Maybank

BANKING redefined

BASEL II

PILLAR 3 DISCLOSURE

Inside This Report

Overview

The Pillar 3 Disclosure for the financial year ended 31 December 2023 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 2023. 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 2023 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 fourteenth 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 2022.

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 optimally to businesses to enhance 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 which they are based in. 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 Tier 1 capital ("CET1") which is permanent and has the highest loss absorption capability on a going concern basis. The CET1 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 have been about 85%. The Group did not implement any DRP during the financial year.

In addition to CET1 capital, 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 and 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) as issued and updated from time to time by BNM. For further details of these capital instruments, please refer to Notes 30 and 31 of the Financial Statements.

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 31.12.2023 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 31.12.2023 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

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.

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

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

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

	As at 31 December 2023				As at 31 December 2022		
Capital Adequacy Ratios	**Minimum Capital Requirement**	**Group**	**Maybank**	**Maybank Islamic**	**Group**	**Maybank**	**Maybank Islamic**
CET1 Capital Ratio	**4.50%**	**16.191%**	**15.701%**	**14.303%**	15.669%	15.264%	14.100%
Tier 1 Capital Ratio	**6.00%**	**16.845%**	**16.417%**	**15.300%**	16.376%	16.045%	15.171%
Total Capital Ratio[1]	**8.00%**	**19.404%**	**18.844%**	**17.824%**	19.080%	18.635%	17.844%

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

	Group RM'000	**Maybank RM'000**	**Maybank Islamic RM'000**
As at 31.12.2023			
Total Capital	**85,550,972**	**47,388,268**	**17,868,539**
Credit RWA	**368,993,873**	**208,610,575**	**104,315,564**
Credit RWA absorbed by the parent and Investment Account Holders ("IAH")[2]	**-**	**-**	**(17,268,203)**
Market RWA	**20,690,780**	**18,222,303**	**1,035,378**
Operational RWA	**50,280,489**	**23,836,121**	**12,166,196**
Large Exposure Risk RWA for Equity holdings	**922,052**	**809,938**	**-**
Total RWA	**440,887,194**	**251,478,937**	**100,248,935**
As at 31.12.2022			
Total Capital	77,963,093	42,968,389	16,664,533
Credit RWA	337,699,623	190,996,711	92,108,470
Credit RWA absorbed by the parent and Investment Account Holders ("IAH")[2]	-	-	(10,496,635)
Market RWA	23,805,235	17,268,631	781,233
Operational RWA	47,103,833	22,310,241	10,996,646
Large Exposure Risk RWA for Equity holdings	-	-	-
Total RWA	408,608,691	230,575,583	93,389,714

Notes:

1 Before proposed second interim dividend for financial year ended (FYE) 2023 and FYE 2022 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 2023 stood at 19.404%, which is an increase from the previous financial year's ratio of 19.080%. At entity level, the Bank's Total Capital Ratio remains strong at 18.844% and Maybank Islamic registered a healthy ratio of 17.824%.

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).

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 59 in the Financial Statements for details on the Capital Adequacy Ratios.

Table 6: Disclosure on Capital Adequacy under IRB Approach

As at 31.12.2023	Group RM'000	Maybank RM'000	Maybank Islamic RM'000
CET1 Capital			
Share Capital	54,673,596	54,673,596	11,676,910
Retained profits[1]	23,750,815	15,824,633	2,524,541
Other reserves[1]	7,873,697	7,384,668	1,228,475
Qualifying non-controlling interests	122,620	–	–
CET1 Capital before regulatory adjustments	86,420,728	77,882,897	15,429,926
Less: Regulatory adjustments applied on CET1 Capital	(15,038,723)	(38,398,518)	(1,091,375)
Deferred tax assets	(1,092,648)	(83,505)	(79,648)
Goodwill	(5,967,622)	(81,015)	–
Other intangibles	(1,224,188)	(462,281)	–
Gains on financial instruments classified as 'fair value through other comprehensive income'	(1,590,777)	(1,027,349)	(382,147)
Regulatory reserve	(2,473,192)	(1,829,556)	(629,580)
Investment in ordinary shares of unconsolidated financial and insurance/takaful entities[2]	(2,690,296)	(34,914,812)	–
Total CET1 capital	71,382,005	39,484,379	14,338,551
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	84,973	–	–
Less:Investment in capital intruments of unconsolidated financial and insurance/takaful entities[2]	–	(1,000,000)	–
Total Tier 1 Capital	74,266,978	41,284,379	15,338,551
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	39,623	–	–
General provision[3]	378,234	110,946	23,634
Surplus of total eligible provision over total expected loss	1,857,137	1,092,736	506,354
Less:Investment in capital instruments of unconsolidated financial and insurance/takaful entities[2]	(691,000)	(4,799,793)	–
Total Tier 2 Capital	11,283,994	6,103,889	2,529,988
Total Capital	85,550,972	47,388,268	17,868,539

Notes:

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

2 For the Bank, the regulatory adjustment includes cost of investment in subsidiaries and associates, except for: (i) Myfin Berhad as at 31 December 2023 of RM1 (31 December 2022: RM18,994,000) as its business, assets and liabilities have been transferred to the Bank and (ii) Maybank International (L) Ltd. of RM10,289,000 as its assets are included in the Bank's RWA. For the Group, the regulatory adjustment includes carrying amount of associates and investment in insurance and takaful entities.

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

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

As at 31.12.2022	Group RM'000	Maybank RM'000	Maybank Islamic RM'000
CET1 Capital			
Share Capital	54,619,344	54,619,344	11,029,955
Retained profits[1]	22,007,168	14,937,554	2,655,423
Other reserves[1]	1,349,642	3,018,421	727,027
Qualifying non-controlling interests	113,735	–	–
CET1 capital before regulatory adjustments	78,089,889	72,575,319	14,412,405
Less: Regulatory adjustments applied on CET1 Capital	(14,065,528)	(37,380,391)	(1,244,216)
Deferred tax assets	(2,169,271)	(1,099,262)	(288,433)
Goodwill	(5,583,795)	(81,015)	–
Other intangibles	(993,569)	(344,781)	–
Gains on financial instruments classified as 'fair value through other comprehensive income'	(61,980)	(36,096)	(51,129)
Regulatory reserve	(2,465,059)	(1,549,033)	(904,654)
Investment in ordinary shares of unconsolidated financial and insurance/takaful entities[2]	(2,791,854)	(34,270,204)	–
Total CET1 capital	64,024,361	35,194,928	13,168,189
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	90,601	–	–
Less: Investment in capital instruments of unconsolidated financial and insurance/takaful entities[2]	–	(1,000,000)	–
Total Tier 1 Capital	66,914,962	36,994,928	14,168,189
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	35,759	–	–
General provision[3]	273,100	36,059	23,001
Surplus of total eligible provision over total expected loss	1,730,272	1,028,820	473,343
Less: Investment in capital instruments of unconsolidated financial and insurance/takaful entities[2]	(691,000)	(4,791,418)	–
Total Tier 2 Capital	11,048,131	5,973,461	2,496,344
Total Capital	77,963,093	42,968,389	16,664,533

Notes:

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

2 For the Bank, the regulatory adjustment includes cost of investment in subsidiaries and associates, except for: (i) Myfin Berhad as at 31 December 2023 of RM1 (31 December 2022: RM18,994,000) as its business, assets and liabilities have been transferred to the Bank and (ii) Maybank International (L) Ltd. of RM10,289,000 as its assets are included in the Bank's RWA. For the Group, the regulatory adjustment includes carrying amount of associates and investment in insurance and takaful entities.

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

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

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

Item	Exposure Class As at 31.12.2023	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)**				
	On-Balance Sheet Exposures				
	Sovereigns/Central Banks	175,745,747	175,745,747	5,468,005	437,440
	Public Sector Entities	3,495,232	3,494,865	121,540	9,723
	Banks, Development Financial Institutions & MDBs	1,651,050	1,651,050	82,268	6,581
	Insurance Cos, Securities Firms & Fund Managers	353,451	353,451	353,439	28,275
	Corporates	28,048,117	21,823,841	20,842,191	1,667,375
	Regulatory Retail	24,073,090	22,608,114	16,009,183	1,280,735
	Residential Mortgages	3,429,003	3,420,741	1,254,225	100,338
	Higher Risk Assets	3,179	3,179	4,768	381
	Other Assets	16,630,040	16,630,040	9,553,674	764,294
	Securitisation Exposures	–	–	–	–
	Equity Exposures	1,149,481	1,149,481	1,194,675	95,574
	Defaulted Exposures	607,556	602,899	647,034	51,763
	Total On-Balance Sheet Exposures	255,185,946	247,483,408	55,531,002	4,442,479
	Off-Balance Sheet Exposures				
	OTC Derivatives	2,428,387	2,239,326	1,347,415	107,793
	Off-balance sheet exposures other than OTC derivatives or credit derivatives	7,029,102	6,670,832	2,582,167	206,573
	Defaulted Exposures	7,017	6,974	10,455	836
	Total Off-Balance Sheet Exposures	9,464,506	8,917,132	3,940,037	315,202
	Total On and Off-Balance Sheet Exposures	264,650,452	256,400,540	59,471,039	4,757,681
1.2	**Exposures under the IRB Approach**				
	On-Balance Sheet Exposures				
	Public Sector Entities	27,718,526	27,718,526	429,358	34,349
	Banks, Development Financial Institutions & MDBs	30,731,579	30,731,579	7,160,957	572,877
	Corporate Exposures	267,568,618	267,568,618	166,508,352	13,320,668
	a) Corporates (excluding Specialised Lending and firm-size adjustment)	203,771,950	203,771,950	121,044,979	9,683,598
	b) Corporates (with firm-size adjustment)	58,073,795	58,073,795	40,384,009	3,230,721
	c) Specialised Lending (Own PD Approach)				
	– Project Finance	4,949,301	4,949,301	4,592,406	367,392
	d) Specialised Lending (Slotting Approach)				
	– Project Finance	773,572	773,572	486,958	38,957
	Retail Exposures	292,101,342	292,101,342	64,600,599	5,168,048
	a) Residential Mortgages	128,963,019	128,963,019	23,171,776	1,853,742
	b) Qualifying Revolving Retail Exposures	12,128,659	12,128,659	4,956,849	396,548
	c) Hire Purchase Exposures	64,389,538	64,389,538	15,922,933	1,273,835
	d) Other Retail Exposures	86,620,126	86,620,126	20,549,041	1,643,923
	Defaulted Exposures	10,074,877	10,074,877	2,474,096	197,928
	Total On-Balance Sheet Exposures	628,194,942	628,194,942	241,173,362	19,293,870
	Off-Balance Sheet Exposures				
	OTC Derivatives	13,321,537	13,321,537	4,695,222	375,618
	Off-balance sheet exposures other than OTC derivatives or credit derivatives	112,195,332	112,195,332	46,117,421	3,689,394
	Defaulted Exposures	476,629	476,629	16,669	1,334
	Total Off-Balance Sheet Exposures	125,993,498	125,993,498	50,829,312	4,066,346
	Total On and Off-Balance Sheet Exposures	754,188,440	754,188,440	292,002,674	23,360,216
	Total IRB Approach after Scaling Factor of 1.06			309,522,834	24,761,827
	Total (Exposures under Standardised Approach & IRB Approach)	1,018,838,892	1,010,588,980	368,993,873	29,519,508
2.0	**Large Exposures Risk Requirement**			922,052	73,764
3.0	**Market Risk**				
	Interest Rate Risk			10,644,013	851,521
	Foreign Currency Risk			5,430,043	434,403
	Equity Risk			908,350	72,668
	Commodity Risk			5,561	445
	Option Risk			3,702,813	296,225
4.0	**Operational Risk**			50,280,489	4,022,439
5.0	**Total RWA and Capital Requirements**			440,887,194	35,270,973

Capital Management

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

Item	Exposure Class As at 31.12.2022	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)**				
	On-Balance Sheet Exposures				
	Sovereigns/Central Banks	169,759,341	169,759,341	4,516,404	361,312
	Public Sector Entities	3,921,009	3,920,641	233,144	18,652
	Banks, Development Financial Institutions & MDBs	686,662	686,662	5,847	468
	Insurance Cos, Securities Firms & Fund Managers	526,415	526,415	526,409	42,113
	Corporates	20,626,532	15,604,276	14,969,946	1,197,596
	Regulatory Retail	24,071,534	22,655,281	15,789,391	1,263,151
	Residential Mortgages	1,634,613	1,629,517	586,590	46,927
	Higher Risk Assets	2,965	2,965	4,447	356
	Other Assets	18,177,541	18,177,541	8,537,711	683,017
	Securitisation Exposures	–	–	–	–
	Equity Exposures	415,286	415,286	539,467	43,157
	Defaulted Exposures	297,164	296,582	289,342	23,147
	Total On-Balance Sheet Exposures	240,119,062	233,674,507	45,998,698	3,679,896
	Off-Balance Sheet Exposures				
	OTC Derivatives	1,840,048	1,784,874	1,105,825	88,466
	Off-balance sheet exposures other than OTC derivatives or credit derivatives	3,325,925	3,099,430	2,206,609	176,529
	Defaulted Exposures	6,574	6,574	9,859	789
	Total Off-Balance Sheet Exposures	5,172,547	4,890,878	3,322,293	265,784
	Total On and Off-Balance Sheet Exposures	245,291,609	238,565,385	49,320,991	3,945,680
1.2	**Exposures under the IRB Approach**				
	On-Balance Sheet Exposures				
	Public Sector Entities	26,852,435	26,852,435	1,195,782	95,663
	Banks, Development Financial Institutions & MDBs	27,987,163	27,987,163	7,401,461	592,117
	Corporate Exposures	240,789,193	240,789,193	157,115,705	12,569,256
	a) Corporates (excluding Specialised Lending and firm-size adjustment)	178,671,231	178,671,231	112,824,552	9,025,964
	b) Corporates (with firm-size adjustment)	56,581,534	56,581,534	39,276,858	3,142,149
	c) Specialised Lending (Own PD Approach)				
	– Project Finance	5,280,604	5,280,604	4,947,142	395,771
	d) Specialised Lending (Slotting Approach)				
	– Project Finance	255,824	255,824	67,153	5,372
	Retail Exposures	275,997,686	275,997,686	57,689,300	4,615,145
	a) Residential Mortgages	124,831,035	124,831,035	21,729,048	1,738,324
	b) Qualifying Revolving Retail Exposures	10,496,395	10,496,395	4,174,998	334,000
	c) Hire Purchase Exposures	54,220,515	54,220,515	13,588,732	1,087,099
	d) Other Retail Exposures	86,449,741	86,449,741	18,196,522	1,455,722
	Defaulted Exposures	11,320,209	11,320,209	1,451,366	116,109
	Total On-Balance Sheet Exposures	582,946,686	582,946,686	224,853,614	17,988,290
	Off-Balance Sheet Exposures				
	OTC Derivatives	14,186,754	14,186,754	4,715,703	377,256
	Off balance sheet exposures other than OTC derivatives or credit derivatives	96,016,155	96,016,155	42,458,094	3,396,647
	Defaulted Exposures	660,925	660,925	27,905	2,232
	Total Off-Balance Sheet Exposures	110,863,834	110,863,834	47,201,702	3,776,135
	Total On and Off-Balance Sheet Exposures	693,810,520	693,810,520	272,055,316	21,764,425
	Total IRB Approach after Scaling Factor of 1.06			288,378,632	23,070,291
	Total (Exposures under Standardised Approach & IRB Approach)	939,102,129	932,375,905	337,699,623	27,015,971
2.0	**Large Exposures Risk Requirement**			–	–
3.0	**Market Risk**				
	Interest Rate Risk			7,725,568	618,045
	Foreign Currency Risk			8,441,495	675,320
	Equity Risk			1,095,982	87,679
	Commodity Risk			–	–
	Option Risk			6,542,190	523,375
4.0	**Operational Risk**			47,103,833	3,768,307
5.0	**Total RWA and Capital Requirements**			408,608,691	32,688,697

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

Item	Exposure Class As at 31.12.2023	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)**				
	On-Balance Sheet Exposures				
	Sovereigns/Central Banks	106,311,457	106,311,457	2,368,207	189,457
	Public Sector Entities	2,672,769	2,672,769	74,601	5,968
	Banks, Development Financial Institutions & MDBs	1,624,139	1,624,139	76,886	6,151
	Insurance Cos, Securities Firms & Fund Managers	250,183	250,183	250,172	20,014
	Corporates	17,515,123	15,972,056	15,090,593	1,207,247
	Regulatory Retail	1,419,117	1,226,422	959,511	76,761
	Residential Mortgages	1,117,475	1,110,902	401,668	32,133
	Higher Risk Assets	–	–	–	-
	Other Assets	8,638,653	8,638,653	3,381,166	270,493
	Securitisation Exposures	–	–	–	-
	Equity Exposures	1,138,170	1,138,170	1,178,078	94,246
	Defaulted Exposures	38,226	37,309	34,574	2,766
	Total On-Balance Sheet Exposures	140,725,312	138,982,060	23,815,456	1,905,236
	Off-Balance Sheet Exposures				
	OTC Derivatives	1,542,855	1,542,580	691,413	55,313
	Off-balance sheet exposures other than OTC derivatives or credit derivatives	6,117,148	5,952,809	1,980,973	158,478
	Defaulted Exposures	43	–	–	–
	Total Off-Balance Sheet Exposures	7,660,046	7,495,389	2,672,386	213,791
	Total On and Off-Balance Sheet Exposures	148,385,358	146,477,449	26,487,842	2,119,027
1.2	**Exposures under the IRB Approach**				
	On-Balance Sheet Exposures				
	Public Sector Entities	22,615,350	22,615,350	326,956	26,156
	Banks, Development Financial Institutions & MDBs	56,388,281	56,388,281	13,874,308	1,109,945
	Corporate Exposures	186,965,523	186,965,523	109,094,301	8,727,545
	a) Corporates (excluding Specialised Lending and firm-size adjustment)	157,523,823	157,523,823	89,281,775	7,142,542
	b) Corporates (with firm-size adjustment)	25,738,596	25,738,596	16,688,661	1,335,093
	c) Specialised Lending (Own PD Approach)				
	– Project Finance	2,990,311	2,990,311	2,689,519	215,162
	d) Specialised Lending (Slotting Approach)				
	– Project Finance	712,793	712,793	434,346	34,748
	Retail Exposures	69,396,773	69,396,773	13,661,361	1,092,909
	a) Residential Mortgages	36,245,603	36,245,603	5,623,312	449,865
	b) Qualifying Revolving Retail Exposures	6,830,736	6,830,736	2,399,238	191,939
	c) Hire Purchase Exposures	4,076,421	4,076,421	1,021,020	81,682
	d) Other Retail Exposures	22,244,013	22,244,013	4,617,791	369,423
	Defaulted Exposures	6,424,563	6,424,563	678,200	54,256
	Total On-Balance Sheet Exposures	341,790,490	341,790,490	137,635,126	11,010,811
	Off-Balance Sheet Exposures				
	OTC Derivatives	13,759,864	13,759,864	4,618,201	369,456
	Off-balance sheet exposures other than OTC derivatives or credit derivatives	69,306,679	69,306,679	29,554,772	2,364,382
	Defaulted Exposures	451,286	451,286	5,800	464
	Total Off-Balance Sheet Exposures	83,517,829	83,517,829	34,178,773	2,734,302
	Total On and Off-Balance Sheet Exposures	425,308,319	425,308,319	171,813,899	13,745,113
	Total IRB Approach after Scaling Factor of 1.06			182,122,733	14,569,819
	Total (Exposures under Standardised Approach & IRB Approach)	573,693,677	571,785,768	208,610,575	16,688,846
2.0	**Large Exposures Risk Requirement**			809,938	64,795
3.0	**Market Risk**				
	Interest Rate Risk			9,998,958	799,917
	Foreign Currency Risk			4,588,614	367,089
	Equity Risk			79,456	6,356
	Commodity Risk			-	-
	Option Risk			3,555,275	284,422
4.0	**Operational Risk**			23,836,121	1,906,890
5.0	**Total RWA and Capital Requirements**			251,478,937	20,118,315

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

Item	Exposure Class As at 31.12.2022	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)**				
	On-Balance Sheet Exposures				
	Sovereigns/Central Banks	101,128,389	101,128,390	2,505,159	200,413
	Public Sector Entities	3,209,989	3,209,989	178,047	14,244
	Banks, Development Financial Institutions & MDBs	677,791	677,791	4,073	326
	Insurance Cos, Securities Firms & Fund Managers	160,273	160,273	160,267	12,821
	Corporates	11,491,510	10,135,736	9,546,821	763,746
	Regulatory Retail	1,617,238	1,398,436	1,089,887	87,191
	Residential Mortgages	1,034,404	1,029,846	369,305	29,544
	Higher Risk Assets	–	–	–	–
	Other Assets	10,801,107	10,801,107	3,242,206	259,376
	Securitisation Exposures	–	–	–	–
	Equity Exposures	359,874	359,874	457,078	36,566
	Defaulted Exposures	29,303	28,853	26,756	2,141
	Total On-Balance Sheet Exposures	130,509,878	128,930,295	17,579,599	1,406,368
	Off-Balance Sheet Exposures				
	OTC Derivatives	1,266,278	1,266,278	595,602	47,648
	Off-balance sheet exposures other than OTC derivatives or credit derivatives	2,209,997	2,073,525	1,351,456	108,117
	Defaulted Exposures	–	–	–	–
	Total Off-Balance Sheet Exposures	3,476,275	3,339,803	1,947,058	155,765
	Total On and Off-Balance Sheet Exposures	133,986,153	132,270,098	19,526,657	1,562,133
1.2	**Exposures under the IRB Approach**				
	On-Balance Sheet Exposures				
	Public Sector Entities	18,797,051	18,797,051	394,930	31,594
	Banks, Development Financial Institutions & MDBs	56,656,244	56,656,244	13,129,077	1,050,326
	Corporate Exposures	162,244,191	162,244,191	102,163,054	8,173,045
	a) Corporates (excluding Specialised Lending and firm-size adjustment)	130,436,791	130,436,791	79,569,899	6,365,592
	b) Corporates (with firm-size adjustment)	27,956,701	27,956,701	19,176,774	1,534,142
	c) Specialised Lending (Own PD Approach)				
	– Project Finance	3,648,386	3,648,386	3,393,170	271,454
	d) Specialised Lending (Slotting Approach)				
	– Project Finance	202,313	202,313	23,211	1,857
	Retail Exposures	69,185,249	69,185,249	13,370,070	1,069,607
	a) Residential Mortgages	35,049,365	35,049,365	5,426,532	434,123
	b) Qualifying Revolving Retail Exposures	6,039,045	6,039,045	2,114,297	169,144
	c) Hire Purchase Exposures	4,521,263	4,521,263	1,219,808	97,585
	d) Other Retail Exposures	23,575,576	23,575,576	4,609,433	368,755
	Defaulted Exposures	7,969,397	7,969,397	451,487	36,119
	Total On-Balance Sheet Exposures	314,852,132	314,852,132	129,508,618	10,360,691
	Off-Balance Sheet Exposures				
	OTC Derivatives	14,290,606	14,290,606	4,585,767	366,861
	Off balance sheet exposures other than OTC derivatives or credit derivatives	59,357,026	59,357,026	27,664,857	2,213,189
	Defaulted Exposures	620,783	620,783	4,960	397
	Total Off-Balance Sheet Exposures	74,268,415	74,268,415	32,255,584	2,580,447
	Total On and Off-Balance Sheet Exposures	389,120,547	389,120,547	161,764,202	12,941,138
	Total IRB Approach after Scaling Factor of 1.06			171,470,054	13,717,604
	Total (Exposures under Standardised Approach & IRB Approach)	523,106,700	521,390,645	190,996,711	15,279,737
2.0	**Large Exposures Risk Requirement**			–	–
3.0	**Market Risk**				
	Interest Rate Risk			7,259,666	580,773
	Foreign Currency Risk			3,659,884	292,791
	Equity Risk			4,276	342
	Commodity Risk			–	–
	Option Risk			6,344,805	507,584
4.0	**Operational Risk**			22,310,241	1,784,819
5.0	**Total RWA and Capital Requirements**			230,575,583	18,446,046

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

Item	Exposure Class As at 31.12.2023	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)**						
	On-Balance Sheet Exposures						
	Sovereigns/Central Banks	34,340,391	34,340,391	551,144	–	551,144	44,092
	Public Sector Entities	55,641	55,273	46,939	–	46,939	3,755
	Banks, Development Financial Institutions & MDBs	–	–	–	–	–	–
	Insurance Cos, Securities Firms & Fund Managers	1	1	1	–	1	–
	Corporates	594,763	461,999	445,359	–	445,359	35,629
	Regulatory Retail	1,685,826	1,098,183	1,001,758	–	1,001,758	80,141
	Residential Mortgages	572,127	570,656	205,731	–	205,731	16,458
	Higher Risk Assets	36	36	54	–	54	4
	Other Assets	840,023	840,023	245,339	–	245,339	19,627
	Equity Exposures	1,250	1,250	1,875	–	1,875	150
	Defaulted Exposures	133,151	129,440	128,327	–	128,327	10,266
	Total On-Balance Sheet Exposures	38,223,209	37,497,252	2,626,527	–	2,626,527	210,122
	Off-Balance Sheet Exposures						
	OTC Derivatives	2,540	2,540	2,540	–	2,540	203
	Off-balance sheet exposures other than OTC derivatives or credit derivatives	70,020	38,965	25,926	–	25,926	2,074
	Defaulted Exposures	–	–	–	–	–	–
	Total Off-Balance Sheet Exposures	72,560	41,505	28,466	–	28,466	2,277
	Total On and Off-Balance Sheet Exposures	38,295,769	37,538,757	2,654,993	–	2,654,993	212,399
1.2	**Exposures under the IRB Approach**						
	On-Balance Sheet Exposures						
	Public Sector Entities	23,717,338	23,717,338	388,903	(286,500)	102,403	31,112
	Banks, Development Financial Institutions & MDBs	9,778,428	9,778,428	1,620,218	–	1,620,218	129,617
	Corporate Exposures	67,979,254	67,979,254	38,700,564	(11,796,993)	26,903,571	3,096,045
	a) Corporates (excluding Specialised Lending and firm-size adjustment)	45,071,116	45,071,116	22,758,451	(11,358,689)	11,399,762	1,820,676
	b) Corporates (with firm-size adjustment)	20,823,344	20,823,344	13,904,418	(356,108)	13,548,310	1,112,353
	c) Specialised Lending (Own PD Approach) – Project Finance	2,024,015	2,024,015	1,985,083	(82,196)	1,902,887	158,807
	d) Specialised Lending (Slotting Approach) – Project Finance	60,779	60,779	52,612	–	52,612	4,209
	Retail Exposures	187,274,429	187,274,429	40,258,525	(3,546,261)	36,712,264	3,220,682
	a) Residential Mortgages	66,211,553	66,211,553	12,915,022	(1,808,646)	11,106,376	1,033,202
	b) Qualifying Revolving Retail Exposures	3,239,815	3,239,815	1,111,166	–	1,111,166	88,893
	c) Hire Purchase Exposures	49,937,810	49,937,810	11,503,082	(572,625)	10,930,457	920,247
	d) Other Retail Exposures	67,885,251	67,885,251	14,729,255	(1,164,990)	13,564,265	1,178,340
	Defaulted Exposures	6,482,884	6,482,884	1,549,639	–	1,549,639	123,971
	Total On-Balance Sheet Exposures	295,232,333	295,232,333	82,517,849	(15,629,754)	66,888,095	6,601,427
	Off-Balance Sheet Exposures						
	OTC Derivatives	464,476	464,476	198,443	–	198,443	15,875
	Off-balance sheet exposures other than OTC derivatives or credit derivatives	35,670,019	35,670,019	13,179,451	(661,002)	12,518,449	1,054,356
	Defaulted Exposures	22,149	22,149	10,455	–	10,455	836
	Total Off-Balance Sheet Exposures	36,156,644	36,156,644	13,388,349	(661,002)	12,727,347	1,071,067
	Total On and Off-Balance Sheet Exposures	331,388,977	331,388,977	95,906,198	(16,290,756)	79,615,442	7,672,494
	Total IRB Approach after Scaling Factor of 1.06			101,660,571	(17,268,203)	84,392,368	8,132,846
	Total (Exposures under Standardised Approach & IRB Approach)	369,684,746	368,927,734	104,315,564	(17,268,203)	87,047,361	8,345,245
2.0	**Market Risk**						
	Benchmark Rate Risk			532,066	–	532,066	42,565
	Equity Risk			–	–	–	–
	Foreign Exchange Risk			503,312	–	503,312	40,265
	Option Risk			–	–	–	–
3.0	**Operational Risk**			12,166,196	–	12,166,196	973,296
4.0	**Total RWA and Capital Requirements**			117,517,138	(17,268,203)	100,248,935	9,401,371

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

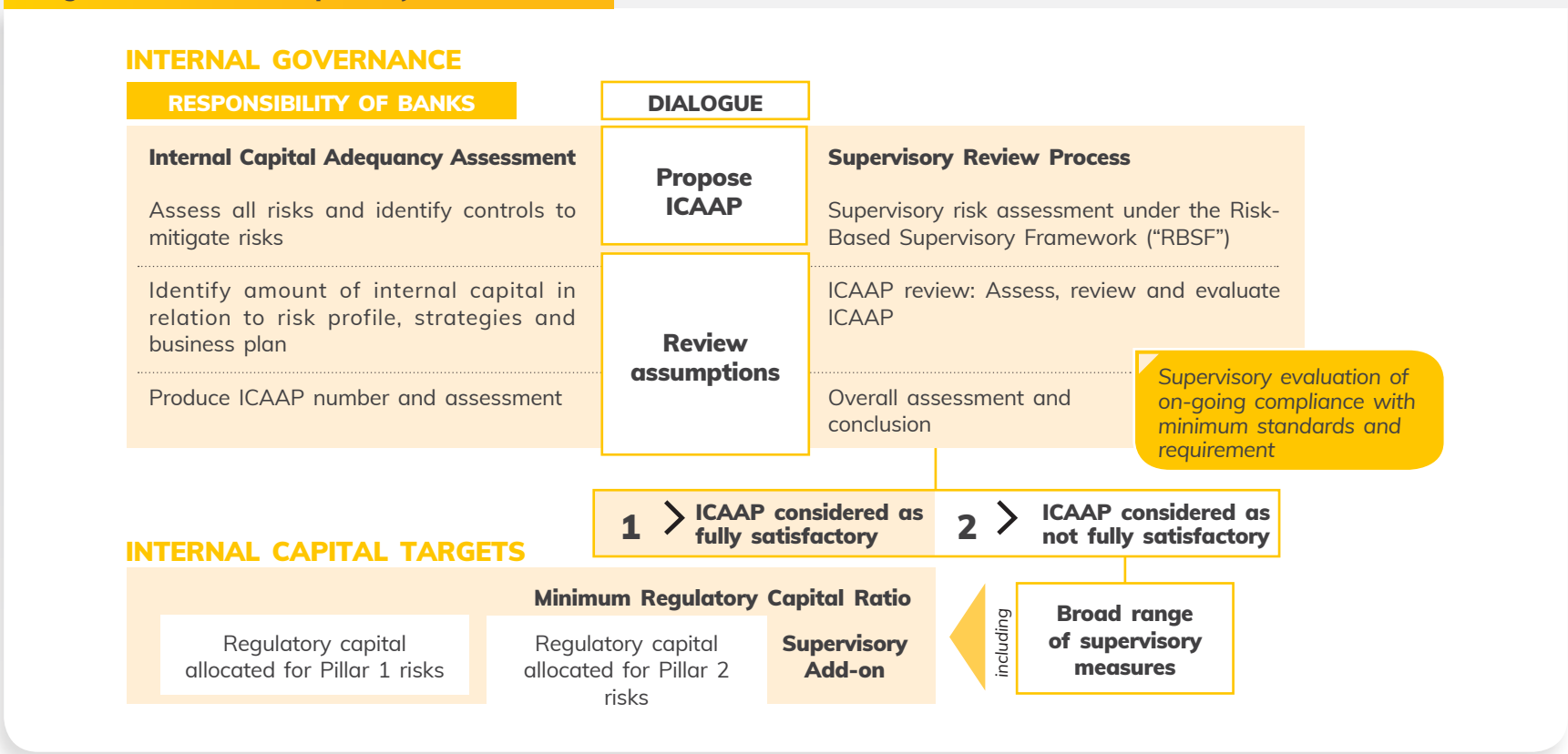
Item	Exposure Class As at 31.12.2022	Gross Exposures/ EAD before CRM RM'000	Net Exposures/ EAD after CRM RM'000	Risk-Weighted Assets RM'000	Risk-Weighted Assets Absorbed by PSIA RM'000	Total Risk-Weighted Assets after effects of PSIA RM'000	Minimum Capital Requirement at 8% RM'000
1.0	**Credit Risk**						
1.1	**Exempted Exposures (Standardised Approach)**						
	On-Balance Sheet Exposures						
	Sovereigns/Central Banks	40,548,253	40,548,253	486,520	–	486,520	38,922
	Public Sector Entities	60,462	60,095	55,097	–	55,097	4,408
	Banks, Development Financial Institutions & MDBs	–	–	–	–	–	–
	Insurance Cos, Securities Firms & Fund Managers	14	14	14	–	14	1
	Corporates	592,350	459,006	457,791	–	457,791	36,623
	Regulatory Retail	1,722,566	1,105,404	1,003,910	–	1,003,910	80,313
	Residential Mortgages	578,756	578,217	207,408	–	207,408	16,593
	Higher Risk Assets	36	36	54	–	54	4
	Other Assets	1,219,344	1,219,344	450,344	–	450,344	36,027
	Equity Exposures	1,250	1,250	1,875	–	1,875	150
	Defaulted Exposures	29,519	29,407	25,184	–	25,184	2,015
	Total On-Balance Sheet Exposures	44,752,550	44,001,026	2,688,197	–	2,688,197	215,056
	Off-Balance Sheet Exposures						
	OTC Derivatives	6,238	6,238	6,238	–	6,238	499
	Off-balance sheet exposures other than OTC derivatives or credit derivatives	102,608	79,189	26,955	–	26,955	2,156
	Defaulted Exposures	–	–	–	–	–	–
	Total Off-Balance Sheet Exposures	108,846	85,427	33,193	–	33,193	2,655
	Total On and Off-Balance Sheet Exposures	44,861,396	44,086,453	2,721,390	–	2,721,390	217,711
1.2	**Exposures under the IRB Approach**						
	On-Balance Sheet Exposures						
	Public Sector Entities	21,613,110	21,613,110	800,852	–	800,852	64,068
	Banks, Development Financial Institutions & MDBs	16,744,683	16,744,683	1,870,899	–	1,870,899	149,672
	Corporate Exposures	63,232,857	63,232,857	35,544,640	(6,526,164)	29,018,476	2,843,571
	a) Corporates (excluding Specialised Lending and firm-size adjustment)	42,872,502	42,872,502	21,078,050	(6,526,164)	14,551,886	1,686,244
	b) Corporates (with firm-size adjustment)	18,674,626	18,674,626	12,868,677	–	12,868,677	1,029,494
	c) Specialised Lending (Own PD Approach) – Project Finance	1,632,218	1,632,218	1,553,972	–	1,553,972	124,318
	d) Specialised Lending (Slotting Approach) – Project Finance	53,511	53,511	43,941	–	43,941	3,515
	Retail Exposures	171,595,906	171,595,906	34,039,388	(3,230,429)	30,808,959	2,723,151
	a) Residential Mortgages	56,541,623	56,541,623	10,310,696	(432,249)	9,878,447	824,856
	b) Qualifying Revolving Retail Exposures	2,846,520	2,846,520	934,690	(45,971)	888,719	74,775
	c) Hire Purchase Exposures	46,305,207	46,305,207	10,327,099	(1,719,825)	8,607,274	826,168
	d) Other Retail Exposures	65,902,556	65,902,556	12,466,903	(1,032,384)	11,434,519	997,352
	Defaulted Exposures	6,648,775	6,648,775	753,649	–	753,649	60,292
	Total On-Balance Sheet Exposures	279,835,331	279,835,331	73,009,428	(9,756,593)	63,252,835	5,840,754
	Off-Balance Sheet Exposures						
	OTC Derivatives	630,656	630,656	198,033	–	198,033	15,843
	Off-balance sheet exposures other than OTC derivatives or credit derivatives	28,107,579	28,107,579	11,111,379	(145,893)	10,965,485	888,910
	Defaulted Exposures	255,641	255,641	8,593	–	8,593	687
	Total Off-Balance Sheet Exposures	28,993,876	28,993,876	11,318,005	(145,893)	11,172,111	905,440
	Total On and Off-Balance Sheet Exposures	308,829,207	308,829,207	84,327,433	(9,902,486)	74,424,946	6,746,194
	Total IRB Approach after Scaling Factor of 1.06			89,387,080	(10,496,635)	78,890,445	7,150,966
	Total (Exposures under Standardised Approach & IRB Approach)	353,690,603	352,915,660	92,108,470	(10,496,635)	81,611,835	7,368,677
2.0	**Market Risk**						
	Benchmark Rate Risk			287,921	–	287,921	23,034
	Equity Risk			–	–	–	–
	Foreign Exchange Risk			493,312	–	493,312	39,465
	Option Risk			–	–	–	–
3.0	**Operational Risk**			10,996,646	–	10,996,646	879,732
4.0	**Total RWA and Capital Requirements**			103,886,349	(10,496,635)	93,389,714	8,310,908

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.

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 risk, cyber risk, regulatory risk, country risk, compliance risk, capital risk, profitability risk, Shariah non-compliance risk, information risk, conduct risk, workforce risk, data quality risk, and ESG risk amongst others; and
- External factors, including changes in economic environment (i.e. emerging risk, regulations and accounting rules).

Capital Management

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 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/or environmental factors.

Under the Maybank Group Stress Testing 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.
- Additional stress test required by BNM – Periodic industry-wide stress tests (e.g. Overseas Operations Stress Test) organised by BNM where the scenarios are specified by the central bank.
- 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 2-3 years include US Recession with China slowdown, Global Recession & Debt Crisis, Stagflation & Aggressive Interest Rate Hikes, Malaysia's Sovereign Rating Downgrade & Prolonged COVID-19 Pandemic, US-China trade war, Eurozone financial crisis, 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.

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 within its risk capacity 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 test the resilience of the Group's exposure against future financial scenarios and gauge the resulting risk and adequacy of capital.
8	Resources & System Infrastructure	Ensure sufficient resources, infrastructure and techniques are in place 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 translates our risk capacity 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 Group's annual budget is aligned with the risk appetite in ensuring that projected revenues arising from business transactions are consistent with the risk profiles 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 2023, 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.

The Group Risk functions 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 jointly by the business and credit 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 approved jointly by authorised Business and Credit personnel.

Reviews for non-retail credits 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 periodic credit classification and impairment assessment to determine the credit staging and if any early intervention is required. Counterparties that exhibit any signs of credit risks will be closely monitored at the relevant asset quality committee. Appropriate corrective actions are taken and tracked to mitigate and prevent the credit risk deterioration.

At sub-portfolio and portfolio level, thematic credit reviews are conducted to respond to new emerging market risks in order to assess the impact on the Group's credit portfolio for actionable insights.

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

The Group's credit 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 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/thresholds or related lending guidelines for:-

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

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

MANAGEMENT OF CREDIT RISK (CONT'D.)

Asset Quality Management

The Group adopts various strategies for management and preservation of asset quality which includes:

i) Robust credit risk assessment and underwriting standards
Robust credit risk assessment process is established to ensure thorough risk assessment and compliance to underwriting standards at on-boarding stage. Regular credit reviews at borrower/customer and portfolio level are conducted to identify problematic credits and corrective actions to be taken.

ii) Effective Loan/Financing Monitoring
Comprehensive process to identify early warning signs have been developed to ensure early detection of risks and preventive strategy to avoid credit quality deterioration. This includes dedicated asset quality committees which provide guidance and oversight for an effective management of vulnerable credits.

iii) Loan/Financing Recovery Mechanism
Independent and dedicated loan/financing recovery team is established to develop an efficient and proactive strategies for loan/financing recovery which includes restructuring and taking legal actions where necessary.

iv) Risk Diversification
Relevant credit policies are developed to provide guidance on concentration risk to specific segments, industries or geographies. This is being tracked regularly to avoid or minimise exposures to high risk sectors or segment.

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 RM'000	Singapore RM'000	Indonesia RM'000	Other Overseas Units RM'000	Total RM'000
As at 31.12.2023					
Exempted Exposures (Standardised Approach)					
Sovereigns/Central Banks	104,281,413	46,865,080	11,102,196	18,371,928	180,620,617
Public Sector Entities	656,277	2,842,940	–	–	3,499,217
Banks, Development Financial Institutions & MDBs	1,113,435	512,565	–	25,050	1,651,050
Insurance Cos, Securities Firms & Fund Managers	409,164	103,546	–	125,812	638,522
Corporates	7,016,898	11,263,736	3,706,488	9,331,075	31,318,197
Regulatory Retail	3,279,463	12,079,961	5,362,194	4,226,557	24,948,175
Residential Mortgages	1,295,386	1,153	–	2,210,417	3,506,956
Higher Risk Assets	1,377	1,801	–	–	3,178
Other Assets	9,153,958	4,045,437	2,783,640	1,332,024	17,315,059
Securitisation Exposures	–	–	–	–	–
Equity Exposures	1,142,621	776	2,470	3,614	1,149,481
Total Standardised Approach	128,349,992	77,716,995	22,956,988	35,626,477	264,650,452
Exposures under the IRB Approach					
Public Sector Entities	29,896,745	–	–	–	29,896,745
Banks, Development Financial Institutions & MDBs	17,947,912	13,186,457	2,277,236	9,915,278	43,326,883
Corporate Exposures	187,025,017	95,763,622	16,449,473	51,745,523	350,983,635
a) Corporates (excluding Specialised Lending and firm-size adjustment)	131,579,988	76,974,602	16,449,473	49,514,367	274,518,430
b) Corporates (with firm-size adjustment)	48,925,993	18,564,162	–	1,935,376	69,425,531
c) Specialised Lending (Own PD Approach)					
– Project Finance	5,927,026	–	–	295,780	6,222,806
d) Specialised Lending (Slotting Approach)					
– Project Finance	592,010	224,858	–	–	816,868
Retail Exposures	254,902,162	64,065,860	11,013,155	–	329,981,177
a) Residential Mortgages	94,633,625	33,523,907	2,548,252	–	130,705,784
b) Qualifying Revolving Retail Exposures	18,341,892	6,635,188	1,382,126	–	26,359,206
c) Hire Purchase Exposures	51,757,411	8,194,444	4,648,424	–	64,600,279
d) Other Retail Exposures	90,169,234	15,712,321	2,434,353	–	108,315,908
Total IRB Approach	489,771,836	173,015,939	29,739,864	61,660,801	754,188,440
Total Standardised and IRB Approaches	618,121,828	250,732,934	52,696,852	97,287,278	1,018,838,892

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 31.12.2022					
Exempted Exposures (Standardised Approach)					
Sovereigns/Central Banks	107,674,459	36,496,978	10,000,446	17,055,967	171,227,850
Public Sector Entities	763,527	3,161,269	–	–	3,924,796
Banks, Development Financial Institutions & MDBs	455,365	251,820	–	5,354	712,539
Insurance Cos, Securities Firms & Fund Managers	309,200	366,386	–	41,557	717,143
Corporates	5,313,236	8,625,375	2,266,647	6,779,888	22,985,146
Regulatory Retail	3,274,509	11,916,741	4,532,754	5,122,805	24,846,809
Residential Mortgages	1,333,818	–	–	317,294	1,651,112
Higher Risk Assets	1,352	1,675	–	–	3,027
Other Assets	11,106,603	3,549,007	2,513,257	1,639,034	18,807,901
Securitisation Exposures	–	–	–	–	–
Equity Exposures	364,365	731	48,213	1,977	415,286
Total Standardised Approach	130,596,434	64,369,982	19,361,317	30,963,876	245,291,609
Exposures under the IRB Approach					
Public Sector Entities	29,124,977	–	–	–	29,124,977
Banks, Development Financial Institutions & MDBs	15,884,771	12,326,972	1,619,212	11,897,152	41,728,107
Corporate Exposures	172,563,937	79,431,730	16,366,149	46,218,466	314,580,282
a) Corporates (excluding Specialised Lending and firm-size adjustment)	117,289,136	63,141,150	16,366,149	43,371,358	240,167,793
b) Corporates (with firm-size adjustment)	48,807,966	16,290,580	–	2,534,089	67,632,635
c) Specialised Lending (Own PD Approach)					
– Project Finance	6,162,521	–	–	313,019	6,475,540
d) Specialised Lending (Slotting Approach)					
– Project Finance	304,314	–	–	–	304,314
Retail Exposures	238,361,159	60,364,546	9,651,449	–	308,377,154
a) Residential Mortgages	91,000,563	33,351,627	2,434,947	–	126,787,137
b) Qualifying Revolving Retail Exposures	16,362,385	5,950,925	1,090,657	–	23,403,967
c) Hire Purchase Exposures	43,328,772	7,195,152	3,840,216	–	54,364,140
d) Other Retail Exposures	87,669,439	13,866,842	2,285,629	–	103,821,910
Total IRB Approach	455,934,844	152,123,248	27,636,810	58,115,618	693,810,520
Total Standardised and IRB Approaches	586,531,278	216,493,230	46,998,127	89,079,494	939,102,129

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 31.12.2023				
Exempted Exposures (Standardised Approach)				
Sovereigns/Central Banks	69,528,106	28,762,185	12,789,793	111,080,084
Public Sector Entities	597,940	2,076,118	–	2,674,058
Banks, Development Financial Institutions & MDBs	1,111,578	512,561	–	1,624,139
Insurance Cos, Securities Firms & Fund Managers	401,573	–	131,951	533,524
Corporates	6,336,439	10,239,731	3,436,489	20,012,659
Regulatory Retail	1,399,332	–	89,835	1,489,167
Residential Mortgages	715,929	–	410,700	1,126,629
Higher Risk Assets	–	–	–	–
Other Assets	6,933,820	1,363,511	409,597	8,706,928
Securitisation Exposures	–	–	–	–
Equity Exposures	1,137,394	776	–	1,138,170
Total Standardised Approach	88,162,111	42,954,882	17,268,365	148,385,358
Exposures under the IRB Approach				
Public Sector Entities	24,226,730	–	–	24,226,730
Banks, Development Financial Institutions & MDBs	47,242,208	13,682,239	9,501,703	70,426,150
Corporate Exposures	125,009,837	74,914,030	49,494,277	249,418,144
a) Corporates (excluding Specialised Lending and firm-size adjustment)	97,117,353	68,411,673	47,833,119	213,362,145
b) Corporates (with firm-size adjustment)	24,074,669	6,277,499	1,365,378	31,717,546
c) Specialised Lending (Own PD Approach)				
– Project Finance	3,303,602	–	295,780	3,599,382
d) Specialised Lending (Slotting Approach)				
– Project Finance	514,213	224,858	–	739,071
Retail Exposures	81,237,295	–	–	81,237,295
a) Residential Mortgages	36,463,310	–	–	36,463,310
b) Qualifying Revolving Retail Exposures	13,158,990	–	–	13,158,990
c) Hire Purchase Exposures	4,099,409	–	–	4,099,409
d) Other Retail Exposures	27,515,586	–	–	27,515,586
Total IRB Approach	277,716,070	88,596,269	58,995,980	425,308,319
Total Standardised and IRB Approaches	365,878,181	131,551,151	76,264,345	573,693,677

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 31.12.2022				
Exempted Exposures (Standardised Approach)				
Sovereigns/Central Banks	66,481,199	23,077,630	12,968,971	102,527,800
Public Sector Entities	700,775	2,510,711	–	3,211,486
Banks, Development Financial Institutions & MDBs	451,851	251,817	–	703,668
Insurance Cos, Securities Firms & Fund Managers	301,195	–	41,557	342,752
Corporates	4,640,196	6,728,836	1,874,498	13,243,530
Regulatory Retail	1,451,826	–	215,490	1,667,316
Residential Mortgages	746,219	–	295,484	1,041,703
Higher Risk Assets	62	–	–	62
Other Assets	9,136,073	1,271,264	480,625	10,887,962
Securitisation Exposures	–	–	–	–
Equity Exposures	359,143	731	–	359,874
Total Standardised Approach	84,268,539	33,840,989	15,876,625	133,986,153
Exposures under the IRB Approach				
Public Sector Entities	20,435,292	–	–	20,435,292
Banks, Development Financial Institutions & MDBs	47,327,049	12,043,627	11,891,839	71,262,515
Corporate Exposures	110,224,068	62,628,271	44,218,348	217,070,687
a) Corporates (excluding Specialised Lending and firm-size adjustment)	80,003,285	56,341,513	41,963,292	178,308,090
b) Corporates (with firm-size adjustment)	26,168,542	6,286,758	1,942,038	34,397,338
c) Specialised Lending (Own PD Approach)				
– Project Finance	3,825,851	–	313,018	4,138,869
d) Specialised Lending (Slotting Approach)				
– Project Finance	226,390	–	–	226,390
Retail Exposures	80,352,053	–	–	80,352,053
a) Residential Mortgages	35,243,488	–	–	35,243,488
b) Qualifying Revolving Retail Exposures	11,907,395	–	–	11,907,395
c) Hire Purchase Exposures	4,546,427	–	–	4,546,427
d) Other Retail Exposures	28,654,743	–	–	28,654,743
Total IRB Approach	258,338,462	74,671,898	56,110,187	389,120,547
Total Standardised and IRB Approaches	342,607,001	108,512,887	71,986,812	523,106,700

Credit Risk

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

Exposure Class	As at 31.12.2023 Total RM'000	As at 31.12.2022 Total RM'000
Exposures under Standardised Approach		
Sovereigns/Central Banks	**34,350,804**	40,600,602
Public Sector Entities	**58,337**	62,752
Banks, Development Financial Institutions & MDBs	**–**	–
Insurance Cos, Securities Firms & Fund Managers	**7,591**	8,006
Corporates	**649,939**	646,837
Regulatory Retail	**1,808,275**	1,734,905
Residential Mortgages	**579,458**	587,599
Higher Risk Assets	**36**	36
Other Assets	**840,079**	1,219,409
Equity Exposure	**1,250**	1,250
Total Standardised Approach	**38,295,769**	44,861,396
Exposures under IRB Approach		
Public Sector Entities	**25,771,325**	23,775,808
Banks, Development Financial Institutions & MDBs	**9,979,811**	17,140,088
Corporate Exposures	**94,394,440**	85,656,337
a) Corporates (excluding Specialised Lending and firm-size adjustment)	**66,102,024**	60,437,244
b) Corporates (with firm-size adjustment)	**25,451,170**	22,804,499
c) Specialised Lending (Own PD Approach)		
– Project Finance	**2,763,449**	2,336,670
d) Specialised Lending (Slotting Approach)		
– Project Finance	**77,797**	77,924
Retail Exposures	**201,243,401**	182,256,974
a) Residential Mortgages	**67,528,252**	58,133,137
b) Qualifying Revolving Retail Exposures	**5,182,903**	4,593,173
c) Hire Purchase Exposures	**50,109,245**	46,412,585
d) Other Retail Exposures	**78,423,001**	73,118,079
Total IRB Approach	**331,388,977**	308,829,207
Total Standardised and IRB Approaches	**369,684,746**	353,690,603

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 31.12.2023												
Exempted Exposures (Standardised Approach)												
Sovereigns/Central Banks	2,179	–	21,237	–	39,386	176	72,291,654	8,882	40	–	108,257,063	180,620,617
Public Sector Entities	3,968	–	–	88	–	–	2,790,450	237	177	–	704,297	3,499,217
Banks, Development Financial Institutions & MDBs	–	–	–	–	–	–	1,651,050	–	–	–	–	1,651,050
Insurance Cos, Securities Firms & Fund Managers	33	–	–	–	–	36	638,452	–	–	–	1	638,522
Corporates	128,477	867,975	1,776,266	578,053	4,475,195	2,050,361	6,530,395	1,485,092	92,043	25,231	13,309,109	31,318,197
Regulatory Retail	–	–	–	–	–	–	–	–	–	24,948,175	–	24,948,175
Residential Mortgages	–	–	–	–	–	–	–	–	–	3,506,956	–	3,506,956
Higher Risk Assets	–	–	–	–	–	–	3,099	–	–	–	79	3,178
Other Assets	39	–	906	52	–	694	1,087,961	167	133	23,945	16,201,162	17,315,059
Securitisation Exposures	–	–	–	–	–	–	–	–	–	–	–	–
Equity Exposures	–	–	–	25	–	776	–	–	–	–	1,148,680	1,149,481
Total Standardised Approach	134,696	867,975	1,798,409	578,218	4,514,581	2,052,043	84,993,061	1,494,378	92,393	28,504,307	139,620,391	264,650,452
Exposures under the IRB Approach												
Public Sector Entities	4,087,693	18,718	–	138,074	87,155	1,550	24,699,457	805	3,838	–	859,455	29,896,745
Banks, Development Financial Institutions & MDBs	–	–	–	–	–	–	43,326,883	–	–	–	–	43,326,883
Corporate Exposures	6,144,124	10,738,834	48,614,751	36,218,480	14,818,956	50,480,693	146,546,923	21,508,525	7,501,876	205,478	8,204,995	350,983,635
a) Corporates (excluding Specialised Lending and firm-size adjustment)	4,745,985	9,928,622	38,173,722	23,729,823	11,562,723	31,413,862	126,654,860	17,109,407	5,893,977	205,478	5,099,971	274,518,430
b) Corporates (with firm-size adjustment)	1,398,139	810,212	8,586,035	10,531,004	590,849	19,066,831	19,892,063	3,851,690	1,607,899	–	3,090,809	69,425,531
c) Specialised Lending (Own PD Approach) – Project Finance	–	–	1,854,994	1,720,312	2,310,715	–	–	322,570	–	–	14,215	6,222,806
d) Specialised Lending (Slotting Approach) – Project Finance	–	–	–	237,341	354,669	–	–	224,858	–	–	–	816,868
Retail Exposures	–	–	–	–	–	–	–	–	–	329,981,177	–	329,981,177
a) Residential Mortgages	–	–	–	–	–	–	–	–	–	130,705,784	–	130,705,784
b) Qualifying Revolving Retail Exposures	–	–	–	–	–	–	–	–	–	26,359,206	–	26,359,206
c) Hire Purchase Exposures	–	–	–	–	–	–	–	–	–	64,600,279	–	64,600,279
d) Other Retail Exposures	–	–	–	–	–	–	–	–	–	108,315,908	–	108,315,908
Total IRB Approach	10,231,817	10,757,552	48,614,751	36,356,554	14,906,111	50,482,243	214,573,263	21,509,330	7,505,714	330,186,655	9,064,450	754,188,440
Total Standardised and IRB Approaches	10,366,513	11,625,527	50,413,160	36,934,772	19,420,692	52,534,286	299,566,324	23,003,708	7,598,107	358,690,962	148,684,841	1,018,838,892

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 31.12.2022												
Exempted Exposures (Standardised Approach)												
Sovereigns/Central Banks	1,377	–	10,510	–	36,871	640	63,567,655	18,743	264	–	107,591,790	171,227,850
Public Sector Entities	120,562	–	–	88	–	–	3,112,633	20	125	–	691,368	3,924,796
Banks, Development Financial Institutions & MDBs	–	–	–	–	–	–	624,296	–	–	–	88,243	712,539
Insurance Cos, Securities Firms & Fund Managers	48	–	–	–	–	57	711,285	5,739	–	–	14	717,143
Corporates	43,681	330,954	469,071	413,563	4,875,815	1,063,042	3,196,362	1,034,159	241,318	19,403	11,297,778	22,985,146
Regulatory Retail	–	–	–	–	–	–	–	–	–	24,846,809	–	24,846,809
Residential Mortgages	–	–	–	–	–	–	–	–	–	1,651,112	–	1,651,112
Higher Risk Assets	–	–	–	–	–	–	1,253	–	–	–	1,774	3,027
Other Assets	–	–	15	1	–	1	927,386	–	–	–	17,880,498	18,807,901
Securitisation Exposures	–	–	–	–	–	–	–	–	–	–	–	–
Equity Exposures	–	–	–	23	17,833	731	–	–	–	–	396,699	415,286
Total Standardised Approach	165,668	330,954	479,596	413,675	4,930,519	1,064,471	72,140,870	1,058,661	241,707	26,517,324	137,948,164	245,291,609
Exposures under the IRB Approach												
Public Sector Entities	4,639,140	11,145	2	124,860	127,585	2,335	23,402,033	985	4,987	–	811,905	29,124,977
Banks, Development Financial Institutions & MDBs	–	–	–	–	–	–	41,127,656	–	–	–	600,451	41,728,107
Corporate Exposures	7,356,055	10,870,083	45,124,025	36,303,483	11,459,147	47,397,177	119,906,861	18,255,288	3,526,783	14,754	14,366,626	314,580,282
a) Corporates (excluding Specialised Lending and firm-size adjustment)	5,886,911	10,263,647	34,932,391	22,387,356	8,235,955	30,972,977	99,517,831	14,946,903	2,165,455	13,145	10,845,222	240,167,793
b) Corporates (with firm-size adjustment)	1,469,144	333,928	8,271,377	12,238,999	695,184	16,424,200	20,389,030	2,956,559	1,361,328	1,609	3,491,277	67,632,635
c) Specialised Lending (Own PD Approach)												
– Project Finance	–	272,508	1,920,257	1,409,855	2,490,967	–	–	351,826	–	–	30,127	6,475,540
d) Specialised Lending (Slotting Approach)												
– Project Finance	–	–	–	267,273	37,041	–	–	–	–	–	–	304,314
Retail Exposures	–	–	–	–	–	–	–	–	–	308,377,154	–	308,377,154
a) Residential Mortgages	–	–	–	–	–	–	–	–	–	126,787,137	–	126,787,137
b) Qualifying Revolving Retail Exposures	–	–	–	–	–	–	–	–	–	23,403,967	–	23,403,967
c) Hire Purchase Exposures	–	–	–	–	–	–	–	–	–	54,364,140	–	54,364,140
d) Other Retail Exposures	–	–	–	–	–	–	–	–	–	103,821,910	–	103,821,910
Total IRB Approach	11,995,195	10,881,228	45,124,027	36,428,343	11,586,732	47,399,512	184,436,550	18,256,273	3,531,770	308,391,908	15,778,982	693,810,520
Total Standardised and IRB Approaches	12,160,863	11,212,182	45,603,623	36,842,018	16,517,251	48,463,983	256,577,420	19,314,934	3,773,477	334,909,232	153,727,146	939,102,129

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 31.12.2023												
Exempted Exposures (Standardised Approach)												
Sovereigns/Central Banks	396	–	21,237	–	39,386	176	39,240,799	8,882	40	–	71,769,168	111,080,084
Public Sector Entities	430	–	–	88	–	–	2,023,628	237	20	–	649,655	2,674,058
Banks, Development Financial Institutions & MDBs	–	–	–	–	–	–	842,270	–	183,662	–	598,207	1,624,139
Insurance Cos, Securities Firms & Fund Managers	33	–	–	–	–	36	533,455	–	–	–	–	533,524
Corporates	29,344	693,798	1,272,138	51,501	4,443,873	645,824	7,399,974	1,228,802	2,999	1,188	4,243,218	20,012,659
Regulatory Retail	–	–	–	–	–	–	–	–	–	1,489,167	–	1,489,167
Residential Mortgages	–	–	–	–	–	–	–	–	–	1,126,629	–	1,126,629
Higher Risk Assets	–	–	–	–	–	–	–	–	–	–	–	–
Other Assets	–	–	–	–	–	–	883,293	–	–	–	7,823,635	8,706,928
Securitisation Exposures	–	–	–	–	–	–	–	–	–	–	–	–
Equity Exposures	–	–	–	26	–	776	–	–	–	–	1,137,368	1,138,170
Total Standardised Approach	30,203	693,798	1,293,375	51,615	4,483,259	646,812	50,923,419	1,237,921	186,721	2,616,984	86,221,251	148,385,358
Exposures under the IRB Approach												
Public Sector Entities	4,045,870	18,718	–	50,942	–	1,550	19,300,752	757	40	–	808,101	24,226,730
Banks, Development Financial Institutions & MDBs	–	–	–	–	–	–	70,426,150	–	–	–	–	70,426,150
Corporate Exposures	3,335,901	8,346,178	27,681,106	20,075,173	10,885,811	31,749,069	122,303,232	15,345,734	6,072,701	–	3,623,239	249,418,144
a) Corporates (excluding Specialised Lending and firm-size adjustment)	2,744,884	8,207,262	22,081,998	14,625,550	9,515,365	22,994,506	111,806,415	13,513,838	5,069,236	–	2,803,091	213,362,145
b) Corporates (with firm-size adjustment)	591,017	138,916	3,744,115	4,632,842	265,410	8,754,563	10,496,817	1,284,468	1,003,465	–	805,933	31,717,546
c) Specialised Lending (Own PD Approach) – Project Finance	–	–	1,854,993	619,976	787,628	–	–	322,570	–	–	14,215	3,599,382
d) Specialised Lending (Slotting Approach) – Project Finance	–	–	–	196,805	317,408	–	–	224,858	–	–	–	739,071
Retail Exposures	–	–	–	–	–	–	–	–	–	81,237,295	–	81,237,295
a) Residential Mortgages	–	–	–	–	–	–	–	–	–	36,463,310	–	36,463,310
b) Qualifying Revolving Retail Exposures	–	–	–	–	–	–	–	–	–	13,158,990	–	13,158,990
c) Hire Purchase Exposures	–	–	–	–	–	–	–	–	–	4,099,409	–	4,099,409
d) Other Retail Exposures	–	–	–	–	–	–	–	–	–	27,515,586	-	27,515,586
Total IRB Approach	7,381,771	8,364,896	27,681,106	20,126,115	10,885,811	31,750,619	212,030,134	15,346,491	6,072,741	81,237,295	4,431,340	425,308,319
Total Standardised and IRB Approaches	7,411,974	9,058,694	28,974,481	20,177,730	15,369,070	32,397,431	262,953,553	16,584,412	6,259,462	83,854,279	90,652,591	573,693,677

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 31.12.2022												
Exempted Exposures (Standardised Approach)												
Sovereigns/Central Banks	340	–	10,510	–	36,871	640	32,204,342	18,743	264	–	70,256,090	102,527,800
Public Sector Entities	116,225	–	–	88	–	–	2,462,075	20	20	–	633,058	3,211,486
Banks, Development Financial Institutions & MDBs	–	–	–	–	–	–	615,426	–	–	–	88,242	703,668
Insurance Cos, Securities Firms & Fund Managers	48	–	–	–	–	57	336,906	5,740	–	–	1	342,752
Corporates	31,240	317,867	238,475	47,962	4,867,367	320,362	3,210,404	886,120	178,314	2,278	3,143,141	13,243,530
Regulatory Retail	–	–	–	–	–	–	–	–	–	1,667,316	–	1,667,316
Residential Mortgages	–	–	–	–	–	–	–	–	–	1,041,703	–	1,041,703
Higher Risk Assets	–	–	–	–	–	–	–	–	–	–	62	62
Other Assets	–	–	–	–	–	–	880,565	–	–	–	10,007,397	10,887,962
Securitisation Exposures	–	–	–	–	–	–	–	–	–	–	–	–
Equity Exposures	–	–	–	23	17,833	731	–	–	–	–	341,287	359,874
Total Standardised Approach	147,853	317,867	248,985	48,073	4,922,071	321,790	39,709,718	910,623	178,598	2,711,297	84,469,278	133,986,153
Exposures under the IRB Approach												
Public Sector Entities	4,597,144	6,122	2	51,101	–	2,335	15,722,392	832	–	–	55,364	20,435,292
Banks, Development Financial Institutions & MDBs	–	–	–	–	–	–	70,662,064	–	–	–	600,451	71,262,515
Corporate Exposures	3,545,488	7,743,877	25,287,328	20,306,535	8,283,035	32,111,588	97,611,463	9,838,069	2,448,000	2,229	9,893,075	217,070,687
a) Corporates (excluding Specialised Lending and firm-size adjustment)	2,851,886	7,248,312	19,544,057	13,486,111	6,823,706	23,907,724	85,411,924	8,335,238	1,758,861	620	8,939,651	178,308,090
b) Corporates (with firm-size adjustment)	693,602	223,057	3,823,014	6,140,225	348,987	8,203,864	12,199,539	1,151,005	689,139	1,609	923,297	34,397,338
c) Specialised Lending (Own PD Approach)												
– Project Finance	–	272,508	1,920,257	453,812	1,110,339	–	–	351,826	–	–	30,127	4,138,869
d) Specialised Lending (Slotting Approach)												
– Project Finance	–	–	–	226,387	3	–	–	–	–	–	–	226,390
Retail Exposures	–	–	–	–	–	–	–	–	–	80,352,053	–	80,352,053
a) Residential Mortgages	–	–	–	–	–	–	–	–	–	35,243,488	–	35,243,488
b) Qualifying Revolving Retail Exposures	–	–	–	–	–	–	–	–	–	11,907,395	–	11,907,395
c) Hire Purchase Exposures	–	–	–	–	–	–	–	–	–	4,546,427	–	4,546,427
d) Other Retail Exposures	–	–	–	–	–	–	–	–	–	28,654,743	–	28,654,743
Total IRB Approach	8,142,632	7,749,999	25,287,330	20,357,636	8,283,035	32,113,923	183,995,919	9,838,901	2,448,000	80,354,282	10,548,890	389,120,547
Total Standardised and IRB Approaches	8,290,485	8,067,866	25,536,315	20,405,709	13,205,106	32,435,713	223,705,637	10,749,524	2,626,598	83,065,579	95,018,168	523,106,700

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 31.12.2023												
Exempted Exposures (Standardised Approach)												
Sovereigns/Central Banks	1,783	–	–	–	–	–	9,201,654	–	–	–	25,147,367	34,350,804
Public Sector Entities	3,538	–	–	–	–	–	–	–	157	–	54,642	58,337
Banks, Development Financial Institutions & MDBs	–	–	–	–	–	–	–	–	–	–	–	–
Insurance Cos, Securities Firms & Fund Managers	–	–	–	–	–	–	7,590	–	–	–	1	7,591
Corporates	8,851	2,264	16,588	36,327	2,799	100,773	26,747	15,306	7,225	164	432,895	649,939
Regulatory Retail	–	–	–	–	–	–	–	–	–	1,808,275	–	1,808,275
Residential Mortgages	–	–	–	–	–	–	–	–	–	579,458	–	579,458
Higher Risk Assets	–	–	–	–	–	–	–	–	–	–	36	36
Other Assets	–	–	–	–	–	–	–	–	–	–	840,079	840,079
Equity Exposures	–	–	–	–	–	–	–	–	–	–	1,250	1,250
Total Standardised Approach	14,172	2,264	16,588	36,327	2,799	100,773	9,235,991	15,306	7,382	2,387,897	26,476,270	38,295,769
Exposures under the IRB Approach												
Public Sector Entities	3,633,574	–	–	87,133	87,155	–	21,199,536	47	3,798	–	760,082	25,771,325
Banks, Development Financial Institutions & MDBs	–	–	–	–	–	–	9,979,811	–	–	–	–	9,979,811
Corporate Exposures	3,151,488	5,895,457	16,910,059	13,661,557	8,714,404	11,516,573	22,138,743	9,097,231	1,801,082	–	1,507,846	94,394,440
a) Corporates (excluding Specialised Lending and firm-size adjustment)	2,374,392	5,237,159	13,165,490	8,299,858	6,746,630	5,358,331	15,605,121	7,727,828	1,298,800	–	288,415	66,102,024
b) Corporates (with firm-size adjustment)	777,096	658,298	3,744,569	4,220,827	267,400	6,158,242	6,533,622	1,369,403	502,282	–	1,219,431	25,451,170
c) Specialised Lending (Own PD Approach)												
– Project Finance	–	–	–	1,100,336	1,663,113	–	–	–	–	–	–	2,763,449
d) Specialised Lending (Slotting Approach)												
– Project Finance	–	–	–	40,536	37,261	–	–	–	–	–	–	77,797
Retail Exposures	–	–	–	–	–	–	–	–	–	201,243,401	–	201,243,401
a) Residential Mortgages	–	–	–	–	–	–	–	–	–	67,528,252	–	67,528,252
b) Qualifying Revolving Retail Exposures	–	–	–	–	–	–	–	–	–	5,182,903	–	5,182,903
c) Hire Purchase Exposures	–	–	–	–	–	–	–	–	–	50,109,245	–	50,109,245
d) Other Retail Exposures	–	–	–	–	–	–	–	–	–	78,423,001	–	78,423,001
Total IRB Approach	6,785,062	5,895,457	16,910,059	13,748,690	8,801,559	11,516,573	53,318,090	9,097,278	1,804,880	201,243,401	2,267,928	331,388,977
Total Standardised and IRB Approaches	6,799,234	5,897,721	16,926,647	13,785,017	8,804,358	11,617,346	62,554,081	9,112,584	1,812,262	203,631,298	28,744,198	369,684,746

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 31.12.2022												
Exempted Exposures (Standardised Approach)												
Sovereigns/Central Banks	1,037	–	–	–	–	–	12,474,845	–	–	–	28,124,720	40,600,602
Public Sector Entities	4,337	–	–	–	–	–	–	–	105	–	58,310	62,752
Banks, Development Financial Institutions & MDBs	–	–	–	–	–	–	–	–	–	–	–	–
Insurance Cos, Securities Firms & Fund Managers	–	–	–	–	–	–	7,992	–	–	–	14	8,006
Corporates	8,203	2,025	17,658	32,206	2,471	50,572	43,652	12,404	7,567	260	469,819	646,837
Regulatory Retail	–	–	–	–	–	–	–	–	–	1,734,905	–	1,734,905
Residential Mortgages	–	–	–	–	–	–	–	–	–	587,599	–	587,599
Higher Risk Assets	–	–	–	–	–	–	–	–	–	–	36	36
Other Assets	–	–	–	–	–	–	–	–	–	–	1,219,409	1,219,409
Equity Exposures	–	–	–	–	–	–	–	–	–	–	1,250	1,250
Total Standardised Approach	13,577	2,025	17,658	32,206	2,471	50,572	12,526,489	12,404	7,672	2,322,764	29,873,558	44,861,396
Exposures under the IRB Approach												
Public Sector Entities	4,185,061	5,023	–	73,759	127,585	–	18,622,700	152	4,987	–	756,541	23,775,808
Banks, Development Financial Institutions & MDBs	–	–	–	–	–	–	17,140,060	–	–	–	28	17,140,088
Corporate Exposures	4,206,858	5,688,024	14,936,720	14,567,809	6,754,728	8,352,840	20,538,257	7,997,259	912,032	–	1,701,810	85,656,337
a) Corporates (excluding Specialised Lending and firm-size adjustment)	3,468,391	5,600,570	11,542,601	8,895,706	5,042,839	3,838,409	14,809,711	6,712,160	356,635	–	170,222	60,437,244
b) Corporates (with firm-size adjustment)	738,467	87,454	3,394,119	4,675,174	294,224	4,514,431	5,728,546	1,285,099	555,397	–	1,531,588	22,804,499
c) Specialised Lending (Own PD Approach)												
– Project Finance	–	–	–	956,043	1,380,627	–	–	–	–	–	–	2,336,670
d) Specialised Lending (Slotting Approach)												
– Project Finance	–	–	–	40,886	37,038	–	–	–	–	–	–	77,924
Retail Exposures	–	–	–	–	–	–	–	–	–	182,256,974	–	182,256,974
a) Residential Mortgages	–	–	–	–	–	–	–	–	–	58,133,137	–	58,133,137
b) Qualifying Revolving Retail Exposures	–	–	–	–	–	–	–	–	–	4,593,173	–	4,593,173
c) Hire Purchase Exposures	–	–	–	–	–	–	–	–	–	46,412,585	–	46,412,585
d) Other Retail Exposures	–	–	–	–	–	–	–	–	–	73,118,079	–	73,118,079
Total IRB Approach	8,391,919	5,693,047	14,936,720	14,641,568	6,882,313	8,352,840	56,301,017	7,997,411	917,019	182,256,974	2,458,379	308,829,207
Total Standardised and IRB Approaches	8,405,496	5,695,072	14,954,378	14,673,774	6,884,784	8,403,412	68,827,506	8,009,815	924,691	184,579,738	32,331,937	353,690,603

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 31.12.2023				
Exempted Exposures (Standardised Approach)				
Sovereigns/Central Banks	52,771,090	38,452,150	89,397,377	180,620,617
Public Sector Entities	458,690	2,216,891	823,636	3,499,217
Banks, Development Financial Institutions & MDBs	286,699	1,205,110	159,241	1,651,050
Insurance Cos, Securities Firms & Fund Managers	390,609	243,227	4,686	638,522
Corporates	10,843,285	10,541,765	9,933,147	31,318,197
Regulatory Retail	6,535,709	8,240,362	10,172,104	24,948,175
Residential Mortgages	717,427	209,648	2,579,881	3,506,956
Higher Risk Assets	1,341	1,801	36	3,178
Other Assets	1,681,238	1,829,959	13,803,862	17,315,059
Securitisation Exposures	–	–	–	–
Equity Exposures	1,143,306	–	6,175	1,149,481
Total Standardised Approach	74,829,394	62,940,913	126,880,145	264,650,452
Exposures under the IRB Approach				
Public Sector Entities	9,181,702	5,618,991	15,096,052	29,896,745
Banks, Development Financial Institutions & MDBs	30,478,152	8,583,201	4,265,530	43,326,883
Corporate Exposures	155,889,251	114,361,278	80,733,106	350,983,635
a) Corporates (excluding Specialised Lending and firm-size adjustment)	128,326,606	95,530,638	50,661,186	274,518,430
b) Corporates (with firm-size adjustment)	27,067,659	18,060,562	24,297,310	69,425,531
c) Specialised Lending (Own PD Approach)				
– Project Finance	442,945	768,691	5,011,170	6,222,806
d) Specialised Lending (Slotting Approach)				
– Project Finance	52,041	1,387	763,440	816,868
Retail Exposures	18,547,683	49,919,064	261,514,430	329,981,177
a) Residential Mortgages	617,034	3,797,376	126,291,374	130,705,784
b) Qualifying Revolving Retail Exposures	11,016,397	13,526,390	1,816,419	26,359,206
c) Hire Purchase Exposures	1,082,424	22,667,734	40,850,121	64,600,279
d) Other Retail Exposures	5,831,828	9,927,564	92,556,516	108,315,908
Total IRB Approach	214,096,788	178,482,534	361,609,118	754,188,440
Total Standardised and IRB Approaches	288,926,182	241,423,447	488,489,263	1,018,838,892

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 31.12.2022				
Exempted Exposures (Standardised Approach)				
Sovereigns/Central Banks	49,156,909	38,369,015	83,701,926	171,227,850
Public Sector Entities	840,575	1,908,271	1,175,950	3,924,796
Banks, Development Financial Institutions & MDBs	90,373	469,307	152,859	712,539
Insurance Cos, Securities Firms & Fund Managers	248,185	464,884	4,074	717,143
Corporates	8,119,426	6,381,701	8,484,019	22,985,146
Regulatory Retail	6,575,507	7,436,232	10,835,070	24,846,809
Residential Mortgages	727,748	58,032	865,332	1,651,112
Higher Risk Assets	1,253	1,675	99	3,027
Other Assets	1,470,347	1,541,895	15,795,659	18,807,901
Securitisation Exposures	–	–	–	–
Equity Exposures	364,199	–	51,087	415,286
Total Standardised Approach	67,594,522	56,631,012	121,066,075	245,291,609
Exposures under the IRB Approach				
Public Sector Entities	5,290,688	6,190,468	17,643,821	29,124,977
Banks, Development Financial Institutions & MDBs	30,161,424	7,618,637	3,948,046	41,728,107
Corporate Exposures	135,180,930	102,858,748	76,540,604	314,580,282
a) Corporates (excluding Specialised Lending and firm-size adjustment)	108,413,759	81,458,513	50,295,521	240,167,793
b) Corporates (with firm-size adjustment)	26,050,238	19,974,290	21,608,107	67,632,635
c) Specialised Lending (Own PD Approach)				
– Project Finance	654,828	1,414,121	4,406,591	6,475,540
d) Specialised Lending (Slotting Approach)				
– Project Finance	62,105	11,824	230,385	304,314
Retail Exposures	17,781,484	44,751,001	245,844,669	308,377,154
a) Residential Mortgages	518,461	2,836,788	123,431,888	126,787,137
b) Qualifying Revolving Retail Exposures	10,753,322	11,088,429	1,562,216	23,403,967
c) Hire Purchase Exposures	959,273	21,180,807	32,224,060	54,364,140
d) Other Retail Exposures	5,550,428	9,644,977	88,626,505	103,821,910
Total IRB Approach	188,414,526	161,418,854	343,977,140	693,810,520
Total Standardised and IRB Approaches	256,009,048	218,049,866	465,043,215	939,102,129

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 31.12.2023				
Exempted Exposures (Standardised Approach)				
Sovereigns/Central Banks	30,535,803	26,428,304	54,115,977	111,080,084
Public Sector Entities	435,357	1,543,894	694,807	2,674,058
Banks, Development Financial Institutions & MDBs	259,788	1,205,110	159,241	1,624,139
Insurance Cos, Securities Firms & Fund Managers	390,858	139,253	3,413	533,524
Corporates	8,911,684	7,483,781	3,617,194	20,012,659
Regulatory Retail	956,933	258,689	273,545	1,489,167
Residential Mortgages	587,035	39,120	500,474	1,126,629
Higher Risk Assets	–	–	–	–
Other Assets	962,944	25,018	7,718,966	8,706,928
Securitisation Exposures	–	–	–	–
Equity Exposures	1,138,170	–	–	1,138,170
Total Standardised Approach	44,178,572	37,123,169	67,083,617	148,385,358
Exposures under the IRB Approach				
Public Sector Entities	8,230,022	5,455,967	10,540,741	24,226,730
Banks, Development Financial Institutions & MDBs	54,676,883	10,812,478	4,936,789	70,426,150
Corporate Exposures	108,427,602	90,450,633	50,539,909	249,418,144
a) Corporates (excluding Specialised Lending and firm-size adjustment)	94,640,723	79,273,834	39,447,588	213,362,145
b) Corporates (with firm-size adjustment)	13,544,890	10,694,385	7,478,271	31,717,546
c) Specialised Lending (Own PD Approach)				
– Project Finance	229,210	481,340	2,888,832	3,599,382
d) Specialised Lending (Slotting Approach)				
– Project Finance	12,779	1,074	725,218	739,071
Retail Exposures	4,421,361	16,097,542	60,718,392	81,237,295
a) Residential Mortgages	525,357	540,456	35,397,497	36,463,310
b) Qualifying Revolving Retail Exposures	1,968,680	9,797,917	1,392,393	13,158,990
c) Hire Purchase Exposures	66,899	2,310,903	1,721,607	4,099,409
d) Other Retail Exposures	1,860,425	3,448,266	22,206,895	27,515,586
Total IRB Approach	175,755,868	122,816,620	126,735,831	425,308,319
Total Standardised and IRB Approaches	219,934,440	159,939,789	193,819,448	573,693,677

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 31.12.2022				
Exempted Exposures (Standardised Approach)				
Sovereigns/Central Banks	26,179,791	26,727,927	49,620,082	102,527,800
Public Sector Entities	836,811	1,538,803	835,872	3,211,486
Banks, Development Financial Institutions & MDBs	81,502	469,307	152,859	703,668
Insurance Cos, Securities Firms & Fund Managers	240,290	98,542	3,920	342,752
Corporates	6,240,581	4,563,024	2,439,925	13,243,530
Regulatory Retail	1,035,722	213,577	418,017	1,667,316
Residential Mortgages	623,277	27,890	390,536	1,041,703
Higher Risk Assets	–	–	62	62
Other Assets	929,386	79,439	9,879,137	10,887,962
Securitisation Exposures	–	–	–	–
Equity Exposures	359,874	–	–	359,874
Total Standardised Approach	36,527,234	33,718,509	63,740,410	133,986,153
Exposures under the IRB Approach				
Public Sector Entities	4,263,948	5,614,659	10,556,685	20,435,292
Banks, Development Financial Institutions & MDBs	57,017,440	9,853,350	4,391,725	71,262,515
Corporate Exposures	94,186,359	77,054,210	45,830,118	217,070,687
a) Corporates (excluding Specialised Lending and firm-size adjustment)	79,722,655	63,728,943	34,856,492	178,308,090
b) Corporates (with firm-size adjustment)	13,915,845	12,110,599	8,370,894	34,397,338
c) Specialised Lending (Own PD Approach)				
– Project Finance	524,829	1,203,274	2,410,766	4,138,869
d) Specialised Lending (Slotting Approach)				
– Project Finance	23,030	11,394	191,966	226,390
Retail Exposures	5,105,732	15,036,975	60,209,346	80,352,053
a) Residential Mortgages	453,432	573,482	34,216,574	35,243,488
b) Qualifying Revolving Retail Exposures	2,680,270	7,996,759	1,230,366	11,907,395
c) Hire Purchase Exposures	82,654	2,661,280	1,802,493	4,546,427
d) Other Retail Exposures	1,889,376	3,805,454	22,959,913	28,654,743
Total IRB Approach	160,573,479	107,559,194	120,987,874	389,120,547
Total Standardised and IRB Approaches	197,100,713	141,277,703	184,728,284	523,106,700

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 31.12.2023				
Exempted Exposures (Standardised Approach)				
Sovereigns/Central Banks	6,060,358	4,322,112	23,968,334	34,350,804
Public Sector Entities	9,550	43,068	5,719	58,337
Banks, Development Financial Institutions & MDBs	–	–	–	–
Insurance Cos, Securities Firms & Fund Managers	5,611	706	1,274	7,591
Corporates	243,903	81,669	324,367	649,939
Regulatory Retail	390,556	307,341	1,110,378	1,808,275
Residential Mortgages	127,084	24,619	427,755	579,458
Higher Risk Assets	–	–	36	36
Other Assets	34	46	839,999	840,079
Equity Exposures	1,250	–	–	1,250
Total Standardised Approach	6,838,346	4,779,561	26,677,862	38,295,769
Exposures under the IRB Approach				
Public Sector Entities	9,054,695	4,585,120	12,131,510	25,771,325
Banks, Development Financial Institutions & MDBs	9,315,366	645,858	18,587	9,979,811
Corporate Exposures	48,755,687	18,249,583	27,389,170	94,394,440
a) Corporates (excluding Specialised Lending and firm-size adjustment)	37,861,042	13,928,748	14,312,234	66,102,024
b) Corporates (with firm-size adjustment)	10,566,649	4,033,170	10,851,351	25,451,170
c) Specialised Lending (Own PD Approach)				
– Project Finance	288,735	287,351	2,187,363	2,763,449
d) Specialised Lending (Slotting Approach)				
– Project Finance	39,261	314	38,222	77,797
Retail Exposures	6,157,546	22,636,012	172,449,843	201,243,401
a) Residential Mortgages	63,685	2,412,543	65,052,024	67,528,252
b) Qualifying Revolving Retail Exposures	1,919,203	2,915,367	348,333	5,182,903
c) Hire Purchase Exposures	341,524	11,398,004	38,369,717	50,109,245
d) Other Retail Exposures	3,833,134	5,910,098	68,679,769	78,423,001
Total IRB Approach	73,283,294	46,116,573	211,989,110	331,388,977
Total Standardised and IRB Approaches	80,121,640	50,896,134	238,666,972	369,684,746

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 31.12.2022				
Exempted Exposures (Standardised Approach)				
Sovereigns/Central Banks	12,693,502	1,894,249	26,012,851	40,600,602
Public Sector Entities	3,764	51,243	7,745	62,752
Banks, Development Financial Institutions & MDBs	–	–	–	–
Insurance Cos, Securities Firms & Fund Managers	7,637	214	155	8,006
Corporates	241,625	138,529	266,683	646,837
Regulatory Retail	390,772	410,162	933,971	1,734,905
Residential Mortgages	104,114	24,957	458,528	587,599
Higher Risk Assets	–	–	36	36
Other Assets	41	30	1,219,338	1,219,409
Equity Exposures	1,250	–	–	1,250
Total Standardised Approach	13,442,705	2,519,384	28,899,307	44,861,396
Exposures under the IRB Approach				
Public Sector Entities	5,169,805	5,096,657	13,509,346	23,775,808
Banks, Development Financial Institutions & MDBs	16,333,325	771,584	35,179	17,140,088
Corporate Exposures	42,033,369	15,157,244	28,465,724	85,656,337
a) Corporates (excluding Specialised Lending and firm-size adjustment)	32,114,239	10,925,487	17,397,518	60,437,244
b) Corporates (with firm-size adjustment)	9,750,056	4,020,481	9,033,962	22,804,499
c) Specialised Lending (Own PD Approach)				
– Project Finance	129,999	210,846	1,995,825	2,336,670
d) Specialised Lending (Slotting Approach)				
– Project Finance	39,075	430	38,419	77,924
Retail Exposures	5,735,295	20,121,638	156,400,041	182,256,974
a) Residential Mortgages	38,769	1,400,269	56,694,099	58,133,137
b) Qualifying Revolving Retail Exposures	1,822,337	2,494,215	276,621	4,593,173
c) Hire Purchase Exposures	333,152	10,895,061	35,184,372	46,412,585
d) Other Retail Exposures	3,541,037	5,332,093	64,244,949	73,118,079
Total IRB Approach	69,271,794	41,147,123	198,410,290	308,829,207
Total Standardised and IRB Approaches	82,714,499	43,666,507	227,309,597	353,690,603

IMPAIRMENT PROVISIONS FOR FINANCIAL ASSETS

The MFRS 9 impairment requirements are based on an Expected Credit Losses ("ECL") model. The ECL model applies to financial assets measured at amortised cost or at fair value through other comprehensive income ("FVOCI"), irrevocable loan/financing commitments and financial guarantee contracts, which include loans, advances and financing and debt instruments held by the Group and the Bank. The ECL model also applies to contract assets under MFRS 15 Revenue from Contracts with Customers and lease receivables under MFRS 16 Leases.

The measurement of ECL involves complexity and judgement that include:

1. Determination of significant increase in credit risk since initial recognition ("SICR")

The assessment of SICR is key in establishing the point of switching between the requirement to measure an allowance based on 12-month ECL and one that is based on lifetime ECL. The Group and the Bank performed quantitative and qualitative assessments to determine the SICR by comparing the risk of a default occurring on the financial assets as at reporting date with the risk of default occurring on the financial assets as at the date of initial recognition.

The Group and the Bank apply a three-stage approach based on the change in credit quality since initial recognition:

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

2. ECL measurement

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

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

3. Expected life

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

4. Financial investments at FVOCI

The ECL for financial investments measured at FVOCI do not reduce the carrying amount of these financial assets in the statement of financial position, which remains at fair value. Instead, an amount equivalent to the allowance that would arise if the assets were measured at amortised cost is recognised in other comprehensive income ("OCI") as an accumulated impairment amount, with a corresponding charge to profit or loss. The accumulated loss recognised in OCI is recycled to the profit or loss upon derecognition of the assets.

Credit Risk

IMPAIRMENT PROVISIONS FOR FINANCIAL ASSETS (CONT'D.)

5. Forward-looking information

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

Where applicable, the Group and the Bank incorporate forward-looking adjustments in credit risk factors of PD and LGD used in ECL calculation; taking into account the impact of multiple probability-weighted future forecast economic scenarios.

Embedded in ECL is a broad range of forward-looking information as economic inputs, such as:

- Gross Domestic Product ("GDP") growth;
- Inflation rates;
- Unemployment rates;
- House Price indices; and
- Central Banks' policy rates.

The Group and the Bank apply the following three alternatives macroeconomic scenarios to reflect an unbiased probability-weighted range of possible future outcomes in estimating ECL:

- Base scenario: This scenario reflects that current macroeconomic conditions continue to prevail; and
- Upside and Downside scenarios: These scenarios are set relative to the base scenario; reflecting best and worst-case macroeconomic conditions based on subject matter expert's best judgement of current economic conditions.

6. Valuation of collateral held as security for financial assets

The Group's and the Bank's valuation policies for collateral assigned to its financial assets are dependent on its lending arrangements.

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 10 for financial investment at FVOCI, Note 11 for financial investments at amortised cost, and Note 12 for loans, advances and financing 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. Days past due ("dpd") or months in arrears ("MIA") refers to repayments which are due, principal or interest, under contractual terms, that are received either partially or after the contractual dates. The determination of dpd or MIA excludes any moratorium period granted. Counterparties are classified as Impaired when one or more events that have a detrimental impact on the estimated future cash flows of the counterparty have occurred.

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 31.12.2023						
Agriculture	**95,830**	**33,181**	**49,571**	**13,732**	**(646,166)**	**(469,463)**
Mining & quarrying	**114,071**	**6,521**	**114,141**	**73,174**	**(221,518)**	**(1,158)**
Manufacturing	**646,009**	**962,427**	**392,519**	**411,809**	**(8,403)**	**(114,062)**
Construction	**1,617,287**	**2,044,166**	**1,176,151**	**501,794**	**391,439**	**(75,294)**
Electricity, gas & water supply	**17,367**	**535,314**	**9,632**	**266,417**	**(46,624)**	**(101,071)**
Wholesale, retail trade, restaurants & hotels	**1,782,148**	**1,532,091**	**1,014,724**	**777,317**	**421,404**	**(225,319)**
Finance, insurance, real estate & business	**1,742,902**	**1,492,610**	**1,586,125**	**989,817**	**704,986**	**(236,682)**
Transport, storage & communication	**283,505**	**233,079**	**131,222**	**239,954**	**47,929**	**(34,560)**
Education, health & others	**147,242**	**341,370**	**45,723**	**213,313**	**49,549**	**(1,410,377)**
Household	**2,081,702**	**10,327,209**	**688,000**	**1,902,074**	**538,211**	**(422,905)**
Others	**73,962**	**13,414**	**38,943**	**105,036**	**1,043,565**	**(1,078,800)**
Total	**8,600,425**	**17,521,382**	**5,246,751**	**5,494,437**	**2,274,372**	**(4,169,692)**
As at 31.12.2022						
Agriculture	809,630	236,938	973,889	25,880	490,058	(114,562)
Mining & quarrying	547,803	9,848	390,845	45,567	1,293,504	(780)
Manufacturing	731,815	885,720	443,400	460,373	95,883	(32,163)
Construction	1,382,598	2,133,878	1,051,714	391,198	242,630	(620,576)
Electricity, gas & water supply	141,197	785,786	102,042	311,061	(176,308)	(116,118)
Wholesale, retail trade, restaurants & hotels	1,310,158	2,097,161	657,126	841,742	359,764	(266,121)
Finance, insurance, real estate & business	1,192,424	3,816,189	940,898	1,326,008	674,719	(200,152)
Transport, storage & communication	300,288	376,358	148,087	366,788	(7,992)	(684,528)
Education, health & others	1,465,041	305,913	1,399,153	179,553	380,192	(585,229)
Household	1,290,666	8,776,265	465,712	1,511,324	343,989	(411,595)
Others	33,239	12,502	17,341	28,591	(929,118)	(46,939)
Total	9,204,859	19,436,558	6,590,207	5,488,085	2,767,321	(3,078,763)

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 31.12.2023						
Agriculture	**55,045**	**8,735**	**37,273**	**12,761**	**(313,630)**	**(1,981)**
Mining & quarrying	**3,020,533**	**1,496**	**1,382,956**	**44,438**	**(251,192)**	**(24)**
Manufacturing	**168,402**	**138,000**	**142,993**	**184,044**	**26,906**	**(76,809)**
Construction	**601,503**	**171,678**	**532,513**	**285,770**	**(71,622)**	**(49,372)**
Electricity, gas & water supply	**1,626**	**358,543**	**624**	**123,112**	**(46,771)**	**(101,047)**
Wholesale, retail trade, restaurants & hotels	**700,345**	**157,559**	**567,807**	**210,629**	**226,547**	**(34,088)**
Finance, insurance, real estate & business	**1,319,723**	**690,013**	**1,254,272**	**716,681**	**429,751**	**(296,481)**
Transport, storage & communication	**116,492**	**37,587**	**70,001**	**43,430**	**12,631**	**(4,017)**
Education, health & others	**25,947**	**16,367**	**8,188**	**74,402**	**27,649**	**(1,403,835)**
Household	**407,529**	**2,130,519**	**205,438**	**581,573**	**135,543**	**(171,611)**
Others	**30,300**	**477**	**29,139**	**3,425**	**704,782**	**(725,584)**
Total	**6,447,445**	**3,710,974**	**4,231,204**	**2,280,265**	**880,594**	**(2,864,849)**
As at 31.12.2022						
Agriculture	375,176	7,890	345,808	21,933	28,735	(15,386)
Mining & quarrying	3,268,647	6,215	1,853,478	21,982	1,835,087	(370)
Manufacturing	229,365	92,635	186,115	223,161	24,732	(10,695)
Construction	883,557	304,788	708,480	119,326	247,217	(572,778)
Electricity, gas & water supply	94,810	611,673	94,466	173,146	(161,323)	(74,007)
Wholesale, retail trade, restaurants & hotels	415,553	988,238	233,641	376,494	228,886	(100,132)
Finance, insurance, real estate & business	966,382	3,124,084	825,618	916,165	577,051	(110,136)
Transport, storage & communication	172,110	42,258	95,479	44,178	(9,446)	(517,513)
Education, health & others	1,393,195	34,616	1,374,527	61,359	363,182	(570,911)
Household	404,649	1,989,147	172,501	414,459	177,135	(140,993)
Others	1,659	808	344	19,964	(965,679)	(18,034)
Total	8,205,103	7,202,352	5,890,457	2,392,167	2,345,577	(2,130,955)

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 (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 31.12.2023						
Agriculture	**25,909**	**19,313**	**7,614**	**20,991**	**(322,419)**	**(466,960)**
Mining & quarrying	**13,490**	**3,758**	**4,669**	**26,220**	**1,109**	**(1,134)**
Manufacturing	**135,291**	**92,535**	**63,299**	**89,254**	**2,923**	**(5,476)**
Construction	**473,610**	**140,831**	**347,407**	**69,732**	**241,934**	**(11,382)**
Electricity, gas & water supply	**12,066**	**3,295**	**7,217**	**83,521**	**147**	**(23)**
Wholesale, retail trade, restaurants & hotels	**437,808**	**410,266**	**153,200**	**178,302**	**133,451**	**(41,706)**
Finance, insurance, real estate & business	**226,237**	**290,309**	**213,646**	**149,267**	**155,417**	**(12,886)**
Transport, storage & communication	**80,949**	**91,143**	**22,714**	**137,323**	**21,116**	**(28,516)**
Education, health & others	**49,161**	**39,758**	**17,070**	**49,351**	**8,710**	**(3,119)**
Household	**995,775**	**6,694,154**	**264,783**	**1,094,370**	**237,316**	**(139,974)**
Others	**1**	**–**	**434**	**94,152**	**337,899**	**(348,869)**
Total	**2,450,297**	**7,785,362**	**1,102,053**	**1,992,483**	**817,603**	**(1,060,045)**
As at 31.12.2022						
Agriculture	751,858	51,116	787,116	(167,279)	459,565	(97,093)
Mining & quarrying	12,909	3,314	4,626	18,004	2,156	(189)
Manufacturing	114,098	371,034	61,524	108,923	37,953	(8,339)
Construction	316,301	197,226	108,607	244,257	(56,776)	(7,127)
Electricity, gas & water supply	45,195	9,809	7,084	30,360	(14,985)	(41,660)
Wholesale, retail trade, restaurants & hotels	162,171	261,694	42,839	167,556	43,107	(37,939)
Finance, insurance, real estate & business	118,719	236,003	56,973	234,724	34,614	(12,561)
Transport, storage & communication	68,188	62,865	25,799	207,831	12,765	(25,031)
Education, health & others	27,427	28,205	8,918	24,609	4,962	(2,249)
Household	444,213	5,851,146	133,749	890,525	96,615	(121,057)
Others	1	–	77	28	32,099	(26,887)
Total	2,061,080	7,072,412	1,237,312	1,759,538	652,075	(380,132)

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 31.12.2023						
Malaysia	**4,708,598**	**10,306,741**	**3,162,075**	**3,425,215**	**1,434,744**	**(2,193,217)**
Singapore	**1,342,265**	**4,628,718**	**829,499**	**1,326,398**	**241,318**	**(223,203)**
Indonesia	**1,376,549**	**2,295,394**	**575,735**	**491,816**	**311,304**	**(273,424)**
Others Overseas Unit	**1,173,013**	**290,529**	**679,442**	**251,008**	**287,006**	**(1,479,848)**
Total	**8,600,425**	**17,521,382**	**5,246,751**	**5,494,437**	**2,274,372**	**(4,169,692)**
As at 31.12.2022						
Malaysia	5,030,783	9,654,174	3,708,578	2,866,156	1,724,197	(801,536)
Singapore	823,840	6,608,321	622,400	1,730,424	34,660	(715,718)
Indonesia	1,314,119	2,993,585	483,918	572,673	235,984	(354,283)
Others Overseas Unit	2,036,117	180,478	1,775,311	318,832	772,480	(1,207,226)
Total	9,204,859	19,436,558	6,590,207	5,488,085	2,767,321	(3,078,763)

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 31.12.2023						
Malaysia	**5,172,202**	**2,521,378**	**3,327,777**	**1,527,312**	**589,117**	**(1,298,207)**
Singapore	**603,677**	**1,181,974**	**496,737**	**612,098**	**33,803**	**(101,043)**
Others Overseas Unit	**671,566**	**7,622**	**406,690**	**140,855**	**257,674**	**(1,465,599)**
Total	**6,447,445**	**3,710,974**	**4,231,204**	**2,280,265**	**880,594**	**(2,864,849)**
As at 31.12.2022						
Malaysia	6,072,338	2,581,762	3,931,836	1,144,347	1,615,610	(421,404)
Singapore	476,616	4,582,814	413,933	1,061,629	(22,472)	(586,332)
Others Overseas Unit	1,656,149	37,776	1,544,688	186,191	752,439	(1,123,219)
Total	8,205,103	7,202,352	5,890,457	2,392,167	2,345,577	(2,130,955)

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 (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 31.12.2023						
Malaysia	**2,450,297**	**7,785,362**	**1,102,053**	**1,992,483**	**817,603**	**(1,060,045)**
Total	**2,450,297**	**7,785,362**	**1,102,053**	**1,992,483**	**817,603**	**(1,060,045)**
As at 31.12.2022						
Malaysia	2,061,080	7,072,412	1,237,312	1,759,538	652,075	(380,132)
Total	2,061,080	7,072,412	1,237,312	1,759,538	652,075	(380,132)

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.

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**

  Under 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.

NON-RETAIL PORTFOLIO (CONT'D.)

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 Exposure 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 31.12.2023					
Non-Retail Exposures					
Bank					
0.0000 – 0.0470	6,697,468	43.54	10.46	50	700,790
0.0470 – 0.1460	31,439,584	44.26	19.82	760,545	6,230,854
0.1460 – 0.9280	2,906,609	37.00	42.84	158,900	1,245,108
0.9280 – 100	2,283,222	45.00	117.70	–	2,687,420
100	–	–	–	–	–
Total for Bank Exposures	43,326,883			919,495	10,864,172
Public Sector Entities					
0.0000 – 0.1200	19,133,778	44.98	1.68	552,208	321,690
0.1200 – 0.6440	6,256,332	36.69	2.00	2,164,001	124,895
0.6440 – 3.4650	4,505,864	44.99	4.45	91,847	200,374
3.4650 – 100	771	45.00	195.05	553	1,504
100	–	45.00	–	–	–
Total for Public Sector Entities	29,896,745			2,808,609	648,463
Corporate (excluding Specialised Lending and firm-size adjustment)					
0.0000 – 0.1200	44,407,697	44.37	18.97	15,336,223	8,424,989
0.1200 – 0.6440	140,196,090	43.15	49.46	54,785,974	69,343,943
0.6440 – 3.4650	72,932,312	42.57	86.05	20,636,976	62,756,691
3.4650 – 100	9,393,430	38.69	142.07	2,628,280	13,345,480
100	7,588,901	42.97	–	250,504	–
Total for Corporate (excluding Specialised Lending and firm-size adjustment)	274,518,430			93,637,957	153,871,103
Corporate (with firm-size adjustment)					
0.0000 – 0.1200	1,671,462	41.82	25.79	975,662	431,029
0.1200 – 0.6440	20,594,140	39.85	46.19	7,291,362	9,513,101
0.6440 – 3.4650	38,674,357	38.65	71.50	11,324,754	27,651,209
3.4650 – 100	7,840,881	37.77	109.97	1,939,855	8,622,600
100	644,691	40.04	–	31,515	–
Total for Corporate (with firm-size adjustment)	69,425,531			21,563,148	46,217,939
Specialised Lending (Own PD Approach)					
0.0000 – 0.1200	–	–	–	–	–
0.1200 – 0.6440	3,051,181	44.90	73.01	109,061	2,227,613
0.6440 – 3.4650	3,170,255	44.90	112.09	110,807	3,553,596
3.4650 – 100	1,370	45.00	206.52	190	2,830
100	–	–	–	–	–
Total for Specialised Lending (Own PD Approach)	6,222,806			220,058	5,784,039
Total Non-Retail Exposures	423,390,395			119,149,267	217,385,716

Table 22: Disclosure on Exposure 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 31.12.2022					
Non-Retail Exposures					
Bank					
0.0000 – 0.0470	8,616,179	43.51	9.08	50	782,404
0.0470 – 0.1460	26,493,773	43.57	20.17	896,631	5,343,886
0.1460 – 0.9280	3,839,536	44.80	48.14	1,448	1,848,182
0.9280 – 100	2,778,619	40.31	102.71	186,697	2,853,965
100	–	–	–	–	–
Total for Bank Exposures	41,728,107			1,084,826	10,828,437
Public Sector Entities					
0.0000 – 0.1200	18,547,763	44.98	1.67	548,355	309,977
0.1200 – 0.6440	4,848,634	33.91	3.73	2,104,007	180,791
0.6440 – 3.4650	5,727,660	44.93	17.16	303,664	983,136
3.4650 – 100	920	44.61	211.31	516	1,944
100	–	–	–	–	–
Total for Public Sector Entities	29,124,977			2,956,542	1,475,848
Corporate (excluding Specialised Lending and firm-size adjustment)					
0.0000 – 0.1200	36,953,730	44.88	21.56	10,702,714	7,965,476
0.1200 – 0.6440	107,099,816	43.03	53.64	41,641,467	57,452,027
0.6440 – 3.4650	75,375,997	42.24	85.98	24,112,078	64,805,946
3.4650 – 100	10,941,209	29.78	112.90	3,256,293	12,352,333
100	9,797,041	44.19	–	155,880	–
Total for Corporate (excluding Specialised Lending and firm-size adjustment)	240,167,793			79,868,432	142,575,782
Corporate (with firm-size adjustment)					
0.0000 – 0.1200	1,822,546	42.28	18.64	974,202	339,705
0.1200 – 0.6440	20,784,671	40.13	45.53	7,308,131	9,462,314
0.6440 – 3.4650	36,550,574	39.06	72.90	9,990,620	26,645,722
3.4650 – 100	7,900,924	37.84	110.00	1,931,508	8,690,653
100	573,920	39.32	–	13,404	–
Total for Corporate (with firm-size adjustment)	67,632,635			20,217,865	45,138,394
Specialised Lending (Own PD Approach)					
0.0000 – 0.1200	–	–	–	–	–
0.1200 – 0.6440	2,813,350	44.95	70.03	56,166	1,970,217
0.6440 – 3.4650	2,709,908	44.75	108.37	88,254	2,936,717
3.4650 – 100	952,282	45.00	151.40	171	1,441,797
100	–	–	–	–	–
Total for Specialised Lending (Own PD Approach)	6,475,540			144,591	6,348,731
Total Non-Retail Exposures	385,129,052			104,272,256	206,367,192

Credit Risk

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

Maybank Group — **31 December 2023**

Supervisory Categories/Risk-Weights (RM'000)	Strong	Good	Satisfactory	Weak	Default	Total
Specialised Lending Exposures						
Project Finance	**5,557**	**471,795**	**42,854**	**218**	**–**	**520,424**
Object Finance	**–**	**–**	**–**	**–**	**–**	**–**
Commodities Finance	**–**	**–**	**–**	**–**	**–**	**–**
Income Producing Real Estate						
Risk-Weighted Assets	**5,557**	**471,795**	**42,854**	**218**	**–**	**520,424**

31 December 2022

Supervisory Categories/Risk-Weights (RM'000)	Strong	Good	Satisfactory	Weak	Default	Total
Specialised Lending Exposures						
Project Finance	10,686	52,101	42,750	–	–	105,537
Object Finance	–	–	–	–	–	–
Commodities Finance	–	–	–	–	–	–
Income Producing Real Estate						
Risk-Weighted Assets	10,686	52,101	42,750	–	–	105,537

Table 23: Disclosure on Exposure 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 31.12.2023					
Non-Retail Exposures					
Bank					
0.0000 – 0.0470	6,040,969	43.38	11.01	50	665,150
0.0470 – 0.1460	58,666,143	44.62	22.73	620,060	13,335,065
0.1460 – 0.9280	3,423,496	44.48	36.00	193	1,232,312
0.9280 – 100	2,295,542	45.00	119.06	3,204	2,733,134
100	–	–	–	–	–
Total for Bank Exposures	70,426,150			623,507	17,965,661
Public Sector Entities					
0.0000 – 0.1200	14,693,317	45.00	2.07	310	303,962
0.1200 – 0.6440	6,128,947	36.51	1.17	2,049,034	71,989
0.6440 – 3.4650	3,404,183	45.00	0.70	4,417	23,901
3.4650 – 100	283	45.00	225.05	553	637
100	–	–	–	–	–
Total for Public Sector Entities	24,226,730			2,054,314	400,489
Corporate (excluding Specialised Lending and firm-size adjustment)					
0.0000 – 0.1200	36,714,301	44.30	19.22	13,859,187	7,055,234
0.1200 – 0.6440	116,721,183	43.11	49.31	47,051,816	57,555,401
0.6440 – 3.4650	48,611,616	42.50	85.44	16,085,846	41,532,185
3.4650 – 100	5,353,814	40.88	146.34	1,359,894	7,834,555
100	5,961,231	43.34	–	177,487	–
Total for Corporate (excluding Specialised Lending and firm-size adjustment)	213,362,145			78,534,230	113,977,375
Corporate (with firm-size adjustment)					
0.0000 – 0.1200	1,070,709	42.50	26.52	434,957	283,946
0.1200 – 0.6440	11,012,538	40.49	45.86	3,606,923	5,049,817
0.6440 – 3.4650	16,666,365	37.79	69.27	5,095,218	11,545,330
3.4650 – 100	2,709,328	35.24	105.22	774,027	2,850,832
100	258,606	39.68	–	11,918	–
Total for Corporate (with firm-size adjustment)	31,717,546			9,923,043	19,729,925
Specialised Lending (Own PD Approach)					
0.0000 – 0.1200	–	–	–	–	–
0.1200 – 0.6440	2,418,405	44.94	78.11	104,631	1,889,103
0.6440 – 3.4650	1,180,213	44.73	106.15	100,063	1,252,783
3.4650 – 100	764	45.00	210.28	190	1,606
100	–	–	–	–	–
Total for Specialised Lending (Own PD Approach)	3,599,382			204,884	3,143,492
Total Non-Retail Exposures	343,331,953			91,339,978	155,216,942

Credit Risk

Table 23: Disclosure on Exposure 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 31.12.2022					
Non-Retail Exposures					
Bank					
0.0000 – 0.0470	7,384,194	43.80	9.50	–	701,262
0.0470 – 0.1460	57,087,056	44.32	19.25	853,419	10,988,039
0.1460 – 0.9280	3,871,049	44.67	46.17	–	1,787,278
0.9280 – 100	2,920,216	45.00	111.11	1,026	3,244,634
100	–	–	–	–	–
Total for Bank Exposures	71,262,515			854,445	16,721,213
Public Sector Entities					
0.0000 – 0.1200	11,601,893	45.00	0.10	2,075	11,536
0.1200 – 0.6440	4,670,886	33.50	1.21	2,287,298	56,357
0.6440 – 3.4650	4,161,992	45.00	9.39	200,926	390,811
3.4650 – 100	521	44.31	237.64	1,165	1,239
100	–	–	–	–	–
Total for Public Sector Entities	20,435,292			2,491,464	459,943
Corporate (excluding Specialised Lending and firm-size adjustment)					
0.0000 – 0.1200	31,801,949	44.93	23.23	9,701,586	7,386,106
0.1200 – 0.6440	81,849,352	42.82	54.89	33,037,175	44,928,589
0.6440 – 3.4650	49,757,617	42.48	86.13	14,189,815	42,857,383
3.4650 – 100	7,250,409	26.96	103.59	2,091,612	7,510,644
100	7,648,763	44.39	–	39,114	–
Total for Corporate (excluding Specialised Lending and firm-size adjustment)	178,308,090			59,059,302	102,682,722
Corporate (with firm-size adjustment)					
0.0000 – 0.1200	578,836	41.00	19.20	293,035	111,114
0.1200 – 0.6440	11,440,548	40.32	45.58	3,550,139	5,215,058
0.6440 – 3.4650	18,512,688	38.74	73.29	4,966,177	13,568,313
3.4650 – 100	3,438,615	35.86	106.37	875,119	3,657,783
100	426,651	38.33	–	3,345	–
Total for Corporate (with firm-size adjustment)	34,397,338			9,687,815	22,552,268
Specialised Lending (Own PD Approach)					
0.0000 – 0.1200	–	–	–	–	–
0.1200 – 0.6440	2,342,238	44.93	73.28	2,736	1,716,302
0.6440 – 3.4650	1,345,173	44.78	108.14	349,128	1,454,658
3.4650 – 100	451,458	45.00	144.97	256	654,462
100	–	–	–	–	–
Total for Specialised Lending (Own PD Approach)	4,138,869			352,120	3,825,422
Total Non-Retail Exposures	308,542,104			72,445,146	146,241,568

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

Maybank **31 December 2023**

Supervisory Categories/Risk-Weights (RM'000)	Strong	Good	Satisfactory	Weak	Default	Total
Specialised Lending Exposures						
Project Finance	**5,497**	**445,040**	**4**	**–**	**–**	**450,541**
Object Finance	**–**	**–**	**–**	**–**	**–**	**–**
Commodities Finance	**–**	**–**	**–**	**–**	**–**	**–**
Income Producing Real Estate	**–**	**–**	**–**	**–**	**–**	**–**
Risk-Weighted Assets	**5,497**	**445,040**	**4**	**–**	**–**	**450,541**

31 December 2022

Supervisory Categories/Risk-Weights (RM'000)	Strong	Good	Satisfactory	Weak	Default	Total
Specialised Lending Exposures						
Project Finance	10,609	25,208	4	–	–	35,821
Object Finance	–	–	–	–	–	–
Commodities Finance	–	–	–	–	–	–
Income Producing Real Estate	–	–	–	–	–	–
Risk-Weighted Assets	10,609	25,208	4	–	–	35,821

Credit Risk

Table 24: Disclosure on Exposure 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 31.12.2023					
Non-Retail Exposures					
Bank					
0.0000 – 0.0470	–	–	–	–	–
0.0470 – 0.1460	9,978,705	44.10	16.71	141,298	1,667,148
0.1460 – 0.9280	1,106	45.00	32.96	–	365
0.9280 – 100	–	–	–	–	–
100	–	–	–	–	–
Total for Bank Exposures	9,979,811			141,298	1,667,513
Public Sector Entities					
0.0000 – 0.1200	16,438,756	44.98	1.82	551,898	299,005
0.1200 – 0.6440	5,727,578	35.93	1.42	2,097,832	81,349
0.6440 – 3.4650	3,604,503	44.99	4.90	87,430	176,472
3.4650 – 100	488	45.00	177.64	–	867
100	–	–	–	–	–
Total for Public Sector Entities	25,771,325			2,737,160	557,693
Corporate (excluding Specialised Lending and firm-size adjustment)					
0.0000 – 0.1200	17,933,371	44.65	16.71	5,769,213	2,996,386
0.1200 – 0.6440	26,926,251	43.80	45.59	8,677,858	12,275,497
0.6440 – 3.4650	15,782,205	42.82	89.06	2,796,590	14,055,653
3.4650 – 100	579,986	37.40	161.44	187,644	936,307
100	4,880,211	44.66	–	12,321	–
Total for Corporate (excluding Specialised Lending and firm-size adjustment)	66,102,024			17,443,626	30,263,843
Corporate (with firm-size adjustment)					
0.0000 – 0.1200	893,442	42.51	29.35	394,383	262,259
0.1200 – 0.6440	7,551,779	39.56	46.09	2,481,728	3,480,340
0.6440 – 3.4650	14,673,156	38.43	69.73	3,539,872	10,231,049
3.4650 – 100	2,117,062	37.05	107.07	300,850	2,266,775
100	215,731	38.71	–	1,472	–
Total for Corporate (with firm-size adjustment)	25,451,170			6,718,305	16,240,423
Specialised Lending (Own PD Approach)					
0.0000 – 0.1200	–	–	–	–	–
0.1200 – 0.6440	707,775	44.76	55.49	104,430	392,776
0.6440 – 3.4650	2,055,067	45.00	115.96	10,744	2,383,008
3.4650 – 100	607	45.00	201.78	–	1,224
100	–	–	–	–	–
Total for Specialised Lending (Own PD Approach)	2,763,449			115,174	2,777,008
Total Non-Retail Exposures	130,067,779			27,155,563	51,506,480

Table 24: Disclosure on Exposure 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 31.12.2022					
Non-Retail Exposures					
Bank					
0.0000 – 0.0470	–	–	–	–	–
0.0470 – 0.1460	17,138,677	44.47	11.38	100,047	1,949,554
0.1460 – 0.9280	198	45.00	32.96	–	65
0.9280 – 100	1,213	45.00	142.62	78	1,730
100	–	–	–	–	–
Total for Bank Exposures	17,140,088			100,125	1,951,349
Public Sector Entities					
0.0000 – 0.1200	15,386,175	44.98	1.94	547,878	298,441
0.1200 – 0.6440	4,320,813	32.57	3.47	2,042,791	150,134
0.6440 – 3.4650	4,068,421	44.90	14.56	302,076	592,324
3.4650 – 100	399	45.00	176.93	–	706
100	–	–	–	–	–
Total for Public Sector Entities	23,775,808			2,892,745	1,041,605
Corporate (excluding Specialised Lending and firm-size adjustment)					
0.0000 – 0.1200	14,914,570	45.00	16.29	2,346,696	2,429,364
0.1200 – 0.6440	23,696,799	43.93	47.78	6,354,489	11,378,147
0.6440 – 3.4650	15,070,653	42.65	81.03	3,058,678	12,211,019
3.4650 – 100	715,833	29.96	122.21	207,982	874,802
100	6,039,389	44.72	–	332,228	–
Total for Corporate (excluding Specialised Lending and firm-size adjustment)	60,437,244			12,300,073	26,893,332
Corporate (with firm-size adjustment)					
0.0000 – 0.1200	1,112,537	43.41	18.66	329,290	207,558
0.1200 – 0.6440	7,093,587	40.23	46.39	2,339,604	3,290,563
0.6440 – 3.4650	12,479,303	38.86	73.12	3,123,701	9,125,350
3.4650 – 100	2,082,503	37.69	118.47	283,054	2,467,127
100	36,569	36.74	–	157	–
Total for Corporate (with firm-size adjustment)	22,804,499			6,075,806	15,090,598
Specialised Lending (Own PD Approach)					
0.0000 – 0.1200	–	–	–	–	–
0.1200 – 0.6440	471,112	45.00	53.90	4,430	253,915
0.6440 – 3.4650	1,364,734	44.72	108.60	80,071	1,482,060
3.4650 – 100	500,824	45.00	157.21	–	787,335
100	–	–	–	–	–
Total for Specialised Lending (Own PD Approach)	2,336,670			84,501	2,523,310
Total Non-Retail Exposures	126,494,309			21,453,250	47,500,194

Credit Risk

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

Maybank Islamic — **31 December 2023**

Supervisory Categories/Risk-Weights (RM'000)	Strong	Good	Satisfactory	Weak	Default	Total
Specialised Lending Exposures						
Project Finance	**60**	**26,755**	**42,851**	**217**	**–**	**69,883**
Object Finance	–	–	–	–	–	–
Commodities Finance	–	–	–	–	–	–
Income Producing Real Estate	–	–	–	–	–	–
Risk-Weighted Assets	**60**	**26,755**	**42,851**	**217**	**–**	**69,883**

31 December 2022

Supervisory Categories/Risk-Weights (RM'000)	Strong	Good	Satisfactory	Weak	Default	Total
Specialised Lending Exposures						
Project Finance	77	26,893	42,746	–	–	69,716
Object Finance	–	–	–	–	–	–
Commodities Finance	–	–	–	–	–	–
Income Producing Real Estate	–	–	–	–	–	–
Risk-Weighted Assets	77	26,893	42,746	–	–	69,716

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	• Housing Loan (Malaysia, Singapore and Indonesia) • Other Property Based Loan (Malaysia) • Staff Housing Loan (Malaysia) • Equity Term Loan (Singapore)
Qualifying Revolving Retail Exposure ("QRRE")	• Credit Card (Malaysia, Singapore and Indonesia)
Other Retail	• 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.

RETAIL PORTFOLIO (CONT'D.)

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 31.12.2023					
Retail Exposures					
Residential Mortgages					
0.0000 – 0.5900	80,155,563	19.50	12.85	864,914	10,301,069
0.5900 – 3.3330	45,502,996	19.67	20.49	664,202	9,324,211
3.3330 – 18.7500	3,440,199	23.48	80.69	64,947	2,775,747
18.7500 – 100	1,092,803	18.03	94.29	2,653	1,030,363
100	514,223	35.68	76.95	2,239	395,710
Total for Residential Mortgages Exposures	130,705,784			1,598,955	23,827,100
Qualifying Revolving Retail Exposures					
0.0000 – 0.5900	12,727,784	68.70	10.74	17,141,354	1,366,752
0.5900 – 3.3330	10,184,039	64.45	31.44	8,591,167	3,201,937
3.3330 – 18.7500	3,069,007	66.58	98.61	923,166	3,026,204
18.7500 – 100	252,825	67.52	184.79	63,044	467,208
100	125,551	60.62	139.62	1,188	175,292
Total for Qualifying Revolving Retail Exposures	26,359,206			26,719,919	8,237,393
Hire Purchase Exposures					
0.0000 – 0.5900	53,470,650	42.55	16.90	–	9,037,422
0.5900 – 3.3330	7,565,541	47.88	52.45	–	3,968,286
3.3330 – 18.7500	2,908,769	49.53	81.53	–	2,371,556
18.7500 – 100	452,846	50.36	122.68	–	555,530
100	202,473	72.93	127.56	–	258,272
Total Hire Purchase Exposures	64,600,279			–	16,191,066
Other Retail Exposures					
0.0000 – 0.5900	42,203,566	24.27	15.55	10,444,788	6,561,455
0.5900 – 3.3330	54,999,760	26.85	25.29	10,685,036	13,910,749
3.3330 – 18.7500	8,048,612	24.75	33.17	1,905,053	2,669,502
18.7500 – 100	1,663,388	29.97	64.35	52,329	1,070,352
100	1,400,582	40.69	116.30	24,760	1,628,916
Total Other Retail Exposures	108,315,908			23,111,966	25,840,974
Total Retail Exposures	329,981,177			51,430,840	74,096,533

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 31.12.2022					
Retail Exposures					
Residential Mortgages					
0.0000 – 0.5900	79,651,029	18.88	13.38	943,104	10,659,654
0.5900 – 3.3330	43,395,434	18.07	20.07	774,207	8,708,508
3.3330 – 18.7500	2,510,964	21.80	78.82	118,322	1,979,191
18.7500 – 100	779,607	16.07	91.26	6,810	711,488
100	450,103	33.29	80.12	1,325	360,640
Total for Residential Mortgages Exposures	126,787,137			1,843,768	22,419,481
Qualifying Revolving Retail Exposures					
0.0000 – 0.5900	10,243,301	66.15	11.08	14,374,888	1,135,022
0.5900 – 3.3330	10,266,031	67.13	31.71	9,408,643	3,255,732
3.3330 – 18.7500	2,552,095	66.50	96.02	865,990	2,450,428
18.7500 – 100	236,014	67.96	179.71	81,304	424,146
100	106,526	65.07	127.91	4,131	136,256
Total for Qualifying Revolving Retail Exposures	23,403,967			24,734,956	7,401,584
Hire Purchase Exposures					
0.0000 – 0.5900	45,065,384	46.92	17.68	–	7,966,392
0.5900 – 3.3330	6,634,015	50.71	51.80	–	3,436,489
3.3330 – 18.7500	2,213,215	54.51	81.57	–	1,805,345
18.7500 – 100	325,508	55.66	123.66	–	402,531
100	126,018	80.97	132.87	–	167,437
Total Hire Purchase Exposures	54,364,140			–	13,778,194
Other Retail Exposures					
0.0000 – 0.5900	40,015,142	23.01	15.06	8,662,044	6,026,655
0.5900 – 3.3330	53,371,854	24.28	22.75	8,868,684	12,142,285
3.3330 – 18.7500	7,882,482	20.47	27.45	1,441,187	2,163,595
18.7500 – 100	1,675,525	23.91	51.58	63,162	864,203
100	876,907	35.89	89.70	18,710	786,583
Total Other Retail Exposures	103,821,910			19,053,787	21,983,321
Total Retail Exposures	308,377,154			45,632,511	65,582,580

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 31.12.2023					
Retail Exposures					
Residential Mortgages					
0.0000 – 0.5900	21,575,421	15.60	12.26	65,277	2,644,405
0.5900 – 3.3330	13,717,876	15.61	16.43	372,142	2,253,367
3.3330 – 18.7500	635,774	17.03	68.93	6,793	438,233
18.7500 – 100	369,739	14.24	80.39	130	297,219
100	164,500	36.07	69.59	916	114,476
Total for Residential Mortgages Exposures	36,463,310			445,258	5,747,700
Qualifying Revolving Retail Exposures					
0.0000 – 0.5900	6,354,013	57.78	8.76	8,776,771	556,596
0.5900 – 3.3330	5,159,477	57.11	27.86	3,653,125	1,437,325
3.3330 – 18.7500	1,492,465	57.83	84.30	260,800	1,258,162
18.7500 – 100	100,079	57.43	159.34	30,677	159,463
100	52,956	57.14	155.32	569	82,253
Total for Qualifying Revolving Retail Exposures	13,158,990			12,721,942	3,493,799
Hire Purchase Exposures					
0.0000 – 0.5900	3,420,715	40.68	16.52	–	564,958
0.5900 – 3.3330	369,617	45.60	53.45	–	197,557
3.3330 – 18.7500	244,289	47.78	84.07	–	205,386
18.7500 – 100	41,800	49.64	127.08	–	53,120
100	22,988	76.12	125.31	–	28,807
Total Hire Purchase Exposures	4,099,409			–	1,049,828
Other Retail Exposures					
0.0000 – 0.5900	11,710,977	20.24	13.86	3,040,064	1,623,129
0.5900 – 3.3330	13,390,667	23.24	22.46	2,317,138	3,007,631
3.3330 – 18.7500	1,562,508	20.13	30.62	404,036	478,472
18.7500 – 100	435,866	28.26	65.94	14,038	287,391
100	415,568	40.45	110.32	9,636	458,465
Total Other Retail Exposures	27,515,586			5,784,912	5,855,088
Total Retail Exposures	81,237,295			18,952,112	16,146,415

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 31.12.2022					
Retail Exposures					
Residential Mortgages					
0.0000 – 0.5900	20,178,177	15.69	12.30	43,703	2,482,437
0.5900 – 3.3330	14,136,330	15.79	16.78	293,723	2,372,248
3.3330 – 18.7500	501,831	18.01	71.22	4,692	357,411
18.7500 – 100	281,126	14.19	79.78	390	224,283
100	146,024	37.69	67.22	904	98,153
Total for Residential Mortgages Exposures	35,243,488			343,412	5,534,532
Qualifying Revolving Retail Exposures					
0.0000 – 0.5900	5,775,936	57.61	8.74	8,610,731	504,994
0.5900 – 3.3330	4,708,196	56.76	27.47	3,589,866	1,293,507
3.3330 – 18.7500	1,272,404	57.66	84.53	262,794	1,075,579
18.7500 – 100	106,354	57.65	160.58	44,975	170,781
100	44,505	56.52	145.43	492	64,722
Total for Qualifying Revolving Retail Exposures	11,907,395			12,508,858	3,109,583
Hire Purchase Exposures					
0.0000 – 0.5900	3,732,358	39.73	18.95	–	707,211
0.5900 – 3.3330	460,438	43.94	50.16	–	230,965
3.3330 – 18.7500	281,622	46.05	79.72	–	224,509
18.7500 – 100	46,845	47.60	121.94	–	57,123
100	25,164	72.37	123.16	–	30,991
Total Hire Purchase Exposures	4,546,427			–	1,250,799
Other Retail Exposures					
0.0000 – 0.5900	12,384,808	19.76	13.45	3,433,031	1,666,361
0.5900 – 3.3330	13,912,502	22.09	21.13	1,873,232	2,939,372
3.3330 – 18.7500	1,604,438	18.42	28.24	357,000	453,026
18.7500 – 100	453,922	25.52	59.60	36,655	270,558
100	299,073	37.30	87.80	7,372	262,581
Total Other Retail Exposures	28,654,743			5,707,290	5,591,898
Total Retail Exposures	80,352,053			18,559,560	15,486,812

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 31.12.2023					
Retail Exposures					
Residential Mortgages					
0.0000 – 0.5900	34,190,836	16.77	13.15	782,086	4,496,570
0.5900 – 3.3330	30,344,902	18.14	20.81	257,369	6,314,592
3.3330 – 18.7500	2,218,817	22.04	81.14	57,708	1,800,262
18.7500 – 100	548,047	16.64	94.33	2,523	516,947
100	225,650	40.00	73.88	1,323	166,704
Total for Residential Mortgages Exposures	67,528,252			1,101,009	13,295,075
Qualifying Revolving Retail Exposures					
0.0000 – 0.5900	1,858,287	54.19	8.52	2,446,974	158,418
0.5900 – 3.3330	2,468,151	52.61	26.31	1,755,986	649,293
3.3330 – 18.7500	743,766	56.47	77.70	175,216	577,920
18.7500 – 100	63,130	49.51	135.41	7,873	85,484
100	49,569	50.20	150.22	305	74,462
Total for Qualifying Revolving Retail Exposures	5,182,903			4,386,354	1,545,577
Hire Purchase Exposures					
0.0000 – 0.5900	42,615,221	40.81	16.34	–	6,962,000
0.5900 – 3.3330	4,611,331	43.29	48.11	–	2,218,392
3.3330 – 18.7500	2,331,819	45.48	79.87	–	1,862,398
18.7500 – 100	379,439	47.45	121.31	–	460,292
100	171,435	70.84	118.25	–	202,726
Total Hire Purchase Exposures	50,109,245			–	11,705,808
Other Retail Exposures					
0.0000 – 0.5900	22,195,935	25.68	17.20	4,017,386	3,818,403
0.5900 – 3.3330	43,806,552	22.33	22.28	6,054,006	9,762,018
3.3330 – 18.7500	9,642,188	15.49	23.45	1,364,317	2,261,186
18.7500 – 100	1,815,888	19.48	45.46	32,640	825,567
100	962,438	39.94	115.98	15,091	1,116,202
Total Other Retail Exposures	78,423,001			11,483,440	17,783,376
Total Retail Exposures	201,243,401			16,970,803	44,329,836

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 31.12.2022					
Retail Exposures					
Residential Mortgages					
0.0000 – 0.5900	30,498,013	16.68	13.08	893,317	3,987,837
0.5900 – 3.3330	25,605,177	17.65	19.78	425,559	5,065,430
3.3330 – 18.7500	1,502,729	21.58	81.03	114,306	1,217,671
18.7500 – 100	367,515	16.77	95.41	6,348	350,638
100	159,703	38.97	74.02	336	118,216
Total for Residential Mortgages Exposures	58,133,137			1,439,866	10,739,792
Qualifying Revolving Retail Exposures					
0.0000 – 0.5900	1,658,155	52.71	8.31	2,215,318	137,781
0.5900 – 3.3330	2,219,212	51.36	25.57	1,682,506	567,350
3.3330 – 18.7500	630,899	56.21	77.28	171,022	487,557
18.7500 – 100	53,978	52.62	144.93	8,950	78,233
100	30,929	48.86	139.32	147	43,090
Total for Qualifying Revolving Retail Exposures	4,593,173			4,077,943	1,314,011
Hire Purchase Exposures					
0.0000 – 0.5900	40,213,508	41.03	16.31	–	6,557,293
0.5900 – 3.3330	3,907,113	43.61	48.40	–	1,891,021
3.3330 – 18.7500	1,897,706	46.03	80.39	–	1,525,551
18.7500 – 100	286,880	48.12	123.13	–	353,234
100	107,378	72.33	124.90	–	134,111
Total Hire Purchase Exposures	46,412,585			–	10,461,210
Other Retail Exposures					
0.0000 – 0.5900	20,095,236	23.90	15.99	3,288,833	3,214,219
0.5900 – 3.3330	41,915,349	19.65	19.51	4,104,141	8,176,269
3.3330 – 18.7500	8,880,755	12.94	19.75	871,290	1,753,783
18.7500 – 100	1,696,292	15.84	37.22	46,177	631,417
100	530,447	34.49	88.01	10,395	466,825
Total Other Retail Exposures	73,118,079			8,320,836	14,242,513
Total Retail Exposures	182,256,974			13,838,645	36,757,526

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 provides 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, i.e. collateral. Collateral which is the second way-out, may be taken as credit risk mitigant to improve risk-returns of the credit.

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 value of collateral taken is monitored periodically an. the frequency of valuation depends on the 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.

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 31.12.2023				
On-Balance Sheet Exposures				
Sovereigns/Central Banks	**175,745,747**	**–**	**–**	**–**
Public Sector Entities	**3,495,232**	**–**	**368**	**–**
Banks, Development Financial Institutions & MDBs	**1,651,050**	**–**	**–**	**–**
Insurance Cos, Securities Firms & Fund Managers	**353,451**	**–**	**–**	**–**
Corporates	**28,048,117**	**987,329**	**6,224,274**	**–**
Regulatory Retail	**24,073,090**	**1,579,273**	**1,464,977**	**–**
Residential Mortgages	**3,429,003**	**–**	**8,262**	**–**
Higher Risk Assets	**3,179**	**–**	**–**	**–**
Other Assets	**16,630,040**	**–**	**–**	**–**
Securitisation Exposures	**–**	**–**	**–**	**–**
Equity Exposures	**1,149,481**	**–**	**–**	**–**
Defaulted Exposures	**607,556**	**–**	**4,657**	**–**
Total On-Balance Sheet Exposures	**255,185,946**	**2,566,602**	**7,702,538**	**–**
Off-Balance Sheet Exposures				
OTC Derivatives	**2,428,387**	**–**	**189,061**	**–**
Off-balance sheet exposures other than OTC derivatives or credit derivatives	**7,029,102**	**2,805**	**358,271**	**–**
Defaulted Exposures	**7,017**	**–**	**43**	**–**
Total Off-Balance Sheet Exposures	**9,464,506**	**2,805**	**547,375**	**–**
Total On and Off-Balance Sheet Exposures	**264,650,452**	**2,569,407**	**8,249,913**	**–**
As at 31.12.2022				
On-Balance Sheet Exposures				
Sovereigns/Central Banks	169,759,341	–	–	–
Public Sector Entities	3,921,009	35,295	368	–
Banks, Development Financial Institutions & MDBs	686,662	–	–	–
Insurance Cos, Securities Firms & Fund Managers	526,415	–	–	–
Corporates	20,626,532	79,621	5,022,256	–
Regulatory Retail	24,071,534	1,922,995	1,416,252	–
Residential Mortgages	1,634,613	–	5,096	–
Higher Risk Assets	2,965	–	–	–
Other Assets	18,177,541	361	–	–
Securitisation Exposures	–	–	–	–
Equity Exposures	415,286	–	–	–
Defaulted Exposures	297,164	–	581	–
Total On-Balance Sheet Exposures	240,119,062	2,038,272	6,444,553	–
Off-Balance Sheet Exposures				
OTC Derivatives	1,840,048	–	55,174	–
Off-balance sheet exposures other than OTC derivatives or credit derivatives	3,325,925	279	226,496	–
Defaulted Exposures	6,574	–	–	–
Total Off-Balance Sheet Exposures	5,172,547	279	281,670	–
Total On and Off-Balance Sheet Exposures	245,291,609	2,038,551	6,726,223	–

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 31.12.2023				
On-Balance Sheet Exposures				
Sovereigns/Central Banks	**106,311,457**	**–**	**–**	**–**
Public Sector Entities	**2,672,769**	**–**	**–**	**–**
Banks, Development Financial Institutions & MDBs	**1,624,139**	**–**	**–**	**–**
Insurance Cos, Securities Firms & Fund Managers	**250,183**	**–**	**–**	**–**
Corporates	**17,515,123**	**884,160**	**1,543,067**	**–**
Regulatory Retail	**1,419,117**	**–**	**192,695**	**–**
Residential Mortgages	**1,117,475**	**–**	**6,572**	**–**
Higher Risk Assets	**–**	**–**	**–**	**–**
Other Assets	**8,638,653**	**–**	**–**	**–**
Securitisation Exposures	**–**	**–**	**–**	**–**
Equity Exposures	**1,138,170**	**–**	**–**	**–**
Defaulted Exposures	**38,226**	**–**	**917**	**–**
Total On-Balance Sheet Exposures	**140,725,312**	**884,160**	**1,743,251**	**–**
Off-Balance Sheet Exposures				
OTC Derivatives	**1,542,855**	**–**	**275**	**–**
Off-balance sheet exposures other than OTC derivatives or credit derivatives	**6,117,148**	**–**	**164,340**	**–**
Defaulted Exposures	**43**	**–**	**43**	**–**
Total Off-Balance Sheet Exposures	**7,660,046**	**–**	**164,658**	**–**
Total On and Off-Balance Sheet Exposures	**148,385,358**	**884,160**	**1,907,909**	**–**
As at 31.12.2022				
On-Balance Sheet Exposures				
Sovereigns/Central Banks	101,128,389	–	–	–
Public Sector Entities	3,209,989	35,295	–	–
Banks, Development Financial Institutions & MDBs	677,791	–	–	–
Insurance Cos, Securities Firms & Fund Managers	160,273	–	–	–
Corporates	11,491,510	34,113	1,355,774	–
Regulatory Retail	1,617,238	–	218,802	–
Residential Mortgages	1,034,404	–	4,557	–
Higher Risk Assets	–	–	–	–
Other Assets	10,801,107	–	–	–
Securitisation Exposures	–	–	–	–
Equity Exposures	359,874	–	–	–
Defaulted Exposures	29,303	–	450	–
Total On-Balance Sheet Exposures	130,509,878	69,408	1,579,583	–
Off-Balance Sheet Exposures				
OTC Derivatives	1,266,278	–	–	–
Off-balance sheet exposures other than OTC derivatives or credit derivatives	2,209,997	–	136,472	–
Defaulted Exposures	–	–	–	–
Total Off-Balance Sheet Exposures	3,476,275	–	136,472	–
Total On and Off-Balance Sheet Exposures	133,986,153	69,408	1,716,055	–

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 31.12.2023				
On-Balance Sheet Exposures				
Sovereigns/Central Banks	**34,340,391**	**–**	**–**	**–**
Public Sector Entities	**55,641**	**–**	**368**	**–**
Banks, Development Financial Institutions & MDBs	**–**	**–**	**–**	**–**
Insurance Cos, Securities Firms & Fund Managers	**1**	**–**	**–**	**–**
Corporates	**594,763**	**16,890**	**132,763**	**–**
Regulatory Retail	**1,685,826**	**–**	**587,643**	**–**
Residential Mortgages	**572,127**	**–**	**1,471**	**–**
Higher Risk Assets	**36**	**–**	**–**	**–**
Other Assets	**840,023**	**–**	**–**	**–**
Equity Exposures	**1,250**	**–**	**–**	**–**
Defaulted Exposures	**133,151**	**–**	**3,711**	**–**
Total On-Balance Sheet Exposures	**38,223,209**	**16,890**	**725,956**	**–**
Off-Balance Sheet Exposures				
OTC Derivatives	**2,540**	**–**	**–**	**–**
Off-balance sheet exposures other than OTC derivatives or credit derivatives	**70,020**	**2,620**	**31,055**	**–**
Total Off-Balance Sheet Exposures	**72,560**	**2,620**	**31,055**	**–**
Total On and Off-Balance Sheet Exposures	**38,295,769**	**19,510**	**757,011**	**–**
As at 31.12.2022				
On-Balance Sheet Exposures				
Sovereigns/Central Banks	40,548,253	–	–	–
Public Sector Entities	60,462	–	368	–
Banks, Development Financial Institutions & MDBs	–	–	–	–
Insurance Cos, Securities Firms & Fund Managers	14	–	–	–
Corporates	592,350	1,309	133,343	–
Regulatory Retail	1,722,566	–	617,163	–
Residential Mortgages	578,756	–	539	–
Higher Risk Assets	36	–	–	–
Other Assets	1,219,344	–	–	–
Equity Exposures	1,250	–	–	–
Defaulted Exposures	29,519	–	112	–
Total On-Balance Sheet Exposures	44,752,550	1,309	751,525	–
Off-Balance Sheet Exposures				
OTC Derivatives	6,238	–	–	–
Off-balance sheet exposures other than OTC derivatives or credit derivatives	102,608	–	23,419	–
Total Off-Balance Sheet Exposures	108,846	–	23,419	–
Total On and Off-Balance Sheet Exposures	44,861,396	1,309	774,944	–

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 31.12.2023				
On-Balance Sheet Exposures				
Public Sector Entities	27,718,526	26,803,307	–	36,479
Banks, Development Financial Institutions & MDBs	30,731,579	133,445	407,075	–
Corporate Exposures	267,568,618	26,336,905	5,081,654	54,775,630
a) Corporates (excluding Specialised Lending and firm-size adjustment)	203,771,950	24,061,060	3,251,510	30,045,101
b) Corporates (with firm-size adjustment)	58,073,795	2,275,845	1,822,978	24,698,457
c) Specialised Lending (Own PD Approach)				
– Project Finance	4,949,301	–	7,166	32,072
d) Specialised Lending (Slotting Approach)				
– Project Finance	773,572	–	–	–
Retail Exposures	292,101,342	–	–	–
a) Residential Mortgages	128,963,019	–	–	–
b) Qualifying Revolving Retail Exposures	12,128,659	–	–	–
c) Hire Purchase Exposures	64,389,538	–	–	–
d) Other Retail Exposures	86,620,126	–	–	–
Defaulted Exposures	10,074,877	–	55,479	1,588,208
Total On-Balance Sheet Exposures	628,194,942	53,273,657	5,544,208	56,400,317
Off-Balance Sheet Exposures				
OTC Derivatives	13,321,537	–	522,011	–
Off-balance sheet exposures other than OTC derivatives or credit derivatives	112,195,332	3,524,733	3,326,249	6,260,919
Defaulted Exposures	476,629	–	5,128	1,592
Total Off-Balance Sheet Exposures	125,993,498	3,524,733	3,853,388	6,262,511
Total On and Off-Balance Sheet Exposures	754,188,440	56,798,390	9,397,596	62,662,828
As at 31.12.2022				
On-Balance Sheet Exposures				
Public Sector Entities	26,852,435	25,211,756	1,974	40,393
Banks, Development Financial Institutions & MDBs	27,987,163	244,330	387,372	–
Corporate Exposures	240,789,193	21,695,261	4,609,313	51,636,205
a) Corporates (excluding Specialised Lending and firm-size adjustment)	178,671,231	19,138,566	2,818,108	29,156,929
b) Corporates (with firm-size adjustment)	56,581,534	2,556,695	1,781,491	22,439,199
c) Specialised Lending (Own PD Approach)				
– Project Finance	5,280,604	–	9,714	40,077
d) Specialised Lending (Slotting Approach)				
– Project Finance	255,824	–	–	–
Retail Exposures	275,997,686	–	–	–
a) Residential Mortgages	124,831,035	–	–	–
b) Qualifying Revolving Retail Exposures	10,496,395	–	–	–
c) Hire Purchase Exposures	54,220,515	–	–	–
d) Other Retail Exposures	86,449,741	–	–	–
Defaulted Exposures	11,320,209	–	6,457	1,062,399
Total On-Balance Sheet Exposures	582,946,686	47,151,347	5,005,116	52,738,997
Off-Balance Sheet Exposures				
OTC Derivatives	14,186,754	–	880,031	–
Off-balance sheet exposures other than OTC derivatives or credit derivatives	96,016,155	1,613,177	5,243,444	4,569,474
Defaulted Exposures	660,925	–	4,244	26,208
Total Off-Balance Sheet Exposures	110,863,834	1,613,177	6,127,719	4,595,682
Total On and Off-Balance Sheet Exposures	693,810,520	48,764,524	11,132,835	57,334,679

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 31.12.2023				
On-Balance Sheet Exposures				
Public Sector Entities	22,615,350	21,845,373	–	–
Banks, Development Financial Institutions & MDBs	56,388,281	133,445	–	–
Corporate Exposures	186,965,523	18,265,864	3,010,006	34,970,482
a) Corporates (excluding Specialised Lending and firm-size adjustment)	157,523,823	17,970,227	2,051,613	24,316,220
b) Corporates (with firm-size adjustment)	25,738,596	295,637	951,227	10,638,905
c) Specialised Lending (Own PD Approach)				
– Project Finance	2,990,311	–	7,166	15,357
d) Specialised Lending (Slotting Approach)				
– Project Finance	712,793	–	–	–
Retail Exposures	69,396,773	–	–	–
a) Residential Mortgages	36,245,603	–	–	–
b) Qualifying Revolving Retail Exposures	6,830,736	–	–	–
c) Hire Purchase Exposures	4,076,421	–	–	–
d) Other Retail Exposures	22,244,013	–	–	–
Defaulted Exposures	6,424,563	–	54,266	870,597
Total On-Balance Sheet Exposures	341,790,490	40,244,682	3,064,272	35,841,079
Off-Balance Sheet Exposures				
OTC Derivatives	13,759,864	–	751,888	–
Off-balance sheet exposures other than OTC derivatives or credit derivatives	69,306,679	2,825,713	2,415,096	4,717,165
Defaulted Exposures	451,286	–	3,416	436
Total Off-Balance Sheet Exposures	83,517,829	2,825,713	3,170,400	4,717,601
Total On and Off-Balance Sheet Exposures	425,308,319	43,070,395	6,234,672	40,558,680
As at 31.12.2022				
On-Balance Sheet Exposures				
Public Sector Entities	18,797,051	18,455,513	–	–
Banks, Development Financial Institutions & MDBs	56,656,244	244,330	–	–
Corporate Exposures	162,244,191	13,195,207	2,349,830	33,917,077
a) Corporates (excluding Specialised Lending and firm-size adjustment)	130,436,791	12,884,751	1,309,961	22,770,942
b) Corporates (with firm-size adjustment)	27,956,701	310,456	1,033,228	11,130,778
c) Specialised Lending (Own PD Approach)				
– Project Finance	3,648,386	–	6,641	15,357
d) Specialised Lending (Slotting Approach)				
– Project Finance	202,313	–	–	–
Retail Exposures	69,185,249	–	–	–
a) Residential Mortgages	35,049,365	–	–	–
b) Qualifying Revolving Retail Exposures	6,039,045	–	–	–
c) Hire Purchase Exposures	4,521,263	–	–	–
d) Other Retail Exposures	23,575,576	–	–	–
Defaulted Exposures	7,969,397	–	2,279	717,671
Total On-Balance Sheet Exposures	314,852,132	31,895,050	2,352,109	34,634,748
Off-Balance Sheet Exposures				
OTC Derivatives	14,290,606	–	1,089,289	–
Off-balance sheet exposures other than OTC derivatives or credit derivatives	59,357,026	1,179,493	4,333,004	3,442,435
Defaulted Exposures	620,783	–	4,204	20,482
Total Off-Balance Sheet Exposures	74,268,415	1,179,493	5,426,497	3,462,917
Total On and Off-Balance Sheet Exposures	389,120,547	33,074,543	7,778,606	38,097,665

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 31.12.2023				
On-Balance Sheet Exposures				
Public Sector Entities	23,717,338	22,837,420	–	36,479
Banks, Development Financial Institutions & MDBs	9,778,428	–	200,000	–
Corporate Exposures	67,979,254	11,537,363	923,905	14,742,805
a) Corporates (excluding Specialised Lending and firm-size adjustment)	45,071,116	10,491,609	239,421	5,104,459
b) Corporates (with firm-size adjustment)	20,823,344	1,045,754	684,484	9,621,631
c) Specialised Lending (Own PD Approach)				
– Project Finance	2,024,015	–	–	16,715
d) Specialised Lending (Slotting Approach)				
– Project Finance	60,779	–	–	–
Retail Exposures	187,274,429	–	–	–
a) Residential Mortgages	66,211,553	–	–	–
b) Qualifying Revolving Retail Exposures	3,239,815	–	–	–
c) Hire Purchase Exposures	49,937,810	–	–	–
d) Other Retail Exposures	67,885,251	–	–	–
Defaulted Exposures	6,482,884	–	1,183	296,735
Total On-Balance Sheet Exposures	295,232,333	34,374,783	1,125,088	15,076,019
Off-Balance Sheet Exposures				
OTC Derivatives	464,476	–	–	–
Off-balance sheet exposures other than OTC derivatives or credit derivatives	35,670,019	3,452,167	1,810,770	1,301,545
Defaulted Exposures	22,149	–	–	1,156
Total Off-Balance Sheet Exposures	36,156,644	3,452,167	1,810,770	1,302,701
Total On and Off-Balance Sheet Exposures	331,388,977	37,826,950	2,935,858	16,378,720
As at 31.12.2022				
On-Balance Sheet Exposures				
Public Sector Entities	21,613,110	20,313,968	1,974	40,393
Banks, Development Financial Institutions & MDBs	16,744,683	–	200,000	–
Corporate Exposures	63,232,857	9,053,521	895,297	12,382,346
a) Corporates (excluding Specialised Lending and firm-size adjustment)	42,872,502	8,201,298	324,774	4,800,062
b) Corporates (with firm-size adjustment)	18,674,626	852,223	567,450	7,557,564
c) Specialised Lending (Own PD Approach)				
– Project Finance	1,632,218	–	3,073	24,720
d) Specialised Lending (Slotting Approach)				
– Project Finance	53,511	–	–	–
Retail Exposures	171,595,906	–	–	–
a) Residential Mortgages	56,541,623	–	–	–
b) Qualifying Revolving Retail Exposures	2,846,520	–	–	–
c) Hire Purchase Exposures	46,305,207	–	–	–
d) Other Retail Exposures	65,902,556	–	–	–
Defaulted Exposures	6,648,775	–	4,149	171,754
Total On-Balance Sheet Exposures	279,835,331	29,367,489	1,101,420	12,594,493
Off-Balance Sheet Exposures				
OTC Derivatives	630,656	–	–	–
Off-balance sheet exposures other than OTC derivatives or credit derivatives	28,107,579	1,590,203	1,774,040	942,537
Defaulted Exposures	255,641	–	40	5,727
Total Off-Balance Sheet Exposures	28,993,876	1,590,203	1,774,080	948,264
Total On and Off-Balance Sheet Exposures	308,829,207	30,957,692	2,875,500	13,542,757

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 regulatory prescribed risk-weights and is the least sophisticated of the capital calculation methodologies. The risk-weights applied is mainly based on the asset class to which the exposure is assigned as well as approved External Credit Assessment Institutions ("ECAI") ratings.

The ECAI used by the Group include S&P, Moody's Investor Services, Fitch Ratings, RAM Holdings Berhad, Malaysia Rating Corporation ("MARC") and Rating & Investment Inc. Assessments provided by approved ECAIs are mapped to rating category prescribed by the regulator. The process to map the ratings is in accordance with the process prescribed under BNM guidelines.

Table 35 shows the risk-weights applicable for Corporates under the Standardised Approach.

Table 35: Risk-Weights under Standardised Approach

Rating Category	S&P	Moody's	Fitch	Rating & Investment Inc.	RAM	MARC	Risk Weight
1	AAA to AA-	Aaa to Aa3	AAA to AA-	AAA to AA-	AAA to AA3	AAA to AA-	20%
2	A+ to A-	A1 to A3	A+ to A-	A+ to A-	A1 to A3	A+ to A-	50%
3	BBB+ to BB-	Baa1 to Ba3	BBB+ to BB-	BBB+ to BB-	BBB1 to BB3	BBB+ to BB-	100%
4	B+ to D	B1 to C	B+ to D	B+ to D	B1 to D	B+ to D	150%
Unrated							100%

Tables 36 to 38 show the disclosure on risk-weights under Standardised Approach for the Group, the Bank and Maybank Islamic, respectively. Tables 39 to 41 further show the rated exposures by ECAIs for the Group, the Bank and Maybank Islamic, respectively.

Table 36: Disclosure on Credit Risk - Disclosure on Risk-Weights under the Standardised Approach for Maybank Group

	Exposures after Netting and Credit Risk Mitigation												
Risk-Weights	Sovereigns & Central Banks RM'000	PSEs RM'000	Banks, MDBs & FDIs RM'000	Insurance Cos, Securities Firms & Fund Managers RM'000	Corporates RM'000	Regulatory Retail RM'000	Residental Mortgages RM'000	Higher Risk Assets RM'000	Other Assets RM'000	Securitisation RM'000	Equity RM'000	Total Exposures after Netting & Credit Risk Mitigation RM'000	Total Risk Weighted Assets RM'000
As at 31.12.2023													
0%	**166,231,668**	**3,088,414**	**1,239,712**	**–**	**100,082**	**1,579,459**	**–**	**–**	**6,243,272**		**–**	**178,482,607**	**–**
20%	**9,158,184**	**356,630**	**411,338**	**15**	**443,881**	**–**	**–**	**–**	**1,058,427**		**–**	**11,428,475**	**2,285,695**
35%	**–**	**–**	**–**	**–**	**–**	**–**	**3,059,846**	**–**	**–**		**–**	**3,059,846**	**1,070,946**
50%	**3,314,553**	**–**	**–**	**–**	**1,278,231**	**11,271**	**373,072**	**–**	**–**		**–**	**4,977,127**	**2,488,564**
75%	**–**	**–**	**–**	**–**	**–**	**20,436,513**	**8,998**	**–**	**–**		**–**	**20,445,511**	**15,334,133**
100%	**1,679,582**	**53,679**	**–**	**638,506**	**22,854,725**	**1,284,718**	**56,713**	**–**	**9,810,503**		**1,059,093**	**37,437,519**	**37,437,519**
150%	**235,898**	**–**	**–**	**–**	**132,705**	**93,489**	**–**	**3,179**	**13,795**		**90,389**	**569,455**	**854,182**
Total	**180,619,885**	**3,498,723**	**1,651,050**	**638,521**	**24,809,624**	**23,405,450**	**3,498,629**	**3,179**	**17,125,997**	**–**	**1,149,482**	**256,400,540**	**59,471,039**
As at 31.12.2022													
0%	161,025,449	3,458,793	657,426	–	79,141	1,923,274	–	–	8,897,370		–	176,041,453	–
20%	5,040,448	286,371	29,236	15	688,078	–	–	–	930,272		–	6,974,420	1,394,884
35%	–	–	–	–	–	–	1,526,225	–	–		–	1,526,225	534,179
50%	3,694,781	–	25,877	–	9,529	13,522	116,111	–	–		–	3,859,820	1,929,910
75%	–	–	–	–	–	20,247,159	3,041	–	–		–	20,250,200	15,187,650
100%	1,020,921	179,232	–	716,878	17,003,420	1,181,483	638	–	8,921,572		166,924	29,191,068	29,191,068
150%	445,845	–	–	–	11,535	9,917	–	3,027	3,513		248,362	722,199	1,083,300
Total	171,227,444	3,924,396	712,539	716,893	17,791,703	23,375,355	1,646,015	3,027	18,752,727	–	415,286	238,565,385	49,320,991

Credit Risk

Table 37: 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 RM'000	Total Risk Weighted Assets RM'000
	Sovereigns & Central Banks RM'000	PSEs RM'000	Banks, MDBs & FDIs RM'000	Insurance Cos, Securities Firms & Fund Managers RM'000	Corporates RM'000	Regulatory Retail RM'000	Residental Mortgages RM'000	Higher Risk Assets RM'000	Other Assets RM'000	Securitisation RM'000	Equity RM'000		
As at 31.12.2023													
0%	**103,013,567**	**2,321,591**	**1,239,712**	**–**	**1,046**	**–**	**–**	**–**	**4,560,182**		**–**	**111,136,098**	**–**
20%	**6,347,132**	**346,212**	**384,427**	**15**	**442,635**	**–**	**–**	**–**	**880,068**		**–**	**8,400,489**	**1,680,098**
35%	**–**	**–**	**–**	**–**	**–**	**–**	**1,035,748**	**–**	**–**		**–**	**1,035,748**	**362,512**
50%	**1,448,458**	**–**	**–**	**–**	**1,271,651**	**484**	**76,443**	**–**	**–**		**–**	**2,797,036**	**1,398,518**
75%	**–**	**–**	**–**	**–**	**–**	**1,069,808**	**6,296**	**–**	**–**		**–**	**1,076,104**	**807,078**
100%	**34,299**	**6,231**	**–**	**533,509**	**16,536,351**	**179,977**	**1,524**	**–**	**3,266,403**		**1,058,355**	**21,616,649**	**21,616,649**
150%	**235,897**	**–**	**–**	**–**	**97,342**	**2,271**	**–**	**–**	**–**		**79,815**	**415,325**	**622,987**
Total	**111,079,353**	**2,674,034**	**1,624,139**	**533,524**	**18,349,025**	**1,252,540**	**1,120,011**	**–**	**8,706,653**	**–**	**1,138,170**	**146,477,449**	**26,487,842**
As at 31.12.2022													
0%	97,086,059	2,808,235	657,426	–	34,100	–	–	–	6,854,417		–	107,440,237	–
20%	2,554,658	280,125	20,365	15	687,612	–	–	–	880,606		–	4,423,381	884,676
35%	–	–	–	–	–	–	971,353	–	–		–	971,353	339,974
50%	2,190,195	–	25,877	–	9,453	379	65,220	–	–		–	2,291,124	1,145,562
75%	–	–	–	–	–	1,236,819	317	–	–		–	1,237,136	927,852
100%	250,752	123,104	–	342,487	11,046,489	181,925	256	–	3,152,939		165,465	15,263,417	15,263,417
150%	445,845	–	–	–	3,046	88	–	62	–		194,409	643,450	965,176
Total	102,527,509	3,211,464	703,668	342,502	11,780,700	1,419,211	1,037,146	62	10,887,962	–	359,874	132,270,098	19,526,657

Table 38: 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	Residental Mortgages RM'000	Higher Risk Assets RM'000	Other Assets RM'000	Equity RM'000		
As at 31.12.2023											
0%	**31,595,084**	**–**	**–**	**18,263**	**–**	**–**	**–**	**594,683**	**–**	**32,208,030**	**–**
20%	**2,755,720**	**10,418**	**–**	**1,246**	**–**	**–**	**–**	**–**	**–**	**2,767,384**	**553,477**
35%	**–**	**–**	**–**	**–**	**–**	**535,150**	**–**	**–**	**–**	**535,150**	**187,302**
50%	**–**	**–**	**–**	**–**	**4**	**36,638**	**–**	**–**	**–**	**36,642**	**18,321**
75%	**–**	**–**	**–**	**–**	**385,729**	**2,702**	**–**	**–**	**–**	**388,431**	**291,323**
100%	**–**	**47,449**	**7,591**	**472,668**	**823,621**	**3,497**	**–**	**245,396**	**–**	**1,600,222**	**1,600,222**
150%	**–**	**–**	**–**	**808**	**804**	**–**	**36**	**–**	**1,250**	**2,898**	**4,348**
Total	**34,350,804**	**57,867**	**7,591**	**492,985**	**1,210,158**	**577,987**	**36**	**840,079**	**1,250**	**37,538,757**	**2,654,993**
As at 31.12.2022											
0%	38,167,887	–	–	842	–	–	–	769,000	–	38,937,729	–
20%	2,432,600	6,247	–	467	–	–	–	–	–	2,439,314	487,863
35%	–	–	–	–	–	549,212	–	–	–	549,212	192,224
50%	–	–	–	–	150	35,097	–	–	–	35,247	17,624
75%	–	–	–	–	405,975	2,724	–	–	–	408,699	306,524
100%	–	56,128	8,006	491,897	707,978	26	–	450,409	–	1,714,444	1,714,444
150%	–	–	–	397	125	–	36	–	1,250	1,808	2,711
Total	40,600,487	62,375	8,006	493,603	1,114,228	587,059	36	1,219,409	1,250	44,086,453	2,721,390

Table 39: Disclosure on Rated Exposures according to Ratings by ECAIs by Maybank Group

Exposure Class	Rating Categories 1 RM'000	2 RM'000	3 RM'000	4 RM'000	5 RM'000	Total RM'000
As at 31.12.2023						
On and Off-Balance Sheet Exposures						
Rated Exposures						
A) Ratings of Corporate:						
Public Sector Entities	**3,088,414**	**356,630**	**–**	**–**	**53,679**	**3,498,723**
Insurance Cos, Securities Firms & Fund Managers	**–**	**15**	**–**	**–**	**638,506**	**638,521**
Corporates	**100,082**	**443,881**	**1,278,231**	**132,705**	**22,854,725**	**24,809,624**
B) Ratings of Sovereigns and Central Banks:						
Sovereigns and Central Banks	**166,231,668**	**9,158,184**	**3,314,553**	**235,897**	**1,679,583**	**180,619,885**
C) Ratings of Banking Institutions:						
Banks, MDBs and FDIs	**1,239,712**	**411,338**	**–**	**–**	**–**	**1,651,050**
Total Exposures	**170,659,876**	**10,370,048**	**4,592,784**	**368,602**	**25,226,493**	**211,217,803**
As at 31.12.2022						
On and Off-Balance Sheet Exposures						
Rated Exposures						
A) Ratings of Corporate:						
Public Sector Entities	3,458,793	286,371	–	–	179,232	3,924,396
Insurance Cos, Securities Firms & Fund Managers	–	15	–	–	716,878	716,893
Corporates	79,141	688,078	9,529	11,535	17,003,420	17,791,703
B) Ratings of Sovereigns and Central Banks:						
Sovereigns and Central Banks	161,025,449	5,040,448	3,694,781	445,845	1,020,921	171,227,444
C) Ratings of Banking Institutions:						
Banks, MDBs and FDIs	657,426	29,236	25,877	–	–	712,539
Total Exposures	165,220,809	6,044,148	3,730,187	457,380	18,920,451	194,372,975

Credit Risk

Table 40: Disclosure on Rated Exposures according to Ratings by ECAIs by Maybank

Exposure Class	Rating Categories					
	1 RM'000	2 RM'000	3 RM'000	4 RM'000	5 RM'000	Total RM'000
As at 31.12.2023						
On and Off-Balance Sheet Exposures						
Rated Exposures						
A) Ratings of Corporate:						
Public Sector Entities	**2,321,591**	**346,212**	**–**	**–**	**6,231**	**2,674,034**
Insurance Cos, Securities Firms & Fund Managers	**–**	**15**	**–**	**–**	**533,509**	**533,524**
Corporates	**1,046**	**442,635**	**1,271,651**	**97,342**	**16,536,351**	**18,349,025**
B) Ratings of Sovereigns and Central Banks:						
Sovereigns and Central Banks	**103,013,567**	**6,347,132**	**1,448,458**	**235,897**	**34,299**	**111,079,353**
C) Ratings of Banking Institutions:						
Banks, MDBs and FDIs	**1,239,712**	**384,427**	**–**	**–**	**–**	**1,624,139**
Total Exposures	**106,575,916**	**7,520,421**	**2,720,109**	**333,239**	**17,110,390**	**134,260,075**
As at 31.12.2022						
On and Off-Balance Sheet Exposures						
Rated Exposures						
A) Ratings of Corporate:						
Public Sector Entities	2,808,235	280,125	–	–	123,104	3,211,464
Insurance Cos, Securities Firms & Fund Managers	–	15	–	–	342,487	342,502
Corporates	34,100	687,612	9,453	3,046	11,046,489	11,780,700
B) Ratings of Sovereigns and Central Banks:						
Sovereigns and Central Banks	97,086,059	2,554,658	2,190,195	445,845	250,752	102,527,509
C) Ratings of Banking Institutions:						
Banks, MDBs and FDIs	657,426	20,365	25,877	–	–	703,668
Total Exposures	100,585,820	3,542,775	2,225,525	448,891	11,762,832	118,565,843

Table 41: Disclosure on Rated Exposures according to Ratings by ECAIs by Maybank Islamic

Exposure Class	Rating Categories					
	1 RM'000	2 RM'000	3 RM'000	4 RM'000	5 RM'000	Total RM'000
As at 31.12.2023						
On and Off Balance-Sheet Exposures						
Rated Exposures						
A) Ratings of Corporate:						
Public Sector Entities	**–**	**10,418**	**–**	**–**	**47,449**	**57,867**
Insurance Cos, Securities Firms & Fund Managers	**–**	**–**	**–**	**–**	**7,591**	**7,591**
Corporates	**18,263**	**1,246**	**–**	**808**	**472,668**	**492,985**
B) Ratings of Sovereigns and Central Banks:						
Sovereigns and Central Banks	**31,595,084**	**2,755,720**	**–**	**–**	**–**	**34,350,804**
Total Exposures	**31,613,347**	**2,767,384**	**–**	**808**	**527,708**	**34,909,247**
As at 31.12.2022						
On and Off Balance-Sheet Exposures						
Rated Exposures						
A) Ratings of Corporate:						
Public Sector Entities	–	6,247	–	–	56,128	62,375
Insurance Cos, Securities Firms & Fund Managers	–	–	–	–	8,006	8,006
Corporates	842	467	–	397	491,897	493,603
B) Ratings of Sovereigns and Central Banks:						
Sovereigns and Central Banks	38,167,887	2,432,600	–	–	–	40,600,487
Total Exposures	38,168,729	2,439,314	–	397	556,031	41,164,471

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 and robust 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 through its respective risk committees.

Credit Risk Exposure Treatment

For on-and off-balance sheet exposures, the Group employs risk treatments in accordance with BNM and Basel guidelines. For derivatives and foreign exchange exposures, the Group measures the 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 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, for example, 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 42 to 44 show the off-balance sheet and counterparty credit risk exposures for the Group, the Bank and Maybank Islamic, respectively.

Table 42: 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 31.12.2023			
Direct credit substitutes	**10,548,940**	**10,548,940**	**6,668,532**
Transaction related contingent items	**15,836,971**	**8,006,446**	**4,270,082**
Short-term self-liquidating trade-related contingencies	**4,542,830**	**910,972**	**552,924**
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	**41,254,876**	**4,346,037**	**116,083**
Foreign exchange related contracts	**235,599,443**	**7,008,921**	**2,706,844**
– One year or less	**216,071,609**	**4,632,815**	**1,164,405**
– Over one year to five years	**15,308,698**	**1,649,206**	**1,044,711**
– Over five years	**4,219,136**	**726,900**	**497,728**
Interest/profit rate related contracts	**34,869,752**	**1,326,860**	**901,478**
– One year or less	**7,452,742**	**16,885**	**10,421**
– Over one year to five years	**22,920,150**	**836,488**	**490,686**
– Over five years	**4,496,860**	**473,487**	**400,371**
Equity related contracts	**741,923**	**109,485**	**44,608**
– One year or less	**741,923**	**109,485**	**44,608**
– Over one year to five years	**–**	**–**	**–**
– Over five years	**–**	**–**	**–**
Commodity contracts	**11,182,612**	**253,492**	**111,247**
– One year or less	**6,327,716**	**119,857**	**52,836**
– Over one year to five years	**4,854,896**	**133,635**	**58,411**
– Over five years	**–**	**–**	**–**
OTC derivative transactions and credit derivative contracts subject to valid bilateral netting agreements	**488,759,180**	**7,082,783**	**2,295,119**
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	**99,334,262**	**78,669,363**	**32,519,449**
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	**4,360,364**	**2,753,855**	**1,310,815**
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	**116,504,414**	**14,340,573**	**3,196,927**
Unutilised credit card lines (for portfolios under the Standardised Approach subject to 20% CCF)	**501,386**	**100,277**	**75,241**
Total	**1,064,036,953**	**135,458,004**	**54,769,349**

Credit Risk

Table 42: 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 31.12.2022			
Direct credit substitutes	11,792,332	11,792,332	6,488,154
Transaction related contingent items	14,553,805	7,370,135	3,999,055
Short-term self-liquidating trade-related contingencies	5,319,140	1,067,336	601,663
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	15,794,290	1,060,766	60,300
Foreign exchange related contracts	252,886,686	7,065,531	2,177,953
– One year or less	239,183,888	5,626,331	1,057,494
– Over one year to five years	9,811,965	872,024	668,379
– Over five years	3,890,833	567,176	452,080
Interest/profit rate related contracts	35,385,237	1,403,177	1,199,704
– One year or less	8,818,576	52,115	45,027
– Over one year to five years	21,676,288	838,860	727,310
– Over five years	4,890,373	512,202	427,367
Equity related contracts	1,087,602	143,968	30,904
– One year or less	1,087,602	143,968	30,904
– Over one year to five years	–	–	–
– Over five years	–	–	–
Commodity contracts	10,045,207	270,716	105,803
– One year or less	5,645,940	169,874	68,342
– Over one year to five years	4,399,267	100,842	37,461
– Over five years	–	–	–
OTC derivative transactions and credit derivative contracts subject to valid bilateral netting agreements	460,373,844	7,167,533	2,329,675
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	82,242,839	64,801,259	29,833,459
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	1,306,758	782,008	435,923
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	104,013,454	13,017,453	3,190,290
Unutilised credit card lines (for portfolios under the Standardised Approach subject to 20% CCF)	470,834	94,166	71,113
Total	995,272,028	116,036,380	50,523,996

Table 43: 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 31.12.2023			
Direct credit substitutes	6,625,817	6,625,817	4,352,386
Transaction related contingent items	11,006,248	5,570,744	2,769,309
Short-term self-liquidating trade-related contingencies	3,404,545	681,768	451,552
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	60,054,589	4,874,785	215,622
Foreign exchange related contracts	208,802,006	6,190,597	2,044,829
– One year or less	191,568,511	4,069,847	797,938
– Over one year to five years	13,393,048	1,438,655	806,013
– Over five years	3,840,447	682,095	440,878
Interest/profit rate related contracts	25,204,512	852,321	615,368
– One year or less	7,197,018	13,484	6,257
– Over one year to five years	13,936,711	395,040	220,483
– Over five years	4,070,783	443,797	388,628
Equity related contracts	–	–	–
– One year or less	–	–	–
– Over one year to five years	–	–	–
– Over five years	–	–	–
Commodity contracts	11,182,612	253,493	111,246
– One year or less	6,327,716	119,857	52,836
– Over one year to five years	4,854,896	133,636	58,410
– Over five years	–	–	–
OTC derivative transactions and credit derivative contracts subject to valid bilateral netting agreements	526,016,581	7,980,424	2,497,353
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	65,288,873	49,391,317	21,691,239
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	3,591,752	2,424,931	1,059,240
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	57,209,856	6,326,558	1,039,343
Unutilised credit card lines (for portfolios under the Standardised Approach subject to 20% CCF)	25,601	5,120	3,672
Total	978,412,992	91,177,875	36,851,159

Credit Risk

Table 43: 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 31.12.2022			
Direct credit substitutes	8,417,835	8,417,835	4,113,690
Transaction related contingent items	10,650,510	5,393,107	2,815,646
Short-term self-liquidating trade-related contingencies	4,389,936	879,558	506,456
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	27,084,096	1,426,290	117,630
Foreign exchange related contracts	237,599,074	6,603,775	1,859,487
– One year or less	226,262,040	5,359,842	886,278
– Over one year to five years	7,701,720	705,831	547,387
– Over five years	3,635,314	538,102	425,822
Interest/profit rate related contracts	25,374,245	930,127	784,486
– One year or less	5,273,397	17,099	11,359
– Over one year to five years	15,320,475	410,726	350,067
– Over five years	4,780,373	502,302	423,060
Equity related contracts	–	–	–
– One year or less	–	–	–
– Over one year to five years	–	–	–
– Over five years	–	–	–
Commodity contracts	10,045,207	270,716	105,803
– One year or less	5,645,940	169,874	68,342
– Over one year to five years	4,399,267	100,842	37,461
– Over five years	–	–	–
OTC derivative transactions and credit derivative contracts subject to valid bilateral netting agreements	481,414,129	7,750,739	2,428,472
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	52,448,328	39,595,776	20,129,633
Other commitments, such as formal standby facilities and credit lines, with an original maturity of up to one year	981,637	594,781	379,416
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	53,204,225	5,877,647	958,706
Unutilised credit card lines (for portfolios under the Standardised Approach subject to 20% CCF)	21,695	4,339	3,217
Total	911,630,917	77,744,690	34,202,642

Table 44: 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 31.12.2023			
Direct credit substitutes	**3,182,771**	**3,182,771**	**1,809,347**
Transaction related contingent items	**4,124,932**	**2,090,400**	**1,284,447**
Short-term self-liquidating trade-related contingencies	**527,091**	**106,964**	**30,600**
Commitment to buy-back Islamic securities under Sell and Buy Back Agreement transactions	**–**	**–**	**–**
Foreign exchange related contracts	**4,179,141**	**253,345**	**147,501**
– One year or less	**2,220,831**	**47,945**	**29,617**
– Over one year to five years	**1,577,423**	**164,292**	**99,938**
– Over five years	**380,887**	**41,108**	**17,946**
Interest/profit rate related contracts	**128,661**	**8,987**	**3,918**
– One year or less	**–**	**–**	**–**
– Over one year to five years	**18,661**	**187**	**76**
– Over five years	**110,000**	**8,800**	**3,842**
OTC derivative transactions and credit derivative contracts subject to valid bilateral netting agreements	**32,038,163**	**204,685**	**49,565**
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	**34,518,141**	**28,370,770**	**9,709,767**
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	**8,776,723**	**2,010,363**	**380,901**
Unutilised credit card lines (for portfolios under the Standardised Approach subject to 20% CCF)	**4,593**	**919**	**769**
Total	**87,480,216**	**36,229,204**	**13,416,815**
As at 31.12.2022			
Direct credit substitutes	2,801,221	2,801,221	1,964,993
Transaction related contingent items	3,495,903	1,773,332	1,077,872
Short-term self-liquidating trade-related contingencies	460,706	94,078	28,023
Commitment to buy-back Islamic securities under Sell and Buy Back Agreement transactions	501,455	42,903	–
Foreign exchange related contracts	3,370,141	201,704	109,740
– One year or less	1,582,198	36,128	24,490
– Over one year to five years	1,532,424	137,469	75,052
– Over five years	255,519	28,107	10,198
Interest/profit rate related contracts	1,648,719	14,319	7,424
– One year or less	1,506,000	3,765	2,746
– Over one year to five years	32,719	654	372
– Over five years	110,000	9,900	4,306
OTC derivative transactions and credit derivative contracts subject to valid bilateral netting agreements	20,034,250	420,870	87,107
Other commitments, such as formal standby facilities and credit lines, with an original maturity of over one year	26,606,237	21,933,882	7,719,182
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	7,874,756	1,819,903	356,347
Unutilised credit card lines (for portfolios under the Standardised Approach subject to 20% CCF)	2,550	510	510
Total	66,795,938	29,102,722	11,351,198

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 movements 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 market risk exposures of the Trading Book are primarily from trading activities in financial markets. The risk measurement techniques employed by the Group comprises both quantitative and qualitative measures. The trading book is governed by market risk limits and policies. Market risk limits includes Value at Risk ("VaR") and risk sensitivity limits.

VaR measures the potential loss of value resulting from financial market movements and is based on historical simulation, at a 99.2% confidence level using a 1-day holding period. The VaR model is regularly backtested to evaluate its performance and accuracy. The Group also computes Stressed VaR based on a selected historical stress period.

The Group utilises risk sensitivity measures, such as price value of one basis point ("PV01") for managing portfolio sensitivity to market interest/profit rate movements and net open position ("NOP") limit for managing foreign currency exposure. Risk sensitivities are applicable to both linear and non-linear/option-related risk. These metrics provide granular information on the Group's market risk exposures and is used for monitoring, control and analytical purposes.

Dealers are required to trade within the approved limits and are strictly prohibited from transacting in any non-permissible instruments/activities as stipulated in the policies. Escalation process is in place to inform designated authorities of any non-adherence to the trading policies and limits. Dealers are required to rectify and ratify any non-adherence. Risk reports are presented to Senior Management/committee on a monthly basis.

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 on earnings and capital respectively.

Through Group Asset & Liability Management Committee ("GALCO") 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 45 (a) and (b) show the impact of a change in IRR/RoRBB to earnings and capital for Maybank Group, Maybank and Maybank Islamic, respectively.

Table 45 (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 31.12.2023			As at 31.12.2022		
	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,	**1,699,714**	**658,899**	**669,644**	939,202	702,920	633,922
MYR	**1,916,911**	**1,022,384**	**885,870**	2,087,433	1,366,047	726,152
USD	**(885,780)**	**(775,046)**	**(171,380)**	(869,748)	(759,246)	(89,595)
SGD	**658,658**	**250,900**	**–**	(30,797)	165,895	–
IDR	**(73,604)**	**31,128**	**–**	(121,000)	9,830	–
OTHERS*	**83,529**	**129,533**	**(44,846)**	(126,686)	(79,606)	(2,635)

Table 45 (b): Interest Rate Risk/Rate of Return Risk in the Banking Book for Maybank Group, Maybank and Maybank Islamic (Impact on Capital)

	As at 31.12.2023			As at 31.12.2022		
	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,	**(4,482,483)**	**(4,231,831)**	**266,974**	(6,434,488)	(4,815,803)	(1,224,692)
MYR	**(4,108,326)**	**(4,351,969)**	**246,255**	(6,432,779)	(5,196,440)	(1,231,307)
USD	**840,571**	**684,435**	**13,173**	1,353,796	1,326,059	2,286
SGD	**(597,408)**	**(341,089)**	**–**	(645,408)	(649,160)	–
IDR	**(400,740)**	**(13,126)**	**–**	(352,525)	(22,151)	–
OTHERS*	**(216,580)**	**(210,082)**	**7,546**	(357,572)	(274,111)	4,329

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.

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 equity is 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 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 conditions. The Group continuously reviews the pool of unencumbered High Quality Liquid Assets ("HQLA") to determine the funding capacity to withstand stressed conditions.

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.

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 the medium to long-term horizon.

EQUITY RISK IN THE BANKING BOOK

Equity price risk is the risk arising from movements in the price of equities. 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").

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 de-recognition).

Tables 46 and 47 show the equity exposures for banking book positions for the Group and the Bank respectively.

Table 46: Equities Disclosures for Banking Book Positions for Maybank Group

Equity Type	As at 31.12.2023 EAD RM'000	As at 31.12.2023 RWA RM'000	As at 31.12.2022 EAD RM'000*	As at 31.12.2022 RWA RM'000*
Publicly traded	**2,085**	**2,085**	20,220	20,220
Privately held	**1,147,396**	**1,192,590**	395,066	519,247
		RM'000		RM'000*
Total Net Unrealised (Losses)		**(101,682)**		(85,287)
Cumulative realised gains arising from sales and liquidations in the reporting period		**37,122**		29,599

Table 47: Equities Disclosures for Banking Book Positions for Maybank

Equity Type	As at 31.12.2023 EAD RM'000	As at 31.12.2023 RWA RM'000	As at 31.12.2022 EAD RM'000*	As at 31.12.2022 RWA RM'000*
Publicly traded	**1,347**	**1,347**	18,760	18,760
Privately held	**1,136,823**	**1,176,730**	341,113	438,318
		RM'000		RM'000*
Total Net Unrealised (Losses)		**(157,534)**		(140,113)
Cumulative realised gains arising from sales and liquidations in the reporting period		**21,323**		13,800

* Restated

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, rapid shifts in technology as well as environmental, social and governance ("ESG") considerations including climate change. Prolific non-financial risk incidents in recent years such as cyber risk in the form of denial of service attacks, data leakage, fraud (online and offline), and operational resiliency challenges including system disruption have highlighted the criticality of a holistic non-financial risk management.

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 continuous 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 also integral to the management of risks arising from major changes in the business and operational environment of the Group, particularly around the identification and mitigation of interconnected risks arising from the introduction of new products, implementation of large scale change programme or IT projects.

- **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.

MANAGEMENT OF NON-FINANCIAL RISK (CONT'D.)

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. 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. Best practices and lessons learnt from the COVID-19 pandemic are incorporated in the Business Continuity Plans and the relevant Standard Operating Procedures ("SOP").

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 2023, the Group reported three (3) Shariah Non-Compliance (SNC) incidents with a total income of RM464,200.27 being purified. One (1) SNC incident reported by Maybank Investment Bank Berhad with a total income of RM247,939.00 returned to customers and two (2) incidents reported by Maybank Islamic Berhad, out of which one (1) incident involved a total profit of RM216,261.27 to be channelled to charity, while the other incident does not involve income purification.

During the year, there was also a total profit of RM463,100.54 to be channelled to charity, being additional profit earned by Maybank Islamic Berhad in FY2023 from an SNC incident discovered and reported in FY2022.

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 guaranteed feature for the purpose of investment.

Subsequent to the enactment of and in the spirit of IFSA, Maybank Islamic has developed Investment Account products based on the Shariah contracts of Mudharabah and Wakalah.

Mudharabah is a contract between a customer as the capital provider ("Rabbul Mal") and the Bank as an entrepreneur ("Mudharib") under which the customer provides capital to be invested in a Mudharabah 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).

Wakalah is a contract between the customer as the principal (Muwakkil) and the Bank as the agent (Wakeel) entered into, for the purpose of investment. The customer provides the investment capital and appoints/authorizes the Bank as their agent to undertake and manage investment activities, of which in return, the Bank will receive fees for the services provided.

The Mudharabah and Wakalah venture managed by the Bank in this instance refers to monies placed by the customers through various Investment Account products offered by the Bank which are subsequently invested into either a specific or a blended portfolio of the Bank's assets and marketable securities (only applicable for Multi Asset Investment Account-i).

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

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

The IA is governed by the following:

- Broad oversight, accountability and responsibility of Maybank Islamic Board, Group Shariah Committee and Board Investment Committee;
- Oversight, guidance and observance by the Group Asset and Liability Committee ("GALCO");
- Accountability of the Senior Management in ensuring management, development and implementation of operational policies that govern the conduct of the IA; and
- Establishment of a dedicated function of IA unit.

Maybank Islamic's Unrestricted Investment Account ("UA")

The investment objective of UA differs according to the type of fund and are stated in respective fund's Product Disclosure Sheet. The risk profile varies from low-to-medium risk depending on the assets that the fund invested in.

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

- Risk of capital loss – Any investment carries the risk of reduction in the value of purchasing power. Hence, the Bank will only invest the fund in diversified assets with low to medium 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 the Bank in accordance with its overall hedging strategy.
- Liquidity Risk – Such risk occurs when withdrawals/redemption exceed total investments. The risk shall be managed by the Bank 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 the Bank by prudent selection of diversified asset portfolios and close monitoring of the performance of the selected assets.

The gross exposure of the financing funded by UA for financial year ended 31 December 2023 is RM27.4 billion. The performance of UA in terms of Return on Assets ("ROA") for UA is 4.30% while the Average Net Distributable Income is 4.21%. In addition, the net income distributed to IAH is 37.95% of Average Net Distributable Income which translates to declared Rate of Return of 1.60%. Impaired assets funded by UA is RM127.1 million, and impairment provisions funded by UA is RM66.8 million.

Maybank Islamic's Restricted Profit Sharing Investment Account ("RPSIA")

RPSIA is a specific investment mandate under the Shariah principles of Mudharabah whereby the investors, acting as the Rabbul Mal, will provide the funds to the Bank, acting as the Mudharib, for a specific purpose such as asset class, economic sector and/or period of investment. The specific terms of the arrangements are stipulated in the Master Mudharabah Agreement and the Investment Notices to the investors.

The indicative returns to the external RPSIA investors are dependent on the contractual profit or coupon rates of the financial assets funded by the RPSIA. For the financial year ended 31 December 2023, the Return on Assets and Average Net Distributable Income Ratio for the financial assets funded by RPSIA with external investors ranges from 5.24% to 6.36%, whilst the indicative Rate of Return to the RPSIA investors ranges from 5.22% to 6.33%, subject to profit payments received from the financial assets, in accordance to the terms of the arrangement. Impaired assets and impairment provisions for financial assets funded by RPSIA are RM581.4 million and RM103.9 million respectively.

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.

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