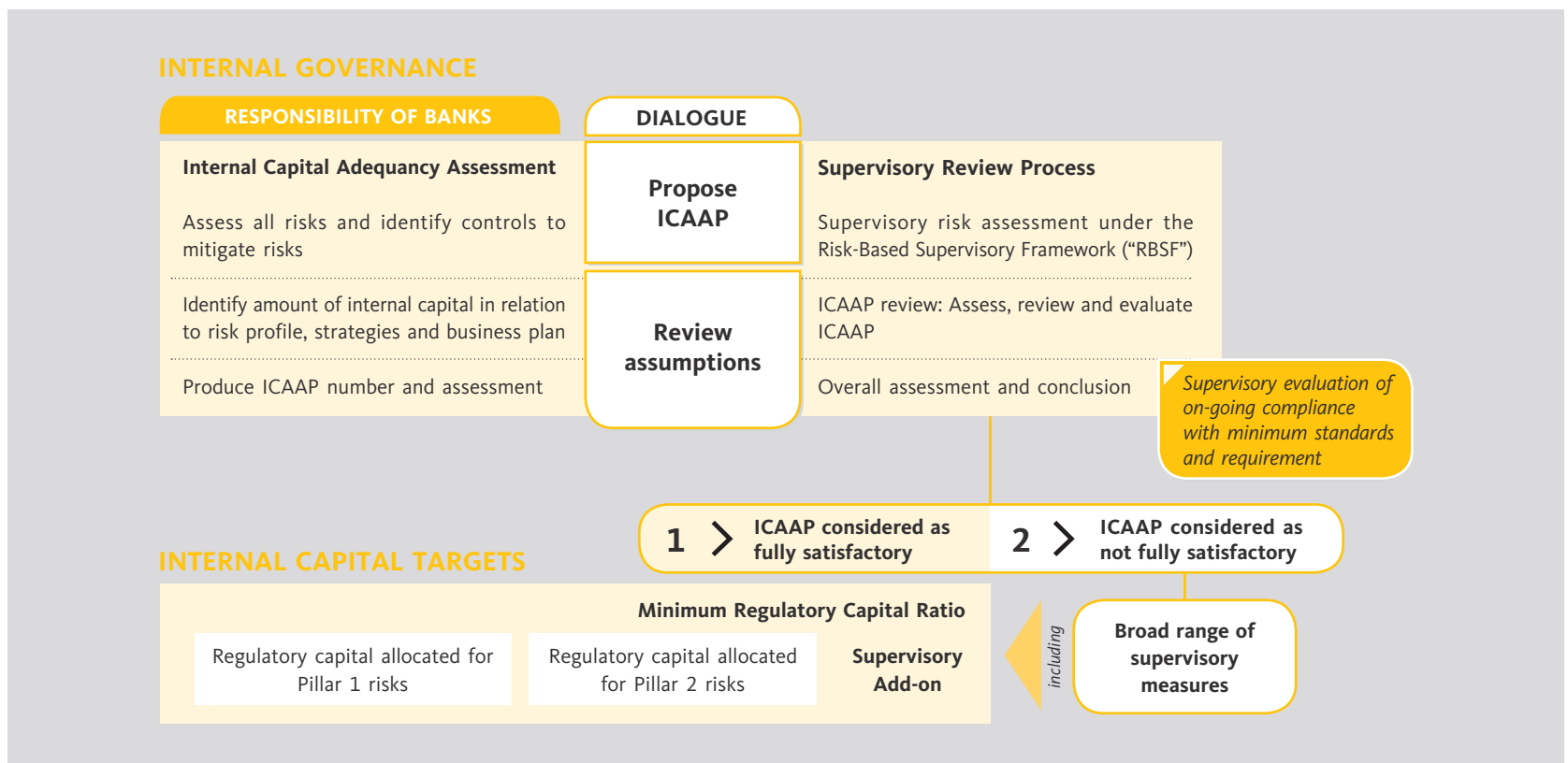
CAPITAL MANAGEMENT

INTERNAL CAPITAL ADEQUACY ASSESSMENT PROCESS (“ICAAP”)

The Group’s overall capital adequacy in relation to its risk profile is assessed through a process articulated in the Maybank Group ICAAP Policy (“ICAAP Policy”). The ICAAP Policy is designed to ensure that adequate levels of capital, including capital buffers, are held to support the Group’s current and projected demand for capital under existing and stressed conditions. Regular ICAAP reports are submitted to the Group Executive Risk Committee (“GERC”) on quarterly basis and Risk Management Committee (“RMC”) and Board on half-yearly basis for comprehensive review of all material risks faced by the Group and assessment of the adequacy of capital to support them. The ICAAP closely integrates the risk and capital planning and management processes.

Since March 2013, the Group has prepared a Board-approved ICAAP document to fulfil the requirements under the BNM Pillar 2 guideline, which came into effect on 31 March 2013. The document includes an overview of ICAAP, current and projected financial and capital position, ICAAP governance, risk assessment models and processes, risk appetite and capital management, stress testing and capital planning and the use of ICAAP. Annually, the Group submits an update of the material changes made to the document to BNM.

Diagram 1: ICAAP and Supervisory Review Process



Supplementing the ICAAP reports is the Group Capital and Funding Plan, which is updated on an annual basis, where the internal capital targets are set and reviewed, among others as part of a sound capital management.

CAPITAL MANAGEMENT

Comprehensive Risk Assessment under ICAAP Policy

Under the Group's ICAAP methodology, the following risk types are identified and measured:

- Risks captured under Pillar 1 (credit risk, market risk and operational risk);
- Risks not fully captured under Pillar 1 (e.g. model risk);
- Risks not specifically addressed under Pillar 1 (e.g. interest rate risk/rate of return risk (both banking and trading book), liquidity risk, business and strategic risk, reputational risk, credit concentration risk, Information Technology ("IT") risk, cyber risk, regulatory risk, country risk, compliance risk, capital risk, profitability risk, Shariah non-compliance risk, information risk, conduct risk, workforce risk and data quality risk amongst others); and
- External factors, including changes in economic environment (i.e. emerging risk, regulations and accounting rules).

A key process emplaced within the Group provides for the identification of material risks that may arise through the introduction of new products and services. Material risks are defined as "risks which would materially impact the financial performance (profitability), capital adequacy, asset quality and/or reputation of the Group should the risk occur".

In the ICAAP Policy, the Material Risk Assessment Process ("MRAP") is designed to identify key risks from the Group's Risk Universe. Annually, a group-wide risk landscape survey is carried out as part of a robust risk management approach to identify and prioritise the key risks based on potential impact of the risks on earnings and capital faced by the Group. The survey results provide a synthesis of perceptions of current and future market outlook, based on perspectives of the key stakeholders across retail, commercial, investment banking and insurance operations across the Group's major entities. In addition, the outcomes of the survey assist in identifying major risk scenarios over the near future.

Risks deemed "material" are reported to the GERC and RMC via the ICAAP report. For each material risk identified, the Group will ensure appropriate risk mitigation is in place to address these key risks, which include regular risk monitoring through Group Chief Risk Officer ("GCRO") Letter reporting, stress testing, risk mitigation, capital planning and crisis management strategies.

Assessment of Pillar 1 and Pillar 2 Risks

In line with industry best practices, the Group quantifies its risks using methodologies that have been reasonably tested and determined to be fit-for-purpose.

Where risks may not be easily quantified due to lack of commonly accepted risk measurement techniques, expert judgement is used to determine the size and materiality of risk. The Group has also incorporated trending analysis (based on historical information) and forward-looking element to strengthen the Pillar 2 scorecard assessment. The Group's ICAAP would then focus on the qualitative controls in managing such material non-quantifiable risks. These qualitative measures include the following:

- Adequate governance process;
- Adequate systems, procedures and internal controls;
- Effective risk mitigation strategies; and
- Regular monitoring and reporting.

Regular and Robust Stress Testing

The Group's stress testing programme is embedded within the risk and capital management process of the Group and is a key function of capital and business planning processes. The programme serves as a forward-looking risk and capital management tool to understand the risk profile under exceptional but plausible and worst case scenarios. Such scenarios may arise mainly from economic, political and environmental factors.

Under Maybank Group Stress Testing ("GST") Policy, the potential unfavourable effects of stressed scenarios on the Group's profitability, asset quality, RWA, capital adequacy, liquidity and ability to comply with the risk appetites set, are considered.

Specifically, the stress test programme is designed to:

- Highlight the dynamics of stress events and their potential implications on the Group's trading and banking book exposures, liquidity positions and likely reputational impacts;
- Proactively identify key strategies to mitigate the effects of stress events;
- Produce stress results as inputs into the Group Capital and Funding Plan in determining capital adequacy and capital targets;
- Produce scenario analysis for Group's recovery planning to evaluate overall recovery capacity, identify preferred recovery strategies and ultimately link to risk appetite setting; and
- Provide insights on risk return profile by entity and by line of business under stress.

There are several types of stress tests conducted across the Group:

- Group-wide stress tests – Using a common scenario approved by RMC of which the results are submitted to BNM. It also includes periodic industry-wide stress tests organised by BNM where the scenarios are specified by the Central Bank.
- Localised stress tests – Limited scope stress tests undertaken at portfolio, branch/sector or entity levels based on scenarios relevant to specific localities.
- Ad-hoc stress tests – Stress tests conducted in response to emerging risk events.
- Reverse stress tests – Identification of a range of adverse scenarios which could threaten the viability of Maybank.
- Rapid exposure drills – Assessment of direct impact or potential contagion effect including upside and downside risks.
- Scenario analysis for Maybank Group Recovery Plan – Requirements according to BNM's Recovery Planning.

Stress test themes reviewed by the Stress Test Working Group in the past include COVID-19 Pandemic, US-China trade war, Eurozone financial crisis, tightening of monetary policies, global economic turmoil, impact on liquidity risk due to cyber-attack, digital disruption, impact of external geopolitical events on ASEAN and Asia, impact of weakening Malaysian ringgit and higher bond yields, Post-Brexit risk on ASEAN economies, the Perfect Storm: Impact of low oil price, weak currencies and slower Chinese GDP growth on ASEAN economies, Federal Reserve rate hike, idiosyncratic event's implication to the Group, oil price decline, intensified capital outflows from emerging markets including ASEAN, rising inflation and interest rate hikes in ASEAN, impact of Federal Reserve Quantitative Easing tapering, sovereign rating downgrades, slowing Chinese economy, a repeat of Asian Financial Crisis, US dollar depreciation, pandemic flu, asset price collapse, a global double-dip recession scenario, Japan disasters, crude oil price hike, the Eurozone and US debt crises, amongst others.

The Stress Test Working Group, which comprises of business, countries and risk management teams, tables the stress test reports to the Senior Management and Board committees and discusses the results with the regulators on a regular basis.

RISK MANAGEMENT

Risk management is an integral part of the Group's culture and is embedded within its business, operations and decision-making processes. As the Group has been facilitating customers to navigate through the pandemic, Group Risk remains committed to being a proactive assurance partner to ensure portfolio sustainability by enhancing operational resilience with risk-informed solutions. In response to COVID-19, the Maybank Group Pandemic Preparation Framework was enhanced to ensure the continuity of business operations, staff safety and safety of our customer and communities. Measures include the implementation of relevant Standard Operating Procedures ("SOP") and activation of Business Continuity Plans. In addition, moratorium or asset quality assessment tools to review and monitor accounts under the moratorium and to identify potential asset quality issues are put in place. This enabled early identification of vulnerable borrowers, activating prompt engagement to manage any potential impact post-moratorium and to identify borrowers who qualify for Repayment Assistance.

RISK MANAGEMENT FRAMEWORK

Risk management has evolved into an important driver for strategic decisions in support of business strategies while balancing the appropriate level of risk taken to the desired level of returns. As risk management is a core discipline of the Group, it is underpinned by a set of building blocks which serves as the foundation in driving strong risk management culture, encompassing practices and processes:

Building Blocks	Description
1 Risk Culture	Risk culture is a vital component in strengthening risk governance and forms a fundamental principle of strong risk management.
2 Risk Coverage	The Group must determine its business strategy and assess the risks to ensure the appropriate risk strategies are put in place to give a greater level of assurance on achieving its business strategy.
3 Risk Appetite	The risk appetite defines the types and levels of risk that the Group is willing to accept in pursuit of its business and strategic goals.
4 Risk Response	Selection of the appropriate risk response is imperative to align the risks with Group's risk tolerance and risk appetite.
5 Governance & Risk Oversight	There is a clear, effective and robust governance structure with well-defined, transparent and consistent lines of responsibility.
6 Risk Management Practices & Processes	Robust risk management processes are in place to actively identify, measure, control, monitor and report risks inherent in all products and activities undertaken by the Group.
7 Stress Test	Stress testing is used to identify and quantify possible events or future changes in the financial and economic condition that could have unfavourable effects on the Group's exposure.
8 Resources & System Infrastructure	Ensure sufficient resources, infrastructure and techniques are established to enable effective risk management.

RISK APPETITE

The Group's risk appetite is an integral component of the Group's robust risk management framework and is driven by both top-down Board leadership and bottom-up involvement of management at all levels. The risk appetite enables the Board and Senior Management to communicate and assess the types and levels of risk that the Group is willing to accept in pursuit of its business and strategic goals while taking into consideration the constraints under a stressed environment. The Group's risk appetite defines our risk capacity and translates it into risk limits and/or tolerances as guidance, which are then used to regularly measure and evaluate our risk profile.

The risk appetite is integrated into the strategic planning process, and remains dynamic and responsive to the changing internal and external drivers such as market conditions, stakeholders' expectations and internal capabilities. In addition, the budgeting process is aligned to the risk appetite in ensuring that projected revenues arising from business transactions are consistent with the risk profile established. The risk appetite also provides a consistent structure in understanding risk and is embedded in day-to-day business activities and decisions throughout the Group.

RISK GOVERNANCE AND OVERSIGHT

The governance model adopted in the Group provides a formalised, transparent and effective governance structure that promotes active involvement from the Board and Senior Management in the risk management process to ensure a uniform view of risk across the Group.

Our governance model places accountability and ownership in ensuring an appropriate level of independence and segregation of duties between the three lines of defence. The management of risk broadly takes place at different hierarchical levels and is emphasised through various levels of committees, business lines, control and reporting functions.

The chart illustrating the risk governance structure of the Group can be found in the Statement on Risk Management and Internal Control write-up under the Corporate Book.

INDEPENDENT GROUP RISK FUNCTION

In 2021, we have continued to focus on value creation and supporting the Group in meeting its strategic and business objectives. Group Risk provides oversight of risk management on an enterprise-wide level through the establishment of the Group's risk strategies, frameworks and policies, with independent assessment and monitoring of all risks challenges.

The key pillars of Group Risk functions are as below:

- Provides close support and oversight within key businesses and countries in managing day-to-day risk;
- Drives and manages specific risk areas on an enterprise-wide level for a holistic risk view within the Group; and
- Supports sustainable and quality asset growth with optimal returns.

In the continuous pursuit to drive effectiveness, the Risk Centres of Excellence ("COEs") were created, building on specialisation of risk professionals, providing value-added risk insights in support of business decision-making. The identified COEs set consistent standards in relation to risk policies, risk reporting, risk modelling, specialise in the management of specific risk areas within the Group and manage all risks associated with our external environment and material matters strategically.

CREDIT RISK

Credit risk is the risk that a counterparty fails to meet its obligations in accordance with the agreed terms of a credit facility. The exposures to credit risk are unilateral and only the lending bank faces the risk of loss.

REGULATORY CAPITAL REQUIREMENT

Amongst the various risk types the Group engages in, credit risk continues to attract the largest regulatory capital requirement.

MANAGEMENT OF CREDIT RISK

The Group manages its credit risk at both the counterparty and portfolio levels to ensure that they remain within the boundaries of the Group's approved credit risk appetite.

Non-retail credit risks are assessed by business units, where each counterparty is assigned a credit rating based on the assessment of relevant qualitative and quantitative factors, including the counterparty's financial position, future cash flows, types of facilities and collateral offered. These credits are then evaluated by the credit team, and approved jointly by authorised Business and Credit personnel.

Reviews on non-retail counterparties are conducted at least once a year with updated information on the counterparty's financial position, market position, industry and economic conditions, as well as conduct of account. On top of these reviews, these counterparties are subject to regular periodic credit classification and impairment assessment to determine if any early intervention is required. Appropriate corrective actions are taken when the counterparties show signs of credit deterioration.

Retail credits are predicated on data analytics and are programme-driven, and are governed by the Product Development Assessment ("PDA") or Universal Product Development Assessment ("UPDA"). Credit programmes are assessed jointly by the business units and credit teams. Reviews for retail credits are generally conducted at the portfolio level where the PDAs or UPDAs of each retail product are reviewed at a minimum, on an annual basis.

During COVID-19 pandemic, the Group has initiated various forms of Repayment Assistance ("RA"), and Targeted RA, as well as participated in government-initiated relief funds to assist counterparties affected by the pandemic.

The Group's credit approving structure is based on joint approvals by Business and Credit, with complex credits of higher risk approved by the Group Management Credit Committee. The authority limits are based on the Expected Loss principle, and are directly related to the counterparty's rating and credit exposure.

The Group's credit approving process encompasses assessment, approval and post approval credit review. Group Risk is responsible for developing, enhancing and communicating effective and consistent credit risk management policies, tools and methodologies across the Group to ensure that appropriate standards are in place to identify, measure, control, monitor and report such risks.

Management of Concentration Risk

Concentration risk materialises from excessive exposures to a single counterparty group, country, economic sector or product, leading to disproportionate deterioration to the risk profile of the Group's credit exposures. In managing large exposures and to avoid undue concentration of credit risk in its credit portfolio, the Group has emplaced, amongst others, limits and related lending guidelines for:-

- Countries;
- Product or facility types
- Economic sectors;
- Single counterparty group;
- Collaterals; and
- Connected parties.

Reviews of the aforesaid limits and related lending guidelines are undertaken on a periodic basis, whereupon any emerging concentration risks are addressed accordingly. Any breach of limits are escalated for approvals, and any deviations to the lending guidelines are to be justified with strong mitigations.

Asset Quality Management

The Group has dedicated teams to effectively manage vulnerable corporate, institutional and consumer credits. Special attention is given to these vulnerable credits where more frequent and intensive reviews are performed in order to prevent further deterioration or, where necessary, accelerate for remedial actions. Asset Quality Committees provide guidance and oversight in ensuring these are complied with. With the pandemic, the Bank has stepped up effort to proactively monitor and manage affected credits via several measures including but not limited to moratoriums and extended repayment assistance. A special committee was also set up to oversee and facilitate implementation of the aforementioned measures.

Tables 10 to 12 present the geographic analysis and distribution of credit exposures under both the Standardised Approach and IRB Approach for the Group, the Bank and Maybank Islamic, respectively.

Tables 13 to 15 present the disclosure on credit risk exposures by various industries for the Group, the Bank and Maybank Islamic, respectively.

Tables 16 to 18 present the credit risk exposures by maturity periods of one year or less, one to five years and over five years for the Group, the Bank and Maybank Islamic, respectively.

CREDIT RISK**Table 10: Disclosure on Credit Risk Exposure – Geographical Analysis for Maybank Group**

Exposure Class	Malaysia	Singapore	Indonesia	Other Overseas	Total
	RM'000	RM'000	RM'000	Units RM'000	RM'000
As at 31.12.2021					
Exempted Exposures (Standardised Approach)					
Sovereigns/Central Banks	89,649,445	39,581,905	11,844,472	18,629,280	159,705,102
Public Sector Entities	910,765	3,013,110	–	–	3,923,875
Banks, Development Financial Institutions & MDBs	2,437,743	67,748	–	7,815	2,513,306
Insurance Cos, Securities Firms & Fund Managers	1,382,708	381,222	–	183,562	1,947,492
Corporates	5,918,929	7,708,491	2,735,792	7,793,846	24,157,058
Regulatory Retail	3,427,396	11,150,342	4,240,508	5,419,112	24,237,358
Residential Mortgages	1,517,739	2,988	81,528	417,989	2,020,244
Higher Risk Assets	1,252	1,607	–	–	2,859
Other Assets	9,550,899	1,538,732	2,593,345	2,062,956	15,745,932
Securitisation Exposures	20,075	–	–	–	20,075
Equity Exposures	340,869	2,052	3,711	1,950	348,582
Total Standardised Approach	115,157,820	63,448,197	21,499,356	34,516,510	234,621,883
Exposures under the IRB Approach					
Public Sector Entities	26,906,997	–	–	–	26,906,997
Banks, Development Financial Institutions & MDBs	11,916,935	9,929,897	2,077,621	10,264,676	34,189,129
Corporate Exposures	165,038,386	68,608,130	17,090,030	41,659,747	292,396,293
a) Corporates (excluding Specialised Lending and firm-size adjustment)	113,477,150	53,704,486	17,090,030	40,149,568	224,421,234
b) Corporates (with firm-size adjustment)	45,109,064	14,903,644	–	1,187,264	61,199,972
c) Specialised Lending (Own PD Approach)					
– Project Finance	5,893,009	–	–	322,915	6,215,924
d) Specialised Lending (Slotting Approach)					
– Project Finance	559,163	–	–	–	559,163
Retail Exposures	215,447,890	58,681,914	8,830,061	–	282,959,865
a) Residential Mortgages	79,601,758	26,693,614	2,373,578	–	108,668,950
b) Qualifying Revolving Retail Exposures	14,446,983	5,403,038	998,123	–	20,848,144
c) Hire Purchase Exposures	42,881,365	7,138,405	3,203,563	–	53,223,333
d) Other Retail Exposures	78,517,784	19,446,857	2,254,797	–	100,219,438
Total IRB Approach	419,310,208	137,219,941	27,997,712	51,924,423	636,452,284
Total Standardised and IRB Approaches	534,468,028	200,668,138	49,497,068	86,440,933	871,074,167

CREDIT RISK

Table 10: Disclosure on Credit Risk Exposure – Geographical Analysis for Maybank Group (cont'd.)

Exposure Class	Malaysia RM'000	Singapore RM'000	Indonesia RM'000	Other Overseas Units RM'000	Total RM'000
As at 31.12.2020					
Exempted Exposures (Standardised Approach)					
Sovereigns/Central Banks	74,178,489	52,747,970	9,083,694	13,061,908	149,072,061
Public Sector Entities	969,480	3,346,829	–	52,221	4,368,530
Banks, Development Financial Institutions & MDBs	2,521,208	125,411	–	21,527	2,668,146
Insurance Cos, Securities Firms & Fund Managers	382,476	452,930	–	20,154	855,560
Corporates	5,893,209	7,710,781	3,314,422	7,450,575	24,368,987
Regulatory Retail	3,733,315	9,837,470	4,305,461	5,996,276	23,872,522
Residential Mortgages	1,536,957	17,655	68,898	1,041,339	2,664,849
Higher Risk Assets	54,997	1,693	–	–	56,690
Other Assets	7,598,515	2,541,992	2,739,882	1,388,287	14,268,676
Securitisation Exposures	20,073	–	–	–	20,073
Equity Exposures	343,311	2,018	4,078	–	349,407
Total Standardised Approach	97,232,030	76,784,749	19,516,435	29,032,287	222,565,501
Exposures under the IRB Approach					
Public Sector Entities	26,519,536	–	–	–	26,519,536
Banks, Development Financial Institutions & MDBs	12,542,956	6,022,613	2,231,931	11,214,769	32,012,269
Corporate Exposures	159,550,196	67,110,063	18,133,604	39,166,337	283,960,200
a) Corporates (excluding Specialised Lending and firm-size adjustment)	111,695,737	48,564,127	18,133,604	38,009,086	216,402,554
b) Corporates (with firm-size adjustment)	42,644,058	18,545,936	–	821,222	62,011,216
c) Specialised Lending (Own PD Approach)					
– Project Finance	4,515,599	–	–	336,029	4,851,628
d) Specialised Lending (Slotting Approach)					
– Project Finance	694,802	–	–	–	694,802
Retail Exposures	206,923,623	51,041,933	8,607,605	–	266,573,161
a) Residential Mortgages	72,694,847	24,590,549	2,347,953	–	99,633,349
b) Qualifying Revolving Retail Exposures	14,103,713	5,365,328	1,009,719	–	20,478,760
c) Hire Purchase Exposures	45,841,871	6,964,268	3,435,347	–	56,241,486
d) Other Retail Exposures	74,283,192	14,121,788	1,814,586	–	90,219,566
Total IRB Approach	405,536,311	124,174,609	28,973,140	50,381,106	609,065,166
Total Standardised and IRB Approaches	502,768,341	200,959,358	48,489,575	79,413,393	831,630,667

CREDIT RISK**Table 11: Disclosure on Credit Risk Exposure – Geographical Analysis for Maybank**

Exposure Class	Malaysia RM'000	Singapore RM'000	Other Overseas Units RM'000	Total RM'000
As at 31.12.2021				
Exempted Exposures (Standardised Approach)				
Sovereigns/Central Banks	55,629,909	22,274,387	14,130,637	92,034,933
Public Sector Entities	820,025	2,526,219	–	3,346,244
Banks, Development Financial Institutions & MDBs	936,872	67,745	–	1,004,617
Insurance Cos, Securities Firms & Fund Managers	1,376,679	–	183,562	1,560,241
Corporates	4,790,922	6,628,660	2,741,176	14,160,758
Regulatory Retail	1,517,785	–	231,279	1,749,064
Residential Mortgages	846,910	–	343,344	1,190,254
Higher Risk Assets	32	–	–	32
Other Assets	7,071,643	345,880	543,130	7,960,653
Securitisation Exposures	20,075	–	–	20,075
Equity Exposures	335,640	2,052	–	337,692
Total Standardised Approach	73,346,492	31,844,943	18,173,128	123,364,563
Exposures under the IRB Approach				
Public Sector Entities	18,484,154	–	–	18,484,154
Banks, Development Financial Institutions & MDBs	44,882,052	8,654,456	10,851,446	64,387,954
Corporate Exposures	109,379,123	53,413,840	39,518,317	202,311,280
a) Corporates (excluding Specialised Lending and firm-size adjustment)	78,374,291	48,022,151	38,347,130	164,743,572
b) Corporates (with firm-size adjustment)	26,484,924	5,391,689	848,272	32,724,885
c) Specialised Lending (Own PD Approach)				
– Project Finance	4,010,129	–	322,915	4,333,044
d) Specialised Lending (Slotting Approach)				
– Project Finance	509,779	–	–	509,779
Retail Exposures	79,973,799	–	–	79,973,799
a) Residential Mortgages	33,559,484	–	–	33,559,484
b) Qualifying Revolving Retail Exposures	10,625,875	–	–	10,625,875
c) Hire Purchase Exposures	5,889,455	–	–	5,889,455
d) Other Retail Exposures	29,898,985	–	–	29,898,985
Total IRB Approach	252,719,128	62,068,296	50,369,763	365,157,187
Total Standardised and IRB Approaches	326,065,620	93,913,239	68,542,891	488,521,750

CREDIT RISK

Table 11: Disclosure on Credit Risk Exposure – Geographical Analysis for Maybank (cont'd.)

Exposure Class	Malaysia RM'000	Singapore RM'000	Other Overseas Units RM'000	Total RM'000
As at 31.12.2020				
Exempted Exposures (Standardised Approach)				
Sovereigns/Central Banks	46,087,180	31,358,051	9,823,390	87,268,621
Public Sector Entities	835,381	2,586,153	52,221	3,473,755
Banks, Development Financial Institutions & MDBs	832,264	125,408	–	957,672
Insurance Cos, Securities Firms & Fund Managers	375,044	–	20,154	395,198
Corporates	4,189,249	7,048,703	4,277,550	15,515,502
Regulatory Retail	1,601,358	–	338,403	1,939,761
Residential Mortgages	900,685	–	316,057	1,216,742
Higher Risk Assets	30	–	–	30
Other Assets	7,749,298	362,410	408,879	8,520,587
Securitisation Exposures	20,073	–	–	20,073
Equity Exposures	341,042	2,018	–	343,060
Total Standardised Approach	62,931,604	41,482,743	15,236,654	119,651,001
Exposures under the IRB Approach				
Public Sector Entities	21,047,591	–	–	21,047,591
Banks, Development Financial Institutions & MDBs	34,273,621	5,705,811	9,945,216	49,924,648
Corporate Exposures	105,845,842	51,467,894	36,448,139	193,761,875
a) Corporates (excluding Specialised Lending and firm-size adjustment)	76,294,792	42,771,462	35,290,888	154,357,142
b) Corporates (with firm-size adjustment)	26,142,447	8,696,432	821,222	35,660,101
c) Specialised Lending (Own PD Approach)				
– Project Finance	2,762,415	–	336,029	3,098,444
d) Specialised Lending (Slotting Approach)				
– Project Finance	646,188	–	–	646,188
Retail Exposures	80,698,580	–	–	80,698,580
a) Residential Mortgages	31,600,139	–	–	31,600,139
b) Qualifying Revolving Retail Exposures	10,456,841	–	–	10,456,841
c) Hire Purchase Exposures	7,479,678	–	–	7,479,678
d) Other Retail Exposures	31,161,922	–	–	31,161,922
Total IRB Approach	241,865,634	57,173,705	46,393,355	345,432,694
Total Standardised and IRB Approaches	304,797,238	98,656,448	61,630,009	465,083,695

CREDIT RISK**Table 12: Disclosure on Credit Risk Exposure – Geographical Analysis for Maybank Islamic**

Exposure Class	As at 31.12.2021 Total RM'000	As at 31.12.2020 Total RM'000
Exposures under Standardised Approach		
Sovereigns/Central Banks	33,446,430	27,256,122
Public Sector Entities	90,742	134,099
Banks, Development Financial Institutions & MDBs	–	–
Insurance Cos, Securities Firms & Fund Managers	6,031	7,434
Corporates	1,113,231	1,679,278
Regulatory Retail	1,848,598	1,997,751
Residential Mortgages	670,830	636,271
Higher Risk Assets	36	36
Other Assets	1,786,649	1,625,857
Equity Exposure	1,250	1,250
Total Standardised Approach	38,963,797	33,338,098
Exposures under IRB Approach		
Public Sector Entities	22,493,526	22,174,896
Banks, Development Financial Institutions & MDBs	9,735,780	2,549,985
Corporate Exposures	79,412,417	71,850,297
a) Corporates (excluding Specialised Lending and firm-size adjustment)	58,278,349	53,297,651
b) Corporates (with firm-size adjustment)	18,789,261	16,691,908
c) Specialised Lending (Own PD Approach) – Project Finance	2,295,423	1,812,124
d) Specialised Lending (Slotting Approach) – Project Finance	49,384	48,614
Retail Exposures	162,853,296	149,021,476
a) Residential Mortgages	50,192,119	45,450,789
b) Qualifying Revolving Retail Exposures	3,821,108	3,646,873
c) Hire Purchase Exposures	41,977,904	39,554,233
d) Other Retail Exposures	66,862,165	60,369,581
Total IRB Approach	274,495,019	245,596,654
Total Standardised and IRB Approaches	313,458,816	278,934,752

CREDIT RISK

Table 13: Disclosure on Credit Risk Exposure – Industry Analysis for Maybank Group

Exposure Class	Agriculture RM'000	Mining & Quarrying RM'000	Manufacturing RM'000	Construction RM'000	Electricity, Gas & Water Supply RM'000	Wholesale, Retail Trade, Restaurants & Hotels RM'000	Finance, Insurance, Real Estate & Business RM'000	Transport, Storage & Communication RM'000	Education, Health & Others RM'000	Household RM'000	Others RM'000	Total RM'000
As at 31.12.2021												
Exempted Exposures (Standardised Approach)												
Sovereigns/Central Banks	299	-	-	-	36,273	640	72,622,238	65	225	-	87,045,362	159,705,102
Public Sector Entities	117,026	11	-	88	-	-	2,458,104	20	195	-	1,348,431	3,923,875
Banks, Development Financial Institutions & MDBs	-	-	-	-	-	-	2,513,306	-	-	-	-	2,513,306
Insurance Cos, Securities Firms & Fund Managers	62	-	-	39	-	77	1,941,885	5,405	-	-	24	1,947,492
Corporates	39,804	1,081,677	425,439	352,388	4,059,392	1,001,924	3,802,708	978,782	373,174	36,945	12,004,825	24,157,058
Regulatory Retail	-	-	-	-	-	-	-	-	-	24,237,358	-	24,237,358
Residential Mortgages	-	-	-	-	-	-	-	-	-	2,020,244	-	2,020,244
Higher Risk Assets	-	-	-	-	-	-	2,791	-	-	-	68	2,859
Other Assets	9	-	140	1	-	53	2,786,465	2,697	-	787	12,955,780	15,745,932
Securitisation Exposures	-	-	-	-	-	-	20,075	-	-	-	-	20,075
Equity Exposures	-	-	-	26	15,232	2,052	-	-	-	-	331,272	348,582
Total Standardised Approach	157,200	1,081,688	425,579	352,542	4,110,897	1,004,746	86,147,572	986,969	373,594	26,295,334	113,685,762	234,621,883
Exposures under the IRB Approach												
Public Sector Entities	3,272,815	25,636	-	560,213	123,813	2,530	22,772,040	957	6,126	-	142,867	26,906,997
Banks, Development Financial Institutions & MDBs	-	-	-	-	-	-	34,189,129	-	-	-	-	34,189,129
Corporate Exposures	8,119,106	10,950,999	44,134,937	39,251,064	10,482,174	41,568,641	104,111,530	18,208,103	2,373,315	46,074	13,150,350	292,396,293
a) Corporates (excluding Specialised Lending and firm-size adjustment)	6,630,616	10,044,607	34,474,571	24,389,314	7,525,611	28,356,472	86,264,626	15,200,119	1,079,704	44,680	10,410,914	224,421,234
b) Corporates (with firm-size adjustment)	1,488,490	579,026	7,730,152	13,249,972	514,390	13,212,169	17,846,904	2,590,534	1,293,611	1,394	2,693,330	61,199,972
c) Specialised Lending (Own PD Approach)	-	-	-	-	-	-	-	-	-	-	-	-
- Project Finance	-	327,366	1,930,214	1,320,989	2,173,799	-	-	417,450	-	-	46,106	6,215,924
d) Specialised Lending (Slotting Approach)	-	-	-	-	-	-	-	-	-	-	-	-
- Project Finance	-	-	-	290,789	268,374	-	-	-	-	-	-	559,163
Retail Exposures	-	-	-	-	-	-	-	-	-	282,959,865	-	282,959,865
a) Residential Mortgages	-	-	-	-	-	-	-	-	-	108,668,950	-	108,668,950
b) Qualifying Revolving Retail Exposures	-	-	-	-	-	-	-	-	-	20,848,144	-	20,848,144
c) Hire Purchase Exposures	-	-	-	-	-	-	-	-	-	53,223,333	-	53,223,333
d) Other Retail Exposures	-	-	-	-	-	-	-	-	-	100,219,438	-	100,219,438
Total IRB Approach	11,391,921	10,976,635	44,134,937	39,811,277	10,605,987	41,571,171	161,072,699	18,209,060	2,379,441	283,005,939	13,293,217	636,452,284
Total Standardised and IRB Approaches	11,549,121	12,058,323	44,560,516	40,163,819	14,716,884	42,575,917	247,220,271	19,196,029	2,753,035	309,301,273	126,978,979	871,074,167

CREDIT RISK

Table 13: Disclosure on Credit Risk Exposure – Industry Analysis for Maybank Group (cont'd.)

Exposure Class	Agriculture RM'000	Mining & Quarrying RM'000	Manufacturing RM'000	Construction RM'000	Electricity, Gas & Water Supply RM'000	Wholesale, Retail Trade, Restaurants & Hotels RM'000	Finance, Insurance, Real Estate & Business RM'000	Transport, Storage & Communication RM'000	Education, Health & Others RM'000	Household RM'000	Others RM'000	Total RM'000
As at 31.12.2020												
Exempted Exposures (Standardised Approach)												
Sovereigns/Central Banks	21	-	-	-	36,881	751	62,025,214	62	-	-	87,009,131	149,072,061
Public Sector Entities	116,213	-	50	88	-	12	3,163,449	20	513	-	1,088,185	4,368,529
Banks, Development Financial Institutions & MDBs	-	-	-	-	-	-	2,184,823	-	-	-	483,323	2,668,146
Insurance Cos, Securities Firms & Fund Managers	72	-	-	61	-	-	855,394	-	-	-	33	855,561
Corporates	114,911	1,082,812	340,015	438,323	4,712,499	1,538,794	3,884,806	452,447	78,652	7,907,211	3,818,516	24,368,987
Regulatory Retail	-	-	-	-	-	-	522,977	-	-	23,349,545	-	23,872,522
Residential Mortgages	-	-	-	-	-	-	-	-	-	2,664,848	-	2,664,848
Higher Risk Assets	-	-	-	-	-	-	56,625	-	-	-	66	56,691
Other Assets	-	-	6	-	-	-	1,137,183	-	-	130,740	13,000,747	14,268,676
Securitisation Exposures	-	-	-	-	-	-	20,073	-	-	-	-	20,073
Equity Exposures	-	-	-	130	17,367	2,018	1,019	-	-	-	328,873	349,407
Total Standardised Approach	231,217	1,082,812	340,071	438,602	4,766,747	1,541,575	73,851,563	452,529	79,165	34,052,344	105,728,874	222,565,501
Exposures under the IRB Approach												
Public Sector Entities	5,408,308	-	14	775,437	-	1,575	20,200,053	901	7,210	-	126,038	26,519,536
Banks, Development Financial Institutions & MDBs	-	-	-	-	-	-	31,593,519	-	-	-	418,750	32,012,269
Corporate Exposures	10,576,730	7,572,191	40,155,326	41,596,542	8,520,767	40,441,132	94,550,829	18,688,863	3,070,269	22,631	13,913,291	283,960,200
a) Corporates (excluding Specialised Lending and firm-size adjustment)	9,149,463	6,962,715	32,872,180	28,417,798	7,572,943	25,980,417	76,279,493	16,452,914	1,871,136	22,043	10,821,452	216,402,554
b) Corporates (with firm-size adjustment)	1,427,268	609,477	7,283,146	12,840,242	591,523	14,460,716	18,271,336	2,235,949	1,199,133	588	3,091,840	62,011,216
c) Specialised Lending (Own PD Approach)	-	-	-	-	-	-	-	-	-	-	-	-
- Project Finance	-	420,008	1,453,010	1,205,178	1,241,808	-	-	468,156	-	-	63,468	4,851,628
d) Specialised Lending (Slotting Approach)	-	-	-	-	-	-	-	-	-	-	-	-
- Project Finance	-	-	-	338,502	356,300	-	-	-	-	-	-	694,802
Retail Exposures	-	-	-	-	-	-	-	-	-	266,573,161	-	266,573,161
a) Residential Mortgages	-	-	-	-	-	-	-	-	-	99,633,349	-	99,633,349
b) Qualifying Revolving Retail Exposures	-	-	-	-	-	-	-	-	-	20,478,760	-	20,478,760
c) Hire Purchase Exposures	-	-	-	-	-	-	-	-	-	56,241,486	-	56,241,486
d) Other Retail Exposures	-	-	-	-	-	-	-	-	-	90,219,566	-	90,219,566
Total IRB Approach	15,985,038	7,572,191	40,155,340	42,371,979	8,520,767	40,442,707	146,344,401	18,689,764	3,077,479	266,595,792	14,458,079	609,065,166
Total Standardised and IRB Approaches	16,216,255	8,655,003	40,495,411	42,810,581	13,287,514	41,984,282	220,195,964	19,142,293	3,156,644	300,648,136	120,186,953	831,630,667

CREDIT RISK

Table 14: Disclosure on Credit Risk Exposure – Industry Analysis for Maybank

Exposure Class	Agriculture RM'000	Mining & Quarrying RM'000	Manufacturing RM'000	Construction RM'000	Electricity, Gas & Water Supply RM'000	Wholesale, Retail Trade, Restaurants & Hotels RM'000	Finance, Insurance, Real Estate & Business RM'000	Transport, Storage & Communication RM'000	Education, Health & Others RM'000	Household RM'000	Others RM'000	Total RM'000
As at 31.12.2021												
Exempted Exposures (Standardised Approach)												
Sovereigns/Central Banks	300	-	-	-	36,273	640	34,583,461	65	225	-	57,413,969	92,034,933
Public Sector Entities	116,239	88	-	-	-	-	1,971,046	20	20	-	1,258,831	3,346,244
Banks, Development Financial Institutions & MDBs	-	-	-	-	-	-	1,004,617	-	-	-	-	1,004,617
Insurance Cos, Securities Firms & Fund Managers	-	-	-	-	-	-	1,560,241	-	-	-	-	1,560,241
Corporates	28,264	804,998	204,979	32,533	4,016,001	213,462	3,955,603	867,461	168,659	2,386	3,866,412	14,160,758
Regulatory Retail	-	-	-	-	-	-	-	-	-	1,749,064	-	1,749,064
Residential Mortgages	-	-	-	-	-	-	-	-	-	1,190,254	-	1,190,254
Higher Risk Assets	-	-	-	-	-	-	-	-	-	-	32	32
Other Assets	-	-	-	-	-	-	233,860	-	-	-	7,726,792	7,960,652
Securitisation Exposures	-	-	-	-	-	-	20,075	-	-	-	-	20,075
Equity Exposures	-	-	-	26	15,232	2,053	-	-	-	-	320,382	337,693
Total Standardised Approach	144,803	805,086	204,979	32,559	4,067,506	216,155	43,328,903	867,546	168,904	2,941,704	70,586,418	123,364,563
Exposures under the IRB Approach												
Public Sector Entities	3,230,985	8,279	-	351,001	-	2,530	14,794,063	839	-	-	96,457	18,484,154
Banks, Development Financial Institutions & MDBs	-	-	-	-	-	-	64,387,954	-	-	-	-	64,387,954
Corporate Exposures	3,950,481	8,522,329	25,408,547	23,090,929	6,427,944	27,453,462	84,613,672	11,295,175	1,170,561	2,356	10,375,824	202,311,280
a) Corporates (excluding Specialised Lending and firm-size adjustment)	3,198,324	7,954,380	19,614,664	15,167,186	4,770,713	20,771,252	73,537,503	9,803,155	520,544	962	9,404,889	164,743,572
b) Corporates (with firm-size adjustment)	752,157	240,583	3,863,670	7,230,928	228,358	6,682,210	11,076,169	1,074,570	650,017	1,394	924,829	32,724,885
c) Specialised Lending (Own PD Approach) – Project Finance	-	327,366	1,930,213	414,792	1,197,117	-	-	417,450	-	-	46,106	4,333,044
d) Specialised Lending (Slotting Approach) – Project Finance	-	-	-	278,023	231,756	-	-	-	-	-	-	509,779
Retail Exposures	-	-	-	-	-	-	-	-	-	79,973,799	-	79,973,799
a) Residential Mortgages	-	-	-	-	-	-	-	-	-	33,559,484	-	33,559,484
b) Qualifying Revolving Retail Exposures	-	-	-	-	-	-	-	-	-	10,625,875	-	10,625,875
c) Hire Purchase Exposures	-	-	-	-	-	-	-	-	-	5,889,455	-	5,889,455
d) Other Retail Exposures	-	-	-	-	-	-	-	-	-	29,898,985	-	29,898,985
Total IRB Approach	7,181,466	8,530,608	25,408,547	23,441,930	6,427,944	27,455,992	163,795,689	11,296,014	1,170,561	79,976,155	10,472,281	365,157,187
Total Standardised and IRB Approaches	7,326,269	9,335,694	25,613,526	23,474,489	10,495,450	27,672,147	207,124,592	12,163,560	1,339,465	82,917,859	81,058,699	488,521,750

CREDIT RISK**Table 14: Disclosure on Credit Risk Exposure – Industry Analysis for Maybank (cont'd.)**

Exposure Class	Agriculture RM'000	Mining & Quarrying RM'000	Manufacturing RM'000	Construction RM'000	Electricity, Gas & Water Supply RM'000	Wholesale, Retail Trade, Restaurants & Hotels RM'000	Finance, Insurance, Real Estate & Business RM'000	Transport, Storage & Communication RM'000	Education, Health & Others RM'000	Household RM'000	Others RM'000	Total RM'000
As at 31.12.2020												
Exempted Exposures (Standardised Approach)												
Sovereigns/Central Banks	21	-	-	-	36,881	751	28,570,894	62	-	-	58,660,012	87,268,621
Public Sector Entities	116,190	-	-	88	-	-	2,402,773	20	-	-	954,683	3,473,754
Banks, Development Financial Institutions & MDBs	-	-	-	-	-	-	474,349	-	-	-	483,323	957,672
Insurance Cos, Securities Firms & Fund Managers	72	-	-	-	-	-	395,124	-	-	-	1	395,197
Corporates	28,523	811,571	63,751	137,010	4,491,628	452,959	3,567,819	330,976	6,961	2,611,529	3,012,777	15,515,504
Regulatory Retail	-	-	-	-	-	-	-	-	-	1,939,761	-	1,939,761
Residential Mortgages	-	-	-	-	-	-	-	-	-	1,216,742	-	1,216,742
Higher Risk Assets	-	-	-	-	-	-	-	-	-	-	30	30
Other Assets	-	-	-	-	-	-	577,725	-	-	312	7,942,550	8,520,587
Securitisation Exposures	-	-	-	-	-	-	20,073	-	-	-	-	20,073
Equity Exposures	-	-	-	130	17,367	2,018	-	-	-	-	323,545	343,060
Total Standardised Approach	144,806	811,571	63,751	137,228	4,545,876	455,728	36,008,757	331,058	6,961	5,768,344	71,376,921	119,651,001
Exposures under the IRB Approach												
Public Sector Entities	5,163,611	-	14	600,040	-	1,575	15,156,441	831	-	-	125,079	21,047,591
Banks, Development Financial Institutions & MDBs	-	-	-	-	-	-	49,505,898	-	-	-	418,750	49,924,648
Corporate Exposures	4,857,279	4,901,531	24,861,530	27,054,799	5,094,167	26,281,941	75,597,012	12,472,139	2,039,815	853	10,600,807	193,761,875
a) Corporates (excluding Specialised Lending and firm-size adjustment)	4,166,415	4,173,073	19,450,731	18,861,511	4,171,026	17,625,888	63,781,682	11,037,854	1,488,271	754	9,599,935	154,357,141
b) Corporates (with firm-size adjustment)	690,864	308,450	3,957,789	7,496,998	279,441	8,656,053	11,815,330	966,129	551,544	99	937,404	35,660,101
c) Specialised Lending (Own PD Approach) – Project Finance	-	420,008	1,453,010	370,821	322,981	-	-	468,156	-	-	63,468	3,098,445
d) Specialised Lending (Slotting Approach) – Project Finance	-	-	-	325,469	320,719	-	-	-	-	-	-	646,188
Retail Exposures	-	-	-	-	-	-	-	-	-	80,698,580	-	80,698,580
a) Residential Mortgages	-	-	-	-	-	-	-	-	-	31,600,139	-	31,600,139
b) Qualifying Revolving Retail Exposures	-	-	-	-	-	-	-	-	-	10,456,841	-	10,456,841
c) Hire Purchase Exposures	-	-	-	-	-	-	-	-	-	7,479,678	-	7,479,678
d) Other Retail Exposures	-	-	-	-	-	-	-	-	-	31,161,922	-	31,161,922
Total IRB Approach	10,020,890	4,901,531	24,861,544	27,654,839	5,094,167	26,283,516	140,259,351	12,472,970	2,039,815	80,699,433	11,144,636	345,432,694
Total Standardised and IRB Approaches	10,165,696	5,713,102	24,925,295	27,792,067	9,640,043	26,739,244	176,268,108	12,804,028	2,046,776	86,467,777	82,521,557	465,083,695

CREDIT RISK

Table 15: Disclosure on Credit Risk Exposure – Industry Analysis for Maybank Islamic

Exposure Class	Agriculture RM'000	Mining & Quarrying RM'000	Manufacturing RM'000	Construction RM'000	Electricity, Gas & Water Supply RM'000	Wholesale, Retail Trade, Restaurants & Hotels RM'000	Finance, Insurance, Real Estate & Business RM'000	Transport, Storage & Communication RM'000	Education, Health & Others RM'000	Household RM'000	Others RM'000	Total RM'000
As at 31.12.2021												
Exempted Exposures (Standardised Approach)												
Sovereigns/Central Banks	-	-	-	-	-	-	11,392,976	-	-	-	22,053,454	33,446,430
Public Sector Entities	788	11	-	-	-	-	168	-	175	-	89,600	90,742
Banks, Development Financial Institutions & MDBs	-	-	-	-	-	-	-	-	-	-	-	-
Insurance Cos, Securities Firms & Fund Managers	-	-	-	39	-	-	5,968	-	-	-	24	6,031
Corporates	7,872	2,509	6,472	23,078	36,405	38,728	454,449	7,847	6,806	350	528,715	1,113,231
Regulatory Retail	-	-	-	-	-	-	-	-	-	1,848,598	-	1,848,598
Residential Mortgages	-	-	-	-	-	-	-	-	-	670,830	-	670,830
Higher Risk Assets	-	-	-	-	-	-	-	-	-	-	36	36
Other Assets	-	-	-	-	-	-	928,267	-	-	-	858,382	1,786,649
Equity Exposures	-	-	-	-	-	-	-	-	-	-	1,250	1,250
Total Standardised Approach	8,660	2,520	6,472	23,117	36,405	38,728	12,781,828	7,847	6,981	2,519,778	23,531,461	38,963,797
Exposures under the IRB Approach												
Public Sector Entities	2,818,655	17,358	-	560,103	123,813	-	18,920,943	118	6,126	-	46,410	22,493,526
Banks, Development Financial Institutions & MDBs	-	-	-	-	-	-	9,735,774	-	-	-	6	9,735,780
Insurance Cos, Securities Firms & Fund Managers	-	-	-	-	-	-	-	-	-	-	-	-
Corporate Exposures	4,624,740	5,807,843	14,167,997	14,776,097	3,898,751	7,240,856	18,629,552	8,079,441	931,845	-	1,255,295	79,412,417
a) Corporates (excluding Specialised Lending and firm-size adjustment)	3,929,854	5,481,675	11,437,078	9,244,147	2,251,458	3,905,253	14,239,458	7,124,079	368,808	-	296,540	58,278,350
b) Corporates (with firm-size adjustment)	694,886	326,168	2,730,919	4,612,987	221,449	3,335,603	4,390,094	955,362	563,037	-	958,755	18,789,260
c) Specialised Lending (Own PD Approach)	-	-	-	-	-	-	-	-	-	-	-	-
- Project Finance	-	-	-	906,197	1,389,226	-	-	-	-	-	-	2,295,423
d) Specialised Lending (Slotting Approach)	-	-	-	-	-	-	-	-	-	-	-	-
- Project Finance	-	-	-	12,766	36,618	-	-	-	-	-	-	49,384
Retail Exposures	-	-	-	-	-	-	-	-	-	162,853,296	-	162,853,296
a) Residential Mortgages	-	-	-	-	-	-	-	-	-	50,192,119	-	50,192,119
b) Qualifying Revolving Retail Exposures	-	-	-	-	-	-	-	-	-	3,821,108	-	3,821,108
c) Hire Purchase Exposures	-	-	-	-	-	-	-	-	-	41,977,904	-	41,977,904
d) Other Retail Exposures	-	-	-	-	-	-	-	-	-	66,862,165	-	66,862,165
Total IRB Approach	7,443,395	5,825,201	14,167,997	15,336,200	4,022,564	7,240,856	47,286,269	8,079,559	937,971	162,853,296	1,301,711	274,495,019
Total Standardised and IRB Approaches	7,452,055	5,827,721	14,174,469	15,359,317	4,058,969	7,279,584	60,068,097	8,087,406	944,952	165,373,074	24,833,172	313,458,816

CREDIT RISK**Table 15: Disclosure on Credit Risk Exposure – Industry Analysis for Maybank Islamic (cont'd.)**

Exposure Class	Agriculture RM'000	Mining & Quarrying RM'000	Manufacturing RM'000	Construction RM'000	Electricity, Gas & Water Supply RM'000	Wholesale, Retail Trade, Restaurants & Hotels RM'000	Finance, Insurance, Real Estate & Business RM'000	Transport, Storage & Communication RM'000	Education, Health & Others RM'000	Household RM'000	Others RM'000	Total RM'000
As at 31.12.2020												
Exempted Exposures (Standardised Approach)												
Sovereigns/Central Banks	-	-	-	-	-	-	9,748,407	-	-	-	17,507,715	27,256,122
Public Sector Entities	22	50	-	-	-	12	-	-	513	-	133,502	134,099
Banks, Development Financial Institutions & MDBs	-	-	-	-	-	-	-	-	-	-	-	-
Insurance Cos, Securities Firms & Fund Managers	-	-	-	61	-	-	7,340	-	-	-	33	7,434
Corporates	15,702	1,412	39,089	62,967	180,316	230,606	470,125	34,838	15,047	1,442	627,734	1,679,278
Regulatory Retail	-	-	-	-	-	-	-	-	-	1,997,751	-	1,997,751
Residential Mortgages	-	-	-	-	-	-	-	-	-	636,271	-	636,271
Higher Risk Assets	-	-	-	-	-	-	-	-	-	36	-	36
Other Assets	-	-	-	-	-	-	747,915	-	-	-	877,942	1,625,857
Equity Exposures	-	-	-	-	-	-	-	-	-	-	1,250	1,250
Total Standardised Approach	15,724	1,462	39,089	63,028	180,316	230,618	10,973,787	34,838	15,560	2,635,500	19,148,176	33,338,098
Exposures under the IRB Approach												
Public Sector Entities	5,383,248	-	-	775,397	-	-	16,008,012	70	7,210	-	959	22,174,896
Banks, Development Financial Institutions & MDBs	-	-	-	-	-	-	2,549,984	-	-	-	1	2,549,985
Corporate Exposures	6,470,374	2,854,104	10,971,495	15,286,367	3,602,781	5,829,912	17,086,983	7,205,803	893,598	461	1,648,419	71,850,297
a) Corporates (excluding Specialised Lending and firm-size adjustment)	5,746,590	2,553,077	8,800,780	10,345,745	2,327,436	3,142,852	13,129,812	6,457,310	332,274	259	461,516	53,297,651
b) Corporates (with firm-size adjustment)	723,784	301,027	2,170,715	4,093,232	261,997	2,687,060	3,957,171	748,493	561,324	202	1,186,903	16,691,908
c) Specialised Lending (Own PD Approach)	-	-	-	834,357	977,767	-	-	-	-	-	-	1,812,124
d) Specialised Lending (Slotting Approach)	-	-	-	13,033	35,581	-	-	-	-	-	-	48,614
Retail Exposures	-	-	-	-	-	-	-	-	-	149,021,476	-	149,021,476
a) Residential Mortgages	-	-	-	-	-	-	-	-	-	45,450,789	-	45,450,789
b) Qualifying Revolving Retail Exposures	-	-	-	-	-	-	-	-	-	3,646,873	-	3,646,873
c) Hire Purchase Exposures	-	-	-	-	-	-	-	-	-	39,554,233	-	39,554,233
d) Other Retail Exposures	-	-	-	-	-	-	-	-	-	60,369,581	-	60,369,581
Total IRB Approach	11,853,622	2,854,104	10,971,495	16,061,764	3,602,781	5,829,912	35,644,979	7,205,873	900,808	149,021,937	1,649,379	245,596,654
Total Standardised and IRB Approaches	11,869,346	2,855,566	11,010,584	16,124,792	3,783,097	6,060,530	46,618,766	7,240,711	916,368	151,657,437	20,797,555	278,934,752

CREDIT RISK

Table 16: Disclosure on Credit Risk Exposure – Maturity Analysis for Maybank Group

Exposure Class	One year or less RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
As at 31.12.2021				
Exempted Exposures (Standardised Approach)				
Sovereigns/Central Banks	56,649,124	39,651,306	63,404,672	159,705,102
Public Sector Entities	228,417	2,013,890	1,681,568	3,923,875
Banks, Development Financial Institutions & MDBs	1,529,577	838,986	144,743	2,513,306
Insurance Cos, Securities Firms & Fund Managers	774,269	475,560	697,663	1,947,492
Corporates	8,595,786	4,342,435	11,218,837	24,157,058
Regulatory Retail	6,363,549	7,355,943	10,517,866	24,237,358
Residential Mortgages	857,634	79,760	1,082,850	2,020,244
Higher Risk Assets	1,184	1,607	68	2,859
Other Assets	1,563,396	1,774,497	12,408,039	15,745,932
Securitisation Exposures	20,075	–	–	20,075
Equity Exposures	342,597	–	5,985	348,582
Total Standardised Approach	76,925,608	56,533,984	101,162,291	234,621,883
Exposures under the IRB Approach				
Public Sector Entities	5,416,350	4,615,973	16,874,674	26,906,997
Banks, Development Financial Institutions & MDBs	23,270,614	7,860,125	3,058,390	34,189,129
Corporate Exposures	129,203,059	94,544,502	68,648,732	292,396,293
a) Corporates (excluding Specialised Lending and firm-size adjustment)	105,729,508	75,200,883	43,490,843	224,421,234
b) Corporates (with firm-size adjustment)	22,637,467	18,160,915	20,401,590	61,199,972
c) Specialised Lending (Own PD Approach)				
– Project Finance	710,016	963,014	4,542,894	6,215,924
d) Specialised Lending (Slotting Approach)				
– Project Finance	126,068	219,690	213,405	559,163
Retail Exposures	16,024,488	41,163,566	225,771,811	282,959,865
a) Residential Mortgages	450,227	1,893,088	106,325,635	108,668,950
b) Qualifying Revolving Retail Exposures	10,591,457	9,726,561	530,126	20,848,144
c) Hire Purchase Exposures	864,039	20,207,668	32,151,626	53,223,333
d) Other Retail Exposures	4,118,765	9,336,249	86,764,424	100,219,438
Total IRB Approach	173,914,511	148,184,166	314,353,607	636,452,284
Total Standardised and IRB Approaches	250,840,119	204,718,150	415,515,898	871,074,167

CREDIT RISK**Table 16: Disclosure on Credit Risk Exposure – Maturity Analysis for Maybank Group (cont'd.)**

Exposure Class	One year or less RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
As at 31.12.2020				
Exempted Exposures (Standardised Approach)				
Sovereigns/Central Banks	60,774,693	30,520,837	57,776,531	149,072,061
Public Sector Entities	461,434	2,247,873	1,659,222	4,368,529
Banks, Development Financial Institutions & MDBs	1,756,121	709,680	202,345	2,668,146
Insurance Cos, Securities Firms & Fund Managers	397,474	458,009	78	855,561
Corporates	8,599,195	5,651,542	10,118,250	24,368,987
Regulatory Retail	5,706,283	7,606,780	10,559,459	23,872,522
Residential Mortgages	906,790	98,631	1,659,427	2,664,848
Higher Risk Assets	50,044	6,581	66	56,691
Other Assets	1,814,417	3,735,666	8,718,593	14,268,676
Securitisation Exposures	–	20,073	–	20,073
Equity Exposures	348,331	1,019	57	349,407
Total Standardised Approach	80,814,782	51,056,691	90,694,028	222,565,501
Exposures under the IRB Approach				
Public Sector Entities	5,154,860	1,781,960	19,582,716	26,519,536
Banks, Development Financial Institutions & MDBs	21,846,847	7,148,042	3,017,380	32,012,269
Corporate Exposures	116,477,829	96,762,542	70,719,829	283,960,200
a) Corporates (excluding Specialised Lending and firm-size adjustment)	92,843,693	78,895,219	44,663,641	216,402,554
b) Corporates (with firm-size adjustment)	23,147,154	16,958,519	21,905,543	62,011,216
c) Specialised Lending (Own PD Approach)				
– Project Finance	364,099	658,363	3,829,166	4,851,628
d) Specialised Lending (Slotting Approach)				
– Project Finance	122,883	250,441	321,479	694,802
Retail Exposures	13,786,116	40,637,273	212,149,772	266,573,161
a) Residential Mortgages	389,647	1,747,436	97,496,266	99,633,349
b) Qualifying Revolving Retail Exposures	8,917,198	11,174,739	386,823	20,478,760
c) Hire Purchase Exposures	898,946	20,729,959	34,612,581	56,241,486
d) Other Retail Exposures	3,580,325	6,985,139	79,654,102	90,219,566
Total IRB Approach	157,265,652	146,329,817	305,469,697	609,065,166
Total Standardised and IRB Approaches	238,080,434	197,386,508	396,163,725	831,630,667

CREDIT RISK

Table 17: Disclosure on Credit Risk Exposure – Maturity Analysis for Maybank

Exposure Class	One year or less RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
As at 31.12.2021				
Exempted Exposures (Standardised Approach)				
Sovereigns/Central Banks	26,571,426	24,029,815	41,433,692	92,034,933
Public Sector Entities	203,091	1,852,435	1,290,718	3,346,244
Banks, Development Financial Institutions & MDBs	20,888	838,986	144,743	1,004,617
Insurance Cos, Securities Firms & Fund Managers	769,271	93,307	697,663	1,560,241
Corporates	7,360,224	2,122,220	4,678,314	14,160,758
Regulatory Retail	1,128,781	183,694	436,589	1,749,064
Residential Mortgages	710,543	16,411	463,300	1,190,254
Higher Risk Assets	-	-	32	32
Other Assets	271,737	143,911	7,545,004	7,960,652
Securitisation Exposures	20,075	-	-	20,075
Equity Exposures	337,636	-	57	337,693
Total Standardised Approach	37,393,672	29,280,779	56,690,112	123,364,563
Exposures under the IRB Approach				
Public Sector Entities	3,301,299	4,031,834	11,151,021	18,484,154
Banks, Development Financial Institutions & MDBs	52,161,376	7,630,716	4,595,862	64,387,954
Corporate Exposures	89,897,806	70,724,070	41,689,404	202,311,280
a) Corporates (excluding Specialised Lending and firm-size adjustment)	76,613,568	59,014,859	29,115,145	164,743,572
b) Corporates (with firm-size adjustment)	12,724,584	10,691,512	9,308,789	32,724,885
c) Specialised Lending (Own PD Approach)				
– Project Finance	472,225	798,125	3,062,694	4,333,044
d) Specialised Lending (Slotting Approach)				
– Project Finance	87,429	219,574	202,776	509,779
Retail Exposures	5,309,198	14,303,554	60,361,047	79,973,799
a) Residential Mortgages	383,641	596,375	32,579,468	33,559,484
b) Qualifying Revolving Retail Exposures	3,259,665	6,988,961	377,249	10,625,875
c) Hire Purchase Exposures	84,151	2,883,479	2,921,825	5,889,455
d) Other Retail Exposures	1,581,741	3,834,739	24,482,505	29,898,985
Total IRB Approach	150,669,679	96,690,174	117,797,334	365,157,187
Total Standardised and IRB Approaches	188,063,351	125,970,953	174,487,446	488,521,750

CREDIT RISK**Table 17: Disclosure on Credit Risk Exposure – Maturity Analysis for Maybank (cont'd.)**

Exposure Class	One year or less RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
As at 31.12.2020				
Exempted Exposures (Standardised Approach)				
Sovereigns/Central Banks	30,509,537	15,293,894	41,465,191	87,268,622
Public Sector Entities	458,501	1,853,800	1,161,454	3,473,755
Banks, Development Financial Institutions & MDBs	41,167	714,159	202,345	957,671
Insurance Cos, Securities Firms & Fund Managers	390,997	4,125	76	395,198
Corporates	7,884,863	2,922,272	4,708,368	15,515,503
Regulatory Retail	1,213,975	205,886	519,899	1,939,760
Residential Mortgages	762,108	15,985	438,649	1,216,742
Higher Risk Assets	–	–	30	30
Other Assets	671,760	129,945	7,718,882	8,520,587
Securitisation Exposures	–	20,073	–	20,073
Equity Exposures	343,003	–	57	343,060
Total Standardised Approach	42,275,911	21,160,139	56,214,951	119,651,001
Exposures under the IRB Approach				
Public Sector Entities	4,645,185	269,222	16,133,184	21,047,591
Banks, Development Financial Institutions & MDBs	35,910,878	9,379,752	4,634,018	49,924,648
Corporate Exposures	76,609,853	72,916,508	44,235,513	193,761,874
a) Corporates (excluding Specialised Lending and firm-size adjustment)	62,105,955	61,759,947	30,491,237	154,357,139
b) Corporates (with firm-size adjustment)	14,395,988	10,293,370	10,970,744	35,660,102
c) Specialised Lending (Own PD Approach)				
– Project Finance	22,659	613,022	2,462,764	3,098,445
d) Specialised Lending (Slotting Approach)				
– Project Finance	85,251	250,169	310,768	646,188
Retail Exposures	3,805,264	15,375,824	61,517,493	80,698,581
a) Residential Mortgages	335,806	619,402	30,644,931	31,600,139
b) Qualifying Revolving Retail Exposures	1,802,093	8,358,664	296,084	10,456,841
c) Hire Purchase Exposures	158,618	2,915,942	4,405,118	7,479,678
d) Other Retail Exposures	1,508,747	3,481,816	26,171,360	31,161,923
Total IRB Approach	120,971,180	97,941,306	126,520,208	345,432,694
Total Standardised and IRB Approaches	163,247,091	119,101,445	182,735,159	465,083,695

CREDIT RISK

Table 18: Disclosure on Credit Risk Exposure – Maturity Analysis for Maybank Islamic

Exposure Class	One year or less RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
As at 31.12.2021				
Exempted Exposures (Standardised Approach)				
Sovereigns/Central Banks	12,210,691	5,946,235	15,289,504	33,446,430
Public Sector Entities	25,327	26,019	39,396	90,742
Banks, Development Financial Institutions & MDBs	–	–	–	–
Insurance Cos, Securities Firms & Fund Managers	4,227	1,804	–	6,031
Corporates	340,408	355,259	417,564	1,113,231
Regulatory Retail	401,731	468,573	978,294	1,848,598
Residential Mortgages	113,980	26,582	530,268	670,830
Higher Risk Assets	–	–	36	36
Other Assets	928,307	102	858,240	1,786,649
Equity Exposures	1,250	–	–	1,250
Total Standardised Approach	14,025,921	6,824,574	18,113,302	38,963,797
Exposures under the IRB Approach				
Public Sector Entities	5,242,766	4,094,812	13,155,948	22,493,526
Banks, Development Financial Institutions & MDBs	8,941,014	722,940	71,826	9,735,780
Corporate Exposures	38,297,167	15,898,345	25,216,905	79,412,417
a) Corporates (excluding Specialised Lending and firm-size adjustment)	30,350,806	11,908,399	16,019,143	58,278,348
b) Corporates (with firm-size adjustment)	7,669,931	3,824,941	7,294,390	18,789,262
c) Specialised Lending (Own PD Approach)				
– Project Finance	237,791	164,889	1,892,743	2,295,423
d) Specialised Lending (Slotting Approach)				
– Project Finance	38,639	116	10,629	49,384
Retail Exposures	4,331,599	17,887,269	140,634,428	162,853,296
a) Residential Mortgages	42,111	579,943	49,570,065	50,192,119
b) Qualifying Revolving Retail Exposures	1,574,047	2,131,663	115,398	3,821,108
c) Hire Purchase Exposures	283,782	10,213,563	31,480,559	41,977,904
d) Other Retail Exposures	2,431,659	4,962,100	59,468,406	66,862,165
Total IRB Approach	56,812,546	38,603,366	179,079,107	274,495,019
Total Standardised and IRB Approaches	70,838,467	45,427,940	197,192,409	313,458,816

CREDIT RISK**Table 18: Disclosure on Credit Risk Exposure – Maturity Analysis for Maybank Islamic (cont'd.)**

Exposure Class	One year or less RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
As at 31.12.2020				
Exempted Exposures (Standardised Approach)				
Sovereigns/Central Banks	9,933,839	7,463,379	9,858,904	27,256,122
Public Sector Entities	2,934	89,457	41,708	134,099
Banks, Development Financial Institutions & MDBs	–	–	–	–
Insurance Cos, Securities Firms & Fund Managers	5,873	1,558	3	7,434
Corporates	353,105	819,756	506,417	1,679,278
Regulatory Retail	403,057	250,418	1,344,276	1,997,751
Residential Mortgages	112,691	21,747	501,833	636,271
Higher Risk Assets	–	–	36	36
Other Assets	743,383	4,618	877,856	1,625,857
Equity Exposures	1,250	–	–	1,250
Total Standardised Approach	11,556,132	8,650,933	13,131,033	33,338,098
Exposures under the IRB Approach				
Public Sector Entities	4,999,186	1,512,739	15,662,971	22,174,896
Banks, Development Financial Institutions & MDBs	2,340,455	119,360	90,170	2,549,985
Corporate Exposures	35,694,878	15,667,555	20,487,864	71,850,297
a) Corporates (excluding Specialised Lending and firm-size adjustment)	28,511,703	12,534,296	12,251,652	53,297,651
b) Corporates (with firm-size adjustment)	6,804,102	3,028,705	6,859,101	16,691,908
c) Specialised Lending (Own PD Approach)				
– Project Finance	341,441	104,282	1,366,401	1,812,124
d) Specialised Lending (Slotting Approach)				
– Project Finance	37,632	272	10,710	48,614
Retail Exposures	3,660,747	16,093,039	129,267,690	149,021,476
a) Residential Mortgages	29,200	422,933	44,998,656	45,450,789
b) Qualifying Revolving Retail Exposures	1,493,562	2,089,986	63,325	3,646,873
c) Hire Purchase Exposures	173,110	10,597,987	28,783,136	39,554,233
d) Other Retail Exposures	1,964,875	2,982,133	55,422,573	60,369,581
Total IRB Approach	46,695,266	33,392,693	165,508,695	245,596,654
Total Standardised and IRB Approaches	58,251,398	42,043,626	178,639,728	278,934,752

CREDIT RISK

CREDIT IMPAIRMENT POLICY AND CLASSIFICATION AND IMPAIRMENT PROVISIONS FOR LOANS, ADVANCES AND FINANCING

The Group has outlined the definition of days past due (“DPD”) and months-in-arrears (“MIA”), which refer to exposures with repayments which are due, principal or interest, under contractual terms, that are:

- Received after the contractual due date; or
- Repayments received are partial, not made in full.

The determination of DPD or MIA excludes any moratorium period granted due to exceptional circumstances such as natural disasters.

The Group assesses at each reporting date whether there is any objective evidence that a financial asset, including security or a group of securities (other than financial assets at Fair Value through Profit & Loss [“FVTPL”]) is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one (1) or more events that have occurred after the initial recognition of the asset (an incurred loss event) and that loss event(s) have an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the borrower or a group of borrowers experiencing significant financial difficulty, the probability that they will enter bankruptcy or other reorganisation, default or delinquency in interest/profit or principal payments or where observable data indicates that there is a measurable decrease in the estimated future cash flows, such as changes in economic conditions that correlate with defaults.

Impairment Process – Individual Assessment

The Group assesses if objective evidence of impairment exists for loans, advances and financing which are deemed to be individually significant.

If there is objective evidence that an impairment loss has incurred, the amount of loss is measured as the difference between the carrying amount of the loans, advances and financing and the present value of the estimated future cash flows discounted at the original effective interest rate of the loans, advances and financing. The carrying amount of the loans, advances and financing is reduced through the use of an impairment allowance account and the amount of the impairment loss is recognised in the income statements.

Impairment Process – Collective Assessment

Loans, advances and financing which are not individually significant and that have been individually assessed with no evidence of impairment loss are grouped together for collective impairment assessment. These loans, advances and financing are grouped within similar credit risk characteristics for collective assessment, whereby data from the loans, advances and financing portfolio (such as credit quality, levels of arrears, credit utilisation, loan to collateral ratios, etc.) and concentrations of risks (such as the performance of different individual groups) are taken into consideration.

Future cash flows in a group of loans, advances and financing that are collectively evaluated for impairment are estimated based on the historical loss experience of the Group and of the Bank. Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions that do not affect the period of which the historical loss experience is based and to remove the effects of conditions in the historical period that do not currently exist.

Estimates of changes in future cash flows for a group of assets should reflect and be directionally consistent with changes in related observable data from period to period. The methodology and assumptions used for estimating future cash flows are reviewed regularly by the Group to reduce any differences between loss estimates and actual loss experience.

Further details on the Group’s accounting policies and accounting estimates on impairment assessment for loans, advances and financing can be found in Note 2.3 to Note 2.5 and Note 3.4 of the Financial Statements. The disclosures on reconciliation of impairment/allowance can be found in Note 12 for loans, Note 11 for Financial Investments at Amortised Cost, Note 10 for Financial Investment at Fair Value through Other Comprehensive Income (“FVOCI”), etc. of the Financial Statements. This credit impairment policy is applicable to the Group.

Table 19 (a) to 19 (f) provide details on impaired loans, advances and financing for the Group, the Bank and Maybank Islamic, respectively.

CREDIT RISK**Table 19 (a): Impaired and Past Due Loans, Advances and Financing and Allowances – Industry Analysis for Maybank Group**

	Impaired Loans, Advances and Financing RM'000	Past Due Loans RM'000	² Specific Provision RM'000	¹ General Provision RM'000	Specific Provision Charges/ Write Back RM'000	Specific Provision Write-Offs RM'000
As at 31.12.2021						
Agriculture	869,721	227,589	722,517	198,733	(1,925)	(10,070)
Mining & quarrying	256,154	34,908	582,126	50,392	(375,452)	(92,986)
Manufacturing	728,974	828,562	386,731	472,079	(280,644)	(344,354)
Construction	975,250	2,460,923	458,638	555,786	477,130	(216,528)
Electricity, gas & water supply	1,134,735	3,189,944	386,033	575,635	(94,619)	(38,826)
Wholesale, retail trade, restaurants & hotels	1,204,455	4,373,130	555,867	629,619	310,917	(1,092,971)
Finance, insurance, real estate & business	824,373	4,562,850	322,049	1,246,066	607,965	(441,655)
Transport, storage & communication	983,614	273,930	809,447	379,411	(338,470)	(474,144)
Education, health & others	2,459,191	254,138	1,722,022	94,469	1,486,370	(4,521)
Household	1,580,429	5,999,912	467,491	1,701,565	71,428	(249,112)
Others	26,637	18,545	13,645	29,236	1,009,560	(87,016)
Total	11,043,533	22,224,431	6,426,566	5,932,991	2,872,260	(3,052,183)
As at 31.12.2020						
Agriculture	1,041,294	301,647	721,937	174,162	353,888	(20,405)
Mining & quarrying	22,881	83,488	16,698	350,343	(6,373)	(34)
Manufacturing	1,014,959	366,480	660,543	491,714	605,367	(577,849)
Construction	1,154,667	234,866	541,040	607,570	(133,380)	(414,275)
Electricity, gas & water supply	1,092,459	4,978	241,298	811,252	485,905	(1,072,653)
Wholesale, retail trade, restaurants & hotels	2,131,104	883,620	1,488,107	617,849	384,374	(203,229)
Finance, insurance, real estate & business	1,088,878	801,728	580,180	947,116	(55,797)	(576,932)
Transport, storage & communication	1,855,326	158,502	1,360,850	281,607	365,989	(230,101)
Education, health & others	44,712	70,934	13,462	514,336	74,629	(7,622)
Household	2,046,328	8,907,892	525,827	1,327,487	183,034	(361,684)
Others	181,881	20,574	58,835	72,066	21,576	(20,519)
Total	11,674,489	11,834,709	6,208,777	6,195,502	2,279,212	(3,485,303)

Notes:

¹ General provision refers to loss allowance measured at an amount equal to 12-month and lifetime expected credit losses as defined under the Malaysian Financial Reporting Standards 9 (these provisions are commonly known as Stage 1 and Stage 2 provisions).

² Specific provisions refer to loss allowance measured at an amount equal to lifetime expected credit losses for credit-impaired exposures as defined under the Malaysian Financial Reporting Standards 9. These provisions are commonly known as Stage 3 provisions.

CREDIT RISK

Table 19 (b): Impaired and Past Due Loans, Advances and Financing and Allowances – Industry Analysis for Maybank

	Impaired Loans, Advances and Financing RM'000	Past Due Loans RM'000	² Specific Provision RM'000	¹ General Provision RM'000	Specific Provision Charges/ Write Back RM'000	Specific Provision Write-Offs RM'000
As at 31.12.2021						
Agriculture	450,246	3,446	339,037	35,638	4,641	(3,142)
Mining & quarrying	3,204,999	1,423	1,503,708	27,348	589,629	(92,930)
Manufacturing	249,128	146,310	165,144	225,524	(373,417)	(93,655)
Construction	753,131	287,691	368,048	149,153	413,669	(173,577)
Electricity, gas & water supply	1,015,237	3,031,006	321,381	464,648	(108,229)	(36,590)
Wholesale, retail trade, restaurants & hotels	217,475	2,990,037	98,812	295,602	112,309	(990,669)
Finance, insurance, real estate & business	621,532	3,380,561	242,724	840,938	504,613	(286,879)
Transport, storage & communication	670,466	72,718	590,430	43,274	(266,901)	(400,812)
Education, health & others	2,416,351	116,066	1,708,082	32,793	1,521,621	(1,506)
Household	500,548	1,195,890	146,146	426,114	(218,209)	(53,603)
Others	4,590	28	1,785	19,173	1,012,556	(86,830)
Total	10,103,703	11,225,176	5,485,297	2,560,205	3,192,282	(2,220,193)
As at 31.12.2020 (Restated)						
Agriculture	419,521	8,051	336,848	71,268	176,944	(18,703)
Mining & quarrying	17,429	8,723	14,773	308,109	64,855	(34)
Manufacturing	420,691	34,503	285,529	277,900	443,132	(288,565)
Construction	900,862	102,061	419,753	208,897	(131,548)	(349,497)
Electricity, gas & water supply	967,060	630	169,882	785,000	445,974	(1,051,241)
Wholesale, retail trade, restaurants & hotels	1,234,102	151,208	1,068,065	266,420	148,412	(58,028)
Finance, insurance, real estate & business	972,994	182,512	490,231	565,103	(305,882)	(346,926)
Transport, storage & communication	1,498,174	30,392	1,153,958	57,878	282,367	(116,453)
Education, health & others	13,379	16,501	5,393	458,531	44,396	(2,113)
Household	674,093	2,474,872	171,626	414,886	16,603	(79,941)
Others	1,992	26	29	307	5,226	0
Total	7,120,297	3,009,479	4,116,087	3,414,299	1,190,479	(2,311,501)

Notes:

- 1 General provision refers to loss allowance measured at an amount equal to 12-month and lifetime expected credit losses as defined under the Malaysian Financial Reporting Standards 9 (these provisions are commonly known as Stage 1 and Stage 2 provisions).
- 2 Specific provisions refer to loss allowance measured at an amount equal to lifetime expected credit losses for credit-impaired exposures as defined under the Malaysian Financial Reporting Standards 9. These provisions are commonly known as Stage 3 provisions.

CREDIT RISK**Table 19 (c): Impaired and Past Due Loans, Advances and Financing and Allowances – Industry Analysis for Maybank Islamic**

	Impaired Loans, Advances and Financing RM'000	Past Due Loans RM'000	² Specific Provision RM'000	¹ General Provision RM'000	Specific Provision Charges/ Write Back RM'000	Specific Provision Write-Offs RM'000
As at 31.12.2021						
Agriculture	475,555	3,790	368,129	149,725	(4,016)	(5,471)
Mining & quarrying	3,656	18,825	1,455	23,126	(40,444)	(24)
Manufacturing	65,817	9,788	28,405	106,531	(276)	(19,256)
Construction	58,798	181,087	16,429	286,064	45,629	(30,188)
Electricity, gas & water supply	117,065	191	63,732	30,373	13,610	(2,110)
Wholesale, retail trade, restaurants & hotels	121,996	46,600	30,735	154,193	71,002	(42,779)
Finance, insurance, real estate & business	64,588	110,472	19,385	245,005	(14,664)	(36,473)
Transport, storage & communication	78,506	17,471	37,275	224,121	(92,557)	(46,625)
Education, health & others	7,056	8,671	750	41,219	(41,070)	(1,513)
Household	499,712	3,597,224	143,141	976,554	158,499	(49,319)
Others	5	12	1	9	(2,009)	(52)
Total	1,492,754	3,994,131	709,437	2,236,920	93,704	(233,810)
As at 31.12.2020 (Restated)						
Agriculture	869,673	9,241	366,236	73,371	176,679	(1,418)
Mining & quarrying	1,944	25,755	783	13,700	(72,055)	-
Manufacturing	104,342	62,032	44,436	118,840	16,133	(34,383)
Construction	93,180	84,391	52,220	300,587	(54,102)	(49,593)
Electricity, gas & water supply	123,733	45	70,826	19,567	45,040	(21,307)
Wholesale, retail trade, restaurants & hotels	150,467	187,596	45,662	193,556	(15,680)	(42,615)
Finance, insurance, real estate & business	296,994	163,940	46,248	225,033	47,336	(12,786)
Transport, storage & communication	85,314	54,995	41,815	168,639	5,157	(59,341)
Education, health & others	11,245	22,096	3,054	39,107	37,313	(3,131)
Household	715,512	5,438,046	174,479	598,380	(53,018)	(77,395)
Others	2	76	-	15	18,112	(15,074)
Total	2,452,406	6,048,213	845,759	1,750,795	150,915	(317,043)

Notes:

- 1 General provision refers to loss allowance measured at an amount equal to 12-month and lifetime expected credit losses as defined under the Malaysian Financial Reporting Standards 9 (these provisions are commonly known as Stage 1 and Stage 2 provisions).
- 2 Specific provisions refer to loss allowance measured at an amount equal to lifetime expected credit losses for credit-impaired exposures as defined under the Malaysian Financial Reporting Standards 9. These provisions are commonly known as Stage 3 provisions.

CREDIT RISK

Table 19 (d): Impaired and Past Due Loans, Advances and Financing and Allowances – Geographical Analysis for Maybank Group

	Impaired Loans, Advances and Financing RM'000	Past Due Loans RM'000	² Specific Provision RM'000	¹ General Provision RM'000	Specific Provision Charges/ Write Back RM'000	Specific Provision Write-Offs RM'000
As at 31.12.2021						
Malaysia	4,069,285	5,568,834	2,412,000	3,631,754	693,773	(982,966)
Singapore	2,257,333	12,726,173	1,294,296	1,342,273	170,256	(1,285,262)
Indonesia	1,572,988	3,666,899	618,012	531,367	325,803	(436,143)
Others Overseas Unit	3,143,927	262,525	2,102,258	427,597	1,682,428	(347,812)
Total	11,043,533	22,224,431	6,426,566	5,932,991	2,872,260	(3,052,183)
As at 31.12.2020						
Malaysia	5,063,668	9,050,769	2,423,064	3,482,214	686,906	(1,076,765)
Singapore	3,834,761	463,325	2,376,785	1,616,671	787,456	(1,313,306)
Indonesia	1,577,686	2,034,048	713,153	320,562	605,886	(629,237)
Others Overseas Unit	1,198,374	286,567	695,775	776,055	198,964	(465,995)
Total	11,674,489	11,834,709	6,208,777	6,195,502	2,279,212	(3,485,303)

Notes:

¹ General provision refers to loss allowance measured at an amount equal to 12-month and lifetime expected credit losses as defined under the Malaysian Financial Reporting Standards 9 (these provisions are commonly known as Stage 1 and Stage 2 provisions).

² Specific provisions refer to loss allowance measured at an amount equal to lifetime expected credit losses for credit-impaired exposures as defined under the Malaysian Financial Reporting Standards 9. These provisions are commonly known as Stage 3 provisions.

Table 19 (e): Impaired and Past Due Loans, Advances and Financing and Allowances – Geographical Analysis for Maybank

	Impaired Loans, Advances and Financing RM'000	Past Due Loans RM'000	² Specific Provision RM'000	¹ General Provision RM'000	Specific Provision Charges/ Write Back RM'000	Specific Provision Write-Offs RM'000
As at 31.12.2021						
Malaysia	5,639,384	1,574,048	2,629,382	1,409,908	1,524,853	(749,156)
Singapore	1,825,988	9,644,910	1,046,798	887,224	85,871	(1,175,477)
Others Overseas Unit	2,638,331	6,218	1,809,117	263,073	1,581,558	(295,560)
Total	10,103,703	11,225,176	5,485,297	2,560,205	3,192,282	(2,220,193)
As at 31.12.2020						
Malaysia	3,191,059	3,001,910	1,579,341	1,730,875	535,954	(759,675)
Singapore	3,258,461	1,878	2,100,446	1,111,499	541,999	(1,165,702)
Others Overseas Unit	670,777	5,691	436,300	571,925	112,526	(386,124)
Total	7,120,297	3,009,479	4,116,087	3,414,299	1,190,479	(2,311,501)

Notes:

¹ General provision refers to loss allowance measured at an amount equal to 12-month and lifetime expected credit losses as defined under the Malaysian Financial Reporting Standards 9 (these provisions are commonly known as Stage 1 and Stage 2 provisions).

² Specific provisions refer to loss allowance measured at an amount equal to lifetime expected credit losses for credit-impaired exposures as defined under the Malaysian Financial Reporting Standards 9. These provisions are commonly known as Stage 3 provisions.

CREDIT RISK**Table 19 (f): Impaired and Past Due Loans, Advances and Financing and Allowances – Geographical Analysis for Maybank Islamic**

	Impaired Loans, Advances and Financing RM'000	Past Due Loans RM'000	² Specific Provision RM'000	¹ General Provision RM'000	Specific Provision Charges/ Write Back RM'000	Specific Provision Write-Offs RM'000
As at 31.12.2021						
Malaysia	1,492,754	3,994,131	709,437	2,236,920	93,704	(233,810)
Total	1,492,754	3,994,131	709,437	2,236,920	93,704	(233,810)
As at 31.12.2020 (Restated)						
Malaysia	2,452,406	6,048,213	845,759	1,750,796	150,913	(317,043)
Total	2,452,406	6,048,213	845,759	1,750,796	150,913	(317,043)

Notes:

¹ General provision refers to loss allowance measured at an amount equal to 12-month and lifetime expected credit losses as defined under the Malaysian Financial Reporting Standards 9 (these provisions are commonly known as Stage 1 and Stage 2 provisions).

² Specific Specific provisions refer to loss allowance measured at an amount equal to lifetime expected credit losses for credit-impaired exposures as defined under the Malaysian Financial Reporting Standards 9. These provisions are commonly known as Stage 3 provisions.

BASEL II REQUIREMENTS

The Group has obtained BNM's approval to use internal credit models for evaluating the majority of its credit risk exposures. For the RWA computation of Corporate and Bank portfolios, the Group adopts the FIRB Approach, which relies on its own internal PD estimates and applies supervisory estimates of LGD and EAD, while the Retail and Retail Small-Medium Enterprises ("RSME") portfolios adopt the AIRB Approach relying on internal estimates of PD, LGD, and EAD.

In line with Basel II requirements for capital adequacy purposes, the parameters are calibrated to a full economic cycle experience to reflect the long-run, cycle-neutral estimations:

- **Probability of Default ("PD")**

PD represents the probability of a borrower defaulting within the next 12 months. The first level estimation is based on portfolio's Observed Default Rate of the recent years' data. The average long-run default experience covering crisis periods including the major Asian crisis in 1997 is reflected through Central Tendency calibration for the Basel estimated PD.

- **Loss Given Default ("LGD")**

LGD measures the economic loss the Group would incur in the event of a borrower defaulting. Among others, it takes into account post default pathways, cure probability, direct and indirect costs associated with the workout, recoveries from borrower and collateral liquidation.

For Basel II purpose, LGD is calibrated to loss experiences during period of economic crisis whereby for most portfolios, the estimated loss during crisis years is expected to be higher than that during normal economic period. The crisis period LGD, known as Downturn LGD, is used as an input for RWA calculation.

- **Exposure at Default ("EAD")**

EAD is linked to facility risk, namely the expected gross exposure of a facility should a borrower defaults. The "race-to-default" is captured by Credit Conversion Factor ("CCF"), which should reflect the expected increase in exposure amount due to additional drawdown by a borrower facing financial difficulties leading to default.

Internal experience during crisis period is being taken into consideration for EAD estimations and where there is a material difference in EAD during downturn period as compared to normal period, downturn EAD would be used in RWA computation.

CREDIT RISK

BASEL II REQUIREMENTS (CONT'D.)

Application of Internal Ratings

Since the development and implementation of the Group's internal rating models, internal ratings are used in the following areas:

- **Credit Approval**

The level of approval for a loan application is determined based on the internal rating of the borrower and the quantum of exposure being requested.

- **Policy**

Policy is formulated to fast track loan application processing for low risk borrowers. Additionally for the Review Policy, borrowers with higher risk grades are subjected to additional semi-annual reviews to ensure close monitoring and tracking of these borrowers.

- **Reporting**

Regular reporting on the risk rating portfolio distribution and sectoral outlook versus borrower risk profile within sector are being produced and monitored by the Group.

- **Capital Management**

The Group has emplaced risk-based capital management, ICAAP programme and uses regulatory capital charge for decision-making and budgeting process.

- **Risk Governance**

Internal ratings are used for various risk governance activities such as the setting of group exposure limits under the Maybank Group Sectoral ("MGS") Policy, threshold limit for Credit Review Committee ("CRC") review, sectoral limit policy, sampling methodology for credit review and policy breach.

- **Pricing Decision**

Internal ratings are being used as a basis for pricing credit facilities.

NON-RETAIL PORTFOLIO

Non-retail exposures comprise of Corporate, Commercial, Small Business, Real Estate, Non-Bank Financial Institutions ("NBFIs") and Special Purpose Vehicles whereas for bank exposures, they include Commercial, Investment, Savings and Co-operative Banks apart from the Development Financial Institutions ("DFIs") portfolios.

The general approach adopted by the Group can be categorised into the following three categories:

- **Default History Based ("Good-Bad" analysis)**

This approach is adopted when the Group has sufficient default data. Under this approach, statistical method is employed to determine the likelihood of default on existing exposures. Scorecards under the Group's Credit Risk Rating System ("CRRS") models were developed using this approach.

- **Shadow Rating Approach**

This approach is usually applied when there are few or no default data available or also known as "low default portfolio" category. The objective of this methodology is to replicate the risk ranking applied by the external rating agencies. The Group's Bank Risk Rating Scorecards ("BRRS") were developed using this approach.

- **Experts Judgement Approach**

The default experience for some exposures, for example Holding Companies and Specialised Lending are insufficient for the Group to perform the required analyses to develop a robust statistical model. Hence, another approach known as experts' judgement approach is opted to develop the scorecard. Under this approach, the qualitative, quantitative and factor weights are determined by the Group's credit experts.

CREDIT RISK**Credit Risk Models and Tools***Credit Risk Rating System (“CRRS”)*

The Borrower Risk Rating (“BRR”), which is a component of CRRS, is a borrower-specific rating element that provides an estimate on the likelihood of the borrower going into default over the next twelve months. The BRR estimates the borrower risk and is independent of the type/nature of facilities and collaterals offered.

For reference, each grade can be mapped to ratings by external agencies such as Standard & Poor’s (“S&P”), as illustrated in Table 20 below that contains mapping of internal rating grades of corporate borrowers with S&P’s and Rating Agency of Malaysia’s (“RAM”) rating grades.

Table 20: Rating Grades

Risk Category	Rating Grade	S&P Equivalent	RAM Equivalent
Very Low	1-5	AAA to BBB+	AAA to AA1
Low	6-10	BBB+ to BB+	AA1 to A3
Medium	11-15	BB+ to B+	A3 to BB1
High	16-21	B+ to C	BB1 to C

International Risk Rating Scorecard (“IRRS”)

IRRS is used to rate Corporate and Commercial borrowers of the Group’s branches and subsidiaries, incorporated outside Malaysia, Singapore and Indonesia.

Bank Risk Rating Scorecard (“BRRS”)

The Group has developed BRRS to risk grade the bank counterparties. As the Group’s bank portfolio fall under low default portfolio category, the shadow-bond rating technique is used in developing the scorecards.

A different masterscale known as Global Masterscale is used to map the PD generated from BRRS to the scale. There are altogether 17 performing grades in the BRRS Masterscale with Grade 1 being the best performing grade and Grade 17 being the worst performing grade. For defaulted borrowers, the applicable grade is Grade 18. The BRRS Global Masterscale and its mapping to S&P’s and RAM’s ratings are shown in Table 21 below:

Table 21: BRRS Global Masterscale

Rating Grade	S&P Equivalent	RAM Equivalent
1 – 4	AAA to AA-	AAA
5 – 8	A+ to BBB+	AAA to AA
9 – 12	BBB to BB	AA to BBB
13 – 17	BB- to CCC	BBB to C

Tables 22 to 24 show the exposures by PD bands for Non-Retail Portfolios of the Group, the Bank and Maybank Islamic, respectively.

CREDIT RISK

Table 22: Disclosure on Exposures by PD Band (IRB Approach) for Non-Retail for Maybank Group

PD Range (%)	EAD Post CRM RM'000	Exposure Weighted Average LGD (%)	Exposure Weighted Average Risk Weight (%)	Undrawn Commitments RM'000	RWA RM'000
As at 31.12.2021					
Non-Retail Exposures					
Bank					
0.0000 – 0.0470	4,110,475	43.52	8.87	–	364,749
0.0470 – 0.1460	22,611,758	43.97	20.23	1,260,658	4,573,853
0.1460 – 0.9280	5,386,337	43.30	49.27	100,000	2,653,609
0.9280 – 100	2,080,559	45.00	126.01	–	2,621,719
100	–	–	–	–	–
Total for Bank Exposures	34,189,129			1,360,658	10,213,930
Public Sector Entities					
0.0000 – 0.1200	16,646,213	44.98	0.18	500,271	30,351
0.1200 – 0.6440	3,483,949	30.08	38.37	1,709,644	1,336,770
0.6440 – 3.4650	6,749,535	44.68	8.34	524,663	563,014
3.4650 – 100	27,300	38.37	160.14	4,079	43,719
100	–	–	–	–	–
Total for Public Sector Entities	26,906,997			2,738,657	1,973,854
Corporate (excluding Specialised Lending and firm-size adjustment)					
0.0000 – 0.1200	24,191,218	44.19	19.99	11,894,907	4,835,918
0.1200 – 0.6440	105,686,679	43.45	54.13	34,601,235	57,208,127
0.6440 – 3.4650	70,909,159	42.15	87.68	16,557,764	62,175,283
3.4650 – 100	12,514,251	38.32	138.97	2,472,639	17,391,403
100	11,119,927	44.45	–	725,227	–
Total for Corporate (excluding Specialised Lending and firm-size adjustment)	224,421,234			66,251,772	141,610,731
Corporate (with firm-size adjustment)					
0.0000 – 0.1200	523,986	41.14	87.40	591,986	457,943
0.1200 – 0.6440	19,072,804	39.36	69.12	8,416,117	13,182,795
0.6440 – 3.4650	34,012,373	39.03	67.38	13,052,838	22,916,180
3.4650 – 100	7,208,164	37.02	81.34	1,877,524	5,862,912
100	382,645	40.84	–	103,572	–
Total for Corporate (with firm-size adjustment)	61,199,972			24,042,037	42,419,830
Specialised Lending (Own PD Approach)					
0.0000 – 0.1200	–	–	–	–	–
0.1200 – 0.6440	2,599,380	45.00	72.42	7,141	1,882,423
0.6440 – 3.4650	3,203,085	44.87	108.34	600,127	3,470,120
3.4650 – 100	413,459	45.00	151.07	232	624,612
100	–	–	–	–	–
Total for Specialised Lending (Own PD Approach)	6,215,924			607,500	5,977,155
Total Non-Retail Exposures	352,933,256			95,000,624	202,195,500

CREDIT RISK**Table 22: Disclosure on Exposures by PD Band (IRB Approach) for Non-Retail for Maybank Group (cont'd.)**

PD Range (%)	EAD Post CRM RM'000	Exposure Weighted Average LGD (%)	Exposure Weighted Average Risk Weight (%)	Undrawn Commitments RM'000	RWA RM'000
As at 31.12.2020					
Non-Retail Exposures					
Bank					
0.0000 – 0.0470	4,914,524	43.47	8.11	–	398,755
0.0470 – 0.1460	21,887,362	42.29	18.75	833,502	4,104,764
0.1460 – 0.9280	4,259,924	42.41	48.87	17,528	2,081,675
0.9280 – 100	950,459	45.00	126.57	–	1,202,994
100	–	–	–	–	–
Total for Bank Exposures	32,012,269			851,030	7,788,188
Public Sector Entities					
0.0000 – 0.1200	14,501,265	45.00	0.02	506,080	2,330
0.1200 – 0.6440	5,337,031	34.73	55.01	3,327,250	2,935,838
0.6440 – 3.4650	6,412,056	45.00	1.38	112,415	88,785
3.4650 – 100	269,184	44.99	0.81	149	2,181
100	–	–	–	–	–
Total for Public Sector Entities	26,519,536			3,945,894	3,029,134
Corporate (excluding Specialised Lending and firm-size adjustment)					
0.0000 – 0.1200	33,299,839	43.35	21.86	16,221,639	7,278,843
0.1200 – 0.6440	89,210,441	43.42	53.36	29,426,262	47,599,304
0.6440 – 3.4650	69,677,126	42.57	92.35	22,461,416	64,344,864
3.4650 – 100	16,851,138	40.40	145.81	3,007,423	24,570,826
100	7,364,010	43.93	–	345,761	–
Total for Corporate (excluding Specialised Lending and firm-size adjustment)	216,402,554			71,462,501	143,793,837
Corporate (with firm-size adjustment)					
0.0000 – 0.1200	1,525,288	40.11	21.32	988,217	325,179
0.1200 – 0.6440	22,699,894	39.39	45.57	7,140,692	10,343,763
0.6440 – 3.4650	29,726,489	38.22	75.57	8,983,000	22,464,950
3.4650 – 100	7,500,972	37.10	117.75	2,234,645	8,832,029
100	558,573	41.72	–	113,589	539
Total for Corporate (with firm-size adjustment)	62,011,216			19,460,143	41,966,460
Specialised Lending (Own PD Approach)					
0.0000 – 0.1200	–	–	–	–	–
0.1200 – 0.6440	2,734,561	45.00	82.58	8,906	2,258,196
0.6440 – 3.4650	1,748,115	44.91	109.41	446,650	1,912,582
3.4650 – 100	368,952	45.00	156.40	–	577,035
100	–	–	–	–	–
Total for Specialised Lending (Own PD Approach)	4,851,628			455,556	4,747,813
Total Non-Retail Exposures	341,797,203			96,175,124	201,325,432

CREDIT RISK**Table 22 (a): Specialised Lending Exposures under the Supervisory Slotting Criteria**

Maybank Group

31 December 2021

<u>Supervisory Categories/Risk-Weights</u> (RM'000)						
	Strong	Good	Satisfactory	Weak	Default	Total
Specialised Lending Exposures						
Project Finance	144,899	71,951	-	-	-	216,850
Object Finance	-	-	-	-	-	-
Commodities Finance	-	-	-	-	-	-
Income Producing Real Estate	-	-	-	-	-	-
Risk-Weighted Assets	144,899	71,951	-	-	-	216,850
31 December 2020						
Specialised Lending Exposures						
Project Finance	223,503	62,753	-	-	-	286,256
Object Finance	-	-	-	-	-	-
Commodities Finance	-	-	-	-	-	-
Income Producing Real Estate	-	-	-	-	-	-
Risk-Weighted Assets	223,503	62,753	-	-	-	286,256

CREDIT RISK

Table 23: Disclosure on Exposures by PD Band (IRB Approach) for Non-Retail for Maybank

PD Range (%)	EAD Post CRM RM'000	Exposure Weighted Average LGD (%)	Exposure Weighted Average Risk Weight (%)	Undrawn Commitments RM'000	RWA RM'000
As at 31.12.2021					
Non-Retail Exposures					
Bank					
0.0000 – 0.0470	3,164,027	43.07	8.99	–	284,575
0.0470 – 0.1460	53,777,634	44.74	23.43	1,214,646	12,601,463
0.1460 – 0.9280	5,360,904	43.47	51.81	–	2,777,675
0.9280 – 100	2,085,389	45.00	127.67	1,000	2,662,390
100	–	–	–	–	–
Total for Bank Exposures	64,387,954			1,215,646	18,326,103
Public Sector Entities					
0.0000 – 0.1200	11,065,226	45.00	0.10	271	11,087
0.1200 – 0.6440	3,310,700	29.32	36.70	1,651,962	1,215,172
0.6440 – 3.4650	4,098,649	45.00	0.01	201,263	228
3.4650 – 100	9,579	44.96	188.05	4,079	18,014
100	–	–	–	–	–
Total for Public Sector Entities	18,484,154			1,857,575	1,244,501
Corporate (excluding Specialised Lending and firm-size adjustment)					
0.0000 – 0.1200	20,213,496	44.03	21.47	11,029,457	4,339,443
0.1200 – 0.6440	81,717,586	43.43	55.07	28,109,008	45,001,792
0.6440 – 3.4650	45,597,728	42.12	86.48	12,177,184	39,434,161
3.4650 – 100	8,111,458	39.59	136.57	1,447,238	11,077,659
100	9,103,304	44.53	–	661,145	–
Total for Corporate (excluding Specialised Lending and firm-size adjustment)	164,743,572			53,424,032	99,853,055
Corporate (with firm-size adjustment)					
0.0000 – 0.1200	275,485	41.97	22.05	295,217	60,748
0.1200 – 0.6440	9,817,934	39.33	44.59	3,757,057	4,377,411
0.6440 – 3.4650	18,529,006	38.93	73.71	5,209,192	13,657,132
3.4650 – 100	3,851,262	35.86	111.95	1,021,675	4,311,435
100	251,198	42.21	–	2,390	–
Total for Corporate (with firm-size adjustment)	32,724,885			10,285,531	22,406,726
Specialised Lending (Own PD Approach)					
0.0000 – 0.1200	–	–	–	–	–
0.1200 – 0.6440	2,178,318	45.00	71.49	2,711	1,557,341
0.6440 – 3.4650	1,742,295	44.90	102.62	380,836	1,787,959
3.4650 – 99.9999	412,431	45.00	150.88	232	622,297
100	–	–	–	–	–
Total for Specialised Lending (Own PD Approach)	4,333,044			383,779	3,967,597
Total Non-Retail Exposures	284,673,609			67,166,563	145,797,982

CREDIT RISK

Table 23: Disclosure on Exposures by PD Band (IRB Approach) for Non-Retail for Maybank (cont'd.)

PD Range (%)	EAD Post CRM RM'000	Exposure Weighted Average LGD (%)	Exposure Weighted Average Risk Weight (%)	Undrawn Commitments RM'000	RWA RM'000
As at 31.12.2020					
Non-Retail Exposures					
Bank					
0.0000 – 0.0470	3,958,421	42.96	8.61	–	340,782
0.0470 – 0.1460	40,888,664	44.12	22.35	734,221	9,137,903
0.1460 – 0.9280	4,042,874	43.76	52.57	2,262	2,125,231
0.9280 – 100	1,034,689	45.00	131.36	861	1,359,169
100	–	–	–	–	–
Total for Bank Exposures	49,924,648			737,344	12,963,085
Public Sector Entities					
0.0000 – 0.1200	11,094,399	44.99	0.02	2,080	2,330
0.1200 – 0.6440	5,293,361	34.65	55.12	3,270,414	2,917,582
0.6440 – 3.4650	4,634,663	45.00	0.02	2,415	834
3.4650 – 100	25,168	44.94	2.41	149	606
100	–	–	–	–	–
Total for Public Sector Entities	21,047,591			3,275,058	2,921,352
Corporate (excluding Specialised Lending and firm-size adjustment)					
0.0000 – 0.1200	26,524,897	43.22	21.84	12,679,389	5,792,857
0.1200 – 0.6440	66,676,694	43.27	53.96	23,632,937	35,982,060
0.6440 – 3.4650	46,808,852	42.66	88.91	15,233,757	41,616,776
3.4650 – 100	9,004,774	40.81	151.38	1,539,140	13,631,243
100	5,341,924	44.03	–	261,733	–
Total for Corporate (excluding Specialised Lending and firm-size adjustment)	154,357,141			53,346,956	97,022,936
Corporate (with firm-size adjustment)					
0.0000 – 0.1200	927,760	41.05	21.18	660,393	196,518
0.1200 – 0.6440	13,159,993	39.24	43.11	3,620,372	5,673,448
0.6440 – 3.4650	16,659,597	38.20	74.83	4,431,163	12,467,196
3.4650 – 100	4,585,552	36.45	115.40	1,493,707	5,291,802
100	327,199	41.96	0.16	21,402	539
Total for Corporate (with firm-size adjustment)	35,660,101			10,227,037	23,629,503
Specialised Lending (Own PD Approach)					
0.0000 – 0.1200	–	–	–	–	–
0.1200 – 0.6440	2,384,312	45.00	84.58	4,476	2,016,538
0.6440 – 3.4650	345,181	44.56	104.49	17,730	360,668
3.4650 – 99.9999	368,952	45.00	156.40	–	577,035
100	–	–	–	–	–
Total for Specialised Lending (Own PD Approach)	3,098,445			22,206	2,954,241
Total Non-Retail Exposures	264,087,926			67,608,601	139,491,117

CREDIT RISK**Table 23 (a): Specialised Lending Exposures under the Supervisory Slotting Criteria**

Maybank

31 December 2021

Supervisory Categories/Risk-Weights (RM'000)	Strong	Good	Satisfactory	Weak	Default	Total
<u>Specialised Lending Exposures</u>						
Project Finance	139,585	46,292	-	-	-	185,877
Object Finance	-	-	-	-	-	-
Commodities Finance	-	-	-	-	-	-
Income Producing Real Estate	-	-	-	-	-	-
Risk-Weighted Assets	139,585	46,292	-	-	-	185,877
						31 December 2020
<u>Specialised Lending Exposures</u>						
Project Finance	218,148	37,805	-	-	-	255,953
Object Finance	-	-	-	-	-	-
Commodities Finance	-	-	-	-	-	-
Income Producing Real Estate	-	-	-	-	-	-
Risk-Weighted Assets	218,148	37,805	-	-	-	255,953

CREDIT RISK

Table 24: Disclosure on Exposures by PD Band (IRB Approach) for Non-Retail for Maybank Islamic

PD Range (%)	EAD Post CRM RM'000	Exposure Weighted Average LGD (%)	Exposure Weighted Average Risk Weight (%)	Undrawn Commitments RM'000	RWA RM'000
As at 31.12.2021					
Non-Retail Exposures					
Bank					
0.0000 – 0.0470	-	-	-	-	-
0.0470 – 0.1460	9,526,541	45.00	17.69	41,449	1,685,025
0.1460 – 0.9280	209,233	1.99	1.46	100,000	3,051
0.9280 – 100	6	45.00	212.04	-	14
100	-	-	-	-	-
Total for Bank Exposures	9,735,780			141,449	1,688,090
Public Sector Entities					
0.0000 – 0.1200	14,022,318	44.98	0.14	500,000	19,263
0.1200 – 0.6440	2,950,073	27.41	43.97	1,694,497	1,297,274
0.6440 – 3.4650	5,503,414	44.61	10.23	523,400	562,785
3.4650 – 100	17,721	34.81	145.06	1	25,705
100	-	-	-	-	-
Total for Public Sector Entities	22,493,526			2,717,898	1,905,027
Corporate (excluding Specialised Lending and firm-size adjustment)					
0.0000 – 0.1200	10,267,264	45.01	15.36	3,571,988	1,577,030
0.1200 – 0.6440	25,450,218	43.62	50.59	6,025,469	12,875,078
0.6440 – 3.4650	16,013,030	43.20	73.15	3,222,659	11,713,738
3.4650 – 100	1,170,311	38.55	160.03	130,875	1,872,866
100	5,377,525	44.80	-	181,454	-
Total for Corporate (excluding Specialised Lending and firm-size adjustment)	58,278,348			13,132,445	28,038,712
Corporate (with firm-size adjustment)					
0.0000 – 0.1200	106,230	41.04	23.25	79,318	24,698
0.1200 – 0.6440	6,576,297	39.43	45.08	2,087,979	2,964,562
0.6440 – 3.4650	9,959,424	38.55	73.08	2,545,703	7,278,005
3.4650 – 100	2,092,615	36.95	113.44	285,856	2,373,868
100	54,696	34.45	-	206	-
Total for Corporate (with firm-size adjustment)	18,789,262			4,999,062	12,641,133
Specialised Lending (Own PD Approach)					
0.0000 – 0.1200	-	-	-	-	-
0.1200 – 0.6440	421,063	45.00	77.21	4,430	325,082
0.6440 – 3.4650	1,873,333	44.86	111.71	219,291	2,092,758
3.4650 – 100	1,027	45.00	225.42	-	2,315
100	-	-	-	-	-
Total for Specialised Lending (Own PD Approach)	2,295,423			223,721	2,420,155
Total Non-Retail Exposures	111,592,339			21,214,575	46,693,117

CREDIT RISK**Table 24: Disclosure on Exposures by PD Band (IRB Approach) for Non-Retail for Maybank Islamic (cont'd.)**

PD Range (%)	EAD Post CRM RM'000	Exposure Weighted Average LGD (%)	Exposure Weighted Average Risk Weight (%)	Undrawn Commitments RM'000	RWA RM'000
As at 31.12.2020					
Non-Retail Exposures					
Bank					
0.0000 – 0.0470	–	–	–	–	–
0.0470 – 0.1460	2,334,427	45.00	17.69	100,000	413,062
0.1460 – 0.9280	215,557	2.20	1.61	15,000	3,480
0.9280 – 100	1	45.00	212.05	4	3
100	–	–	–	–	–
Total for Bank Exposures	2,549,985			115,004	416,545
Public Sector Entities					
0.0000 – 0.1200	11,847,456	45.00	–	504,000	–
0.1200 – 0.6440	5,182,220	34.43	55.25	3,298,788	2,863,385
0.6440 – 3.4650	4,901,204	45.00	1.79	110,000	87,951
3.4650 – 100	244,016	45.00	0.65	–	1,575
100	–	–	–	–	–
Total for Public Sector Entities	22,174,896			3,912,788	2,952,911
Corporate (excluding Specialised Lending and firm-size adjustment)					
0.0000 – 0.1200	12,679,650	44.49	18.40	4,104,290	2,332,882
0.1200 – 0.6440	21,451,530	43.91	50.66	4,086,028	10,867,763
0.6440 – 3.4650	12,866,040	43.28	84.60	2,270,281	10,885,267
3.4650 – 100	4,932,983	43.52	145.04	393,571	7,154,918
100	1,367,448	44.00	–	5,634	–
Total for Corporate (excluding Specialised Lending and firm-size adjustment)	53,297,651			10,859,804	31,240,830
Corporate (with firm-size adjustment)					
0.0000 – 0.1200	537,993	38.15	21.20	174,457	114,051
0.1200 – 0.6440	6,099,510	39.37	46.34	1,497,593	2,826,485
0.6440 – 3.4650	8,032,692	36.82	71.61	2,015,037	5,752,038
3.4650 – 100	1,881,253	37.19	113.37	301,498	2,132,869
100	140,460	41.97	–	745	–
Total for Corporate (with firm-size adjustment)	16,691,908			3,989,330	10,825,443
Specialised Lending (Own PD Approach)					
0.0000 – 0.1200	–	–	–	–	–
0.1200 – 0.6440	409,190	45.00	68.64	4,430	280,873
0.6440 – 3.4650	1,402,934	45.00	110.62	428,920	1,551,913
3.4650 – 100	–	–	–	–	–
100	–	–	–	–	–
Total for Specialised Lending (Own PD Approach)	1,812,124			433,350	1,832,786
Total Non-Retail Exposures	96,526,564			19,310,276	47,268,515

CREDIT RISK

Table 24 (a): Specialised Lending Exposures under the Supervisory Slotting Criteria

Maybank Islamic Berhad							31 December 2021
Supervisory Categories/Risk-Weights (RM'000)	Strong	Good	Satisfactory	Weak	Default	Total	
Specialised Lending Exposures							
Project Finance	5,314	25,659	-	-	-	30,974	
Object Finance	-	-	-	-	-	-	
Commodities Finance	-	-	-	-	-	-	
Income Producing Real Estate	-	-	-	-	-	-	
Risk-Weighted Assets	5,314	25,659	-	-	-	30,974	
							31 December 2020
Specialised Lending Exposures							
Project Finance	5,355	24,949	-	-	-	30,304	
Object Finance	-	-	-	-	-	-	
Commodities Finance	-	-	-	-	-	-	
Income Producing Real Estate	-	-	-	-	-	-	
Risk-Weighted Assets	5,355	24,949	-	-	-	30,304	

RETAIL PORTFOLIO

The Group's retail portfolios are under the AIRB Approach. This approach calls for a more extensive reliance on the Bank's own internal experience (based on historical data) by estimating all three main components of RWA calculation namely PD, EAD and LGD which are based on its own historical data.

Separate PD, EAD and LGD statistical models are developed at the respective retail portfolio level, with each model covering borrowers with fundamentally similar risk profiles in a portfolio. The estimates derived from such models are used as input for RWA calculations.

AIRB Coverage for Retail Portfolios

Currently the following material retail portfolios are under Retail IRB:

Basel II Retail Sub-Portfolio Category	Maybank Retail Portfolios
Residential Mortgage	<ul style="list-style-type: none"> Housing Loan (Malaysia, Singapore and Indonesia) Other Property Based Loan (Malaysia) Staff Housing Loan (Malaysia) Equity Term Loan (Singapore)
Qualifying Revolving Retail Exposure ("QRRE")	<ul style="list-style-type: none"> Credit Card (Malaysia, Singapore and Indonesia)
Other Retail	<ul style="list-style-type: none"> Auto Loan (Malaysia, Singapore and Indonesia) Unit Trust Loan (Malaysia) Commercial Property Loan (Malaysia)

RSME Portfolio

Legal entities that carry a maximum exposure of RM5 million and are eligible for treatment as 'retail' exposure, are rated under the RSME scorecard. Similar to retail portfolios, separate PD, EAD and LGD statistical models are developed at the portfolio level; each model covering borrowers with fundamentally similar risk profiles in a portfolio.

CREDIT RISK**Retail and RSME Masterscale**

A retail and RSME masterscale with mapping to PD is used to promote a common risk language across the Group's retail portfolios as shown in the table below:

Table 25: Retail and RSME Masterscale

Rating Grade	PD range
R1 to R2	0.25% to 0.44%
R3 to R5	0.79% to 2.50%
R6 to R8	4.45% to 14.06%
R9 to R11	25% to 79.06%

Risk Measurement for Retail Portfolio

Application and behaviour scorecards are part of Basel II Retail IRB models and are used to estimate the probability that a customer will fail to make full and timely repayment of credit obligations. Business decisions and strategies are then built around the scores.

Application Scorecard

With application scorecards, at the point of time when an applicant applies for the credit facility, each applicant is assigned a score that corresponds to the probability of future repayment. Scores are designed to rank-order the riskiness of the applicants, whereby higher score represents lower risk.

Application scorecards benefit both risk management and business acquisition process through:

- Consistency in credit risk assessment;
- Improved turnaround time;
- Better management control of the portfolios; and
- Improved revenue and profit through the identification and acceptance of additional business.

Currently, application scorecards are deployed for all major retail portfolios in Malaysia, Singapore and Indonesia.

Behaviour Scorecard

The Credit Card product is subject to variable utilisation and payment patterns; a customer is able to utilise any portion of the granted limit and pay any amount of the outstanding balance. Due to the volatile nature of the product, a more robust risk measurement tool is required to manage the portfolio.

Behavioural Scorecards are therefore developed for Credit Card portfolios in Malaysia, Singapore and Indonesia. Behaviour score measures the borrower's riskiness based on transaction information and behavioural pattern of customer's utilisation and payment of the credit card. The scores are generated on a monthly basis and amongst others, are being used for the following purposes:

- Collection Strategies;
- Limit Management; and
- Transaction Authorisation.

With the use of Behaviour score, the Credit Card portfolio is able to be closely managed to reduce defaulters, increase collection and ultimately increase profitability.

Tables 26 to 28 show the exposures by "PD bands" for Retail Portfolios of the Group, the Bank and Maybank Islamic, respectively. A summary of the PD distribution of these exposures are also provided.

CREDIT RISK

Table 26: Disclosure on Exposures by PD Band (IRB Approach) for Retail for Maybank Group

PD Range (%)	EAD Post CRM RM'000	Exposure Weighted Average LGD (%)	Exposure Weighted Average Risk Weight (%)	Undrawn Commitments RM'000	RWA RM'000
As at 31.12.2021					
Retail Exposures					
Residential Mortgages					
0.0000 – 0.5900	66,720,099	19.05	13.20	93,798	8,804,381
0.5900 – 3.3330	38,264,169	18.07	18.95	390,082	7,251,571
3.3330 – 18.7500	2,392,246	20.97	73.76	41,028	1,764,536
18.7500 – 100	759,230	16.66	88.20	34,860	669,608
100	533,206	33.63	87.70	1,252	467,619
Total for Residential Mortgages Exposures	108,668,950			561,020	18,957,715
Qualifying Revolving Retail Exposures					
0.0000 – 0.5900	9,269,312	64.68	10.78	13,676,508	999,277
0.5900 – 3.3330	9,307,952	67.35	31.65	9,406,199	2,946,311
3.3330 – 18.7500	2,002,284	66.91	98.66	832,445	1,975,421
18.7500 – 100	168,878	71.49	190.62	87,140	321,915
100	99,718	66.81	116.73	6,556	116,405
Total for Qualifying Revolving Retail Exposures	20,848,144			24,008,848	6,359,329
Hire Purchase Exposures					
0.0000 – 0.5900	43,943,154	44.21	17.09	–	7,511,515
0.5900 – 3.3330	5,780,756	45.14	45.89	–	2,652,555
3.3330 – 18.7500	2,642,902	49.09	76.43	–	2,020,044
18.7500 – 100	665,043	50.58	116.73	–	776,313
100	191,478	75.96	110.24	–	211,086
Total Hire Purchase Exposures	53,223,333			–	13,171,513
Other Retail Exposures					
0.0000 – 0.5900	44,105,776	22.43	14.32	10,038,506	6,315,597
0.5900 – 3.3330	47,319,271	25.34	23.51	7,271,288	11,126,351
3.3330 – 18.7500	6,625,808	23.62	30.27	1,335,197	2,005,561
18.7500 – 100	1,422,247	22.19	47.19	448,532	671,117
100	746,336	34.69	75.23	18,143	561,496
Total Other Retail Exposures	100,219,438			19,111,666	20,680,122
Total Retail Exposures	282,959,865			43,681,534	59,168,679

CREDIT RISK**Table 26: Disclosure on Exposures by PD Band (IRB Approach) for Retail for Maybank Group (cont'd.)**

PD Range (%)	EAD Post CRM RM'000	Exposure Weighted Average LGD (%)	Exposure Weighted Average Risk Weight (%)	Undrawn Commitments RM'000	RWA RM'000
As at 31.12.2020					
Retail Exposures					
Residential Mortgages					
0.0000 – 0.5900	53,810,001	18.83	12.95	95,955	6,967,528
0.5900 – 3.3330	40,826,823	17.20	19.52	354,154	7,967,923
3.3330 – 18.7500	3,045,458	18.44	73.29	13,537	2,231,969
18.7500 – 100	1,200,922	16.64	93.59	1,295	1,123,915
100	750,145	32.54	96.51	1,369	723,972
Total for Residential Mortgages Exposures	99,633,349			466,310	19,015,307
Qualifying Revolving Retail Exposures					
0.0000 – 0.5900	8,912,093	65.25	10.76	13,389,860	959,217
0.5900 – 3.3330	9,084,128	66.15	31.20	9,224,803	2,834,403
3.3330 – 18.7500	2,108,010	66.86	98.52	828,051	2,076,901
18.7500 – 100	260,576	63.33	168.76	131,766	439,757
100	113,953	68.10	88.70	7,040	101,080
Total for Qualifying Revolving Retail Exposures	20,478,760			23,581,520	6,411,358
Hire Purchase Exposures					
0.0000 – 0.5900	47,132,669	40.10	16.22	–	7,646,226
0.5900 – 3.3330	5,478,597	41.98	45.76	–	2,507,186
3.3330 – 18.7500	2,596,935	42.98	74.87	–	1,944,397
18.7500 – 100	776,950	43.89	111.84	–	868,931
100	256,335	65.51	112.92	–	289,444
Total Hire Purchase Exposures	56,241,486			–	13,256,184
Other Retail Exposures					
0.0000 – 0.5900	38,866,617	21.09	13.48	9,757,214	5,239,975
0.5900 – 3.3330	42,943,485	19.93	22.34	5,360,045	9,593,601
3.3330 – 18.7500	5,573,118	14.02	26.78	673,304	1,492,449
18.7500 – 100	1,869,380	19.46	50.93	176,980	952,045
100	966,966	29.08	42.46	24,735	410,544
Total Other Retail Exposures	90,219,566			15,992,278	17,688,614
Total Retail Exposures	266,573,161			40,040,108	56,371,463

CREDIT RISK

Table 27: Disclosure on Exposures by PD Band (IRB Approach) for Retail for Maybank

PD Range (%)	EAD Post CRM RM'000	Exposure Weighted Average LGD (%)	Exposure Weighted Average Risk Weight (%)	Undrawn Commitments RM'000	RWA RM'000
As at 31.12.2021					
Retail Exposures					
Residential Mortgages					
0.0000 – 0.5900	18,295,834	15.75	12.27	41,152	2,245,277
0.5900 – 3.3330	14,076,531	15.85	16.84	282,397	2,370,978
3.3330 – 18.7500	697,921	16.54	65.64	4,386	458,117
18.7500 – 100	314,494	13.73	76.03	549	239,104
100	174,704	34.57	64.66	953	112,964
Total for Residential Mortgages Exposures	33,559,484			329,437	5,426,440
Qualifying Revolving Retail Exposures					
0.0000 – 0.5900	5,468,687	57.54	8.71	8,315,905	476,429
0.5900 – 3.3330	4,066,793	56.55	26.67	3,416,680	1,084,808
3.3330 – 18.7500	982,016	57.65	86.38	264,082	848,269
18.7500 – 100	76,497	58.39	162.20	52,693	124,079
100	31,882	54.51	147.25	684	46,948
Total for Qualifying Revolving Retail Exposures	10,625,875			12,050,044	2,580,533
Hire Purchase Exposures					
0.0000 – 0.5900	4,753,484	38.89	18.24	–	867,187
0.5900 – 3.3330	534,390	42.24	46.99	–	251,089
3.3330 – 18.7500	446,055	43.52	75.02	–	334,641
18.7500 – 100	118,952	44.39	113.64	–	135,182
100	36,574	68.30	115.03	–	42,071
Total Hire Purchase Exposures	5,889,455			–	1,630,170
Other Retail Exposures					
0.0000 – 0.5900	13,579,124	19.32	12.98	3,725,539	1,762,140
0.5900 – 3.3330	13,912,000	22.29	21.41	1,544,601	2,978,771
3.3330 – 18.7500	1,818,413	19.16	29.41	312,484	534,832
18.7500 – 100	325,314	23.67	55.41	17,564	180,249
100	264,134	36.72	78.09	6,663	206,264
Total Other Retail Exposures	29,898,985			5,606,851	5,662,256
Total Retail Exposures	79,973,799			17,986,332	15,299,399

CREDIT RISK**Table 27: Disclosure on Exposures by PD Band (IRB Approach) for Retail for Maybank (cont'd.)**

PD Range (%)	EAD Post CRM RM'000	Exposure Weighted Average LGD (%)	Exposure Weighted Average Risk Weight (%)	Undrawn Commitments RM'000	RWA RM'000
As at 31.12.2020					
Retail Exposures					
Residential Mortgages					
0.0000 – 0.5900	14,183,835	16.02	11.91	22,602	1,689,878
0.5900 – 3.3330	15,729,263	15.76	17.48	266,731	2,749,390
3.3330 – 18.7500	949,345	15.65	66.44	1,807	630,776
18.7500 – 100	488,995	14.07	78.69	244	384,813
100	248,701	34.18	63.96	973	159,081
Total for Residential Mortgages Exposures	31,600,139			292,357	5,613,938
Qualifying Revolving Retail Exposures					
0.0000 – 0.5900	5,127,798	57.11	8.63	7,835,758	442,391
0.5900 – 3.3330	4,142,012	55.48	26.27	3,686,239	1,088,271
3.3330 – 18.7500	1,035,675	57.59	83.38	187,938	863,582
18.7500 – 100	115,752	53.61	147.42	63,727	170,640
100	35,605	52.28	89.15	276	31,743
Total for Qualifying Revolving Retail Exposures	10,456,842			11,773,938	2,596,627
Hire Purchase Exposures					
0.0000 – 0.5900	6,264,548	38.54	17.20	–	1,077,409
0.5900 – 3.3330	580,216	41.10	45.21	–	262,344
3.3330 – 18.7500	434,978	41.93	73.75	–	320,806
18.7500 – 100	147,355	42.47	108.68	–	160,146
100	52,580	64.81	114.20	–	60,045
Total Hire Purchase Exposures	7,479,677			–	1,880,750
Other Retail Exposures					
0.0000 – 0.5900	13,459,096	19.54	12.46	4,102,674	1,677,572
0.5900 – 3.3330	14,849,355	21.79	20.99	1,672,787	3,116,903
3.3330 – 18.7500	1,796,553	16.28	25.40	186,166	456,304
18.7500 – 100	693,266	23.91	56.30	41,332	390,309
100	363,652	34.22	42.18	11,218	153,405
Total Other Retail Exposures	31,161,922			6,014,177	5,794,493
Total Retail Exposures	80,698,580			18,080,472	15,885,808

CREDIT RISK

Table 28: Disclosure on Exposures by PD Band (IRB Approach) for Retail for Maybank Islamic

PD Range (%)	EAD Post CRM RM'000	Exposure Weighted Average LGD (%)	Exposure Weighted Average Risk Weight (%)	Undrawn Commitments RM'000	RWA RM'000
As at 31.12.2021					
Retail Exposures					
Residential Mortgages					
0.0000 – 0.5900	26,106,431	16.58	12.90	31,721	3,368,891
0.5900 – 3.3330	22,369,095	17.26	18.85	98,315	4,216,648
3.3330 – 18.7500	1,257,439	20.64	75.78	36,642	952,920
18.7500 – 100	286,131	15.89	85.20	34,311	243,773
100	173,023	39.92	68.25	299	118,092
Total for Residential Mortgages Exposures	50,192,119			201,288	8,900,324
Qualifying Revolving Retail Exposures					
0.0000 – 0.5900	1,502,142	51.81	8.03	2,318,751	120,646
0.5900 – 3.3330	1,847,342	48.81	24.07	1,652,777	444,590
3.3330 – 18.7500	424,190	54.27	74.99	145,994	318,089
18.7500 – 100	22,428	53.16	147.25	9,194	33,026
100	25,006	41.56	116.01	767	29,008
Total for Qualifying Revolving Retail Exposures	3,821,108			4,127,483	945,359
Hire Purchase Exposures					
0.0000 – 0.5900	35,606,619	41.04	16.59	–	5,906,160
0.5900 – 3.3330	3,357,940	43.13	47.48	–	1,594,257
3.3330 – 18.7500	2,320,401	44.66	77.17	–	1,790,580
18.7500 – 100	575,530	46.06	117.72	–	677,513
100	117,414	72.45	122.94	–	144,351
Total Hire Purchase Exposures	41,977,904			–	10,112,861
Other Retail Exposures					
0.0000 – 0.5900	19,313,498	22.55	14.94	3,440,077	2,885,855
0.5900 – 3.3330	37,500,632	18.63	18.56	2,951,345	6,958,428
3.3330 – 18.7500	8,133,139	12.56	19.17	801,500	1,558,809
18.7500 – 100	1,499,021	14.54	34.07	430,812	510,709
100	415,875	32.74	70.10	10,626	291,511
Total Other Retail Exposures	66,862,165			7,634,360	12,205,312
Total Retail Exposures	162,853,296			11,963,131	32,163,856

CREDIT RISK**Table 28: Disclosure on Exposures by PD Band (IRB Approach) for Retail for Maybank Islamic (cont'd.)**

PD Range (%)	EAD Post CRM RM'000	Exposure Weighted Average LGD (%)	Exposure Weighted Average Risk Weight (%)	Undrawn Commitments RM'000	RWA RM'000
As at 31.12.2020					
Retail Exposures					
Residential Mortgages					
0.0000 – 0.5900	21,363,053	17.09	12.70	26,488	2,714,104
0.5900 – 3.3330	21,956,010	16.82	18.59	48,691	4,081,329
3.3330 – 18.7500	1,426,555	18.09	74.71	9,490	1,065,811
18.7500 – 100	448,579	15.88	88.81	1,051	398,381
100	256,592	38.98	70.45	396	180,761
Total for Residential Mortgages Exposures	45,450,789			86,116	8,440,386
Qualifying Revolving Retail Exposures					
0.0000 – 0.5900	1,343,887	50.94	7.92	2,209,626	106,414
0.5900 – 3.3330	1,780,238	48.51	24.05	1,736,239	428,144
3.3330 – 18.7500	436,324	55.31	74.67	101,800	325,809
18.7500 – 100	58,996	43.44	117.03	16,605	69,041
100	27,428	46.22	26.18	9	7,179
Total for Qualifying Revolving Retail Exposures	3,646,873			4,064,279	936,587
Hire Purchase Exposures					
0.0000 – 0.5900	33,727,108	40.95	15.92	–	5,370,459
0.5900 – 3.3330	3,121,077	42.35	46.11	–	1,439,110
3.3330 – 18.7500	1,980,786	43.06	75.56	–	1,496,662
18.7500 – 100	561,078	43.83	112.16	–	629,296
100	164,184	67.24	118.62	–	194,763
Total Hire Purchase Exposures	39,554,233			–	9,130,290
Other Retail Exposures					
0.0000 – 0.5900	17,662,291	21.47	13.77	3,765,375	2,431,610
0.5900 – 3.3330	33,406,545	17.10	17.05	1,754,062	5,696,935
3.3330 – 18.7500	6,903,326	11.16	17.23	353,223	1,189,531
18.7500 – 100	1,742,348	15.79	34.93	134,351	608,623
100	655,071	25.48	26.49	13,073	173,544
Total Other Retail Exposures	60,369,581			6,020,084	10,100,243
Total Retail Exposures	149,021,476			10,170,479	28,607,506

CREDIT RISK

INDEPENDENT MODEL VALIDATION

The use of models will give rise to model risk, which is defined as the risk of a model not performing the tasks or able to capture the risks it was designed to. Any model not performing in line with expectations may potentially result in financial loss, incorrect business decisions, misstatement of external financial disclosures, or damage to the reputation.

To manage this risk, Model Risk Management (MRM) framework was introduced in 2019 to provide an overall governance as well as clear roles and responsibilities throughout a model lifetime in order to manage models used throughout Maybank Group. In line with the Group's digitalisation target, new models are being introduced to support business analytics and decision making. These models require proper governance, oversight and monitoring to ensure they remain fit-for-use for the purpose they are designed for. As part of the MRM, model validation is performed to assess whether the model is performing according to expectations. The model validation function at the Group is distinct from the model development function and model users, with the objective to provide the required independence in performing the function. In line with regulatory requirements, all credit IRB models used for capital calculation and finance models for MFRS 9 are subject to independent validation by the Model Validation team. Additionally, as part of best practices, other significant models such as market risk models used for valuation and pricing are also subject to validation. Approval and oversight of model validation are governed by the technical committee and the relevant risk committees. The technical committee known as Model Validation and Acceptance Committee ("MVAC") meets regularly and its membership is drawn from Risk and Business stakeholders.

Scope and Frequency of Model Validation

In general, validation techniques include both quantitative and qualitative analysis to test the appropriateness and robustness of the models used. Validation of the models covers activities that evaluate and examine the rating system and the estimation process and methods for deriving the risk components. For instance, the risk components for credit risk models are known as PD, LGD and EAD. The process involves validating whether the risk models are capable of discriminating ('discriminatory or rank ordering power') and are giving consistent and predictive estimates ('calibration') of the relevant risk parameters.

Model validation is conducted at two stages:

- Pre-implementation model validation which is conducted prior to launch of the model; and
- Post-implementation validation which is performed at least on an annual basis for models used for IRB capital calculation. For other types of models which are deemed less risky and not subject to regulatory requirements, post-implementation validation may be performed on a less frequent basis.

In addition to annual review, frequent monitoring are performed by the model owners to ensure that the models are performing as expected, and that the assumptions used in model development remain appropriate.

As part of overall governance, validation processes are also subject to regular independent review by Internal Audit.

CREDIT RISK MITIGATION

The Group takes a holistic approach when granting credit facilities and credit assessment is based on the repayment capacity of the counterparty, and not the credit risk mitigation, as a primary source of repayment. As a fundamental credit principle, the Group generally does not grant facilities solely on the basis of collaterals provided. Credit facilities are granted based on the credit standing of the counterparty, source of repayment and debt servicing ability.

Depending on the counterparty's credit standing and the type of product, facilities may be granted on an unsecured basis. Nevertheless, collateral is taken whenever possible to mitigate the credit risk assumed. The Group's general requirement is to promote the use of credit risk mitigation, justified by commercial prudence and good practice as well as capital efficiency. The value of collateral taken is also monitored periodically. The frequency of valuation depends on the type, liquidity and volatility of the collateral value. The main types of acceptable collaterals for the Group include cash, marketable securities, real estate and equipment.

Corporate guarantees are often obtained when the counterparty's credit worthiness is inadequate to accommodate an extension of credit. To recognise the effects of guarantees under the FIRB approach, the Group adopts the Probability of Default substitution approach whereby exposures guaranteed by an eligible guarantor will utilise the PD of the guarantor in the computation of its capital requirement.

As a general rule-of-thumb, the following eligibility criteria must be met before the collateral can be accepted for IRB purposes:

- **Legal Certainty**

The documentation must be legally binding and enforceable in all relevant jurisdictions.

- **Material Positive Correlation**

The value of the collateral must not be significantly affected by the deterioration of the borrower's credit worthiness.

- **Third-party Custodian**

The collateral that is held by a third-party custodian must be segregated from the custodian's own assets.

Tables 29 to 31 show the credit risk mitigation analysis under the Standardised Approach for the Group, the Bank and Maybank Islamic, respectively, whilst Tables 32 to 34 show the credit risk mitigation analysis under the IRB Approach.

CREDIT RISK**Table 29: Disclosure on Credit Risk Mitigation Analysis (Standardised Approach) for Maybank Group**

Exposure Class	Exposures before CRM RM'000	Exposures Covered by Guarantees/ Credit Derivatives RM'000	Exposures Covered by Eligible Financial Collateral RM'000	Exposures Covered by Other Eligible Collateral RM'000
As at 31.12.2021				
<u>On-Balance Sheet Exposures</u>				
Sovereigns/Central Banks	159,491,847	-	-	-
Public Sector Entities	3,920,232	33,412	1,512	-
Banks, Development Financial Institutions & MDBs	2,513,306	-	-	-
Insurance Cos, Securities Firms & Fund Managers	1,366,208	-	-	-
Corporates	21,262,572	468,108	6,156,193	-
Regulatory Retail	23,379,335	-	1,506,357	-
Residential Mortgages	1,979,659	-	1,973	-
Higher Risk Assets	2,827	-	-	-
Other Assets	15,577,103	-	166	-
Securitisation Exposures	20,075	-	-	-
Equity Exposures	348,582	-	-	-
Defaulted Exposures	1,292,839	-	2,278	-
Total On-Balance Sheet Exposures	231,154,585	501,520	7,668,479	-
<u>Off-Balance Sheet Exposures</u>				
OTC Derivatives	811,346	-	28,372	-
Off-balance sheet exposures other than OTC derivatives or credit derivatives	2,444,311	93	235,731	-
Defaulted Exposures	211,641	-	-	-
Total Off-Balance Sheet Exposures	3,467,298	93	264,103	-
Total On and Off-Balance Sheet Exposures	234,621,883	501,613	7,932,582	-
As at 31.12.2020				
<u>On-Balance Sheet Exposures</u>				
Sovereigns/Central Banks	146,186,501	-	-	-
Public Sector Entities	4,364,797	-	530	-
Banks, Development Financial Institutions & MDBs	2,668,146	-	-	-
Insurance Cos, Securities Firms & Fund Managers	466,307	-	-	-
Corporates	20,923,703	468,046	5,170,119	-
Regulatory Retail	22,743,556	-	1,521,170	-
Residential Mortgages	2,618,565	-	2,509	-
Higher Risk Assets	56,661	-	-	-
Other Assets	14,033,243	-	1,330	-
Securitisation Exposures	20,073	-	-	-
Equity Exposures	349,407	-	-	-
Defaulted Exposures	1,474,887	-	4,399	-
Total On-Balance Sheet Exposures	215,905,846	468,046	6,700,057	-
<u>Off-Balance Sheet Exposures</u>				
OTC Derivatives	3,435,412	-	77,159	-
Off-balance sheet exposures other than OTC derivatives or credit derivatives	3,210,111	-	295,619	-
Defaulted Exposures	14,132	-	-	-
Total Off-Balance Sheet Exposures	6,659,655	-	372,778	-
Total On and Off-Balance Sheet Exposures	222,565,501	468,046	7,072,835	-

CREDIT RISK

Table 30: Disclosure on Credit Risk Mitigation Analysis (Standardised Approach) for Maybank

Exposure Class	Exposures before CRM RM'000	Exposures Covered by Guarantees/ Credit Derivatives RM'000	Exposures Covered by Eligible Financial Collateral RM'000	Exposures Covered by Other Eligible Collateral RM'000
As at 31.12.2021				
<u>On-Balance Sheet Exposures</u>				
Sovereigns/Central Banks	91,825,167	-	-	-
Public Sector Entities	3,344,633	33,412	21	-
Banks, Development Financial Institutions & MDBs	1,004,617	-	-	-
Insurance Cos, Securities Firms & Fund Managers	985,688	-	-	-
Corporates	11,780,997	37,783	1,548,473	-
Regulatory Retail	1,674,050	-	234,772	-
Residential Mortgages	1,173,886	-	1,351	-
Higher Risk Assets	-	-	-	-
Other Assets	7,872,187	-	-	-
Securitisation Exposures	20,075	-	-	-
Equity Exposures	337,693	-	-	-
Defaulted Exposures	840,333	-	1,159	-
Total On-Balance Sheet Exposures	120,859,326	71,195	1,785,776	-
<u>Off-Balance Sheet Exposures</u>				
OTC Derivatives	629,410	-	-	-
Off-balance sheet exposures other than OTC derivatives or credit derivatives	1,664,315	93	141,946	-
Defaulted Exposures	211,512	-	-	-
Total Off-Balance Sheet Exposures	2,505,237	93	141,946	-
Total On and Off-Balance Sheet Exposures	123,364,563	71,288	1,927,722	-
As at 31.12.2020				
<u>On-Balance Sheet Exposures</u>				
Sovereigns/Central Banks	84,389,147	-	-	-
Public Sector Entities	3,472,112	-	-	-
Banks, Development Financial Institutions & MDBs	957,672	-	-	-
Insurance Cos, Securities Firms & Fund Managers	13,885	-	-	-
Corporates	12,718,103	37,276	1,458,472	-
Regulatory Retail	1,838,689	-	274,732	-
Residential Mortgages	1,198,586	-	1,715	-
Higher Risk Assets	-	-	-	-
Other Assets	8,429,194	-	-	-
Securitisation Exposures	20,073	-	-	-
Equity Exposures	343,060	-	-	-
Defaulted Exposures	877,363	-	3,714	-
Total On-Balance Sheet Exposures	114,257,884	37,276	1,738,633	-
<u>Off-Balance Sheet Exposures</u>				
OTC Derivatives	3,155,492	-	312	-
Off-balance sheet exposures other than OTC derivatives or credit derivatives	2,223,565	-	173,660	-
Defaulted Exposures	14,060	-	-	-
Total Off-Balance Sheet Exposures	5,393,117	-	173,972	-
Total On and Off-Balance Sheet Exposures	119,651,001	37,276	1,912,605	-

CREDIT RISK**Table 31: Disclosure on Credit Risk Mitigation Analysis (Standardised Approach) for Maybank Islamic**

Exposure Class	Exposures before CRM RM'000	Exposures Covered by Guarantees/ Credit Derivatives RM'000	Exposures Covered by Eligible Financial Collateral RM'000	Exposures Covered by Other Eligible Collateral RM'000
As at 31.12.2021				
<u>On-Balance Sheet Exposures</u>				
Sovereigns/Central Banks	33,446,124	-	-	-
Public Sector Entities	88,708	-	1,491	-
Banks, Development Financial Institutions & MDBs	-	-	-	-
Insurance Cos, Securities Firms & Fund Managers	71	-	-	-
Corporates	1,036,060	430,325	212,225	-
Regulatory Retail	1,835,434	-	642,475	-
Residential Mortgages	661,453	-	622	-
Higher Risk Assets	36	-	-	-
Other Assets	1,786,584	-	-	-
Equity Exposures	1,250	-	-	-
Defaulted Exposures	36,295	-	111	-
Total On-Balance Sheet Exposures	38,892,015	430,325	856,924	-
<u>Off-Balance Sheet Exposures</u>				
OTC Derivatives	39,019	-	-	-
Off-balance sheet exposures other than OTC derivatives or credit derivatives	32,763	-	15,187	-
Total Off-Balance Sheet Exposures	71,782	-	15,187	-
Total On and Off-Balance Sheet Exposures	38,963,797	430,325	872,111	-
As at 31.12.2020				
<u>On-Balance Sheet Exposures</u>				
Sovereigns/Central Banks	27,256,122	-	-	-
Public Sector Entities	132,009	-	530	-
Banks, Development Financial Institutions & MDBs	-	-	-	-
Insurance Cos, Securities Firms & Fund Managers	97	-	-	-
Corporates	1,475,534	430,770	208,031	-
Regulatory Retail	1,983,682	-	694,145	-
Residential Mortgages	624,101	-	793	-
Higher Risk Assets	36	-	-	-
Other Assets	1,625,770	-	-	-
Equity Exposures	1,250	-	-	-
Defaulted Exposures	37,964	-	130	-
Total On-Balance Sheet Exposures	33,136,565	430,770	903,629	-
<u>Off-Balance Sheet Exposures</u>				
OTC Derivatives	68,992	-	-	-
Off-balance sheet exposures other than OTC derivatives or credit derivatives	132,541	-	21,075	-
Total Off-Balance Sheet Exposures	201,533	-	21,075	-
Total On and Off-Balance Sheet Exposures	33,338,098	430,770	924,704	-

CREDIT RISK

Table 32: Disclosure on Credit Risk Mitigation Analysis (IRB Approach) for Maybank Group

Exposure Class	Exposures before CRM RM'000	Exposures Covered by Guarantees/ Credit Derivatives RM'000	Exposures Covered by Eligible Financial Collateral RM'000	Exposures Covered by Other Eligible Collateral RM'000
As at 31.12.2021				
<u>On-Balance Sheet Exposures</u>				
Public Sector Entities	24,775,878	22,571,977	1,151,989	55,790
Banks, Development Financial Institutions & MDBs	23,252,141	262,872	200,000	-
Corporate Exposures	224,816,959	16,627,930	4,183,480	51,211,315
a) Corporates (excluding Specialised Lending and firm-size adjustment)	167,626,093	16,017,112	2,591,114	26,919,757
b) Corporates (with firm-size adjustment)	51,794,724	566,655	1,592,366	24,249,701
c) Specialised Lending (Own PD Approach)				
- Project Finance	4,879,872	44,163	-	41,857
d) Specialised Lending (Slotting Approach)				
- Project Finance	516,270	-	-	-
Retail Exposures	252,055,991	-	-	-
a) Residential Mortgages	107,851,215	-	-	-
b) Qualifying Revolving Retail Exposures	9,078,923	-	-	-
c) Hire Purchase Exposures	53,055,059	-	-	-
d) Other Retail Exposures	82,070,794	-	-	-
Defaulted Exposures	12,211,686	-	8,957	694,902
Total On-Balance Sheet Exposures	537,112,655	39,462,779	5,544,426	51,962,007
<u>Off-Balance Sheet Exposures</u>				
OTC Derivatives	10,990,980	-	472,197	-
Off-balance sheet exposures other than OTC derivatives or credit derivatives	87,474,229	2,064,881	2,213,991	4,042,391
Defaulted Exposures	874,420	-	8,264	2,468
Total Off-Balance Sheet Exposures	99,339,629	2,064,881	2,694,452	4,044,859
Total On and Off-Balance Sheet Exposures	636,452,284	41,527,660	8,238,878	56,006,866
As at 31.12.2020				
<u>On-Balance Sheet Exposures</u>				
Public Sector Entities	23,509,967	20,676,586	1,217,400	-
Banks, Development Financial Institutions & MDBs	19,971,049	30,413	200,000	-
Corporate Exposures	220,894,074	17,276,931	3,932,420	47,002,229
a) Corporates (excluding Specialised Lending and firm-size adjustment)	163,271,883	16,394,125	2,059,190	21,981,695
b) Corporates (with firm-size adjustment)	53,212,457	823,156	1,873,230	25,005,177
c) Specialised Lending (Own PD Approach)				
- Project Finance	3,757,833	59,650	-	15,357
d) Specialised Lending (Slotting Approach)				
- Project Finance	651,901	-	-	-
Retail Exposures	238,237,823	-	-	-
a) Residential Mortgages	98,655,601	-	-	-
b) Qualifying Revolving Retail Exposures	9,010,213	-	-	-
c) Hire Purchase Exposures	56,009,215	-	-	-
d) Other Retail Exposures	74,562,794	-	-	-
Defaulted Exposures	9,946,020	-	12,668	879,206
Total On-Balance Sheet Exposures	512,558,933	37,983,930	5,362,488	47,881,435
<u>Off-Balance Sheet Exposures</u>				
OTC Derivatives	12,359,022	997,302	1,006,091	3,924,740
Off-balance sheet exposures other than OTC derivatives or credit derivatives	83,941,061	-	2,974,110	25,826
Defaulted Exposures	206,150	-	5,225	11,576
Total Off-Balance Sheet Exposures	96,506,233	997,302	3,985,426	3,962,142
Total On and Off-Balance Sheet Exposures	609,065,166	38,981,232	9,347,914	51,843,577

CREDIT RISK**Table 33: Disclosure on Credit Risk Mitigation Analysis (IRB Approach) for Maybank**

Exposure Class	Exposures before CRM RM'000	Exposures Covered by Guarantees/ Credit Derivatives RM'000	Exposures Covered by Eligible Financial Collateral RM'000	Exposures Covered by Other Eligible Collateral RM'000
As at 31.12.2021				
<u>On-Balance Sheet Exposures</u>				
Public Sector Entities	17,053,270	15,400,838	1,151,938	–
Banks, Development Financial Institutions & MDBs	52,933,640	242,587	–	–
Corporate Exposures	152,005,905	11,151,291	2,036,428	33,563,844
a) Corporates (excluding Specialised Lending and firm-size adjustment)	120,689,101	10,876,980	1,100,709	20,930,874
b) Corporates (with firm-size adjustment)	27,009,729	230,148	935,719	12,617,613
c) Specialised Lending (Own PD Approach)				
– Project Finance	3,814,650	44,163	–	15,357
d) Specialised Lending (Slotting Approach)				
– Project Finance	492,425	–	–	–
Retail Exposures	69,159,820	–	–	–
a) Residential Mortgages	33,338,863	–	–	–
b) Qualifying Revolving Retail Exposures	5,164,396	–	–	–
c) Hire Purchase Exposures	5,852,880	–	–	–
d) Other Retail Exposures	24,803,681	–	–	–
Defaulted Exposures	9,067,496	–	–	–
Total On-Balance Sheet Exposures	300,220,131	26,794,716	3,188,366	33,563,844
<u>Off-Balance Sheet Exposures</u>				
OTC Derivatives	10,906,000	–	630,991	–
Off-balance sheet exposures other than OTC derivatives or credit derivatives	53,236,755	1,623,726	1,563,054	3,154,135
Defaulted Exposures	794,301	–	8,090	478,779
Total Off-Balance Sheet Exposures	64,937,056	1,623,726	2,202,135	3,632,914
Total On and Off-Balance Sheet Exposures	365,157,187	28,418,442	5,390,501	37,196,758
As at 31.12.2020				
<u>On-Balance Sheet Exposures</u>				
Public Sector Entities	18,547,766	15,723,332	1,217,400	–
Banks, Development Financial Institutions & MDBs	36,575,801	10,128	–	–
Corporate Exposures	149,077,025	13,762,113	1,786,472	31,000,239
a) Corporates (excluding Specialised Lending and firm-size adjustment)	115,579,587	13,178,397	712,457	16,620,530
b) Corporates (with firm-size adjustment)	29,974,191	531,483	1,074,015	14,364,352
c) Specialised Lending (Own PD Approach)				
– Project Finance	2,891,431	52,233	–	15,357
d) Specialised Lending (Slotting Approach)				
– Project Finance	631,816	–	–	–
Retail Exposures	69,267,171	–	–	–
a) Residential Mortgages	31,317,620	–	–	–
b) Qualifying Revolving Retail Exposures	5,156,688	–	–	–
c) Hire Purchase Exposures	7,427,098	–	–	–
d) Other Retail Exposures	25,365,765	–	–	–
Defaulted Exposures	6,203,517	–	7,229	560,203
Total On-Balance Sheet Exposures	279,671,280	29,495,573	3,011,101	31,560,442
<u>Off-Balance Sheet Exposures</u>				
OTC Derivatives	12,254,567	–	1,097,620	–
Off-balance sheet exposures other than OTC derivatives or credit derivatives	53,342,158	556,793	2,258,219	3,306,080
Defaulted Exposures	164,690	–	3,127	11,124
Total Off-Balance Sheet Exposures	65,761,415	556,793	3,358,966	3,317,204
Total On and Off-Balance Sheet Exposures	345,432,695	30,052,366	6,370,067	34,877,646

CREDIT RISK

Table 34: Disclosure on Credit Risk Mitigation Analysis (IRB Approach) for Maybank Islamic

Exposure Class	Exposures before CRM RM'000	Exposures Covered by Guarantees/ Credit Derivatives RM'000	Exposures Covered by Eligible Financial Collateral RM'000	Exposures Covered by Other Eligible Collateral RM'000
As at 31.12.2021				
<u>On-Balance Sheet Exposures</u>				
Public Sector Entities	20,415,679	18,314,996	1,151,989	55,790
Banks, Development Financial Institutions & MDBs	9,491,893	20,285	200,000	-
Corporate Exposures	58,258,613	8,350,703	816,097	12,822,384
a) Corporates (excluding Specialised Lending and firm-size adjustment)	41,130,767	8,014,196	336,302	4,837,193
b) Corporates (with firm-size adjustment)	15,626,235	336,507	479,795	7,958,691
c) Specialised Lending (Own PD Approach)				
- Project Finance	1,477,766	-	-	26,500
d) Specialised Lending (Slotting Approach)				
- Project Finance	23,845	-	-	-
Retail Exposures	153,780,406	-	-	-
a) Residential Mortgages	49,825,115	-	-	-
b) Qualifying Revolving Retail Exposures	2,358,364	-	-	-
c) Hire Purchase Exposures	41,860,490	-	-	-
d) Other Retail Exposures	59,736,437	-	-	-
Defaulted Exposures	5,976,306	-	643	129,481
Total On-Balance Sheet Exposures	247,922,897	26,685,984	2,168,729	13,007,655
<u>Off-Balance Sheet Exposures</u>				
OTC Derivatives	483,280	-	-	-
Off-balance sheet exposures other than OTC derivatives or credit derivatives	25,901,610	2,086,155	435,156	766,532
Defaulted Exposures	187,232	-	6,803	-
Total Off-Balance Sheet Exposures	26,572,122	2,086,155	441,959	766,532
Total On and Off-Balance Sheet Exposures	274,495,019	28,772,139	2,610,688	13,774,187
As at 31.12.2020				
<u>On-Balance Sheet Exposures</u>				
Public Sector Entities	19,233,688	16,517,654	1,217,400	-
Banks, Development Financial Institutions & MDBs	2,258,467	20,285	200,000	-
Corporate Exposures	56,309,813	8,147,455	832,864	11,080,946
a) Corporates (excluding Specialised Lending and firm-size adjustment)	41,177,625	7,848,365	232,269	3,822,950
b) Corporates (with firm-size adjustment)	14,186,761	291,673	600,595	7,257,996
c) Specialised Lending (Own PD Approach)				
- Project Finance	925,342	7,417	-	-
d) Specialised Lending (Slotting Approach)				
- Project Finance	20,085	-	-	-
Retail Exposures	141,289,810	-	-	-
a) Residential Mortgages	45,112,848	-	-	-
b) Qualifying Revolving Retail Exposures	2,261,406	-	-	-
c) Hire Purchase Exposures	39,390,049	-	-	-
d) Other Retail Exposures	54,525,507	-	-	-
Defaulted Exposures	2,593,415	-	1,942	184,381
Total On-Balance Sheet Exposures	221,685,193	24,685,394	2,252,206	11,265,327
<u>Off-Balance Sheet Exposures</u>				
OTC Derivatives	608,460	-	-	-
Off-balance sheet exposures other than OTC derivatives or credit derivatives	23,285,234	852,967	539,883	542,539
Defaulted Exposures	17,768	-	2,098	452
Total Off-Balance Sheet Exposures	23,911,462	852,967	541,981	542,991
Total On and Off-Balance Sheet Exposures	245,596,655	25,538,361	2,794,187	11,808,318

CREDIT RISK**SECURITISATION EXPOSURES**

The Group does not actively engage in securitisation activities which are driven by strategic considerations including credit risk transfer. As such, the Group currently does not originate any securitisation, nor does it provide facilities and services for securitisation. Instead, the Group is involved in the investment of securities which include the purchase of securitised bonds in the secondary markets. These are primarily legacy exposures that are being held in the banking book. Similar to non-securitised assets, these securitisation exposures are governed by and managed in accordance to credit risk and market risk policies. The valuation of our investment in securitisation exposures mainly focuses on quotations from external parties.

Table 35 shows the securitisation exposures under the Standardised Approach for the Group and the Bank.

Table 35: Disclosure on Securitisation under the Standardised Approach for Maybank Group and Maybank

Type of Securitisation Exposures	Exposures after CRM RM'000	Risk-Weights of Securitisation Exposures 20%	RWA RM'000
As at 31.12.2021			
Originated by Third Party			
On Balance Sheet Exposure	20,075	20,075	4,015
TOTAL (TRADITIONAL SECURITISATION)	20,075	20,075	4,015
As at 31.12.2020			
Originated by Third Party			
On Balance Sheet Exposure	20,073	20,073	4,015
TOTAL (TRADITIONAL SECURITISATION)	20,073	20,073	4,015

CREDIT EXPOSURES SUBJECT TO STANDARDISED APPROACH

The Standardised Approach is applied to portfolios that are classified as permanently exempted from the IRB Approach, and those portfolios that are currently in transition to the IRB Approach.

The Standardised Approach measures credit risk pursuant to fixed risk-weights and is the least sophisticated of the capital calculation methodologies. The risk-weights applied under Standardised Approach are prescribed by BNM and is based on the asset class to which the exposure is assigned. For exposures subject to Standardised Approach, approved External Credit Assessment Institutions ("ECAI") ratings and the prescribed risk-weights based on asset classes are used in the computation of regulatory capital.

The ECAI used by the Group include Fitch Ratings, Moody's Investor Services, S&P, RAM, Malaysia Rating Corporation ("MARC") and Rating & Investment Inc. Assessments provided by approved ECAIs are mapped to credit quality grades prescribed by the regulator.

Table 36 shows the risk-weights applicable for Banking Institutions and Corporates under the Standardised Approach.

Table 36: Risk-Weights under Standardised Approach

Rating Category	S&P	Moody's	Fitch	RAM	MARC	Rating & Investment Inc.
1	AAA to AA-	Aaa to Aa3	AAA to AA-	AAA to AA3	AAA to AA-	AAA to AA-
2	A+ to A-	A1 to A3	A+ to A-	A+ to A3	A+ to A-	A+ to A-
3	BBB+ to BB-	Baa1 to Ba3	BBB+ to BB-	BBB1 to BB3	BBB+ to BB-	BBB+ to BB-
4	B+ and below	B1 to below	B+ and below	B1 and below	B+ and below	B+ and below
5			Unrated			

Table 37 shows the risk-weights applicable for Banking Institutions and Corporates under the Standardised Approach for Short-term ratings.

Table 37: Risk-Weights under Standardised Approach for Short-Term Ratings

Rating Category	S&P	Moody's	Fitch	RAM	MARC	Rating & Investment Inc.
1	A-1	P-1	F1+, F1	P-1	MARC-1	a-1+, a-1
2	A-2	P-2	F2	P-2	MARC-2	a-2
3	A-3	P-3	F3	P-3	MARC-3	a-3
4	Others	Others	B to D	NP	MARC-4	b, c
5			Unrated			

CREDIT RISK

Tables 38 to 40 show the disclosure on risk-weights under Standardised Approach for the Group, the Bank and Maybank Islamic, respectively. Tables 41 to 43 further show the rated exposures by ECAs for the Group, the Bank and Maybank Islamic, respectively.

Table 38: Disclosure on Credit Risk – Disclosure on Risk-Weights under the Standardised Approach for Maybank Group

Risk-Weights	Exposures after Netting and Credit Risk Mitigation											Total Exposures after Netting & Credit Risk Mitigation*	Total Risk Weighted Assets*
	Sovereigns & Central Banks RM'000	PSEs RM'000	Banks, MDBs & FDI's RM'000	Insurance Cos, Securities Firms & Fund Managers RM'000	Corporates RM'000	Regulatory Retail RM'000	Residential Mortgages RM'000	Higher Risk Assets RM'000	Other Assets RM'000	Securitisation RM'000	Equity RM'000		
As at 31.12.2021													
0%	149,747,070	-	476,609	-	466,061	-	-	-	6,532,470	-	-	157,222,210	-
20%	1,634,621	3,204,696	1,882,570	697,440	605,424	-	-	-	1,188,133	-	-	9,212,884	1,842,577
35%	-	-	-	-	-	-	1,805,615	-	-	-	-	1,805,615	631,965
50%	6,676,680	143,009	154,127	-	128,646	24,952	150,970	-	-	-	-	7,278,384	3,639,191
75%	-	-	-	-	-	20,940,367	4,846	-	-	-	-	20,945,213	15,708,910
100%	1,204,412	574,472	-	1,250,051	16,380,098	1,487,224	56,840	-	7,989,690	164,020	-	29,106,807	29,106,807
150%	442,005	-	-	1	242,450	218,442	-	2,859	7,101	184,563	-	1,097,421	1,646,132
Total	159,704,788	3,922,177	2,513,306	1,947,492	17,822,679	22,670,985	2,018,271	2,859	15,717,394	20,075	348,583	226,668,534*	52,575,582*
As at 31.12.2020													
0%	134,748,160	-	768,859	-	467,344	-	-	-	6,312,870	-	-	142,297,233	-
20%	5,197,302	4,060,336	1,747,419	-	420,554	-	-	-	1,330,209	-	-	12,755,820	2,551,164
35%	-	-	-	-	-	-	1,856,053	-	-	-	-	1,856,053	649,619
50%	7,637,813	131,466	151,868	-	300,272	22,756	197,618	-	-	-	-	8,441,793	4,220,896
75%	-	-	-	-	-	20,310,657	554,389	-	-	-	-	20,865,046	15,648,784
100%	1,056,715	176,029	-	855,561	16,974,789	1,451,266	53,855	-	6,537,271	180,870	-	27,286,356	27,286,357
150%	431,933	-	-	-	805,137	497,732	425	56,691	9,836	168,536	-	1,970,290	2,955,437
Total	149,071,923	4,367,831	2,668,146	855,561	18,968,096	22,282,411	2,662,340	56,691	14,190,186	20,073	349,406	215,472,591*	53,312,257*

* Total Exposures after netting & credit risk mitigation and risk-weighted assets do not include securitisation.

Table 39: Disclosure on Credit Risk – Disclosure on Risk-Weights under the Standardised Approach for Maybank

Risk-Weights	Exposures after Netting and Credit Risk Mitigation											Total Exposures after Netting & Credit Risk Mitigation*	Total Risk Weighted Assets*
	Sovereigns & Central Banks RM'000	PSEs RM'000	Banks, MDBs & FDI's RM'000	Insurance Cos, Securities Firms & Fund Managers RM'000	Corporates RM'000	Regulatory Retail RM'000	Residential Mortgages RM'000	Higher Risk Assets RM'000	Other Assets RM'000	Securitisation RM'000	Equity RM'000		
As at 31.12.2021													
0%	87,737,729	-	476,609	-	36,921	-	-	-	4,479,813	-	-	92,731,072	-
20%	1,403,495	2,695,794	528,008	697,440	604,239	-	-	-	233,892	-	-	6,162,868	1,232,574
35%	-	-	-	-	-	-	1,065,460	-	-	-	-	1,065,460	372,911
50%	2,192,716	143,009	-	-	127,116	318	94,229	-	-	-	-	2,557,388	1,278,693
75%	-	-	-	-	-	1,281,213	2,217	-	-	-	-	1,283,430	962,572
100%	258,674	507,343	-	862,800	11,543,154	197,010	26,996	-	3,246,947	162,138	-	16,805,062	16,805,063
150%	442,005	-	-	1	188,847	5,045	-	32	-	175,555	-	811,485	1,217,228
Total	92,034,619	3,346,146	1,004,617	1,560,241	12,500,277	1,483,586	1,188,902	32	7,960,652	20,075	337,693	121,416,765*	21,869,041*
As at 31.12.2020													
0%	78,835,948	-	554,791	-	36,573	-	-	-	4,639,277	-	-	84,066,589	-
20%	5,108,224	3,228,055	402,881	-	420,554	-	-	-	567,197	-	-	9,726,911	1,945,382
35%	-	-	-	-	-	-	1,046,461	-	-	-	-	1,046,461	366,261
50%	2,815,100	131,466	-	-	296,324	611	137,112	-	-	-	-	3,380,613	1,690,306
75%	-	-	-	-	-	1,422,368	6,382	-	-	-	-	1,428,750	1,071,562
100%	77,279	114,175	-	395,197	12,387,660	200,559	25,073	-	3,313,801	178,568	-	16,692,312	16,692,313
150%	431,933	-	-	-	773,942	6,290	-	30	-	164,491	-	1,376,686	2,065,031
Total	87,268,484	3,473,696	957,672	395,197	13,915,053	1,629,828	1,215,028	30	8,520,275	20,073	343,059	117,718,322*	23,830,855*

* Total exposures after netting & credit risk mitigation and risk-weighted assets do not include securitisation.

CREDIT RISK

Table 40: Disclosure on Credit Risk – Disclosure on Risk-Weights under the Standardised Approach for Maybank Islamic

Risk-Weights	Exposures after Netting and Credit Risk Mitigation									Total Exposures after Netting & Credit Risk Mitigation RM'000	Total Risk Weighted Assets RM'000
	Sovereigns & Central Banks RM'000	PSEs RM'000	Insurance Cos, Securities Firms & Fund Managers RM'000	Corporates RM'000	Regulatory Retail RM'000	Residential Mortgages RM'000	Higher Risk Assets RM'000	Other Assets RM'000	Equity RM'000		
As at 31.12.2021											
0%	33,446,430	-	-	429,139	-	-	-	741,605	-	34,617,174	-
20%	-	22,011	-	1,185	-	-	-	928,267	-	951,463	190,294
35%	-	-	-	-	-	617,269	-	-	-	617,269	216,044
50%	-	-	-	-	1,589	36,256	-	-	-	37,845	18,922
75%	-	-	-	-	406,423	1,759	-	-	-	408,182	306,136
100%	-	67,129	6,030	456,037	796,756	14,925	-	116,777	-	1,457,654	1,457,653
150%	-	-	-	796	16	-	36	-	1,250	2,098	3,148
Total	33,446,430	89,140	6,030	887,157	1,204,784	670,209	36	1,786,649	1,250	38,091,685	2,192,197
As at 31.12.2020											
0%	27,215,045	-	-	430,770	-	-	-	605,473	-	28,251,288	-
20%	41,077	71,605	-	-	-	-	-	743,321	-	856,003	171,201
35%	-	-	-	-	-	588,281	-	-	-	588,281	205,898
50%	-	-	-	-	-	36,947	-	-	-	36,947	18,474
75%	-	-	-	-	428,469	2,030	-	-	-	430,499	322,874
100%	-	61,854	7,434	1,020,504	872,781	8,220	-	277,062	-	2,247,855	2,247,854
150%	-	-	-	1,231	2	-	36	-	1,250	2,519	3,779
Total	27,256,122	133,459	7,434	1,452,505	1,301,252	635,478	36	1,625,856	1,250	32,413,392	2,970,080

Table 41: Disclosure on Rated Exposures according to Ratings by ECAs for Maybank Group

Exposure Class	Rating Categories					Total RM'000
	1 RM'000	2 RM'000	3 RM'000	4 RM'000	5 RM'000	
As at 31.12.2021						
On and Off-Balance Sheet Exposures						
Rated Exposures						
A) <u>Ratings of Corporate:</u>						
Public Sector Entities	-	3,204,696	143,009	-	574,472	3,922,177
Insurance Cos, Securities Firms & Fund Managers	-	697,440	-	1	1,250,051	1,947,492
Corporates	466,061	605,424	128,646	242,450	16,380,098	17,822,679
B) <u>Ratings of Sovereigns and Central Banks:</u>						
Sovereigns and Central Banks	149,747,070	1,634,621	6,676,680	442,005	1,204,413	159,704,789
C) <u>Ratings of Banking Institutions:</u>						
Banks, MDBs and FDIs	476,609	1,882,570	154,127	-	-	2,513,306
Total Exposures	150,689,740	8,024,751	7,102,462	684,456	19,409,034	185,910,443
As at 31.12.2020 (Restated)						
On and Off-Balance Sheet Exposures						
Rated Exposures						
A) <u>Ratings of Corporate:</u>						
Public Sector Entities	-	4,060,336	131,466	-	176,029	4,367,831
Insurance Cos, Securities Firms & Fund Managers	-	-	-	-	855,561	855,561
Corporates	467,344	420,554	300,272	805,137	16,974,789	18,968,096
B) <u>Ratings of Sovereigns and Central Banks:</u>						
Sovereigns and Central Banks	134,748,160	5,197,302	7,637,813	431,933	1,056,715	149,071,923
C) <u>Ratings of Banking Institutions:</u>						
Banks, MDBs and FDIs	768,859	1,747,419	151,868	-	-	2,668,146
Total Exposures	135,984,363	11,425,611	8,221,419	1,237,070	19,063,094	175,931,557

CREDIT RISK

Table 42: Disclosure on Rated Exposures according to Ratings by ECAs for Maybank

Exposure Class	Rating Categories					Total RM'000
	1 RM'000	2 RM'000	3 RM'000	4 RM'000	5 RM'000	
As at 31.12.2021						
On and Off-Balance Sheet Exposures						
Rated Exposures						
A) <u>Ratings of Corporate:</u>						
Public Sector Entities	-	2,695,794	143,009	-	507,343	3,346,146
Insurance Cos, Securities Firms & Fund Managers	-	697,440	-	1	862,800	1,560,241
Corporates	36,921	604,239	127,116	188,847	11,543,154	12,500,277
B) <u>Ratings of Sovereigns and Central Banks:</u>						
Sovereigns and Central Banks	87,737,729	1,403,495	2,192,716	442,005	258,674	92,034,619
C) <u>Ratings of Banking Institutions:</u>						
Banks, MDBs and FDIs	476,609	528,008	-	-	-	1,004,617
Total Exposures	88,251,259	5,928,976	2,462,841	630,853	13,171,971	110,445,900
As at 31.12.2020						
On and Off-Balance Sheet Exposures						
Rated Exposures						
A) <u>Ratings of Corporate:</u>						
Public Sector Entities	-	3,228,055	131,466	-	114,175	3,473,696
Insurance Cos, Securities Firms & Fund Managers	-	-	-	-	395,197	395,197
Corporates	36,573	420,554	296,324	773,942	12,387,660	13,915,053
B) <u>Ratings of Sovereigns and Central Banks:</u>						
Sovereigns and Central Banks	78,835,948	5,108,224	2,815,100	431,933	77,279	87,268,484
C) <u>Ratings of Banking Institutions:</u>						
Banks, MDBs and FDIs	554,791	402,881	-	-	-	957,672
Total Exposures	79,427,312	9,159,714	3,242,890	1,205,875	12,974,311	106,010,102

Table 43: Disclosure on Rated Exposures according to Ratings by ECAs for Maybank Islamic

Exposure Class	Rating Categories					Total RM'000
	1 RM'000	2 RM'000	3 RM'000	4 RM'000	5 RM'000	
As at 31.12.2021						
On and Off Balance-Sheet Exposures						
Rated Exposures						
A) <u>Ratings of Corporate:</u>						
Public Sector Entities	-	22,011	-	-	67,129	89,140
Insurance Cos, Securities Firms & Fund Managers	-	-	-	-	6,030	6,030
Corporates	429,139	1,185	-	796	456,037	887,157
B) <u>Ratings of Sovereigns and Central Banks:</u>						
Sovereigns and Central Banks	33,446,430	-	-	-	-	33,446,430
Total Exposures	33,875,569	23,196	-	796	529,196	34,428,757
As at 31.12.2020						
On and Off-Balance Sheet Exposures						
Rated Exposures						
A) <u>Ratings of Corporate:</u>						
Public Sector Entities	-	71,605	-	-	61,854	133,459
Insurance Cos, Securities Firms & Fund Managers	-	-	-	-	7,434	7,434
Corporates	430,770	-	-	1,231	1,020,504	1,452,505
B) <u>Ratings of Sovereigns and Central Banks:</u>						
Sovereigns and Central Banks	27,215,045	41,077	-	-	-	27,256,122
Total Exposures	27,645,815	112,682	-	1,231	1,089,792	28,849,520

CREDIT RISK

COUNTERPARTY CREDIT RISK

Counterparty credit risk is the risk arising from the possibility that a counterparty may default on current and future payments as required by contracts for treasury-related activities.

Counterparty credit risk originates from the Group's lending business, as well as investment and treasury activities that impact the Group's trading and banking books through dealings in foreign exchange, money market instruments, fixed income securities, commodities, equities and over-the-counter derivatives. The primary distinguishing feature of counterparty credit risk compared to other forms of credit risk is that the future value of the underlying contract is uncertain, and may be either positive or negative depending on the value of all future cash flows.

Limits

Counterparty credit risk exposures are managed via counterparty limits either on a single counterparty basis or on counterparty group basis, predicated on BNM's Single Counterparty Exposure Limits ("SCEL"). The Group actively monitors and manages its exposures to ensure that exposures to a single counterparty group are within prudent limits at all times. Counterparty credit risk exposures may be materially affected by market risk events. The Group has in place dedicated teams to promptly identify, review, and prescribe appropriate actions to the respective risk committees.

Credit Risk Exposure Treatment

For on-balance sheet exposures, the Group employs risk treatments in accordance with BNM and Basel II guidelines. For off-balance sheet exposures, the Group measures credit risk using Credit Risk Equivalent via the Current Exposure Method. This method calculates the Group's credit risk exposure after considering both the mark-to-market exposures and the appropriate add-on factors for potential future exposures. The add-on factors employed are in accordance with BNM's guidelines and Basel II requirements.

Counterparty Credit Risk Mitigation

The Group typically engages with entities of strong credit quality and utilises a comprehensive approach of limit setting by trade, counterparty and portfolio levels to diversify exposures across different counterparties. As a secondary recourse, the Group adopts credit risk mitigation methods using collateral netting with counterparties, where appropriate.

Counterparty credit risk exposures in derivatives are mitigated via master netting arrangements i.e. the International Swaps and Derivatives Association ("ISDA") Master Agreement which provides for settlement netting with counterparties, where possible.

The master agreement governs all transactions between the Group and counterparty, and enables the netting of outstanding obligations upon termination of outstanding transactions should an event of default or other predetermined events occur.

In certain cases, the Group may request for further mitigation by entering into a Credit Support Annex ("CSA") agreement with approved ISDA counterparties. This provides collateral margining in order to mitigate counterparty credit risk exposures.

Tables 44 to 46 show the off-balance sheet and counterparty credit risk exposures for the Group, the Bank and Maybank Islamic, respectively.

CREDIT RISK

Table 44: Disclosure on Off-Balance Sheet and Counterparty Credit Risk Exposure for Maybank Group

Nature of Item	Principal/ Notional Amount RM'000	Credit Equivalent Amount RM'000	RWA RM'000
As at 31.12.2021			
Direct credit substitutes	9,619,014	9,619,014	6,400,730
Transaction related contingent items	14,356,458	7,262,583	4,741,385
Short-term self-liquidating trade-related contingencies	4,437,537	890,772	645,486
Forward asset purchases, forward deposits, partly paid shares and securities which represent commitments with certain drawdowns	-	-	-
Lending of banks' securities or the posting of securities as collateral by banks, including instances where these arise out of repo-style transactions (i.e. repurchase/reverse repurchase and securities lending/borrowing transactions), and commitment to buy-back Islamic securities under Sell and Buy-Back	7,426,251	650,577	372,009
Foreign exchange related contracts	186,432,577	4,681,110	1,451,601
- One year or less	175,468,785	3,548,607	789,989
- Over one year to five years	7,668,366	712,122	449,958
- Over five years	3,295,426	420,381	211,654
Interest/profit rate related contracts	26,862,234	1,146,998	960,971
- One year or less	8,736,856	85,108	62,203
- Over one year to five years	14,656,667	442,674	310,545
- Over five years	3,468,711	619,216	588,223
Equity related contracts	1,561,612	176,767	33,474
- One year or less	1,561,612	176,767	33,474
- Over one year to five years	-	-	-
- Over five years	-	-	-
Commodity contracts	9,877,290	496,031	219,738
- One year or less	6,478,403	327,273	145,204
- Over one year to five years	3,398,887	168,758	74,534
- Over five years	-	-	-
OTC derivative transactions and credit derivative contracts subject to valid bilateral netting agreements	324,697,006	5,522,096	2,492,677
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	74,811,194	59,103,741	27,255,730
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	2,656,275	1,339,234	933,453
Any commitments that are unconditionally cancellable at any time by the bank without prior notice or that effectively provide for automatic cancellation due to deterioration in a borrower's creditworthiness	98,589,506	11,822,979	2,925,894
Unutilised credit card lines (for portfolios under the Standardised Approach subject to 20% CCF)	475,132	95,026	71,741
Total	761,802,086	102,806,928	48,504,889

CREDIT RISK**Table 44: Disclosure on Off-Balance Sheet and Counterparty Credit Risk Exposure for Maybank Group (cont'd.)**

Nature of Item	Principal/ Notional Amount RM'000	Credit Equivalent Amount RM'000	RWA RM'000
As at 31.12.2020			
Direct credit substitutes	9,412,841	9,408,679	6,667,779
Transaction related contingent items	13,650,720	6,901,117	4,717,191
Short-term self-liquidating trade-related contingencies	3,563,263	715,672	419,682
Forward asset purchases, forward deposits, partly paid shares and securities which represent commitments with certain drawdowns	-	-	-
Lending of banks' securities or the posting of securities as collateral by banks, including instances where these arise out of repo-style transactions (i.e. repurchase/reverse repurchase and securities lending/borrowing transactions), and commitment to buy-back Islamic securities under Sell and Buy-Back	11,582,593	986,226	371,132
Foreign exchange related contracts	249,913,576	7,636,505	1,865,770
- One year or less	239,306,373	6,498,844	1,033,962
- Over one year to five years	7,636,223	779,457	565,712
- Over five years	2,970,980	358,204	266,096
Interest/profit rate related contracts	18,696,319	1,544,654	1,254,134
- One year or less	2,528,495	27,858	19,632
- Over one year to five years	12,258,452	630,491	516,702
- Over five years	3,909,372	886,305	717,800
Equity related contracts	660,561	96,463	34,850
- One year or less	660,561	96,463	34,850
- Over one year to five years	-	-	-
- Over five years	-	-	-
Commodity contracts	710,360	126,783	69,233
- One year or less	676,074	114,634	57,263
- Over one year to five years	34,286	12,149	11,970
- Over five years	-	-	-
OTC derivative transactions and credit derivative contracts subject to valid bilateral netting agreements	389,340,330	6,460,968	2,272,155
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	71,093,480	55,482,054	26,617,515
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	3,839,207	2,202,630	1,513,309
Any commitments that are unconditionally cancellable at any time by the bank without prior notice or that effectively provide for automatic cancellation due to deterioration in a borrower's creditworthiness	100,207,981	11,508,652	2,977,125
Unutilised credit card lines (for portfolios under the Standardised Approach subject to 20% CCF)	477,450	95,486	72,535
Total	873,148,681	103,165,889	48,852,410

CREDIT RISK

Table 45: Disclosure on Off-Balance Sheet and Counterparty Credit Risk Exposure for Maybank

Nature of Item	Principal/ Notional Amount RM'000	Credit Equivalent Amount RM'000	RWA RM'000
As at 31.12.2021			
Direct credit substitutes	6,834,520	6,834,520	4,452,694
Transaction related contingent items	10,782,666	5,453,689	3,494,294
Short-term self-liquidating trade-related contingencies	3,193,014	639,758	474,809
Forward asset purchases, forward deposits, partly paid shares and securities which represent commitments with certain drawdowns	-	-	-
Lending of banks' securities or the posting of securities as collateral by banks, including instances where these arise out of repo-style transactions (i.e. repurchase/reverse repurchase and securities lending/borrowing transactions), and commitment to buy-back Islamic securities under Sell and Buy-Back	24,443,213	923,855	426,129
Foreign exchange related contracts	168,230,499	4,039,358	1,111,660
- One year or less	160,732,341	3,245,752	675,615
- Over one year to five years	5,244,647	501,040	295,457
- Over five years	2,253,511	292,566	140,588
Interest/profit rate related contracts	17,853,802	977,887	825,870
- One year or less	4,153,280	25,501	24,849
- Over one year to five years	10,237,511	333,455	213,047
- Over five years	3,463,011	618,931	587,974
Equity related contracts	-	-	-
- One year or less	-	-	-
- Over one year to five years	-	-	-
- Over five years	-	-	-
Commodity contracts	9,877,290	496,031	219,738
- One year or less	6,478,403	327,273	145,204
- Over one year to five years	3,398,887	168,758	74,534
- Over five years	-	-	-
OTC derivative transactions and credit derivative contracts subject to valid bilateral netting agreements	350,584,945	6,195,057	2,674,649
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	47,136,382	35,418,448	18,005,342
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	2,078,047	990,356	630,466
Any commitments that are unconditionally cancellable at any time by the bank without prior notice or that effectively provide for automatic cancellation due to deterioration in a borrower's creditworthiness	46,890,185	5,469,265	868,530
Unutilised credit card lines (for portfolios under the Standardised Approach subject to 20% CCF)	20,338	4,068	3,095
Total	687,924,901	67,442,292	33,187,276

CREDIT RISK**Table 45: Disclosure on Off-Balance Sheet and Counterparty Credit Risk Exposure for Maybank (cont'd.)**

Nature of Item	Principal/ Notional Amount RM'000	Credit Equivalent Amount RM'000	RWA RM'000
As at 31.12.2020			
Direct credit substitutes	6,045,291	6,041,129	3,990,003
Transaction related contingent items	10,826,902	5,475,238	3,806,228
Short-term self-liquidating trade-related contingencies	2,383,895	478,043	223,572
Forward asset purchases, forward deposits, partly paid shares and securities which represent commitments with certain drawdowns	-	-	-
Lending of banks' securities or the posting of securities as collateral by banks, including instances where these arise out of repo-style transactions (i.e. repurchase/reverse repurchase and securities lending/borrowing transactions), and commitment to buy-back Islamic securities under Sell and Buy-Back	38,000,000	1,855,264	545,148
Foreign exchange related contracts	239,552,025	7,080,746	1,412,959
- One year or less	230,712,843	6,221,330	881,412
- Over one year to five years	6,963,799	631,202	397,292
- Over five years	1,875,383	228,214	134,255
Interest/profit rate related contracts	14,537,507	1,361,656	1,081,101
- One year or less	2,048,124	27,174	19,117
- Over one year to five years	8,593,860	448,925	344,838
- Over five years	3,895,523	885,557	717,146
Equity related contracts	70,590	5,348	-
- One year or less	70,590	5,348	-
- Over one year to five years	-	-	-
- Over five years	-	-	-
Commodity contracts	710,360	126,783	69,233
- One year or less	676,074	114,634	57,263
- Over one year to five years	34,286	12,149	11,970
- Over five years	-	-	-
OTC derivative transactions and credit derivative contracts subject to valid bilateral netting agreements	412,047,830	6,886,490	2,357,158
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	46,260,629	34,888,721	18,252,090
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	2,981,086	1,631,117	1,010,753
Any commitments that are unconditionally cancellable at any time by the bank without prior notice or that effectively provide for automatic cancellation due to deterioration in a borrower's creditworthiness	48,281,908	5,318,584	882,304
Unutilised credit card lines (for portfolios under the Standardised Approach subject to 20% CCF)	28,045	5,609	4,726
Total	821,726,068	71,154,728	33,635,275

CREDIT RISK

Table 46: Disclosure on Off-Balance Sheet and Counterparty Credit Risk Exposure for Maybank Islamic

Nature of Item	Principal/ Notional Amount RM'000	Credit Equivalent Amount RM'000	RWA RM'000
As at 31.12.2021			
Direct credit substitutes	2,236,690	2,236,690	1,589,255
Transaction related contingent items	3,202,225	1,623,110	1,120,828
Short-term self-liquidating trade-related contingencies	500,796	102,269	39,713
Foreign exchange related contracts	5,040,170	256,770	127,783
– One year or less	3,223,268	65,914	27,980
– Over one year to five years	774,987	63,042	28,737
– Over five years	1,041,915	127,814	71,066
Interest/profit rate related contracts	1,857,485	51,123	51,361
– One year or less	–	–	–
– Over one year to five years	1,857,485	51,123	51,361
– Over five years	–	–	–
OTC derivative transactions and credit derivative contracts subject to valid bilateral netting agreements	28,846,916	238,931	66,199
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	25,259,614	20,641,532	8,367,833
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	4,916	4,916	2,714
Any commitments that are unconditionally cancellable at any time by the bank without prior notice or that effectively provide for automatic cancellation due to deterioration in a borrower's creditworthiness	7,271,789	1,488,470	260,246
Unutilised credit card lines (for portfolios under the Standardised Approach subject to 20% CCF)	456	91	91
Total	74,221,057	26,643,902	11,626,023
As at 31.12.2020			
Direct credit substitutes	2,786,746	2,786,746	2,258,338
Transaction related contingent items	2,464,332	1,246,136	778,165
Short-term self-liquidating trade-related contingencies	162,041	34,164	15,170
Foreign exchange related contracts	3,909,622	265,052	267,134
– One year or less	1,051,975	23,177	23,196
– Over one year to five years	1,762,050	111,886	112,097
– Over five years	1,095,597	129,989	131,841
Interest/profit rate related contracts	922,827	81,942	90,733
– One year or less	–	–	–
– Over one year to five years	922,827	81,942	90,733
– Over five years	–	–	–
OTC derivative transactions and credit derivative contracts subject to valid bilateral netting agreements	28,336,051	330,457	105,670
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	22,305,468	17,979,661	7,763,819
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	–	–	–
Any commitments that are unconditionally cancellable at any time by the bank without prior notice or that effectively provide for automatic cancellation due to deterioration in a borrower's creditworthiness	6,708,714	1,388,834	261,485
Unutilised credit card lines (for portfolios under the Standardised Approach subject to 20% CCF)	–	–	–
Total	67,595,801	24,112,992	11,540,514

COUNTRY RISK

Country risk is the risk arising from changes in various political, financial or economic factors that may adversely cause a counterparty to default on their obligations.

Limits for countries are set based on the country's credit rating, as well as strategic business considerations.

MARKET RISK

Market risk is defined as the risk of loss or adverse impact on earnings or capital arising from fluctuations of market rates or prices such as interest rates/profit rates, foreign exchange rates, commodity prices and equity prices.

The Group manages market risk of its trading and non-trading/banking activities by using a variety of measurement techniques and controls.

TRADED MARKET RISK

The Group's traded market risk exposures are primarily from proprietary trading, flow trading and market making. The risk measurement techniques employed by the Group comprise both quantitative and qualitative measures.

The trading book portfolio is governed by trading book policies and procedures, along with trading limits that includes Value-at-Risk ("VaR") and risk sensitive measures.

VaR measures the potential loss of value resulting from market movements over a specified period of time within a specified probability of occurrence. The methodology is based on historical simulation, at a 99.2% confidence level using a 1-day holding period. The VaR model is backtested regularly to evaluate its performance and accuracy. In addition, the Group computes Stressed VaR to measure the VaR arising from market movements over a previously identified stress period.

Besides VaR, the Group utilises other non-statistical risk measures, such as exposure to price value of one basis point ("PV01") for managing portfolio sensitivity to market interest/profit rate movements, net open position ("NOP") limit for managing foreign currency exposure and Greek limits for controlling options risk. These measures provide granular information on the Group's market risk exposures and use for control and monitoring purposes.

Dealers are expected to adhere to the trading limits set at all times and are strictly prohibited from transacting in any non-permissible instruments/activities as stipulated in the approved policies. In the event that trading risks are required to be brought to management's attention, there is a robust escalation process to inform designated authorities to ensure that prompt action is taken for any non-adherence to the trading policies and limits. Monthly reports are presented to Senior Management/committee for information and further deliberation.

NON-TRADED MARKET RISK

Non-traded market risk is primarily inherent risks arising from banking book activities. The major risk classes are interest rate risk/rate of return risk in the banking book and foreign exchange risk.

Interest Rate Risk/Rate of Return Risk in the Banking Book ("IRR/RoRBB")

IRR/RoRBB is defined as risk of loss in earnings or economic value on banking book exposures arising from movements in interest rates. Sources of IRR/RoRBB include repricing risk, basis risk, yield curve risk and option risk.

Accepting IRR/RoRBB is a normal part of banking and can be an important source of profitability and shareholder value. However, excesses of this risk can be detrimental to the Group's earnings, capital, liquidity and solvency.

Banking book policies and limits are established to measure and manage non-traded market risk. Repricing gap analysis remains as one of the building blocks for IRR/RoRBB assessment for the Group. Earnings-at-Risk ("EaR") and Economic Value-at-Risk ("EVaR") are derived to gauge the maximum tolerance level of the adverse impact of market interest rate movements towards earnings and capital.

Through Group Asset & Liability Management Committee ("ALCO") supervision, the lines of businesses are insulated from IRR/RoRBB through fund transfer pricing whereby non-traded market and liquidity risks are centralised at the corporate treasury unit for active risk management and balance sheet optimisation. The corporate treasury unit reviews the risk exposures regularly and recommends strategies to mitigate any unwarranted risk exposures in accordance with the approved policies.

Certain portfolios such as products with non-deterministic characteristics are subjected to periodic statistical modelling to understand the customer/product's behavioural patterns in relation to changing rates and business cycles. Regular risk assessment and stress testing are applied to ensure that the portfolios can withstand the risk tolerance and adverse rate scenarios.

Tables 47 (a) and (b) show the impact of a change in IRR/RoRBB to earnings and capital for Maybank Group, Maybank and Maybank Islamic, respectively.

MARKET RISK

Table 47 (a): Interest Rate Risk/Rate of Return Risk in the Banking Book for the Maybank Group, Maybank and Maybank Islamic (Impact on Earnings)

	As at 31.12.2021			As at 31.12.2020		
	Group ±200bps RM'000	Bank ±200bps RM'000	Maybank Islamic ±200bps RM'000	Group ±200bps RM'000	Bank ±200bps RM'000	Maybank Islamic ±200bps RM'000
Impact on Earnings of which,	1,327,182	976,117	773,459	1,047,819	649,460	695,569
MYR	2,336,868	1,405,512	929,918	1,829,037	1,063,881	768,271
USD	(748,944)	(530,621)	(156,913)	(705,279)	(618,911)	(69,979)
SGD	(118,518)	156,136	-	43,294	173,310	-
IDR	(55,556)	8,767	-	(51,498)	20,176	-
OTHERS*	(86,668)	(63,677)	454	(67,735)	11,004	(2,723)

Table 47 (b): Interest Rate Risk/Rate of Return Risk in the Banking Book for Maybank Group, Maybank and Maybank Islamic (Impact on Capital)

	As at 31.12.2021			As at 31.12.2020		
	Group ±200bps RM'000	Bank ±200bps RM'000	Maybank Islamic ±200bps RM'000	Group ±200bps RM'000	Bank ±200bps RM'000	Maybank Islamic ±200bps RM'000
Impact on Capital of which,	(2,731,251)	(2,594,679)	(182,090)	(2,264,810)	(2,832,545)	299,965
MYR	(3,389,933)	(3,137,058)	(252,303)	(3,307,772)	(3,330,401)	28,698
USD	1,083,563	913,350	68,478	1,006,457	671,732	268,803
SGD	138,543	(71,334)	-	369,213	(56,058)	-
IDR	(313,141)	(31,380)	-	(295,592)	(38,410)	-
OTHERS*	(250,283)	(268,257)	1,735	(37,116)	(79,408)	2,464

Notes:

1. All figures are in absolute amount except the total impact is in net aggregate amount (result from after netting off currency/position at different geographical location).
2. *Inclusive of GBP, HKD, BND, VND, CNY, EUR, PHP and other currencies.
3. 5 Nov 2018: Establishment of Maybank Singapore Limited ("MSL").

Foreign Exchange Risk ("FX") in the Banking Book

FX risk is the risk of loss in value arising from exchange rate movements.

FX risk exposures can be attributed to structural and non-structural positions. Structural FX positions are primarily net investments in overseas branches and subsidiaries whereas other FX positions are non-structural in nature. Generally, structural FX positions need not be hedged as these investments are by definition "perpetual" and revaluation losses will not materialise if they are not sold. The residual or unhedged FX positions are managed in accordance with the approved policies and limits.

Foreign currency assets in the banking book may be match-funded by the same currency to minimise FX NOP. In addition, the Group implements qualitative controls such as listing of permissible on/offshore currencies and hedging requirements for managing FX risk.

FX risk is primarily assessed from both earnings and capital perspectives. Group ALCO plays an active role in ensuring FX risk is managed within the stipulated limits.

MARKET RISK

CAPITAL TREATMENT FOR MARKET RISK

The Group adopts the Standardised Approach to compute the minimum capital requirement for market risk as per BNM's Guidelines on Capital Adequacy Framework (Basel II – Risk-Weighted Assets) and CAFIB (Basel II – Risk-Weighted Assets). Tables 7 through 9 separately disclose the RWA and capital requirements for Market Risk for the Group, the Bank and Maybank Islamic, respectively.

Interest rate/profit rate, foreign exchange and options are the primary risk factors in the Group's trading activities, whilst commodity and equity are generally attributed to investment banking activities.

LIQUIDITY RISK

Liquidity risk is defined as the risk of an adverse impact to the Group's financial condition or overall safety and soundness arising from the inability (or perceived inability) or unexpected higher cost to meet obligations.

It is also known as consequential risk, triggered by underlying problems which can be endogenous (e.g. credit risk deterioration, rating downgrade and operational risk events) or exogenous (e.g. market disruption, default in the banking payment system and deterioration of sovereign risk).

Balance sheet risk measures structurally maintain a diverse and stable funding base while achieving an optimal portfolio. These measures drive the desired targets for loans to deposits ratio, sources of funds through borrowing, wholesale borrowing and swaps markets in order to support the growing asset base regionally. Through these measures, the Group shapes its assets and liabilities profile to achieve its desired balance sheet state.

The net cash flow mismatch along different time horizons, also known as liquidity gap analysis, provides Senior Management with a clear picture of the imminent funding needs in the near term as well as the structural balance sheet for the medium term and long term tenors. The sources of fund providers are reviewed to maintain a wide diversification by currency, provider, product and term, thus minimising excessive funding concentration.

The Group runs liquidity stress scenarios to assess the vulnerability of cash flows under stressed market situations. The Group continuously reviews the pool of unencumbered High Quality Liquid Assets ("HQLA") to determine the funding capacity to withstand stressed situations.

In line with BNM requirements on Liquidity Coverage Ratio ("LCR") and Net Stable Funding ratio ("NSFR"), the Group ensures the LCR and NSFR remain above the specified regulatory minimum requirements at both entity and consolidated levels.

LCR is a short-term resilience assessment to measure the adequacy of HQLA to withstand an acute liquidity stress scenario over a 30-day horizon. HQLA are liquid assets that can be easily and immediately converted into cash at little or no loss of value.

NSFR promotes long-term structural funding of the Balance Sheet and strengthens the long term resilience of the liquidity risk profile. It ensures that the Group maintains sufficient stable funds to support its asset growth over a 1-year horizon.

EQUITY RISK IN THE BANKING BOOK

Equity price risk is the risk arising from movements in the price of equities, equity indices and equity baskets.

The objective of equity exposure is to determine the nature and extent of the Group's exposure to investment risk arising from equity positions and instruments held in its banking book.

Holding of equity investments comprises of quoted shares which are traded actively in the stock exchange ("Publicly Traded") and unquoted shares which are non-traded in the stock exchange ("Privately Held").

The Group holds investments in equity securities with the purpose of gaining strategic advantage as well as capital appreciation on the sale thereof.

Equity instruments are normally measured at Fair Value Through Profit & Loss ("FVTPL"). However, for non-traded equity instruments, with an irrevocable option at inception, the Group and the Bank measure the changes through Fair Value Through Other Comprehensive Income ("FVOCI") (without recycling to profit or loss upon derecognition).

The valuation methodology for equity instruments are using fair value approach whereby for quoted shares based on market price from stock exchange and unquoted shares from net tangible assets. The valuation for unquoted shares is made reference to the net tangible assets based on latest audited financial statements.

Tables 48 and 49 show the equity exposures for banking book positions for the Group and the Bank respectively.

MARKET RISK**Table 48: Equities Disclosures for Banking Book Positions for Maybank Group**

Equity Type	As at 31.12.2021		As at 31.12.2020	
	EAD RM'000	RWA RM'000	EAD RM'000	RWA RM'000
Publicly traded	348,582	440,864	335,532	419,469
Privately held	2,859	4,289	57,432	86,148
Total Net Unrealised (Losses)		RM'000 (53,639)		RM'000 (972,368)
Cumulative realised gains arising from sales and liquidations in the reporting period		509,404		1,565,025

Table 49: Equities Disclosures for Banking Book Positions for Maybank

Equity Type	As at 31.12.2021		As at 31.12.2020	
	EAD RM'000	RWA RM'000	EAD RM'000	RWA RM'000
Publicly traded	337,693	425,470	343,060	425,306
Privately held	32	48	30	45
Total Net Unrealised (Losses)		RM'000 (103,896)		RM'000 (1,035,200)
Cumulative realised gains arising from sales and liquidations in the reporting period		509,406		1,565,024

NON-FINANCIAL RISK

The Group has evolved and broadened its management of operational risk to encompass a wider range of emerging non-financial risk (“NFR”), from the changing risk landscape, heightened regulatory requirements, uncertainty and volatility in the business environment, and the rapid shifts in technology. The growing recognition on non-financial risk management stems from the various conduct and compliance related incidents in recent years, such as market manipulation, information technology and cyber risk in the form of denial of service attacks, data theft or online fraud, and operational challenges.

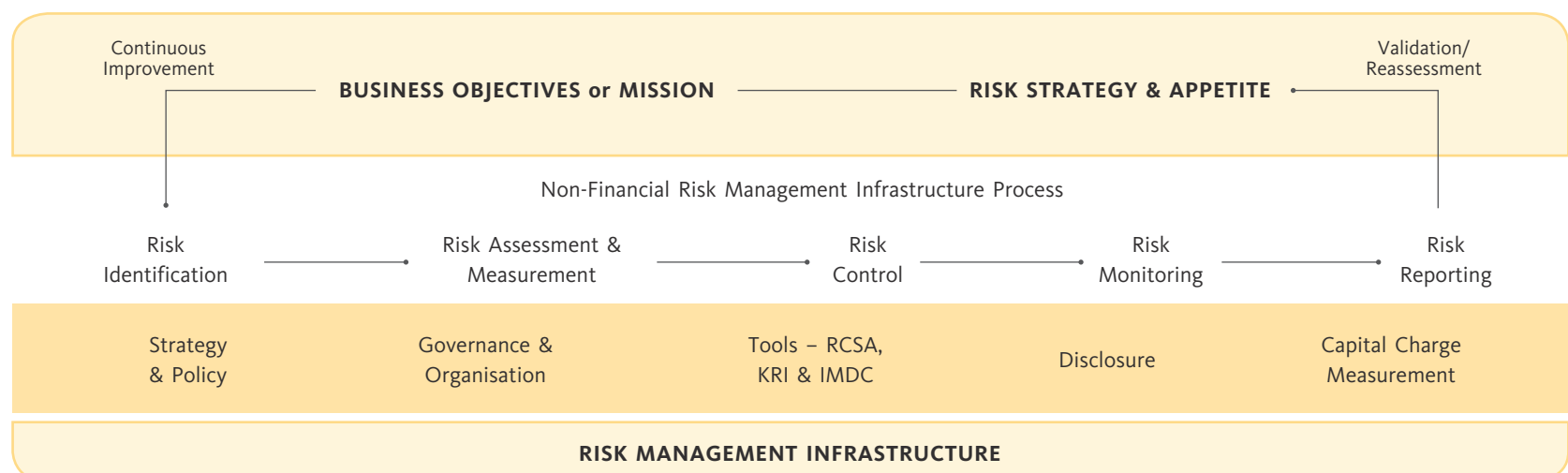
This is evident with the increased focus on NFR which is being managed by risk types such as conduct risk, compliance risk, technology and cyber risk, third-party risk, model risk, operational resiliency and social and environmental concerns.

MANAGEMENT OF NON-FINANCIAL RISK

The management of non-financial risk is anchored on an established risk strategy that provides the overall principles and objectives, with defined risk appetite reflecting the Group’s acceptable tolerance level for non-financial risk. A sound risk governance model premised on the three lines of defence and a robust risk culture are vital in driving the management of non-financial risk in the Group. Further information on the risk governance model and risk culture can be found in the Group Risk write-up under the Corporate Book.

To further strengthen the management of non-financial risk, risk methodologies and tools are deployed and integrated into processes to support businesses from point of discovery of an incident until its resolution. The risk methodologies and tools complement each other for an effective process to identify, assess and measure, control, monitor and report non-financial risk exposures on a timely basis, in minimising the financial loss and reputational risk towards the Group. An integrated risk management system for non-financial risk forms the foundation to enable the implementation of the methodologies and tools.

Diagram 2: Management of Non-Financial Risk



Risk Identification, Assessment and Measurement

- **Incident Management & Data Collection (“IMDC”)**

IMDC provides a structured and systematic platform for the management and reporting of non-financial risk incidents. The collection of consistent and standardised information on non-financial risk incidents in a centralised database enables a comprehensive analysis of operational lapses, focuses on operational ‘hotspots’ and minimises the risk impact of future operational losses.

- **Risk and Control Self-Assessment (“RCSA”)**

RCSA is a process of continual assessment of non-financial risk inherent in the operations of the Group and the effectiveness of corresponding controls in place to mitigate the risk. It is a risk profiling tool which gives due emphasis to the review of business processes for the identification of control gaps and development of appropriate action plans to address these gaps.

RCSA is integral in supporting businesses to manage changes in the business and operational environment of the Group, in which a rigorous process of identification and assessment of risk and controls with appropriate mitigation and action plans is built into the governance of the changes, for example product approval for new/enhanced products/services which comprised of interconnected risks arising from the introduction of new products, implementation of IT projects and other changes to the operating environment of the Group (e.g. outsourcing, restructuring or enhancement to business processes).

- **Key Risk Indicator (“KRI”)**

KRI provides a structured process to measure and monitor critical non-financial risk exposures by way of establishing indicators that serves as early warning signals to increasing risk at the Group, Business and Operating levels. KRI enables close monitoring of non-financial risk to be within the tolerable level before the risk translates into operational losses.

NON-FINANCIAL RISK

Risk Control and Mitigation

The objective of non-financial risk controls and mitigation is to minimise or mitigate non-financial risk exposure to an acceptable level, as defined by the Group's risk appetite.

The key control and mitigation tools deployed in the Group are as follows:

- **Outsourcing**

Outsourcing minimises non-financial risk exposure by enabling the Group to focus on its core business with a view to enhance operational efficiency. An external party is engaged to perform an activity on behalf of the Group whilst the Group still maintains ownership and ultimate responsibility of the activity outsourced including meeting technology risk standards.

- **Anti-Fraud Management**

The Group has in place robust and comprehensive tools and programs aligned to the established vision, principles and strategies in ensuring that the risks arising from fraud are managed in a decisive, timely and systematic manner. Therefore, the risk can be mitigated to the lowest level possible and future occurrences can be deterred. Clear roles and responsibilities are outlined at every level of the organisation in promoting high standards of integrity in every employee.

- **Business Continuity Management (“BCM”)**

BCM serves as a tool for a comprehensive and integrated approach in building organisational resilience in the event of disruptions, with the capability for an effective response in safeguarding the interests of its key stakeholders, reputation, brand and value-creating activities.

The BCM approach in the Group is premised upon the following key focus:

- To implement mitigating measures to minimise the impact of disruption (i.e. disaster/crisis/emergency) to business and critical operations; and
- To resume business and critical operations of the Group in a timely manner in the event of a disruption.

In the event of a disruption, the main priority for the Group is always the safety of people, followed by stabilisation of the disruptive incident and escalation to the appropriate stakeholder for response with the aim of minimising the potential impact of the disruption. The BCM approach encapsulates key components as further outlined in the diagram below, which includes identification of potential threats to the Group, assessment of the level of impact to the people and business operations should those threats be realised, and implementation of appropriate strategies to ensure people safety and business recovery against downtime. In response to COVID-19, the Maybank Group Pandemic Preparation Framework was enhanced to ensure the continuity of business operations, staff safety and safety of our customer and communities. Measures include the implementation of relevant Standard Operating Procedures (“SOP”) and activation of Business Continuity Plans.

Diagram 3: BCM Approach



The Group continuously reviews business operations' resilience through regular testing (planned and without prior notification), in ensuring the established BCM process and infrastructure have the required capability and resources to withstand and recover from during disruptions. Regular Crisis Simulation Exercise (“CSE”) and Business Continuity Plan (“BCP”) “Live Run” Activations are carried out for each critical business functions in the Group, in addition to simultaneous CSEs across the Group. Regular testing and exercises, validate amongst others on the preparedness of staff, the readiness of alternate worksites, reliability of IT system disaster recovery and effectiveness of communication, escalation and recovery procedures between all locations.

- **Other Non-Financial Risk – Information Technology (“IT”) Risk**

The Group continues to focus on potential cyber threats, infrastructure resilience as well as data loss/theft and disruption that could impact delivery channels, business services, communications and the Group's digital agenda as a whole. This was especially pertinent as the volume and frequency of digital transactions surged due to the pandemic. Detailed analysis of the IT infrastructure and systems, as well as global trends in cyber risks, enable the IT Security team to identify potential threats and security breaches to ensure our systems remain resilient as the volume of online transaction increases. The cyber risk management framework and methodology have been enhanced and aligned with international standards, such as the Cybersecurity Framework and Risk Management Framework by the National Institute of Standards and Technology, to take into account of the emerging threats.

Risk Monitoring and Reporting

Supporting the implementation of the methodologies and tools are clearly defined processes to facilitate timely escalation and reporting of non-financial risk exposures experienced by businesses and operations to designated stakeholders (i.e. Management and relevant risk committees) in the Group for effective oversight on non-financial risk exposure. This includes continuous review, monitoring and reporting and analyses of non-financial risk incidents and its trend, risk ‘hotspots’, RCSA risk profile, risk exposure level via KRIs and the performance of outsourced service providers.

CAPITAL TREATMENT FOR OPERATIONAL RISK

The Group adopts the Basic Indicator Approach (“BIA”) to compute the minimum capital requirement for operational risk as per BNM's Guidelines on Capital Adequacy Framework (Basel II – Risk-Weighted Assets) and CAFIB (Basel II – Risk-Weighted Assets). Tables 7 through 9 disclose separately the RWA and capital requirements for Operational Risk for the Group, the Bank and Maybank Islamic, respectively.

SHARIAH GOVERNANCE

Shariah principles are the foundation for the practice of Islamic finance through the observance of the tenets, conditions and principles prescribed by Shariah, as resolved by the Shariah Advisory Council (“SAC”) of Bank Negara Malaysia (“BNM”) and Securities Commission Malaysia or the relevant regulators in the jurisdiction where the business is operating in, and the appointed Shariah Committee (“SC”) within Maybank Group. Comprehensive Shariah compliance infrastructure and governance arrangement will ensure stakeholders’ confidence in Islamic financial institutions’ business activities and operations.

In accordance with BNM’s requirements, the Group has established a comprehensive and sound Shariah Governance Framework to strengthen key responsibilities and accountabilities of the Board, Shariah Committee, Management and key stakeholders to promote end-to-end Shariah compliance on Islamic business operations. The Framework also relates to Shariah Committee’s objectivity to reinforce sound decision-making process and robustness of internal control functions for effective management of Shariah Non-Compliance (“SNC”) risks.

Underpinning the Shariah Governance Framework is the detailed policies and procedures that include the required steps and parameters to ensure that each transaction or business activity is executed by the Group in accordance with Shariah requirements, as well as the implications and reporting of SNC incidents.

IMPLEMENTATION OF THE SHARIAH GOVERNANCE FRAMEWORK (“SGF”)

The implementation of sound and robust Shariah governance framework is reflected by effective and responsible Board, Management and independent SC that are both competent and accountable, supported by strong internal Shariah Control Functions to provide effective and efficient oversight. The end-to-end Shariah compliant governance mechanism are executed through three (3) lines of defence that cater for both pre-execution and post-execution.

The first line of defence is supported by the Business and Support Units who are responsible to manage day-to-day Shariah risks inherent in their business, activities and risk exposure; and the Shariah Secretariat function who provides day-to-day Shariah advice to relevant parties based on SC and SAC resolutions, and perform in-depth research and studies on Shariah matters and disseminate SC decisions and advices to relevant parties.

The second line of defence comprises of the Shariah Risk function to systematically identify, measure, monitor and control SNC risks to mitigate any possible non-compliance events; and the Shariah Review function who conducts regular assessment on the compliance of the business operations and activities with Shariah requirements.

The third line of defence is the Shariah Audit function who provides independent and periodic assessment to improve the degree of compliance in ensuring a sound and effective internal control system for Shariah compliance.

RECTIFICATION PROCESS OF SHARIAH NON-COMPLIANT INCOME

Shariah non-compliance is the failure in fulfilling the required Shariah requirements and tenets as determined by the Shariah Advisory Council of BNM, Securities Commission Malaysia or the relevant host country regulators and the appointed Shariah Committee within the Group. The control structure for handling and reporting of Shariah non-compliance incidents has been emplaced in the Group. As at 31 December 2021, Maybank Islamic reported two (2) Shariah Non-Compliance incidents with profit totalling RM0.18 being fully refunded to the customers involved.

INVESTMENT ACCOUNT (“IA”)

The Islamic Financial Services Act 2013 (“IFSA”) distinguishes investment account from Islamic deposits, where an investment account is defined by the application of Shariah contracts with a non-principal guarantee feature for the purpose of investment.

Mudarabah is a contract between a customer as the capital provider (rabbul mal) and the Bank as an entrepreneur (mudarib) under which the customer provides capital to be invested in a Mudarabah venture that is managed by the Bank. Any profit generated from the venture is distributed between the customer and the Bank according to a mutually agreed Profit Sharing Ratio (“PSR”) whilst financial losses are borne by the customer provided such losses are not due to the Bank’s misconduct (ta’addi), negligence (taqsir) or breach of specific terms (mukhalafah al-shurut).

The Mudarabah venture managed by the Bank in this instance refers to monies placed by the customers through various Mudarabah products offered by the Bank which are subsequently invested into a blended portfolio of the Bank’s assets.

Maybank Islamic offers two (2) types of Investment Account (“IA”) namely, Restricted Profit Sharing Investment Account (“RA”) which refers to an IA where the customer provides a specific investment mandate to the Bank and Unrestricted Investment Account (“UA”) which refers to an IA where the customer provides the Bank with the mandate to make the ultimate investment decision without specifying any particular restriction or condition. The IA is not protected by the Perbadanan Insurans Deposit Malaysia (“PIDM”).

Maybank Islamic’s Investment Account (“IA”)

In line with the transition requirements by BNM, Maybank Islamic had undergone a reclassification exercise effective 16 July 2015 whereby eligible Mudarabah-based deposit accounts were reclassified to IA for customers who chose to do so.

The investment objective of IA places emphasis on capital preservation and stable returns with the risk profile varying from low risk to low-to-medium risk depending on the fund it is invested in.

Notwithstanding the above, customers are made aware, through the respective fund’s Product Disclosure Sheet, of the various risk factors associated with IA which include (but not limited to):

- Risk of capital reduction – Any investment carries the risk of reduction in the value of purchasing power. Hence, Maybank Islamic will only invest the fund in diversified assets with low risk attributes and apply sound investment management standards.
- Market Risk – Invested assets are subject to fluctuations in market rates, which may impact the overall income performance of the fund. This risk shall be managed by Maybank Islamic in accordance with its overall hedging strategy.
- Liquidity Risk – Such risk occurs when withdrawals/redemption exceed total investments. The risk shall be managed by Maybank Islamic in accordance with its overall liquidity management strategy.
- Credit Risk – This risk may arise when substantial amount of assets for the fund goes into default. This shall be managed by Maybank Islamic by prudent selection of diversified asset portfolios and close monitoring of the performance of the selected assets.

The investment mandate, strategy and parameters for IA are in accordance with the governance set up by Maybank Islamic to ensure effective and efficient oversight on the business activities and operations of UA in safeguarding the customer’s interest.

The roles and responsibilities of the respective committees are as below:

- Broad oversight, accountability and responsibility of Maybank Islamic Board, Group Shariah Committee and Board Committee;
- Oversight, guidance and observance by the Executive Committee;
- Accountability of the Senior Management in ensuring management, development and implementation of operational policies that govern the conduct of the IA; and
- Establishment of functions for the IA unit.

UA Performance

The gross exposure of the financing funded by UA as at 31 December 2021 was RM28,720,798,931.68. The related impairment provisions is not included in the financial statements of Maybank Islamic. The performance of UA is as described in the table below:

As at 31 December 2021	%
Return on Assets (ROA)	3.79%
Average Net Distributable Income	3.91%
Average Net Distributable Income Attributable to the IAH	1.16%
Average Profit Sharing Ratio to the IAH	29.56%
	RM’000
Impaired assets funded by UA	63,732
ECL Stage 1 provisions funded by UA	26,365
ECL Stage 2 provisions funded by UA	39,583
ECL Stage 3 provisions funded by UA	10,979

Notes:

1. Return on Assets refers to total gross income/average amount of assets funded by UA.
2. Average Net Distributable Income refers to total average net distributable income/average amount of assets funded by UA.

FORWARD-LOOKING STATEMENTS

This document could or may contain certain forward-looking statements that are based on current expectations or beliefs, as well as assumptions or anticipations of future events. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements often use words such as anticipate, target, expect, estimate, plan, goal, believe, will, may, would, could, potentially, intend or other words of similar expressions. Undue reliance should not be placed solely on any of such statements because, by their very nature, they are subject to known and unknown risks and uncertainties and can be affected by other factors that could cause actual results, and the Group's plans and objectives, to differ materially from those expressed or implied in the forward-looking statements.

Forward-looking statements speak only as of the date they are made, and it should not be assumed that they have been revised or updated in light of changes in the global, political, economic, business, competitive, market and regulatory forces, future exchange and interest rates, changes in tax rates and future business combinations and dispositions.

The Group undertakes no obligation to revise or update any forward-looking statements contained in this document, regardless of whether those statements are affected as a result of new information, future events or otherwise.

www.maybank.com