

MAYBANK INVESTMENT BANK BERHAD
(Co. Reg. No.: 197301002412)
(Incorporated in Malaysia)

CONDENSED FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2020

<u>Group</u>	<u>Note</u>	31 March 2020 RM'000	31 December 2019 RM'000
ASSETS			
Cash and short-term funds	14	1,108,940	815,210
Deposits and placements with a financial institution	15	842,428	644,478
Financial investments portfolio	16	846,794	911,394
Loans and advances	17	278,504	346,616
Derivative assets	21 (i)	290,791	50,348
Other assets	18	586,403	491,786
Tax recoverable		27,972	23,223
Statutory deposit with Bank Negara Malaysia		105	105
Investment in a joint venture		1,015	1,147
Property, plant and equipment		6,263	6,556
Right-of-use assets		11,201	13,229
Intangible assets		10,935	11,841
Deferred tax assets		16,659	13,102
TOTAL ASSETS		4,028,010	3,329,035
LIABILITIES			
Deposits and placements from a financial institution	19	1,581,914	1,193,885
Derivative liabilities	21 (i)	211,824	280,221
Other liabilities	20	1,609,329	1,220,235
Provision for zakat		2,208	1,102
TOTAL LIABILITIES		3,405,275	2,695,443
SHAREHOLDER'S EQUITY			
Share capital		222,785	222,785
Reserves		399,950	410,807
TOTAL EQUITY		622,735	633,592
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY		4,028,010	3,329,035
COMMITMENTS AND CONTINGENCIES	29	3,396,084	2,401,701

(These condensed financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to these financial statements)

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UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2020

<u>Bank</u>	Note	31 March 2020 RM'000	31 December 2019 RM'000
ASSETS			
Cash and short-term funds	14	1,076,749	777,622
Deposits and placements with a financial institution	15	842,408	644,458
Financial investments portfolio	16	846,794	911,394
Loans and advances	17	278,504	346,616
Derivative assets	21 (i)	290,791	50,348
Other assets	18	586,788	491,703
Tax recoverable		27,990	22,512
Statutory deposit with Bank Negara Malaysia		105	105
Investment in subsidiaries		197,267	203,259
Property, plant and equipment		6,263	6,556
Right-of-use assets		11,201	13,229
Intangible assets		10,935	11,841
Deferred tax assets		16,659	13,102
TOTAL ASSETS		4,192,454	3,492,745
LIABILITIES			
Deposits and placements from a financial institution	19	1,581,914	1,193,885
Derivative liabilities	21 (i)	211,824	280,221
Other liabilities	20	1,780,412	1,391,070
Provision for zakat		2,208	1,102
TOTAL LIABILITIES		3,576,358	2,866,278
SHAREHOLDER'S EQUITY			
Share capital		222,785	222,785
Reserves		393,311	403,682
TOTAL EQUITY		616,096	626,467
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY		4,192,454	3,492,745
COMMITMENTS AND CONTINGENCIES	29	3,396,084	2,401,701

(These condensed financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to these financial statements)

MAYBANK INVESTMENT BANK BERHAD
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CONDENSED FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2020

<u>Group</u>	Notes	Unaudited		Unaudited	
		31 March 2020 RM'000	31 March 2019 RM'000	31 March 2020 RM'000	31 March 2019 RM'000
Interest income	22	13,270	18,642	13,270	18,642
Interest expense	23	(12,133)	(13,218)	(12,133)	(13,218)
Net interest income		1,137	5,424	1,137	5,424
Income from Islamic Banking Scheme operations	31	4,991	10,860	4,991	10,860
Non-interest income	24	62,821	78,439	62,821	78,439
Direct costs	25	(7,493)	(5,638)	(7,493)	(5,638)
Net income		61,456	89,085	61,456	89,085
Overhead expenses	26	(70,824)	(71,252)	(70,824)	(71,252)
Operating (loss)/profit		(9,368)	17,833	(9,368)	17,833
(Allowance for)/writeback of impairment on loans and advances and other assets, net	27	(2,907)	284	(2,907)	284
		(12,275)	18,117	(12,275)	18,117
Share of results of a joint venture		(207)	(539)	(207)	(539)
(Loss)/profit before taxation and zakat		(12,482)	17,578	(12,482)	17,578
Taxation and zakat		1,301	(5,832)	1,301	(5,832)
(Loss)/profit for the period, attributable to equity holder of the Bank		(11,181)	11,746	(11,181)	11,746
Basic and diluted (loss)/earnings per share (sen), attributable to equity holder of the Bank		(22)	23	(22)	23
Other comprehensive income/(loss):					
<i>Item that may be reclassified subsequently to profit or loss:</i>					
Net gain/(loss) on foreign exchange translation		324	(92)	324	(92)
Other comprehensive income/(loss) for the period, net of tax		324	(92)	324	(92)
Total comprehensive (loss)/income for the period, attributable to equity holder of the Bank		(10,857)	11,654	(10,857)	11,654

(These condensed financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to these financial statements)

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CONDENSED FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2020

<u>Bank</u>	Notes	Unaudited		Unaudited	
		31 March 2020 RM'000	31 March 2019 RM'000	31 March 2020 RM'000	31 March 2019 RM'000
Interest income	22	13,071	18,379	13,071	18,379
Interest expense	23	(12,133)	(13,218)	(12,133)	(13,218)
Net interest income		938	5,161	938	5,161
Income from Islamic Banking Scheme operations	31	4,991	10,860	4,991	10,860
Non-interest income	24	68,795	78,439	68,795	78,439
Direct costs	25	(7,493)	(5,638)	(7,493)	(5,638)
Net income		67,231	88,822	67,231	88,822
Overhead expenses	26	(70,789)	(71,210)	(70,789)	(71,210)
Operating (loss)/profit		(3,558)	17,612	(3,558)	17,612
Impairment on investment in a subsidiary		(5,250)	-	(5,250)	-
Allowance for impairment on loans and advances and other assets, net	27	(2,907)	(66)	(2,907)	(66)
(Loss)/profit before taxation and zakat		(11,715)	17,546	(11,715)	17,546
Taxation and zakat		1,344	(5,664)	1,344	(5,664)
(Loss)/profit for the period, representing total comprehensive (loss)/income for the period, attributable to equity holder of the Bank		(10,371)	11,882	(10,371)	11,882

(These condensed financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to these financial statements)

MAYBANK INVESTMENT BANK BERHAD
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CONDENSED FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2020

<u>Group</u>	<-----Non-distributable----->				Distributable	
	Share capital RM'000	Regulatory reserve RM'000	Fair value through other comprehensive income reserve RM'000	Exchange fluctuation reserve RM'000	Retained earnings RM'000	Total RM'000
At 1 January 2020	222,785	30,388	916	(298)	379,801	633,592
Loss for the period	-	-	-	-	(11,181)	(11,181)
Other comprehensive income	-	-	-	324	-	324
Total comprehensive income/(loss) for the period	-	-	-	324	(11,181)	(10,857)
Transfer from regulatory reserve	-	(1,851)	-	-	1,851	-
At 31 March 2020	222,785	28,537	916	26	370,471	622,735
At 1 January 2019	222,785	34,777	930	(396)	342,229	600,325
Profit for the period	-	-	-	-	11,746	11,746
Other comprehensive loss	-	-	-	(92)	-	(92)
Total comprehensive (loss)/income for the period	-	-	-	(92)	11,746	11,654
Transfer from regulatory reserve	-	(6,153)	-	-	6,153	-
At 31 March 2019	222,785	28,624	930	(488)	360,128	611,979

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CONDENSED FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2020

	<-----Non-distributable----->			Distributable	
	Share capital RM'000	Regulatory reserve RM'000	Fair value through other comprehensive income reserve RM'000	Retained earnings RM'000	Total RM'000
Bank					
At 1 January 2020	222,785	30,388	916	372,378	626,467
Loss for the period	-	-	-	(10,371)	(10,371)
Total comprehensive loss for the period	-	-	-	(10,371)	(10,371)
Transfer from regulatory reserve	-	(1,851)	-	1,851	-
At 31 March 2020	222,785	28,537	916	363,858	616,096
At 1 January 2019	222,785	34,777	930	331,046	589,538
Profit for the period	-	-	-	11,882	11,882
Total comprehensive income for the period	-	-	-	11,882	11,882
Transfer from regulatory reserve	-	(6,153)	-	6,153	-
At 31 March 2019	222,785	28,624	930	349,081	601,420

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MAYBANK INVESTMENT BANK BERHAD
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CONDENSED FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2020

	Note	Group		Bank	
		31 March 2020 RM'000	31 March 2019 RM'000	31 March 2020 RM'000	31 March 2019 RM'000
Cash flows from operating activities					
(Loss)/profit before taxation and zakat		(12,482)	17,578	(11,715)	17,546
Adjustments for:					
Share of results of a joint venture		207	539	-	-
Depreciation of property, plant and equipment	26	672	1,325	672	1,325
Depreciation of right-of-use assets	26	2,028	2,072	2,028	2,072
Amortisation of computer software	26	1,078	1,287	1,078	1,287
Allowance for/(writeback of) impairment on loans and advances and other assets, net		3,076	(219)	3,076	131
Impairment on investment in a subsidiary		-	-	5,250	-
Gross dividends	24	(1,706)	(343)	(7,677)	(343)
Realised loss/(gain) from sale of financial assets at fair value through profit or loss, net	24	115,678	(5,112)	115,678	(5,112)
Unrealised loss/(gain) on revaluation of financial assets at fair value through profit or loss, net	24	228,892	(43,314)	228,892	(43,314)
Realised (gain)/loss from sale of derivative financial instruments, net	24	(41,988)	(7,883)	(41,988)	(7,883)
Unrealised (gain)/loss on revaluation of derivative financial instruments, net	24	(321,103)	53,154	(321,103)	53,154
Operating (loss)/profit before working capital changes		(25,648)	19,084	(25,809)	18,863
Change in cash and short-term funds with original maturity more than three months		(369)	38,730	(369)	38,730
Change in deposits and placements with original maturity more than three months		(145,029)	193,152	(145,029)	193,152
Change in financial investments portfolio and derivative financial instruments		(225,719)	(96,599)	(225,719)	(96,599)
Change in loans and advances		68,161	(2,383)	68,161	(2,383)
Change in other assets		(97,742)	56,940	(98,210)	54,923
Change in deposits and placements from a financial institution		388,029	(14,591)	388,029	(14,591)
Change in other liabilities		391,292	(95,728)	391,540	(93,424)
Cash generated from operations		352,975	98,605	352,594	98,671
Taxation and zakat paid, net		(5,899)	(4,166)	(6,585)	(4,109)
Net cash generated from operating activities		347,076	94,439	346,009	94,562
Cash flows from investing activities					
Purchase of property, plant and equipment		(379)	(166)	(379)	(166)
Purchase of computer software		(172)	(744)	(172)	(744)
Proceeds from disposal of a subsidiary		-	-	742	-
Net dividends received		1,706	343	7,677	343
Net cash generated from/(used in) investing activities		1,155	(567)	7,868	(567)
Cash flows from financing activities					
Repayment of lease liabilities		(2,198)	(2,017)	(2,198)	(2,017)
Net cash used in financing activities		(2,198)	(2,017)	(2,198)	(2,017)
Net increase in cash and cash equivalents		346,033	91,855	351,679	91,978
Cash and cash equivalents at the beginning of the period		812,313	766,134	774,705	727,120
Effects of foreign exchange rate changes		249	(54)	-	-
Cash and cash equivalents at the end of the period		1,158,595	857,935	1,126,384	819,098

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CONDENSED FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2020 (CONT'D.)

	Note	Group		Bank	
		31 March 2020 RM'000	31 March 2019 RM'000	31 March 2020 RM'000	31 March 2019 RM'000
Cash and cash equivalents comprise:					
Cash and short-term funds	14	1,108,940	863,631	1,076,749	824,814
Deposits and placements with a financial institution	15	842,428	689,499	842,408	689,479
		<u>1,951,368</u>	<u>1,553,130</u>	<u>1,919,157</u>	<u>1,514,293</u>
Less:					
Cash and short-term funds and deposits and placements with original maturity more than three months		(792,773)	(695,195)	(792,773)	(695,195)
		<u>1,158,595</u>	<u>857,935</u>	<u>1,126,384</u>	<u>819,098</u>

(These condensed financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to these financial statements)

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

1. Basis of Preparation

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

The unaudited condensed interim financial statements have been prepared in accordance with MFRS 134 *Interim Financial Reporting* and IAS 34 *Interim Financial Reporting*.

The unaudited condensed interim financial statements do not include all the information and disclosure required in the audited financial statements, and should be read in conjunction with the audited financial statements for the financial year ended 31 December 2019. These explanatory notes attached to the unaudited condensed interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group and of the Bank since the year ended 31 December 2019.

The unaudited condensed interim financial statements include those activities relating to the Islamic banking business which have been undertaken by the Group. Islamic banking business refers generally to capital market and stockbroking activities under the principles of Shariah.

The significant accounting policies and methods of computation applied by the Group and by the Bank are consistent with those adopted in the most recent audited financial statements for the financial year ended 31 December 2019 except for adoption of the following Malaysian Financial Reporting Standards (“MFRSs”) and annual improvements to MFRSs which are effective for annual periods beginning on or after 1 January 2020:

Description	Effective for annual periods beginning on or after
Revised Conceptual Framework for Financial Reporting	1 January 2020
Amendments to MFRS 3 - <i>Definition of a Business</i>	1 January 2020
Amendments to MFRS 101 and MFRS 108 - <i>Definition of Material</i>	1 January 2020
Amendments to MFRS 7, MFRS 9 and MFRS 139 - <i>Interest Rate Benchmark Reform</i>	1 January 2020
MFRS 17 <i>Insurance Contracts</i>	1 January 2021
Amendments to MFRS 10 and MFRS 128 - <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

Adoption of the above standards and annual improvements to standards do not have any significant financial impact on the financial statements of the Group and of the Bank in the period of initial application.

2. Significant Accounting Policies

The audited financial statements of the Group and of the Bank for the financial year ended 31 December 2019 were prepared in accordance with MFRS, International Financial Reporting Standards (“IFRS”) and the requirements of the Companies Act 2016 in Malaysia. The significant accounting policies adopted in preparing these unaudited condensed interim financial statements are consistent with those of the audited financial statements for the financial year ended 31 December 2019 except for the adoption of the new MFRS, amendments to MFRS and annual improvements to MFRS which are effective for annual periods beginning on or after 1 January 2020 as disclosed in Note 1.

3. Significant Accounting Estimates and Judgements

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

In preparing these unaudited condensed interim financial statements, the significant judgements made by management in applying the Group’s and the Bank’s accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the audited financial statements for the financial year ended 31 December 2019.

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Explanatory Notes Pursuant to Malaysian Financial Reporting Standard 134 (“MFRS 134”) Interim Financial Reporting (Cont’d)

4. Auditors' Report on Annual Financial Statements

The auditors' report on the audited financial statements for the financial year ended 31 December 2019 was not qualified.

5. Seasonal or Cyclical Factors

The operations of the Group and of the Bank were not materially affected by any seasonal or cyclical factors during the first quarter ended 31 March 2020.

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

During the first quarter ended 31 March 2020, there were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group and of the Bank.

7. Changes in Estimates

There were no material changes in estimates during the first quarter ended 31 March 2020.

8. Changes in Debt and Equity Securities

There were no issuances, cancellations, share buy-backs, resale of shares bought back and repayment of debt and equity securities by the Group and the Bank during the first quarter ended 31 March 2020.

9. Changes in the Composition of the Group

On 13 March 2020, the Bank had completed the sale of its 100% owned subsidiary, Binafikir Sdn Bhd. Accordingly, Binafikir ceased to be a subsidiary of the Group.

10. Dividends Paid/Payable

There were no dividends paid or payable during the first quarter ended 31 March 2020.

11. Significant and Subsequent Event

There were no significant and subsequent events after the first quarter ended 31 March 2020.

12. Performance Review

For the financial period ended 31 March 2020, the Group incurred an operating loss of RM9.4 million in comparison to an operating profit of RM17.8 million during the same period last year mainly due to lower income.

Net income decreased by 31.0% from RM89.1 million to RM61.5 million. Non-interest income decreased by RM15.6 million to RM62.8 million due to lower fee income. Income from Islamic Banking Scheme operations decreased by RM5.7 million to RM5.0 million as a result of lower fee income during the period. Net interest income decreased by 79.0% to RM1.1 million mainly due to lower interest income from deposits and placements with financial institutions.

Overhead expenses decreased by 0.6% or RM0.4 million from RM71.2 million to RM70.8 million in the previous corresponding period. This was mainly contributed by the decrease in marketing costs during the period.

The Group incurred a loss before taxation and zakat of RM12.3 million in comparison to a profit before taxation and zakat of RM17.6 million during the same period last year. Loss for the period amounted to RM11.2 million in comparison to a profit of RM11.7 million during the previous period.

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Explanatory Notes Pursuant to Malaysian Financial Reporting Standard 134 (“MFRS 134”) Interim Financial Reporting (Cont’d)

13. Business Outlook

The World Health Organisation declared the novel coronavirus (“COVID-19”) a global pandemic on 11 March 2020, given the alarming level of spread and severity of the virus across the world. Since then, there have been over 4.7 million confirmed COVID-19 cases reported across over 200 countries and territories. Many governments around the world have imposed state or national lockdowns progressively since March to restrict the movement of their people and enacted overseas travel bans or closed their borders in an attempt to slow down the spread of the virus and reduce mortality rates.

Economies globally are expected to either contract in 2020 or chart much lower growth rates than 2019. To mitigate the impact of the COVID-19 pandemic, central banks globally, including the ASEAN central banks, have eased monetary policies aggressively up to May 2020 and may continue doing so in an attempt to promote economic stimulus and to lower the cost of debt. Concurrently, ASEAN governments have also introduced economic stimulus packages and fiscal measures to provide assistance and relief to individuals and businesses affected by COVID-19.

In Malaysia, the government announced a RM260 billion economic stimulus package aimed at supporting affected businesses, special funding for micro, small and medium enterprises, providing financial assistance to affected individuals and low and middle income households, continuing with major infrastructure and development projects. The economic stimulus package also included Bank Negara Malaysia (“BNM”)’s announcement that banks will offer an automatic deferment of all loan/financing repayments for six-months to individuals and small and medium enterprises for performing loans, denominated in RM.

For Malaysian equities, foreign investors cumulatively net sold RM10.4 billion worth of equities from January to April 2020, driven by concerns over the COVID-19 pandemic on the global economy. The KLCI is forecasted to report a third straight year of earnings contraction as core profits are expected to fall in 2020.

For the Malaysian fixed income market, stabilization in external risk environment and dovish monetary policy stance from BNM helped investors regain confidence in the local bond market. Private Debt Securities (“PDS”) primary market activity has picked up since mid-April and the take up in recent PDS issuances suggest there is still ample liquidity in the market. Other supporting factors are the continuation of rail and highway projects (MRT2, LRT3, Pan Borneo Highway, ECRL), new solar power plants and potentially more Government Guaranteed supply.

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14. Cash and short-term funds

	Group		Bank	
	31 March 2020 RM'000	31 December 2019 RM'000	31 March 2020 RM'000	31 December 2019 RM'000
Cash and bank balances with financial institutions	401,475	290,844	394,813	283,370
Deposit and placements maturing within one month	707,465	524,366	681,936	494,252
Total cash and short-term funds	1,108,940	815,210	1,076,749	777,622

The monies held-in-trust for clients by the Group and by the Bank as at the reporting date are approximately RM455,590,000 (2019: RM324,559,000). These amounts are excluded from the cash and short-term funds of the Group and of the Bank in accordance with FRSIC Consensus 18 Monies Held-in-Trust by Participating Organisation at Bursa Malaysia Securities Berhad.

15. Deposits and placements with a financial institution

	Group		Bank	
	31 March 2020 RM'000	31 December 2019 RM'000	31 March 2020 RM'000	31 December 2019 RM'000
Licensed bank	842,428	644,478	842,408	644,458

16. Financial investments portfolio

		Group and Bank	
		31 March 2020 RM'000	31 December 2019 RM'000
Financial assets at fair value through profit or loss	(i)	845,678	910,278
Financial assets at fair value through other comprehensive income	(ii)	1,116	1,116
Total financial investments portfolio		846,794	911,394

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

	Group and Bank	
	31 March 2020 RM'000	31 December 2019 RM'000
At fair value		
Quoted financial assets:		
Shares in Malaysia	507,192	488,055
Shares outside Malaysia	289,612	373,349
	796,804	861,404
Unquoted financial assets:		
Loan stock in Malaysia	48,874	48,874
	845,678	910,278

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

	Group and Bank	
	31 March 2020 RM'000	31 December 2019 RM'000
At fair value, or at cost for certain unquoted equity instruments, less accumulated impairment loss		
Unquoted financial assets:		
Shares in Malaysia	1,116	1,116

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17. Loans and advances

	Group and Bank	
	31 March 2020 RM'000	31 December 2019 RM'000
Term loans		
- Other term loans	54,451	66,620
Amount due from brokers and clients		
- Margin accounts	187,871	251,372
Staff loans	36,583	29,074
Gross loans and advances at amortised cost	<u>278,905</u>	<u>347,066</u>
Less: Allowances for impaired loans and advances:		
- Stage 1 - 12 Months ECL	(136)	(185)
- Stage 3 - Lifetime ECL credit impaired	(265)	(265)
Net loans and advances	<u>278,504</u>	<u>346,616</u>

(i) Loans and advances analysed by type of customer are as follows:

	Group and Bank	
	31 March 2020 RM'000	31 December 2019 RM'000
Domestic business enterprises		
- Small and medium enterprises	29,130	30,071
- Others	72,485	84,668
Individuals	177,067	231,602
Foreign entities	223	725
Gross loans and advances	<u>278,905</u>	<u>347,066</u>

(ii) Loans and advances analysed by interest rate sensitivity are as follows:

	Group and Bank	
	31 March 2020 RM'000	31 December 2019 RM'000
Fixed rate		
- Housing loans	24,660	16,931
- Hire purchase receivables	11,390	11,902
- Other fixed rate loans	533	241
Variable rate		
- Base lending rate (BLR) plus	187,871	251,372
- Cost plus	54,451	66,620
Gross loans and advances	<u>278,905</u>	<u>347,066</u>

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17. **Loans and advances (Cont'd)**

(iii) **Loans and advances analysed by economic purpose are as follows:**

	Group and Bank	
	31 March 2020 RM'000	31 December 2019 RM'000
Purchase of securities	187,871	251,372
Purchase of transport vehicles	11,390	11,902
Purchase of residential landed property	24,660	16,931
Personal use	533	241
Others	54,451	66,620
Gross loans and advances	278,905	347,066

(iv) **The maturity structure of loans and advances are as follows:**

	Group and Bank	
	31 March 2020 RM'000	31 December 2019 RM'000
Within one year	243,397	318,849
More than one year to three years	2,686	2,826
More than three years to five years	8,723	9,272
More than five years	24,099	16,119
Gross loans and advances	278,905	347,066

(v) **Movements in impaired loans and advances are as follows:**

	Group and Bank	
	31 March 2020 RM'000	31 December 2019 RM'000
At 1 January	1,326	626
(Recovered)/impaired during the period	(332)	700
Gross impaired loans and advances	994	1,326
Less: - Stage 3 - Lifetime ECL credit impaired	(265)	(265)
Net impaired loans and advances	729	1,061
Net impaired loans and advances as a percentage of gross loans and advances less Stage 3 - Lifetime ECL credit impaired	0.26%	0.31%

(vi) **Impaired loans and advances analysed by economic purpose are as follows:**

	Group and Bank	
	31 March 2020 RM'000	31 December 2019 RM'000
Purchase of transport vehicles	159	159
Purchase of residential landed property	835	1,167
Gross impaired loans and advances	994	1,326

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17. Loans and advances (Cont'd)

(vii) **Movements in the allowance for impairment losses are as follows:**

Group and Bank	Stage 1	Stage 2	Stage 3	Total ECL RM'000
	12 Months ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	
At 1 January 2020	185	-	265	450
Amount written-back (Note 27)	(49)	-	-	(49)
At 31 March 2020	136	-	265	401
At 1 January 2019	322	-	265	587
Amount written-back	(137)	-	-	(137)
At 31 December 2019	185	-	265	450

18. Other assets

	Group		Bank	
	31 March 2020 RM'000	31 December 2019 RM'000	31 March 2020 RM'000	31 December 2019 RM'000
Amount due from brokers and clients				
- Non-margin accounts (a)	498,489	320,668	498,489	320,668
Amount due from ultimate holding company	6,572	14,269	6,572	14,269
Other debtors, deposits and prepayments	101,278	176,220	101,663	173,600
	606,339	511,157	606,724	508,537
Less: Allowance for impairment losses	(19,936)	(19,371)	(19,936)	(16,834)
	586,403	491,786	586,788	491,703

(a) Amount due from brokers and clients relates to outstanding purchase contracts entered into on behalf of clients, contra gains and losses, other fees and charges.

19. Deposits and placements from a financial institution

	Group and Bank	
	31 March 2020 RM'000	31 December 2019 RM'000
Licensed bank	1,581,914	1,193,885

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20. Other liabilities

	Group		Bank	
	31 March 2020 RM'000	31 December 2019 RM'000	31 March 2020 RM'000	31 December 2019 RM'000
Provisions and accruals	33,976	70,836	33,968	70,643
Amount due to brokers and clients (a)	436,623	329,575	436,623	329,575
Provision for contingent liability	4,500	4,500	4,500	4,500
Deposits and other creditors	948,733	772,872	948,350	772,210
Finance lease obligation	11,448	13,377	11,448	13,377
Amount due to:				
- Holding company	169,309	26,752	169,309	26,752
- Related companies	4,740	2,323	4,740	2,323
- Subsidiaries	-	-	171,474	171,690
	<u>1,609,329</u>	<u>1,220,235</u>	<u>1,780,412</u>	<u>1,391,070</u>

(a) Amount due to brokers and clients represents net amount payable to margin and non-margin clients, which include outstanding sales contracts entered into on behalf of clients, contra gains and losses, other fees and charges.

21. Derivative financial instruments

(i) Derivative financial assets/liabilities

	Contract/ Notional amount RM'000	Group and Bank 31 March 2020	
		Fair Value	
		Assets RM'000	Liabilities RM'000
Hedging derivatives			
Equity-related derivatives:			
Equity options			
- Less than one year	1,836,611	209,624	211,824
Equity swaps			
- Less than one year	351,892	81,167	-
	<u>2,188,503</u>	<u>290,791</u>	<u>211,824</u>
Group and Bank 31 December 2019			
	Contract/ Notional amount RM'000	Fair Value	
		Assets RM'000	Liabilities RM'000
		Assets RM'000	Liabilities RM'000
Equity-related derivatives:			
Equity options			
- Less than one year	926,562	37,095	229,031
Equity swaps			
- Less than one year	318,095	13,253	51,190
	<u>1,244,657</u>	<u>50,348</u>	<u>280,221</u>

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21. Derivative financial instruments (cont'd.)

(ii) The Group and the Bank have recognised the fair value changes on the derivative financial instruments as follows (Note 24):

	Group and Bank			
	Unaudited		Unaudited	
	First Quarter Ended		Cumulative 3 Months Ended	
	31 March 2020 RM'000	31 March 2019 RM'000	31 March 2020 RM'000	31 March 2019 RM'000
Equity-related derivatives:				
Index futures	(154)	1,141	(154)	1,141
Equity options	202,153	(2,536)	202,153	(2,536)
Equity swaps	119,104	(51,759)	119,104	(51,759)
	321,103	(53,154)	321,103	(53,154)

22. Interest income

	Unaudited		Unaudited	
	First Quarter Ended		Cumulative 3 Months Ended	
	31 March 2020 RM'000	31 March 2019 RM'000	31 March 2020 RM'000	31 March 2019 RM'000
	Group			
Loans and advances				
- Interest income other than on impaired loans	5,767	6,994	5,767	6,994
- Interest income on impaired loans	181	19	181	19
Money at call and deposits and placements with financial institutions	6,838	9,901	6,838	9,901
Others	484	1,728	484	1,728
Total interest income	13,270	18,642	13,270	18,642

	Unaudited		Unaudited	
	First Quarter Ended		Cumulative 3 Months Ended	
	31 March 2020 RM'000	31 March 2019 RM'000	31 March 2020 RM'000	31 March 2019 RM'000
	Bank			
Loans and advances				
- Interest income other than on impaired loans	5,767	6,994	5,767	6,994
- Interest income on impaired loans	181	19	181	19
Money at call and deposits and placements with financial institutions	6,639	9,638	6,639	9,638
Others	484	1,728	484	1,728
Total interest income	13,071	18,379	13,071	18,379

23. Interest expense

	Unaudited		Unaudited	
	First Quarter Ended		Cumulative 3 Months Ended	
	31 March 2020 RM'000	31 March 2019 RM'000	31 March 2020 RM'000	31 March 2019 RM'000
	Group and Bank			
Deposits and placements from a financial institution	6,700	6,120	6,700	6,120
Derivative financial instruments	5,433	7,098	5,433	7,098
Total interest expense	12,133	13,218	12,133	13,218

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24. Non-interest income

<u>Group</u>	Unaudited First Quarter Ended		Unaudited Cumulative 3 Months Ended	
	31 March 2020 RM'000	31 March 2019 RM'000	31 March 2020 RM'000	31 March 2019 RM'000
Fee and commission income:				
Arranger and upfront fees	6,454	20,869	6,454	20,869
Brokerage income	43,934	33,524	43,934	33,524
Corporate advisory fees	960	6,729	960	6,729
Placement and related fees	250	-	250	-
Underwriting commission	-	8,041	-	8,041
Others	2,986	2,599	2,986	2,599
	54,584	71,762	54,584	71,762
Investment income:				
Realised (loss)/gain from sale of financial assets at fair value through profit or loss, net	(115,678)	5,112	(115,678)	5,112
Unrealised (loss)/gain on revaluation of financial assets at fair value through profit or loss, net	(228,892)	43,314	(228,892)	43,314
Realised gain from sale of derivative financial instruments, net	41,988	7,883	41,988	7,883
Unrealised gain/(loss) on revaluation of derivative financial instruments, net (Note 21 (ii))	321,103	(53,154)	321,103	(53,154)
Gross dividends from financial assets at fair value through profit or loss				
- Quoted in Malaysia	1,649	330	1,649	330
- Quoted outside Malaysia	57	13	57	13
	20,227	3,498	20,227	3,498
Other income:				
Foreign exchange (loss)/gain, net	(12,320)	2,764	(12,320)	2,764
Others	330	415	330	415
	(11,990)	3,179	(11,990)	3,179
Total non-interest income	62,821	78,439	62,821	78,439

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24. Non-interest income (Cont'd)

	Unaudited		Unaudited	
	First Quarter Ended		Cumulative 3 Months Ended	
<u>Bank</u>	31 March 2020	31 March 2019	31 March 2020	31 March 2019
	RM'000	RM'000	RM'000	RM'000
Fee and commission income:				
Arranger and upfront fees	6,454	20,869	6,454	20,869
Brokerage income	43,934	33,524	43,934	33,524
Corporate advisory fees	960	6,729	960	6,729
Placement and related fees	250	-	250	-
Underwriting commission	-	8,041	-	8,041
Others	2,986	2,599	2,986	2,599
	<u>54,584</u>	<u>71,762</u>	<u>54,584</u>	<u>71,762</u>
Investment income:				
Realised (loss)/gain from sale of financial assets at fair value through profit or loss, net	(115,678)	5,112	(115,678)	5,112
Unrealised (loss)/gain on revaluation of financial assets at fair value through profit or loss, net	(228,892)	43,314	(228,892)	43,314
Realised gain from sale of derivative financial instruments, net	41,988	7,883	41,988	7,883
Unrealised gain/(loss) on revaluation of derivative financial instruments, net (Note 21 (ii))	321,103	(53,154)	321,103	(53,154)
Gross dividends from financial assets at fair value through profit or loss				
- Quoted in Malaysia	1,649	330	1,649	330
- Quoted outside Malaysia	57	13	57	13
Gross dividend from subsidiary	5,971	-	5,971	-
	<u>26,198</u>	<u>3,498</u>	<u>26,198</u>	<u>3,498</u>
Other income:				
Foreign exchange (loss)/gain, net	(12,320)	2,764	(12,320)	2,764
Others	333	415	333	415
	<u>(11,987)</u>	<u>3,179</u>	<u>(11,987)</u>	<u>3,179</u>
Total non-interest income	<u>68,795</u>	<u>78,439</u>	<u>68,795</u>	<u>78,439</u>

25. Direct costs

	Unaudited		Unaudited	
	First Quarter Ended		Cumulative 3 Months Ended	
<u>Group and Bank</u>	31 March 2020	31 March 2019	31 March 2020	31 March 2019
	RM'000	RM'000	RM'000	RM'000
Dealers' incentive	4,255	3,080	4,255	3,080
Trade-related charges	3,238	2,558	3,238	2,558
	<u>7,493</u>	<u>5,638</u>	<u>7,493</u>	<u>5,638</u>

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26. Overhead expenses

Group	Unaudited		Unaudited	
	First Quarter Ended		Cumulative 3 Months Ended	
	31 March	31 March	31 March	31 March
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Personnel expenses				
- Salaries, allowances and bonuses	49,940	49,131	49,940	49,131
- Pension costs - defined contribution plan	5,235	5,095	5,235	5,095
- Employees' Share Scheme expenses	2,519	1,367	2,519	1,367
- Other staff-related expenses	2,955	2,958	2,955	2,958
	60,649	58,551	60,649	58,551
Establishment costs				
- Depreciation of property, plant and equipment	672	1,325	672	1,325
- Amortisation of computer software	1,078	1,287	1,078	1,287
- Rental	388	341	388	341
- Finance cost on lease liability	268	217	268	217
- Depreciation of right-of-use assets	2,028	2,072	2,028	2,072
- Repairs and maintenance of property, plant and equipment	3,185	2,580	3,185	2,580
- Information technology expenses	5,146	3,721	5,146	3,721
- Service chargeback	(9,439)	(6,876)	(9,439)	(6,876)
- Others	1,002	610	1,002	610
	4,328	5,277	4,328	5,277
Marketing costs				
- Advertisement and publicity	409	1,355	409	1,355
- Others	923	1,336	923	1,336
	1,332	2,691	1,332	2,691
Administration and general expenses				
- Fee and brokerage	2,586	3,475	2,586	3,475
- Administrative expenses	1,319	703	1,319	703
- General expenses	610	555	610	555
	4,515	4,733	4,515	4,733
Total overhead expenses	70,824	71,252	70,824	71,252

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26. Overhead expenses (Cont'd)

<u>Bank</u>	Unaudited First Quarter Ended		Unaudited Cumulative 3 Months Ended	
	31 March 2020 RM'000	31 March 2019 RM'000	31 March 2020 RM'000	31 March 2019 RM'000
Personnel expenses				
- Salaries, allowances and bonuses	49,940	49,131	49,940	49,131
- Pension costs - defined contribution plan	5,235	5,095	5,235	5,095
- Employees' Share Scheme expenses	2,519	1,367	2,519	1,367
- Other staff related expenses	2,955	2,958	2,955	2,958
	<u>60,649</u>	<u>58,551</u>	<u>60,649</u>	<u>58,551</u>
Establishment costs				
- Depreciation of property, plant and equipment	672	1,325	672	1,325
- Amortisation of computer software	1,078	1,287	1,078	1,287
- Rental	388	341	388	341
- Finance cost on lease liability	268	217	268	217
- Depreciation of right-of-use assets	2,028	2,072	2,028	2,072
- Repairs and maintenance of property, plant and equipment	3,185	2,580	3,185	2,580
- Information technology expenses	5,146	3,721	5,146	3,721
- Service chargeback	(9,439)	(6,876)	(9,439)	(6,876)
- Others	1,002	610	1,002	610
	<u>4,328</u>	<u>5,277</u>	<u>4,328</u>	<u>5,277</u>
Marketing costs				
- Advertisement and publicity	409	1,355	409	1,355
- Others	923	1,336	923	1,336
	<u>1,332</u>	<u>2,691</u>	<u>1,332</u>	<u>2,691</u>
Administration and general expenses				
- Fee and brokerage	2,564	3,446	2,564	3,446
- Administrative expenses	1,305	690	1,305	690
- General expenses	611	555	611	555
	<u>4,480</u>	<u>4,691</u>	<u>4,480</u>	<u>4,691</u>
Total overhead expenses	<u>70,789</u>	<u>71,210</u>	<u>70,789</u>	<u>71,210</u>

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27. (Allowance for)/writeback of impairment on loans and advances and other assets, net

<u>Group</u>	Unaudited First Quarter Ended		Unaudited Cumulative 3 Months Ended	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
	RM'000	RM'000	RM'000	RM'000
Writeback of impairment on loans and advances:				
- Stage 1 - 12 months ECL (Note 17 (vii))	49	15	49	15
Bad debts recovered	169	65	169	65
(Allowance for)/writeback of impairment on other assets, net	(3,125)	204	(3,125)	204
Total	(2,907)	284	(2,907)	284

<u>Bank</u>	Unaudited First Quarter Ended		Unaudited Cumulative 3 Months Ended	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
	RM'000	RM'000	RM'000	RM'000
Writeback of impairment on loans and advances:				
- Stage 1 - 12 months ECL (Note 17 (vii))	49	15	49	15
Bad debts recovered	169	65	169	65
(Allowance for)/writeback of impairment on other assets, net	(3,125)	(146)	(3,125)	(146)
Total	(2,907)	(66)	(2,907)	(66)

28. Capital adequacy

(I) Capital Adequacy Framework

The capital adequacy ratios of the Group consist of capital base and risk-weighted assets derived from consolidated balances of the Bank and its subsidiary companies. The capital adequacy ratios of the Bank consist of capital base and risk-weighted assets derived from the Bank.

The computation of capital adequacy ratios are based on Bank Negara Malaysia ("BNM") Capital Adequacy Framework (Capital Components) and Capital Adequacy Framework (Basel II - Risk Weighted Assets) issued on 2 February 2018 respectively.

The Group and the Bank adopted the Standardised Approach for Credit Risk and Market Risk, and the Basic Indicator Approach for Operational Risk.

The minimum regulatory capital adequacy requirements for Common Equity Tier 1 ("CET1"), Tier 1 and Total Capital are 4.5%, 6.0% and 8.0% of total risk-weighted assets respectively.

The capital adequacy ratios of the Group and of the Bank are as follows:

	Group %	Bank %
<u>At 31 March 2020</u>		
CET1 capital ratio	25.604	24.352
Tier 1 capital ratio	25.604	24.352
Total capital ratio	<u>26.904</u>	<u>25.661</u>
<u>At 31 December 2019</u>		
CET1 capital ratio	24.507	23.080
Tier 1 capital ratio	24.507	23.080
Total capital ratio	<u>25.807</u>	<u>24.389</u>

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28. Capital adequacy (Cont'd)

(I) Capital Adequacy Framework (Cont'd)

The components of capital of the Group and of the Bank are as follows (Cont'd):

	Group RM'000	Bank RM'000
<u>At 31 March 2020</u>		
Paid-up share capital	222,785	222,785
Other reserves	399,950	393,311
CET1 capital before regulatory adjustments	622,735	616,096
Less: Deferred tax assets	(16,659)	(16,659)
Intangible assets	(10,935)	(10,935)
Gains on financial instruments classified as 'fair value through other comprehensive income'	(504)	(504)
Regulatory reserve	(28,537)	(28,537)
Investment in subsidiaries and a joint venture ¹	(1,015)	(25,793)
CET1 capital/Tier 1 capital	565,085	533,668
Tier 2 capital		
General provisions	28,673	28,673
Tier 2 capital	28,673	28,673
Total capital	593,758	562,341
<u>At 31 December 2019</u>		
Paid-up share capital	222,785	222,785
Other reserves	410,807	403,682
CET1 capital before regulatory adjustments	633,592	626,467
Less: Deferred tax assets	(13,102)	(13,102)
Intangible assets	(11,841)	(11,841)
Gains on financial instruments classified as 'fair value through other comprehensive income'	(504)	(504)
Regulatory reserve	(30,388)	(30,388)
Investment in subsidiaries and a joint venture ¹	(1,147)	(31,784)
CET1 capital/Tier 1 capital	576,610	538,848
Tier 2 capital		
General provisions	30,573	30,573
Tier 2 capital	30,573	30,573
Total capital	607,183	569,421

¹ Excludes the cost of investment in a subsidiary, Maysec Sdn. Bhd. of RM171,474,000 as its business, assets and liabilities had been transferred to the Bank on 30 December 2006.

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28. Capital adequacy (Cont'd)

(II) The breakdown of risk-weighted assets ("RWA") by exposures in each major risk category are as follows:

<u>Group</u>	Gross credit exposures RM'000	Net credit exposures RM'000	Risk- weighted assets RM'000	Capital requirements RM'000
31 March 2020				
Exposure Class				
(i) <u>Credit Risk</u>				
On-balance sheet exposures:				
Sovereigns/Central banks	595,052	595,052	-	-
Banks, Development Financial Institutions ("DFIs") and Multilateral Development Banks ("MDBs")	1,902,441	1,902,441	684,629	54,770
Corporates	109,433	61,136	61,136	4,891
Regulatory retail	196,735	119,704	119,980	9,598
Higher risk assets	49,990	49,990	74,985	5,999
Other assets	249,243	247,584	154,539	12,363
Total on-balance sheet exposures	3,102,894	2,975,907	1,095,269	87,621
Off-balance sheet exposures:				
Credit-related off-balance sheet exposures	1,207,581	1,207,581	778	62
Total off-balance sheet exposures	1,207,581	1,207,581	778	62
Total on and off-balance sheet exposures	4,310,475	4,183,488	1,096,047	87,683
(ii) <u>Market Risk</u>				
Equity position risk	-	-	58,228	4,658
Foreign currency risk	-	-	222,874	17,830
Options risk	-	-	113,250	9,060
Total	-	-	394,352	31,548
(iii) <u>Operational Risk</u>				
	-	-	716,585	57,327
Total RWA and capital requirements	4,310,475	4,183,488	2,206,984	176,558

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28. Capital adequacy (Cont'd)

(II) The breakdown of risk-weighted assets ("RWA") by exposures in each major risk category are as follows: (Cont'd)

<u>Group</u>	Gross credit exposures	Net credit exposures	Risk-weighted assets	Capital requirements
31 December 2019	RM'000	RM'000	RM'000	RM'000
Exposure Class				
(i) <u>Credit Risk</u>				
On-balance sheet exposures:				
Sovereigns/Central banks	503,110	503,110	-	-
Banks, Development Financial Institutions and Multilateral Development Banks	1,210,278	1,210,278	445,999	35,680
Corporates	116,031	64,955	64,955	5,196
Regulatory retail	230,161	108,064	107,031	8,562
Higher risk assets	49,990	49,990	74,985	5,999
Other assets	554,575	550,588	513,528	41,082
Total on-balance sheet exposures	2,664,145	2,486,985	1,206,498	96,519
Off-balance sheet exposures:				
Credit-related off-balance sheet exposures	1,157,044	1,157,044	924	74
Total off-balance sheet exposures	1,157,044	1,157,044	924	74
Total on and off-balance sheet exposures	3,821,189	3,644,029	1,207,422	96,593
(ii) <u>Market Risk</u>				
Equity position risk	-	-	58,053	4,644
Foreign currency risk	-	-	205,008	16,400
Options risk	-	-	139,275	11,142
Total	-	-	402,336	32,186
(iii) <u>Operational Risk</u>				
	-	-	743,034	59,443
Total RWA and capital requirements	3,821,189	3,644,029	2,352,792	188,222

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28. Capital adequacy (Cont'd)

(II) The breakdown of risk-weighted assets ("RWA") by exposures in each major risk category are as follows: (Cont'd)

Bank	Gross credit exposures	Net credit exposures	Risk-weighted assets	Capital requirements
31 March 2020	RM'000	RM'000	RM'000	RM'000
Exposure Class				
(i) <u>Credit Risk</u>				
On-balance sheet exposures:				
Sovereigns/Central banks	595,052	595,052	-	-
Banks, Development Financial Institutions and Multilateral Development Banks	1,870,261	1,870,261	678,193	54,255
Corporates	109,433	61,136	61,136	4,891
Regulatory retail	196,735	119,704	119,980	9,598
Higher risk assets	49,990	49,990	74,985	5,999
Other assets	249,597	247,938	154,895	12,392
Total on-balance sheet exposures	3,071,068	2,944,081	1,089,189	87,135
Off-balance sheet exposures:				
Credit-related off-balance sheet exposures	1,207,581	1,207,581	778	62
Total off-balance sheet exposures	1,207,581	1,207,581	778	62
Total on and off-balance sheet exposures	4,278,649	4,151,662	1,089,967	87,197
(ii) <u>Market Risk</u>				
Equity position risk	-	-	58,228	4,658
Foreign currency risk	-	-	217,733	17,419
Options risk	-	-	113,250	9,060
Total	-	-	389,211	31,137
(iii) <u>Operational Risk</u>				
Total RWA and capital requirements	4,278,649	4,151,662	2,191,445	175,315

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28. Capital adequacy (Cont'd)

(II) The breakdown of risk-weighted assets ("RWA") by exposures in each major risk category are as follows: (Cont'd)

<u>Bank</u>	Gross credit exposures	Net credit exposures	Risk- weighted assets	Capital requirements
31 December 2019	RM'000	RM'000	RM'000	RM'000
Exposure Class				
(i) <u>Credit Risk</u>				
On-balance sheet exposures:				
Sovereigns/Central banks	503,110	503,110	-	-
Banks, Development Financial Institutions and Multilateral Development Banks	1,172,705	1,172,705	438,484	35,079
Corporates	116,031	64,955	64,955	5,196
Regulatory retail	230,161	108,064	107,031	8,562
Higher risk assets	49,990	49,990	74,985	5,999
Other assets	554,441	550,454	513,396	41,072
Total on-balance sheet exposures	2,626,438	2,449,278	1,198,851	95,908
Off-balance sheet exposures:				
Credit-related off-balance sheet exposures	1,157,044	1,157,044	924	74
Total off-balance sheet exposures	1,157,044	1,157,044	924	74
Total on and off-balance sheet exposures	3,783,482	3,606,322	1,199,775	95,982
(ii) <u>Market Risk</u>				
Equity position risk	-	-	58,053	4,644
Foreign currency risk	-	-	199,111	15,929
Options risk	-	-	139,275	11,142
Total	-	-	396,439	31,715
(iii) <u>Operational Risk</u>				
	-	-	738,487	59,079
Total RWA and capital requirements	3,783,482	3,606,322	2,334,701	186,776

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29. Commitments and contingencies

Group and Bank	31 March 2020			31 December 2019		
	Notional amount RM'000	Credit equivalent amount* RM'000	Risk-weighted amount* RM'000	Notional amount RM'000	Credit equivalent amount* RM'000	Risk-weighted amount* RM'000
<u>Credit-related</u>						
Revocable commitments to extend credit:						
- Maturity not exceeding one year	1,206,026	-	-	1,155,197	-	-
- Maturity exceeding one year	1,555	778	778	1,847	924	924
	1,207,581	778	778	1,157,044	924	924
<u>Derivative financial instruments</u>						
Equity-related contracts						
- Less than one year	2,188,503	-	-	1,244,657	-	-
Total commitments and contingencies	3,396,084	778	778	2,401,701	924	924

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

Contingent liabilities

The Group and the Bank are defending all of the claims under litigation, through their solicitors, the outcomes of which are subject matter for the Courts to eventually determine.

Case 1

On 5 November 2012, four (4) holders of a bond ("Bondholders") issued by a company filed a claim against the Bank and five (5) other defendants to recover their losses arising from the limited recovery made by the Bondholders following the default of the company's bonds. The claims by the Bondholders, inter alia, include the sum of RM156.3 million or any other sum that the Court deems fit.

Following an order in terms of a joinder application by two (2) applicants to be added as 5th and 6th plaintiffs to the suit, the quantum of the claim increased from RM156.3 million to RM177.3 million to reflect the 5th and 6th plaintiffs' respective claims. On 17 September 2014, a 7th plaintiff was added and joined to the suit with no change to the quantum claimed of RM177.3 million.

On 4 September 2015, the trial of the matter concluded. On 17 February 2016 and 24 February 2016, parties attended Court for oral submissions.

On 24 July 2017, the High Court found in favour of the Bondholders for the sum of RM177,248,747.31 against the Defendants in the following proportion:

- (a) 1st, 2nd and 3rd Defendants – 100% liable;
- (b) The Bank (4th Defendant) – 50% liable;
- (c) The 5th Defendant – 30% liable; and
- (d) The 6th Defendant – 20% liable.

On 5 October 2017, upon hearing further clarification and submissions on the judgment sum, applicable interest and costs, the High Court held:

- (a) The Judgment against the Defendants is for the sum of RM177,248,747.31;
- (b) The total damages that the Bondholders can recover from the Defendants shall not exceed the aggregate sum of RM177,248,747.31;
- (c) Interest shall be calculated on the reduced sum of RM148,653,953.20 at the rate of 5% per annum from 1 November 2011 until full and final settlement; and
- (d) Costs as awarded against the Defendants in favour of the Plaintiffs:
 - (i) 1st – 3rd Defendants : RM350,000;
 - (ii) The 3rd Defendant to pay costs of RM100,000 for the dismissal of his counterclaim;
 - (iii) The Bank to pay costs of RM300,000;

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29. Commitments and contingencies (Cont'd)

Contingent liabilities (Cont'd)

Case 1 (Cont'd)

On 5 October 2017, upon hearing further clarification and submissions on the judgment sum, applicable interest and costs, the High Court held: (cont'd)

(d) Costs as awarded against the Defendants in favour of the Plaintiffs (cont'd.):

- (iv) The 5th Defendant to pay costs of RM150,000; and
- (v) The 6th Defendant to pay costs of RM200,000 and reimburse the Plaintiffs' expert witness costs of RM250,000.

The Bank and the other Defendants then filed their separate and respective appeals to the Court of Appeal ("the Appeals").

The Court of Appeal heard the Appeals on 12, 13, 15, 22, 23, 27 – 29 November 2018. On 18 September 2019, the Court of Appeal affirmed the High Court's judgment and dismissed the Appeals with costs:

- (i) 1st – 3rd Defendants : RM233,000;
- (ii) The 3rd Defendant: RM70,000;
- (iii) The Bank: RM200,000;
- (iv) The 5th Defendant: RM100,000; and
- (v) The 6th Defendant: RM110,000

On 16 October 2019, the Bank filed an application for leave to appeal to the Federal Court against the Court of Appeal's Judgment ("Leave Application"). The Leave Application is fixed for case management on 30 July 2020 and for hearing on 13 August 2020.

Case 2

The Bank and four (4) other financial institutions (collectively known as "the Banks") are holders of 48.54% of the Redeemable Convertible Secured Notes ("the Notes") issued by a company ("the Borrower"). The Notes are secured by various security including charges over lands granted by the Borrower and other 3rd parties in favour of the trustee for the Banks ("the Trustee"). Upon the Borrower's default of its payment obligations, the Banks commenced action to recover the sums due under the Notes.

Subsequently, a company ("the 1st Defendant") and an individual ("the 2nd Defendant") (collectively known as "the Defendants") agreed to resolve the claims of the Banks with the 1st Defendant agreeing to purchase from the Banks all the Notes held by the Banks at a total purchase price of RM146,458,246.20. The Banks and the 1st Defendant entered into a Sale and Purchase Agreement in August 2014 ("the SPA") and the 2nd Defendant executed a guarantee in favour of the Banks guaranteeing all sums due under the SPA.

The Defendants subsequently defaulted on their payment obligations under the SPA and on 5 June 2015, the Banks commenced action against the Defendants for specific performance of the SPA or in the alternative, damages for breach of the SPA (as against the 1st Defendant) and for the balance purchase price (as against the 2nd Defendant).

On 22 July 2015, by way of a counterclaim against the Banks and the Trustee, the Defendants prayed for 11 declarations against the Banks and the Trustee and among other prayers, claimed that the Defendants are entitled to the restoration of the sums of RM14,645,824.62 (10% deposit payment) and RM1 million (ex-gratia payment) paid by the 1st and 2nd Defendants respectively, being the sums forfeited by the Banks upon breach of the SPA as well as for interest, costs and damages to be assessed.

The Banks filed an application for summary judgement against the Defendants and an application to strike out the Defendants' counterclaim. The Defendants had on 19 August 2015 filed an injunction application to restrain the Trustee from proceeding with foreclosure proceedings and the Bank from enforcing the Put Option Judgement pending disposal of the counterclaim action against the Banks and the Trustee.

The Banks opposed the injunction application and on 3 September 2015, the court dismissed the injunction application with costs ("High Court Order"). The Defendants appealed to the Court of Appeal against the High Court Order ("Appeal") and in the interim applied to the Court of Appeal for an interim injunction pending disposal of the Appeal. On 8 September 2015, the Court of Appeal dismissed the motion for interim injunction with costs.

On 5 October 2015, the High Court allowed the Banks' application for summary judgement and application to strike out the counterclaim with costs. Accordingly, the Defendants' counterclaim against the Banks have been struck out ("Striking Out Order") and judgement has been entered against the Defendants for the balance purchase price under the SPA ("Summary Judgement").

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29. Commitments and contingencies (Cont'd)

Contingent liabilities (Cont'd)

Case 2 (cont'd)

On 23 October 2015, the Defendants filed their respective appeals to the Court of Appeal against the Striking Out Order and the Summary Judgement ("the Appeals").

On 6 December 2016, the Court of Appeal unanimously dismissed the Appeals with costs of RM20,000 to be paid by the Defendants to the Banks for each of the Appeals ("COA Decision").

On 30 December 2016 and 5 January 2017, the Defendants filed their respective applications to the Federal Court for leave to appeal to the Federal Court against the COA Decision ("FC Leave Application"). On 26 April 2017, the Federal Court allowed the FC Leave Application ("FC Appeals"). On 15 March 2018, the Federal Court unanimously dismissed the FC Appeals with costs of RM20,000 for each appeal respectively. The Company and the Guarantor filed their respective motions to the Federal Court to review the Federal Court Decision ("FC Review Application"). On 28 January 2019, the Federal Court dismissed the FC Review Application with costs of RM30,000. On 22 February 2019, the 1st Defendant and the Guarantor filed an originating summons before the High Court for declaratory reliefs with a view to have the Federal Court Decision set aside ("2019 OS"). On 22 March 2019, the 1st Defendant and the Guarantor filed an application for the High Court to refer the constitutional issues before it is filed to the Federal Court for determination ("Reference Application"). The Banks filed an application to strike out the 2019 OS ("Banks' Striking Out Application"). The Banks' Striking Out Application, the Reference Application and the 2019 OS which were originally fixed for case management on 28 April 2020 have been adjourned to a date to be notified by the Court.

On 4 February 2020, the 1st Defendant served a new suit against the Bank and two (2) others for alleged breach, inducement/procurement to breach and unlawful interference with the SPA, seeking declarations and alleged damages ("2020 Suit"). The 2020 Suit is fixed for case management on 8 June 2020.

The Guarantor also obtained an ex parte Receiving Order on the grounds that there is a purported scheme of arrangement for the creditors' consideration. The Banks successfully set aside the Receiving Order on 17 May 2017. The Guarantor has appealed to the Court of Appeal against the setting aside of the Receiving Order.

The above matters are currently pending hearings before/decision from the respective Courts.

30. Segment information

Segment information is presented in respect of the Group's business segments.

The business segments are prepared based on internal management reports, which are used by senior management for decision-making and performance management. The amounts for each business segment are shown after the allocation of certain centralised cost, funding income and the applicable transfer pricing where appropriate. Transactions between segments are recorded within the segment as if they are third party transactions and are eliminated on consolidation. All inter-segment transactions are conducted at arm's length basis on normal commercial terms that are not more favourable than those generally available to the public.

Financial results and other information by business segments include items directly attributable to a segment, as well as those that can be allocated on a reasonable basis.

The Group's business segments are defined and categorised as follows:

(i) Pillar 1 - Investment banking and advisory

Investment banking and advisory focus on business needs of mainly large corporate customers and financial institutions. The products and services offered to customers include corporate advisory services, bond issuance, equity issuance, syndicated acquisition advisory services and debt restructuring advisory services.

(ii) Pillar 2 - Equities

Equities primarily engage in the shares and futures broking services, derivative financial instruments, custodian and nominees services.

(iii) Others

Others includes share of results from investment in a joint venture.

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30. Segment information (Cont'd)

The following table provides analysis of the Group's financial results and other information by business segments:

Group	Pillar 1	Pillar 2	Others	Total
31 March 2020	RM'000	RM'000	RM'000	RM'000
Net interest income	-	1,137	-	1,137
Income from Islamic Banking Scheme operations	2,274	2,717	-	4,991
Non-interest income	8,746	54,075	-	62,821
Direct costs	-	(7,493)	-	(7,493)
Net income	<u>11,020</u>	<u>50,436</u>	-	<u>61,456</u>
Results				
Segment results	11,020	50,436	-	61,456
Overhead expenses	(26,260)	(44,564)	-	(70,824)
(Allowance for)/writeback of impairment on loans and advances and other assets, net	(3,101)	194	-	(2,907)
Share of results of a joint venture	-	-	(207)	(207)
(Loss)/profit before taxation	<u>(18,341)</u>	<u>6,066</u>	<u>(207)</u>	<u>(12,482)</u>
Taxation and zakat				1,301
Loss for the period				<u>(11,181)</u>
Other segment information				
Depreciation of property, plant and equipment	549	123	-	672
Depreciation of right-of-use assets	580	1,448	-	2,028
Amortisation of computer software	93	985	-	1,078

Group	Pillar 1	Pillar 2	Others	Total
31 March 2019	RM'000	RM'000	RM'000	RM'000
Net interest income	-	5,424	-	5,424
Income from Islamic Banking Scheme operations	10,269	591	-	10,860
Non-interest income	37,152	41,287	-	78,439
Direct costs	-	(5,638)	-	(5,638)
Net income	<u>47,421</u>	<u>41,664</u>	-	<u>89,085</u>
Results				
Segment results	47,421	41,664	-	89,085
Overhead expenses	(33,503)	(37,749)	-	(71,252)
Writeback of impairment on loans and advances and other assets, net	(223)	507	-	284
Share of results of a joint venture	-	-	(539)	(539)
Profit/(loss) before taxation	<u>13,695</u>	<u>4,422</u>	<u>(539)</u>	<u>17,578</u>
Taxation and zakat				(5,832)
Profit for the period				<u>11,746</u>
Other segment information				
Depreciation of property, plant and equipment	162	1,163	-	1,325
Depreciation of right-of-use assets	731	1,341	-	2,072
Amortisation of computer software	93	1,194	-	1,287

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31. The operations of Islamic Banking Scheme ("IBS")

Unaudited Statements of Financial Position as at 31 March 2020

	Notes	Group and Bank	
		31 March 2020 RM'000	31 December 2019 RM'000
ASSETS			
Cash and short-term funds	(a)	28,336	29,315
Other assets	(b)	445,971	437,842
Total assets		474,307	467,157
LIABILITIES			
Other liabilities	(c)	254,705	246,243
Provision for taxation and zakat	(d)	5,464	4,405
Total liabilities		260,169	250,648
ISLAMIC BANKING CAPITAL FUND			
Islamic banking fund		5,000	5,000
Retained earnings		209,138	211,509
		214,138	216,509
Total liabilities and Islamic banking capital fund		474,307	467,157

**Unaudited Statements of Comprehensive Income
For the First Quarter Ended 31 March 2020**

Group and Bank	Notes	Unaudited First Quarter Ended		Unaudited Cumulative 3 Months Ended	
		31 March 2020 RM'000	31 March 2019 RM'000	31 March 2020 RM'000	31 March 2019 RM'000
Income derived from investment of Islamic banking fund	(e)	4,991	10,860	4,991	10,860
Direct costs		(496)	(645)	(496)	(645)
Net income attributable to the Group and to the Bank		4,495	10,215	4,495	10,215
Overhead expenses	(f)	(4,808)	(3,057)	(4,808)	(3,057)
Operating (loss)/profit		(313)	7,158	(313)	7,158
Writeback of impairment on other assets		106	154	106	154
(Loss)/profit before taxation and zakat		(207)	7,312	(207)	7,312
Taxation		49	(1,827)	49	(1,827)
Zakat		(2,213)	(751)	(2,213)	(751)
(Loss)/profit for the period, representing total comprehensive income for the period, attributable to equity holder of the Bank		(2,371)	4,734	(2,371)	4,734

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31. The operations of Islamic Banking Scheme ("IBS") (Cont'd)

Unaudited Statements of Changes in Equity
For the First Quarter Ended 31 March 2020

Group and Bank	Islamic banking capital fund RM'000	Distributable retained earnings RM'000	Total RM'000
At 1 January 2020	5,000	211,509	216,509
Loss for the period	-	(2,371)	(2,371)
Total comprehensive loss for the period	-	(2,371)	(2,371)
At 31 March 2020	5,000	209,138	214,138
At 1 January 2019	5,000	202,158	207,158
Profit for the period	-	4,734	4,734
Total comprehensive income for the period	-	4,734	4,734
At 31 March 2019	5,000	206,892	211,892

Unaudited Statements of Cash Flows
For the First Quarter Ended 31 March 2020

	Group and Bank	
	31 March 2020 RM'000	31 March 2019 RM'000
Cash flows from operating activities		
(Loss)/profit before taxation and zakat, representing operating profit before working capital changes	(207)	7,312
(Increase)/decrease in receivables	(8,129)	1,718
Increase/(decrease) in payables	8,462	(34)
Taxation and zakat paid, net	(1,105)	(2,578)
Net cash (used in)/generated from operating activities	(979)	6,418
Net (decrease)/increase in cash and cash equivalents	(979)	6,418
Cash and cash equivalents at beginning of the period	29,315	17,582
Cash and cash equivalents at end of the period	28,336	24,000

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31. The operations of Islamic Banking Scheme ("IBS") (Cont'd)

(a) Cash and short-term funds

	Group and Bank	
	31 March	31 December
	2020	2019
	RM'000	RM'000
Cash and bank balances with financial institutions	<u>28,336</u>	<u>29,315</u>

(b) Other assets

	Group and Bank	
	31 March	31 December
	2020	2019
	RM'000	RM'000
Debtors	<u>445,971</u>	<u>437,842</u>

(c) Other liabilities

	Group and Bank	
	31 March	31 December
	2020	2019
	RM'000	RM'000
Provisions and accruals*	<u>254,705</u>	<u>246,243</u>

* Include prohibited sources/means to charitable causes amounting to RM2,259 (2019: RM2,259).

(d) Provision for taxation and zakat

	Group and Bank	
	31 March	31 December
	2020	2019
	RM'000	RM'000
Taxation	3,252	3,300
Zakat	<u>2,212</u>	<u>1,105</u>
	<u>5,464</u>	<u>4,405</u>

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31. The operations of Islamic Banking Scheme ("IBS") (Cont'd)

(e) Income derived from investment of Islamic banking capital fund

<u>Group and Bank</u>	Unaudited		Unaudited	
	First Quarter Ended		Cumulative 3 Months Ended	
	31 March 2020 RM'000	31 March 2019 RM'000	31 March 2020 RM'000	31 March 2019 RM'000
Profit income from financial assets at fair value through profit or loss	-	28	-	28
Realised gain from sale of financial assets at fair value through profit or loss, net	2	649	2	649
Fee and commission income from:				
- Arranger and upfront fees	275	2,305	275	2,305
- Brokerage income	2,718	891	2,718	891
- Underwriting commission	41	-	41	-
- Placement fees	150	-	150	-
- Others	1,794	6,987	1,794	6,987
Foreign exchange gain, net	11	-	11	-
Total	4,991	10,860	4,991	10,860

(f) Overhead expenses

<u>Group and Bank</u>	Unaudited		Unaudited	
	First Quarter Ended		Cumulative 3 Months Ended	
	31 March 2020 RM'000	31 March 2019 RM'000	31 March 2020 RM'000	31 March 2019 RM'000
Personnel expenses	4,015	2,643	4,015	2,643
Establishment costs				
- Service chargeback	(890)	(344)	(890)	(344)
- Other establishment costs	906	461	906	461
Marketing costs	88	144	88	144
Administration and general expenses	689	153	689	153
Total	4,808	3,057	4,808	3,057

(g) Capital adequacy

(I) The capital adequacy ratios of the Group and of the Bank are as follows:

<u>Group and Bank</u>	31 March 2020	31 December 2019
	%	%
CET1 capital ratio	92.344	84.865
Tier 1 capital ratio	92.344	84.865
Total capital ratio	92.344	84.865

(II) The components of capital of the Group and of the Bank are as follows:

<u>Group and Bank</u>	31 March 2020	31 December 2019
	RM'000	RM'000
Tier 1 capital		
Islamic banking fund	5,000	5,000
Retained earnings	209,138	211,509
CET1 capital/Tier 1 capital/Total capital	214,138	216,509

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31. The operations of Islamic Banking Scheme ("IBS") (Cont'd)

(g) Capital adequacy (Cont'd)

(III) The breakdown of RWA by exposures in each major risk category are as follows:

<u>Group and Bank</u>	Gross credit exposures RM'000	Net credit exposures RM'000	Risk- weighted assets RM'000	Capital requirements RM'000
31 March 2020				
Exposure Class				
(i) <u>Credit Risk</u>				
On-balance sheet exposures:				
Sovereigns/Central banks	20,982	20,982	-	-
Banks, Development Financial Institutions and Multilateral Development Banks	7,354	7,354	1,471	118
Other assets	603,311	603,311	131,998	10,560
Total on-balance sheet exposures	631,647	631,647	133,469	10,678
Total on and off-balance sheet exposures *	631,647	631,647	133,469	10,678
(ii) <u>Market Risk</u>				
Foreign currency risk	-	-	3	-
(iii) <u>Operational Risk</u>				
	-	-	98,419	7,874
Total RWA and capital requirements	631,647	631,647	231,891	18,552

<u>Group and Bank</u>	Gross credit exposures RM'000	Net credit exposures RM'000	Risk- weighted assets RM'000	Capital requirements RM'000
31 December 2019				
Exposure Class				
(i) <u>Credit Risk</u>				
On-balance sheet exposures:				
Sovereigns/Central banks	22,077	22,077	-	-
Banks, Development Financial Institutions and Multilateral Development Banks	7,238	7,238	1,448	116
Other assets	599,668	599,668	131,211	10,497
Total on-balance sheet exposures	628,983	628,983	132,659	10,613
Total on and off-balance sheet exposures *	628,983	628,983	132,659	10,613
(ii) <u>Market Risk</u>				
Foreign currency risk	-	-	3	-
(iii) <u>Operational Risk</u>				
	-	-	122,460	9,797
Total RWA and capital requirements	628,983	628,983	255,122	20,410

* There are no off-balance sheet exposures in the current and previous financial years.

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31. The operations of Islamic Banking Scheme ("IBS") (Cont'd)

(h) Fair values of financial assets and liabilities

The estimated fair values of those on-balance sheet financial assets and financial liabilities as at the reporting date, which are considered short-term in maturity, approximate their carrying amounts as shown in the statements of financial position.

(i) Allocation of income

The policy of allocation of income to the various types of deposits and investments is subject to "The Framework of Rate of Return" issued by Bank Negara Malaysia in October 2001. The objective is to set the minimum standard and terms of reference for the Islamic banking institution in calculating and deriving the rate of return for the depositors.

(j) Shariah committee

The operation of IBS is governed by Section 28 and 29 of Islamic Financial Services Act, 2013 ("IFSA"), which stipulates that "a licensed institution shall at all times ensure that its aims and operations, business, affairs and activities are in compliance with Shariah and in accordance with the advice or ruling of the Shariah Advisory Council ("SAC"), specify standards on Shariah matters in respect of the carrying on of its business, affair or activity" and Section IV of BNM's "Guidelines on the Governance of Shariah Committee for The Islamic Financial Institutions" known as the Shariah Governance Framework ("SGF") (which supersedes the BNM/GPS 1), which stipulates that "every Islamic institution is required to establish a Shariah Committee".

Based on the above, the duties and responsibilities of the Group's and the Bank's Shariah Committee are to advise on the overall Islamic Banking Scheme operations of the Group's and the Bank's business in order to ensure compliance with the Shariah requirements.

The roles of the Shariah Committee in monitoring the Group's and the Bank's activities include:

- (i) To advise the Board on Shariah matters in its business operations;
- (ii) To endorse Shariah Compliance Manual;
- (iii) To endorse and validate relevant documentations;
- (iv) To assist related parties on Shariah matters for advice upon request;
- (v) To advise on matters to be referred to the SAC;
- (vi) To provide written Shariah opinion; and
- (vii) To assist the SAC on reference for advice.

The Group and the Bank presently have six Shariah members.

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(Co. Reg. No.: 197301002412)
(Incorporated in Malaysia)

32. Fair value of financial instruments

Fair value hierarchy

The Group and the Bank classify its financial instruments measured at fair value according to the following hierarchy, reflecting the significance of the inputs in making the fair value measurements:

(a) Level 1: Quoted prices

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

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

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

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

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

The following table shows the Group's and the Bank's financial assets and liabilities that are measured at fair value analysed by level within the fair value hierarchy as at 31 March 2020 and 31 December 2019.

<u>Group and Bank</u>	<u>Valuation techniques using</u>			Total RM'000
	Quoted Market Price (Level 1) RM'000	Observable Inputs (Level 2) RM'000	Unobservable Inputs (Level 3) RM'000	
As at 31 March 2020				
Financial assets measured at fair values:				
Financial assets at fair value through profit or loss	796,804	48,874	-	845,678
Derivative assets	-	290,791	-	290,791
	796,804	339,665	-	1,136,469
Financial liabilities measured at fair values:				
Derivative liabilities	26,010	185,814	-	211,824
As at 31 December 2019				
Financial assets measured at fair values:				
Financial assets at fair value through profit or loss	861,404	48,874	-	910,278
Derivative assets	-	50,348	-	50,348
	861,404	99,222	-	960,626
Financial liabilities measured at fair values:				
Derivative liabilities	31,703	248,518	-	280,221

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32. Fair value of financial instruments (Cont'd)

Valuation techniques

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

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

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

(b) Derivative financial instruments

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