

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

CONDENSED FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2021

<u>Group</u>	Note	31 March 2021 RM'000	31 December 2020 RM'000
ASSETS			
Cash and short-term funds	14	1,127,976	1,405,734
Deposits and placements with a financial institution	15	577,759	519,130
Financial investments portfolio	16	1,346,326	1,311,143
Loans and advances	17	87,074	151,741
Derivative assets	21 (i)	129,133	126,917
Other assets	18	843,314	981,455
Tax recoverable		21,976	17,146
Statutory deposit with Bank Negara Malaysia		105	105
Investment in a joint venture		-	223
Property, plant and equipment		5,130	5,066
Right-of-use assets		17,710	7,931
Intangible assets		8,439	9,192
Deferred tax assets		9,912	28,356
TOTAL ASSETS		4,174,854	4,564,139
LIABILITIES			
Deposits and placements from a financial institution	19	1,661,475	1,880,201
Derivative liabilities	21 (i)	174,377	276,712
Other liabilities	20	1,633,740	1,776,770
Provision for zakat		2,107	1,421
Subordinated obligation		35,328	35,055
TOTAL LIABILITIES		3,507,027	3,970,159
SHAREHOLDER'S EQUITY			
Share capital		222,785	222,785
Reserves		445,042	371,195
TOTAL EQUITY		667,827	593,980
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY		4,174,854	4,564,139
COMMITMENTS AND CONTINGENCIES	29	3,112,597	3,116,237

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

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<u>Bank</u>	Note	31 March 2021 RM'000	31 December 2020 RM'000
ASSETS			
Cash and short-term funds	14	1,095,084	1,373,724
Deposits and placements with a financial institution	15	577,739	519,110
Financial investments portfolio	16	1,346,326	1,311,143
Loans and advances	17	87,074	151,741
Derivative assets	21 (i)	129,133	126,917
Other assets	18	843,236	981,416
Tax recoverable		21,986	17,153
Statutory deposit with Bank Negara Malaysia		105	105
Investment in subsidiaries		197,267	197,267
Property, plant and equipment		5,130	5,066
Right-of-use assets		17,710	7,931
Intangible assets		8,439	9,192
Deferred tax assets		9,912	28,356
TOTAL ASSETS		4,339,141	4,729,121
LIABILITIES			
Deposits and placements from a financial institution	19	1,661,475	1,880,201
Derivative liabilities	21 (i)	174,377	276,712
Other liabilities	20	1,803,949	1,947,727
Provision for zakat		2,107	1,421
Subordinated obligation		35,328	35,055
TOTAL LIABILITIES		3,677,236	4,141,116
SHAREHOLDER'S EQUITY			
Share capital		222,785	222,785
Reserves		439,120	365,220
TOTAL EQUITY		661,905	588,005
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY		4,339,141	4,729,121
COMMITMENTS AND CONTINGENCIES	29	3,112,597	3,116,237

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

MAYBANK 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 2021

<u>Group</u>	Notes	Unaudited First Quarter Ended		Unaudited Cumulative 3 Months Ended	
		31 March 2021 RM'000	31 March 2020 RM'000	31 March 2021 RM'000	31 March 2020 RM'000
Interest income	22	5,939	13,270	5,939	13,270
Interest expense	23	(7,415)	(12,133)	(7,415)	(12,133)
Net interest (expense)/income		(1,476)	1,137	(1,476)	1,137
Income from Islamic Banking Scheme operations	31	11,873	4,991	11,873	4,991
Non-interest income	24	189,235	62,821	189,235	62,821
Direct costs	25	(25,912)	(7,493)	(25,912)	(7,493)
Net income		173,720	61,456	173,720	61,456
Overhead expenses	26	(69,928)	(70,824)	(69,928)	(70,824)
Operating profit/(loss)		103,792	(9,368)	103,792	(9,368)
Allowance for impairment on loans and advances and other assets, net	27	(5,147)	(2,907)	(5,147)	(2,907)
		98,645	(12,275)	98,645	(12,275)
Share of results of a joint venture		(242)	(207)	(242)	(207)
Profit/(loss) before taxation and zakat		98,403	(12,482)	98,403	(12,482)
Taxation and zakat		(24,690)	1,301	(24,690)	1,301
Profit/(loss) for the period, attributable to equity holder of the Bank		73,713	(11,181)	73,713	(11,181)
Basic and diluted earnings/(loss) per share (sen), attributable to equity holder of the Bank		147	(22)	147	(22)
Other comprehensive income:					
<i>Item that may be reclassified subsequently to profit or loss:</i>					
Net gain on foreign exchange translation		134	324	134	324
Other comprehensive income for the period, net of tax		134	324	134	324
Total comprehensive income/(loss) for the period, attributable to equity holder of the Bank		73,847	(10,857)	73,847	(10,857)

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

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CONDENSED FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2021

Bank	Notes	Unaudited		Unaudited	
		First Quarter Ended		Cumulative 3 Months Ended	
		31 March	31 March	31 March	31 March
		2021	2020	2021	2020
		RM'000	RM'000	RM'000	RM'000
Interest income	22	5,831	13,071	5,831	13,071
Interest expense	23	(7,415)	(12,133)	(7,415)	(12,133)
Net interest (expense)/income		(1,584)	938	(1,584)	938
Income from Islamic Banking Scheme operations	31	11,873	4,991	11,873	4,991
Non-interest income	24	189,235	68,795	189,235	68,795
Direct costs	25	(25,912)	(7,493)	(25,912)	(7,493)
Net income		173,612	67,231	173,612	67,231
Overhead expenses	26	(69,898)	(70,789)	(69,898)	(70,789)
Operating profit/(loss)		103,714	(3,558)	103,714	(3,558)
Impairment on investment in a subsidiary		-	(5,250)	-	(5,250)
Allowance for impairment on loans and advances and other assets, net	27	(5,147)	(2,907)	(5,147)	(2,907)
Profit/(loss) before taxation and zakat		98,567	(11,715)	98,567	(11,715)
Taxation and zakat		(24,667)	1,344	(24,667)	1,344
Profit/(loss) for the period, attributable to equity holder of the Bank		73,900	(10,371)	73,900	(10,371)
Total comprehensive income/(loss) for the period, attributable to equity holder of the Bank		73,900	(10,371)	73,900	(10,371)

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

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CONDENSED FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2021

<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 2021	222,785	25,481	970	(156)	344,900	593,980
Profit for the period	-	-	-	-	73,713	73,713
Other comprehensive income	-	-	-	134	-	134
Total comprehensive income for the period	-	-	-	134	73,713	73,847
Transfer from regulatory reserve	-	(911)	-	-	911	-
At 31 March 2021	222,785	24,570	970	(22)	419,524	667,827
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

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CONDENSED FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2021

	<-----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 2021	222,785	25,481	970	338,769	588,005
Profit for the period	-	-	-	73,900	73,900
Total comprehensive income for the period	-	-	-	73,900	73,900
Transfer from regulatory reserve	-	(911)	-	911	-
At 31 March 2021	222,785	24,570	970	413,580	661,905
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

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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 2021

	Note	Group		Bank	
		31 March 2021 RM'000	31 March 2020 RM'000	31 March 2021 RM'000	31 March 2020 RM'000
Cash flows from operating activities					
Profit/(loss) before taxation and zakat		98,403	(12,482)	98,567	(11,715)
Adjustments for:					
Share of results of a joint venture		242	207	-	-
Depreciation of property, plant and equipment	26	531	672	531	672
Depreciation of right-of-use assets	26	2,090	2,028	2,090	2,028
Amortisation of computer software	26	840	1,078	840	1,078
Finance cost on lease liabilities	26	145	268	145	268
Allowance for impairment on loans and advances and other assets, net		5,237	3,076	5,237	3,076
Impairment on investment in a subsidiary		-	-	-	5,250
Gross dividends	24	(7,948)	(1,706)	(7,948)	(7,677)
Realised (gain)/loss from sale of financial assets at fair value through profit or loss, net	24	(29,205)	115,678	(29,205)	115,678
Unrealised loss on revaluation of financial assets at fair value through profit or loss, net	24	73,536	228,892	73,536	228,892
Realised loss/(gain) from sale of derivative financial instruments, net	24	40,395	(41,988)	40,395	(41,988)
Unrealised gain on revaluation of derivative financial instruments, net	24	(140,478)	(321,103)	(140,478)	(321,103)
Operating profit/(loss) before working capital changes		43,788	(25,380)	43,710	(25,541)
Change in cash and short-term funds with original maturity more than three months		68,765	(369)	68,765	(369)
Change in deposits and placements with original maturity more than three months		(56,685)	(145,029)	(56,685)	(145,029)
Change in financial investments portfolio and derivative financial instruments		(83,982)	(225,719)	(83,982)	(225,719)
Change in loans and advances		64,667	68,161	64,667	68,161
Change in other assets		121,035	(97,742)	121,074	(98,210)
Change in deposits and placements from a financial institution		(218,726)	388,029	(218,726)	388,029
Change in other liabilities		(140,704)	391,024	(141,452)	391,272
Cash (used in)/generated from operations		(201,842)	352,975	(202,629)	352,594
Taxation and zakat paid, net		(10,390)	(5,899)	(10,370)	(6,585)
Net cash (used in)/generated from operating activities		(212,232)	347,076	(212,999)	346,009
Cash flows from investing activities					
Purchase of property, plant and equipment		(595)	(379)	(595)	(379)
Purchase of computer software		(87)	(172)	(87)	(172)
Proceeds from disposal of a subsidiary		-	-	-	742
Net dividends received		7,948	1,706	7,948	7,677
Net cash generated from investing activities		7,266	1,155	7,266	7,868
Cash flows from financing activities					
Repayment of lease liabilities		(2,198)	(2,198)	(2,198)	(2,198)
Net cash used in financing activities		(2,198)	(2,198)	(2,198)	(2,198)

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CONDENSED FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2021 (CONT'D.)

	Note	Group		Bank	
		31 March 2021 RM'000	31 March 2020 RM'000	31 March 2021 RM'000	31 March 2020 RM'000
Net (decrease)/increase in cash and cash equivalents		(207,164)	346,033	(207,931)	351,679
Cash and cash equivalents at the beginning of the period		1,292,306	812,313	1,260,276	774,705
Effects of foreign exchange rate changes		115	249	-	-
Cash and cash equivalents at the end of the period		1,085,257	1,158,595	1,052,345	1,126,384
Cash and cash equivalents comprise:					
Cash and short-term funds	14	1,127,976	1,108,940	1,095,084	1,076,749
Deposits and placements with a financial institution	15	577,759	842,428	577,739	842,408
		1,705,735	1,951,368	1,672,823	1,919,157
Less:					
Cash and short-term funds and deposits and placements with original maturity more than three months		(620,478)	(792,773)	(620,478)	(792,773)
		1,085,257	1,158,595	1,052,345	1,126,384

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

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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 2020. These explanatory notes attached to the unaudited condensed interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group and of the Bank since the year ended 31 December 2020.

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 2020 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 2021:

Description	Effective for annual periods beginning on or after
Amendments to MFRS 4, MFRS 7, MFRS 9, MFRS 16 and MFRS 139 - <i>Interest Benchmark Reform Phase 2</i>	1 January 2021
Annual Improvements to MFRS Standards 2018 - 2020	1 January 2022
Amendments to MFRS 116 Property, Plant and Equipment - <i>Proceeds before Intended Use</i>	1 January 2022
Amendments to MFRS 3 Business Combination - <i>Reference to the Conceptual Framework</i>	1 January 2022
Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets - <i>Onerous Contracts-Cost of Fulfilling a Contract</i>	1 January 2022
Amendments to MFRS 101 - <i>Classification of Liabilities as Current or Non-Current</i>	1 January 2023
MFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to MFRS 10 and MFRS 128 - <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

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 2020 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 2020 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 2021 as disclosed in Note 1.

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

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 2020.

4. Auditors’ Report on Annual Financial Statements

The auditors’ report on the audited financial statements for the financial year ended 31 December 2020 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 2021.

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

During the first quarter ended 31 March 2021, 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 2021.

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 2021.

9. Changes in the Composition of the Group

There were no changes in the composition of the Group during the first quarter ended 31 March 2021.

10. Dividend Declared

There were no dividends paid or payable during the first quarter ended 31 March 2021.

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

11. Significant and Subsequent Event

There were no significant and subsequent events after the first quarter ended 31 March 2021.

12. Performance Review

For the financial period ended 31 March 2021, the Group recorded an operating profit of RM103.8 million in comparison to an operating loss of RM9.4 million during the same period last year mainly due to higher income.

Net income increased by 182.7% from RM61.5 million to RM173.7 million. Non-interest income increased by RM126.4 million to RM189.2 million due to higher brokerage income and investment income. Income from Islamic Banking Scheme operations increased by RM6.9 million to RM11.9 million as a result of higher fee income during the period. Net interest income decreased by RM2.6 million mainly due to lower interest income from loans and advances, and deposits and placements with financial institutions.

Overhead expenses decreased by 1.3% or RM0.9 million from RM70.8 million to RM69.9 million in the previous period. This was mainly contributed by personnel and marketing expenses. The decreases were, however, partly offset by increases in establishment and administrative and general expenses.

The Group recorded a profit before taxation and zakat of RM98.4 million in comparison to a loss before taxation and zakat of RM12.5 million during the same period last year. Profit for the period amounted to RM73.7 million in comparison to a loss of RM11.2 million during the previous period.

13. Business Outlook

The global economy is expected to rebound by +5.9% in 2021 (2020: -3.3%) following the gradual re-opening of the economy, coupled with continued accommodative monetary policies and expansionary fiscal policies, thus extending economic stimulus.

In Malaysia, real Gross Domestic Product contracted by a smaller -0.5% YoY in 1Q 2021 (4Q 2020: -3.4% YoY). Economic recovery is expected to be gradual (2021E: +5.1%; 2020: -5.6%) amid the current wave of high daily COVID-19 cases that led to the imposition of the second and third Movement Control Orders. Monetary, fiscal and economic stimulus will continue, focusing on targeted support and interventions for the most affected individuals and businesses. Overnight Policy Rate is expected to remain at a record low of 1.75% throughout 2021 amid a benign return of inflation this year from deflation in 2020, while the expansionary fiscal policy will continue via Budget 2021’s record spending allocation of RM322.5 billion and two additional economic stimulus packages worth RM35.0 billion announced in 1Q 2021.

The Malaysian equity market is expected to gain traction from its resilient banking sector, infrastructure stimulus from the government’s Budget 2021 development expenditure allocation, asset reallocation flows out of fixed income, and rebounding commodity prices. The FBM KLCI is forecasted to report earnings recovery in 2021, after three consecutive years of earnings contraction.

For equity capital markets, robust equity issuances across the region are expected in 2021 post the slowdown in 1Q 2020 following the height of COVID-19 pandemic. Mergers and acquisitions activities has also increased as gradual recovery is expected across the region. Furthermore, 2021 is expected to present project financing opportunities as countries reprioritize their spending towards long term energy spending.

For the Malaysian fixed income market, gross Private Debt Securities supply is forecasted at RM110.0 billion in 2021, underpinned by improved growth prospects, ongoing/new infrastructure spending and green/sustainability-labelled bonds.

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14. Cash and short-term funds

	Group		Bank	
	31 March 2021	31 December 2020	31 March 2021	31 December 2020
	RM'000	RM'000	RM'000	RM'000
Cash and bank balances with financial institutions	361,855	475,899	354,481	469,407
Deposit and placements maturing within one month	766,121	929,835	740,603	904,317
Total cash and short-term funds	1,127,976	1,405,734	1,095,084	1,373,724

The monies held-in-trust for clients by the Group and by the Bank as at the reporting date are approximately RM639,775,000 (2020: RM667,317,000). 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 2021	31 December 2020	31 March 2021	31 December 2020
	RM'000	RM'000	RM'000	RM'000
Licensed bank	577,759	519,130	577,739	519,110

16. Financial investments portfolio

		Group and Bank	
		31 March 2021	31 December 2020
		RM'000	RM'000
Financial assets at fair value through profit or loss	(i)	1,345,156	1,309,973
Financial assets at fair value through other comprehensive income	(ii)	1,170	1,170
Total financial investments portfolio		1,346,326	1,311,143

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

	Group and Bank	
	31 March 2021	31 December 2020
	RM'000	RM'000
At fair value		
Quoted financial assets:		
Shares in Malaysia	957,275	932,674
Shares outside Malaysia	339,007	328,425
	1,296,282	1,261,099
Unquoted financial assets:		
Loan stock in Malaysia	48,874	48,874
	1,345,156	1,309,973

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

	Group and Bank	
	31 March 2021	31 December 2020
	RM'000	RM'000
At fair value, or at cost for certain unquoted equity instruments, less accumulated impairment loss		
Unquoted financial assets:		
Shares in Malaysia	1,170	1,170

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17. Loans and advances

	Group and Bank	
	31 March 2021 RM'000	31 December 2020 RM'000
Amount due from brokers and clients		
- Margin accounts	42,493	107,291
Staff loans	44,773	44,642
Gross loans and advances at amortised cost	<u>87,266</u>	<u>151,933</u>
Less: Allowances for impaired loans and advances:		
- Stage 1 - 12 Months ECL	(20)	(20)
- Stage 3 - Lifetime ECL credit impaired	(172)	(172)
Net loans and advances	<u>87,074</u>	<u>151,741</u>

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

	Group and Bank	
	31 March 2021 RM'000	31 December 2020 RM'000
Domestic business enterprises		
- Small and medium enterprises	5,541	10,578
- Others	16,261	16,826
Individuals	65,464	124,351
Foreign entities	-	178
Gross loans and advances	<u>87,266</u>	<u>151,933</u>

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

	Group and Bank	
	31 March 2021 RM'000	31 December 2020 RM'000
Fixed rate		
- Housing loans	31,708	30,828
- Hire purchase receivables	12,988	13,611
- Other fixed rate loans	78	203
Variable rate		
- Base lending rate (BLR) plus	42,492	107,291
Gross loans and advances	<u>87,266</u>	<u>151,933</u>

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

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

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

	Group and Bank	
	31 March 2021 RM'000	31 December 2020 RM'000
Purchase of securities	42,493	107,291
Purchase of transport vehicles	12,988	13,611
Purchase of residential landed property	31,707	30,828
Personal use	78	203
Gross loans and advances	87,266	151,933

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

	Group and Bank	
	31 March 2021 RM'000	31 December 2020 RM'000
Within one year	43,350	108,185
More than one year to three years	3,540	2,964
More than three years to five years	9,034	9,970
More than five years	31,342	30,814
Gross loans and advances	87,266	151,933

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

	Group and Bank	
	31 March 2021 RM'000	31 December 2020 RM'000
At 1 January	832	1,326
Impaired during the year	-	387
Reclassified as non-impaired	-	(444)
Amount recovered	(85)	(391)
Amount written-off	-	(46)
Gross impaired loans and advances	747	832
Less: - Stage 3 - Lifetime ECL credit impaired	(172)	(172)
Net impaired loans and advances	575	660
Net impaired loans and advances as a percentage of gross loans and advances less Stage 3 - Lifetime ECL credit impaired	0.66%	0.43%

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

	Group and Bank	
	31 March 2021 RM'000	31 December 2020 RM'000
Purchase of transport vehicles	172	172
Purchase of residential landed property	575	660
Gross impaired loans and advances	747	832

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

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 2021	20	-	172	192
At 31 March 2021	20	-	172	192
At 1 January 2020	185	-	265	450
Amount written-back, net	(165)	-	(47)	(212)
Amount written-off	-	-	(46)	(46)
At 31 December 2020	20	-	172	192

18. Other assets

	Group		Bank	
	31 March 2021 RM'000	31 December 2020 RM'000	31 March 2021 RM'000	31 December 2020 RM'000
Amount due from brokers and clients				
- Non-margin accounts (a)	697,348	791,283	697,348	791,283
Amount due from ultimate holding company	5,122	2,801	5,122	2,801
Other debtors, deposits and prepayments	156,183	200,009	158,642	199,970
	858,653	994,093	861,112	994,054
Less: Allowance for impairment losses	(15,339)	(12,638)	(17,876)	(12,638)
	843,314	981,455	843,236	981,416

(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 2021 RM'000	31 December 2020 RM'000
Licensed bank	1,661,475	1,880,201

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

20. Other liabilities

	Group		Bank	
	31 March 2021 RM'000	31 December 2020 RM'000	31 March 2021 RM'000	31 December 2020 RM'000
Provisions and accruals	52,802	117,677	52,794	117,669
Amount due to brokers and clients (a)	578,548	534,617	578,548	534,617
Provision for contingent liability	4,500	4,500	4,500	4,500
Deposits and other creditors	921,767	1,071,876	920,510	1,071,367
Lease liabilities	17,988	8,173	17,988	8,173
Amount due to:				
- Holding company	54,140	37,457	54,140	37,457
- Related companies	3,995	2,470	3,995	2,470
- Subsidiaries	-	-	171,474	171,474
	1,633,740	1,776,770	1,803,949	1,947,727

(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 2021	
		Fair Value	
		Assets RM'000	Liabilities RM'000
Hedging derivatives			
Equity-related derivatives:			
Equity options			
- Less than one year	1,496,206	112,959	107,375
- One to three years	184,640	5,113	3,200
Equity swaps			
- Less than one year	409,297	11,061	63,802
	2,090,143	129,133	174,377

	Contract/ Notional amount RM'000	Group and Bank 31 December 2020	
		Fair Value	
		Assets RM'000	Liabilities RM'000
Equity-related derivatives:			
Equity options			
- Less than one year	1,505,932	106,907	184,756
- One to three years	115,553	583	6,430
Equity swaps			
- Less than one year	348,392	19,427	85,379
- One to three years	3,045	-	147
	1,972,922	126,917	276,712

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

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 2021 RM'000	31 March 2020 RM'000	31 March 2021 RM'000	31 March 2020 RM'000
Equity-related derivatives:				
Index futures	-	(154)	-	(154)
Equity options	127,119	202,153	127,119	202,153
Equity swaps	13,359	119,104	13,359	119,104
	140,478	321,103	140,478	321,103

22. Interest income

	Unaudited		Unaudited	
	First Quarter Ended		Cumulative 3 Months Ended	
	31 March 2021 RM'000	31 March 2020 RM'000	31 March 2021 RM'000	31 March 2020 RM'000
	Group			
Loans and advances	834	5,948	834	5,789
Money at call and deposits and placements with financial institutions	4,503	6,838	4,503	6,838
Others	602	484	602	643
Total interest income	5,939	13,270	5,939	13,270

	Unaudited		Unaudited	
	First Quarter Ended		Cumulative 3 Months Ended	
	31 March 2021 RM'000	31 March 2020 RM'000	31 March 2021 RM'000	31 March 2020 RM'000
	Bank			
Loans and advances	834	5,948	834	5,789
Money at call and deposits and placements with financial institutions	4,395	6,639	4,395	6,639
Others	602	484	602	643
Total interest income	5,831	13,071	5,831	13,071

Included in interest income for the current financial year was interest on impaired assets amounting to approximately RM80,000 (2020: RM106,000) for the Group and the Bank.

23. Interest expense

	Unaudited		Unaudited	
	First Quarter Ended		Cumulative 3 Months Ended	
	31 March 2021 RM'000	31 March 2020 RM'000	31 March 2021 RM'000	31 March 2020 RM'000
	Group and Bank			
Deposits and placements from a financial institution	4,740	6,700	4,740	6,700
Derivative financial instruments	2,402	5,433	2,402	5,433
Subordinated obligation	273	-	273	-
Total interest expense	7,415	12,133	7,415	12,133

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

24. Non-interest income

<u>Group</u>	Unaudited First Quarter Ended		Unaudited Cumulative 3 Months Ended	
	31 March 2021 RM'000	31 March 2020 RM'000	31 March 2021 RM'000	31 March 2020 RM'000
Fee and commission income:				
Arranger and upfront fees	33,767	6,454	33,767	6,454
Brokerage income	80,138	43,934	80,138	43,934
Corporate advisory fees	6,340	960	6,340	960
Placement and related fees	1,142	250	1,142	250
Underwriting commission	7	-	7	-
Others	2,637	2,986	2,637	2,986
	124,031	54,584	124,031	54,584
Investment income:				
Realised gain/(loss) from sale of financial assets at fair value through profit or loss, net	29,205	(115,678)	29,205	(115,678)
Unrealised loss on revaluation of financial assets at fair value through profit or loss, net	(73,536)	(228,892)	(73,536)	(228,892)
Realised (loss)/gain from sale of derivative financial instruments, net	(40,395)	41,988	(40,395)	41,988
Unrealised gain on revaluation of derivative financial instruments, net (Note 21 (ii))	140,478	321,103	140,478	321,103
Gross dividends from financial assets at fair value through profit or loss				
- Quoted in Malaysia	7,813	1,649	7,813	1,649
- Quoted outside Malaysia	135	57	135	57
	63,700	20,227	63,700	20,227
Other income:				
Foreign exchange loss, net	(45)	(12,320)	(45)	(12,320)
Others	1,549	330	1,549	330
	1,504	(11,990)	1,504	(11,990)
Total non-interest income	189,235	62,821	189,235	62,821

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

24. Non-interest income (Cont'd)

<u>Bank</u>	Unaudited First Quarter Ended		Unaudited Cumulative 3 Months Ended	
	31 March 2021 RM'000	31 March 2020 RM'000	31 March 2021 RM'000	31 March 2020 RM'000
Fee and commission income:				
Arranger and upfront fees	33,767	6,454	33,767	6,454
Brokerage income	80,138	43,934	80,138	43,934
Corporate advisory fees	6,340	960	6,340	960
Placement and related fees	1,142	250	1,142	250
Underwriting commission	7	-	7	-
Others	2,637	2,986	2,637	2,986
	124,031	54,584	124,031	54,584
Investment income:				
Realised gain/(loss) from sale of financial assets at fair value through profit or loss, net	29,205	(115,678)	29,205	(115,678)
Unrealised loss on revaluation of financial assets at fair value through profit or loss, net	(73,536)	(228,892)	(73,536)	(228,892)
Realised (loss)/gain from sale of derivative financial instruments, net	(40,395)	41,988	(40,395)	41,988
Unrealised gain on revaluation of derivative financial instruments, net (Note 21 (ii))	140,478	321,103	140,478	321,103
Gross dividends from financial assets at fair value through profit or loss				
- Quoted in Malaysia	7,813	1,649	7,813	1,649
- Quoted outside Malaysia	135	57	135	57
Gross dividend from a subsidiary	-	5,971	-	5,971
	63,700	26,198	63,700	26,198
Other income:				
Foreign exchange loss, net	(45)	(12,320)	(45)	(12,320)
Others	1,549	333	1,549	333
	1,504	(11,987)	1,504	(11,987)
Total non-interest income	189,235	68,795	189,235	68,795

25. Direct costs

<u>Group and Bank</u>	Unaudited First Quarter Ended		Unaudited Cumulative 3 Months Ended	
	31 March 2021 RM'000	31 March 2020 RM'000	31 March 2021 RM'000	31 March 2020 RM'000
Dealers' incentive	19,530	4,255	19,530	4,255
Trade-related charges	6,382	3,238	6,382	3,238
	25,912	7,493	25,912	7,493

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

26. Overhead expenses

<u>Group</u>	Unaudited First Quarter Ended		Unaudited Cumulative 3 Months Ended	
	31 March 2021 RM'000	31 March 2020 RM'000	31 March 2021 RM'000	31 March 2020 RM'000
Personnel expenses				
- Salaries, allowances and bonuses	45,575	49,940	45,575	49,940
- Pension costs - defined contribution plan	5,316	5,235	5,316	5,235
- Employees' Share Scheme expenses	3,725	2,519	3,725	2,519
- Other staff-related expenses	2,314	2,955	2,314	2,955
	56,930	60,649	56,930	60,649
Establishment costs				
- Depreciation of property, plant and equipment	531	672	531	672
- Amortisation of computer software	840	1,078	840	1,078
- Rental	383	388	383	388
- Finance cost on lease liability	145	268	145	268
- Depreciation of right-of-use assets	2,090	2,028	2,090	2,028
- Repairs and maintenance of property, plant and equipment	3,371	3,185	3,371	3,185
- Information technology expenses	6,485	5,146	6,485	5,146
- Others (Note (i))	(7,493)	(8,437)	(7,493)	(8,437)
	6,352	4,328	6,352	4,328
Marketing costs				
- Advertisement and publicity	484	409	484	409
- Others	176	923	176	923
	660	1,332	660	1,332
Administration and general expenses				
- Fee and brokerage	1,290	2,586	1,290	2,586
- Administrative expenses	2,965	1,319	2,965	1,319
- General expenses	1,731	610	1,731	610
	5,986	4,515	5,986	4,515
Total overhead expenses	69,928	70,824	69,928	70,824

Note (i): Included in other establishment costs are service chargebacks amounting to approximately RM7,859,000 (2020: RM9,439,000).

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

26. **Overhead expenses (Cont'd)**

Bank	Unaudited		Unaudited	
	First Quarter Ended		Cumulative 3 Months Ended	
	31 March	31 March	31 March	31 March
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Personnel expenses				
- Salaries, allowances and bonuses	45,575	49,940	45,575	49,940
- Pension costs - defined contribution plan	5,316	5,235	5,316	5,235
- Employees' Share Scheme expenses	3,725	2,519	3,725	2,519
- Other staff related expenses	2,314	2,955	2,314	2,955
	56,930	60,649	56,930	60,649
Establishment costs				
- Depreciation of property, plant and equipment	531	672	531	672
- Amortisation of computer software	840	1,078	840	1,078
- Rental	383	388	383	388
- Finance cost on lease liability	145	268	145	268
- Depreciation of right-of-use assets	2,090	2,028	2,090	2,028
- Repairs and maintenance of property, plant and equipment	3,371	3,185	3,371	3,185
- Information technology expenses	6,485	5,146	6,485	5,146
- Others (Note (i))	(7,493)	(8,437)	(7,493)	(8,437)
	6,352	4,328	6,352	4,328
Marketing costs				
- Advertisement and publicity	484	409	484	409
- Others	176	923	176	923
	660	1,332	660	1,332
Administration and general expenses				
- Fee and brokerage	1,274	2,564	1,274	2,564
- Administrative expenses	2,951	1,305	2,951	1,305
- General expenses	1,731	611	1,731	611
	5,956	4,480	5,956	4,480
Total overhead expenses	69,898	70,789	69,898	70,789

Note (i): Included in other establishment costs are service chargebacks amounting to approximately RM7,859,000 (2020: RM9,439,000).

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

27. Allowance for impairment on loans and advances and other assets, net

	Unaudited		Unaudited	
	First Quarter Ended		Cumulative 3 Months Ended	
<u>Group and Bank</u>	31 March 2021 RM'000	31 March 2020 RM'000	31 March 2021 RM'000	31 March 2020 RM'000
Writeback of impairment on loans and advances:				
- Stage 1 - 12 months ECL (Note 17 (vii))	-	49	-	49
Bad debts recovered	90	169	90	169
Allowance for impairment on other assets, net	(5,237)	(3,125)	(5,237)	(3,125)
Total	(5,147)	(2,907)	(5,147)	(2,907)

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 2020 and 3 May 2019 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 2021</u>		
CET1 capital ratio	21.046	20.020
Tier 1 capital ratio	21.046	20.020
Total capital ratio	23.324	22.320
<u>At 31 December 2020</u>		
CET1 capital ratio	20.560	19.503
Tier 1 capital ratio	20.560	19.503
Total capital ratio	22.906	21.869

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

28. Capital adequacy (Cont'd)

(l) Capital Adequacy Framework (Cont'd)

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

<u>At 31 March 2021</u>	Group RM'000	Bank RM'000
Paid-up share capital	222,785	222,785
Other reserves	371,329	365,220
CET1 capital before regulatory adjustments	594,114	588,005
Less: Deferred tax assets	(9,912)	(9,912)
Intangible assets	(8,439)	(8,439)
Gains on financial instruments classified as 'fair value through other comprehensive income'	(534)	(534)
Regulatory reserve	(24,570)	(24,570)
Investment in subsidiaries and a joint venture ¹	-	(25,793)
CET1 capital/Tier 1 capital	550,659	518,757
Tier 2 capital		
Subordinated obligation	35,000	35,000
General provisions	24,590	24,590
Tier 2 capital	59,590	59,590
Total capital	610,249	578,347
	Group RM'000	Bank RM'000
<u>At 31 December 2020</u>		
Paid-up share capital	222,785	222,785
Other reserves	371,195	365,220
CET1 capital before regulatory adjustments	593,980	588,005
Less: Deferred tax assets	(28,356)	(28,356)
Intangible assets	(9,192)	(9,192)
Gains on financial instruments classified as 'fair value through other comprehensive income'	(534)	(534)
Regulatory reserve	(25,481)	(25,481)
Investment in subsidiaries and a joint venture ¹	(223)	(25,793)
CET1 capital/Tier 1 capital	530,194	498,649
Tier 2 capital		
Subordinated obligation	35,000	35,000
General provisions	25,501	25,501
Tier 2 capital	60,501	60,501
Total capital	590,695	559,150

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.

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

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 2021				
Exposure Class				
(i) <u>Credit Risk</u>				
On-balance sheet exposures:				
Sovereigns/Central banks	714,885	714,885	210	-
Banks, Development Financial Institutions ("DFIs") and Multilateral Development Banks ("MDBs")	1,529,260	1,529,260	333,693	26,695
Corporates	25,106	10,780	10,780	862
Regulatory retail	71,513	61,736	61,368	4,909
Higher risk assets	50,044	50,044	75,066	6,005
Other assets	363,835	363,660	314,990	25,199
Total on-balance sheet exposures	2,754,643	2,730,365	796,107	63,670
Off-balance sheet exposures:				
Credit-related off-balance sheet exposures	1,022,454	1,022,454	2,020	162
Total off-balance sheet exposures	1,022,454	1,022,454	2,020	162
Total on and off-balance sheet exposures	3,777,097	3,752,819	798,127	63,832
(ii) <u>Market Risk</u>				
Equity position risk	-	-	74,174	5,934
Foreign currency risk	-	-	323,370	25,870
Options risk	-	-	536,450	42,916
Total	-	-	933,994	74,720
(iii) <u>Operational Risk</u>				
	-	-	884,299	70,744
Total RWA and capital requirements	3,777,097	3,752,819	2,616,420	209,296

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

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 2020	RM'000	RM'000	RM'000	RM'000
Exposure Class				
(i) <u>Credit Risk</u>				
On-balance sheet exposures:				
Sovereigns/Central banks	835,084	835,084	-	-
Banks, Development Financial Institutions and Multilateral Development Banks	1,714,954	1,714,954	388,551	31,084
Corporates	33,246	13,858	13,858	1,109
Regulatory retail	131,924	72,263	71,931	5,754
Higher risk assets	50,044	50,044	75,066	6,005
Other assets	375,015	373,685	318,242	25,459
Total on-balance sheet exposures	3,140,267	3,059,888	867,648	69,411
Off-balance sheet exposures:				
Credit-related off-balance sheet exposures	1,143,315	1,143,315	1,709	137
Total off-balance sheet exposures	1,143,315	1,143,315	1,709	137
Total on and off-balance sheet exposures	4,283,582	4,203,203	869,357	69,548
(ii) <u>Market Risk</u>				
Equity position risk	-	-	67,999	5,440
Foreign currency risk	-	-	277,582	22,206
Options risk	-	-	527,775	42,222
Total	-	-	873,356	69,868
(iii) <u>Operational Risk</u>				
	-	-	836,086	66,887
Total RWA and capital requirements	4,283,582	4,203,203	2,578,799	206,303

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

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 RM'000	Net credit exposures RM'000	Risk- weighted assets RM'000	Capital requirements RM'000
31 March 2021				
Exposure Class				
(i) <u>Credit Risk</u>				
On-balance sheet exposures:				
Sovereigns/Central banks	714,885	714,885	210	-
Banks, Development Financial Institutions and Multilateral Development Banks	1,496,368	1,496,368	327,114	26,169
Corporates	25,106	10,780	10,780	862
Regulatory retail	71,513	61,736	61,368	4,909
Higher risk assets	50,044	50,044	75,066	6,005
Other assets	363,737	363,562	314,894	25,192
Total on-balance sheet exposures	2,721,653	2,697,375	789,432	63,137
Off-balance sheet exposures:				
Credit-related off-balance sheet exposures	1,022,454	1,022,454	2,020	162
Total off-balance sheet exposures	1,022,454	1,022,454	2,020	162
Total on and off-balance sheet exposures	3,744,107	3,719,829	791,452	63,299
(ii) <u>Market Risk</u>				
Equity position risk	-	-	74,174	5,934
Foreign currency risk	-	-	318,261	25,461
Options risk	-	-	536,450	42,916
Total	-	-	928,885	74,311
(iii) <u>Operational Risk</u>	-	-	870,845	69,668
Total RWA and capital requirements	3,744,107	3,719,829	2,591,182	207,278

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

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 2020	RM'000	RM'000	RM'000	RM'000
Exposure Class				
(i) <u>Credit Risk</u>				
On-balance sheet exposures:				
Sovereigns/Central banks	835,084	835,084	-	-
Banks, Development Financial Institutions and Multilateral Development Banks	1,682,944	1,682,944	382,149	30,572
Corporates	33,246	13,858	13,858	1,109
Regulatory retail	131,924	72,263	71,931	5,754
Higher risk assets	50,044	50,044	75,066	6,005
Other assets	374,956	373,626	318,185	25,455
Total on-balance sheet exposures	3,108,198	3,027,819	861,189	68,895
Off-balance sheet exposures:				
Credit-related off-balance sheet exposures	1,143,315	1,143,315	1,709	137
Total off-balance sheet exposures	1,143,315	1,143,315	1,709	137
Total on and off-balance sheet exposures	4,251,513	4,171,134	862,898	69,032
(ii) <u>Market Risk</u>				
Equity position risk	-	-	67,999	5,440
Foreign currency risk	-	-	272,568	21,805
Options risk	-	-	527,775	42,222
Total	-	-	868,342	69,467
(iii) <u>Operational Risk</u>				
	-	-	825,546	66,044
Total RWA and capital requirements	4,251,513	4,171,134	2,556,786	204,543

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

29. Commitments and contingencies

Group and Bank	31 March 2021			31 December 2020		
	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	1,018,414	-	-	1,139,898	-	-
- Maturity exceeding one year	4,040	2,020	2,020	3,417	1,709	1,709
	1,022,454	2,020	2,020	1,143,315	1,709	1,709
<u>Derivative financial instruments</u>						
Equity-related contracts						
- Less than one year	1,905,503	-	-	1,854,324	-	-
- One year to less than five years	184,640	-	-	118,598	-	-
	2,090,143	-	-	1,972,922	-	-
Total commitments and contingencies	3,112,597	2,020	2,020	3,116,237	1,709	1,709

* 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

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

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:
- (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;
 - (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 was part heard on 21 January 2021 with continued hearing fixed on 28 June 2021.

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).

The Defendants thereafter filed a counterclaim that the Trustee has breached its duty of care to the Defendants and that the Banks assisted and abetted the Trustee in such instance. The Defendants further claim that the Banks and the Trustee conspired or caused the defendants to breach the SPA thereby causing the Defendants to suffer losses and damages.

The Banks filed an application for summary judgment of the action to enforce the SPA and the Guarantee, as well as an application to strike out the Defendants' counterclaim. 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").

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").

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

29. Commitments and contingencies (Cont'd)

Contingent liabilities (Cont'd)

Case 2 (cont'd)

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 Defendants 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 Defendants 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 Defendants 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 2019 OS, Reference Application and the Banks' Striking Out application were fixed for case management on 11 February 2021 and pending further direction from the Court to the parties vide email. However, the Defendants had subsequently withdrawn the 2019 OS (which included the Reference Application and Banks' Striking Out Application) by filing the Notice of Discontinuance dated 4 March 2021 to the High Court.

On 31 January 2020, the 1st Defendant filed a claim against the Bank, another financial institution and the Trustee, alleging among others that the banks breached the SPA and acted to prevent the 1st Defendant from carrying out its obligations under the SPA, thereby causing damage to the 1st Defendant ("2020 OS"). The 1st Defendant applied for an injunction ("Injunction Application") and claimed for declaratory orders and damages to be assessed. The 2020 OS and Injunction Application were heard and dismissed by the High Court on 8 July 2020 ("High Court Decision"). On 6 August 2020, the 1st Defendant appealed against the High Court Decision and the appeal is fixed for hearing on 5 July 2021. However, the 1st Defendant had subsequently withdrawn its appeal by filing the Notice of Discontinuance dated 4 March 2021 to the Court of Appeal.

The 2nd Defendant also obtained an ex parte order where the Director General of Insolvency is made the receiver of the 2nd Defendant's property and pursuant to which, no creditor shall have a remedy against the property or the person of the 2nd Defendant in respect of the debt, or commence legal action in respect of a debt unless with the leave of court ("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 2nd Defendant has appealed to the Court of Appeal against the setting aside of the Receiving Order. However, the 2nd Defendant had subsequently withdrawn his appeal when it was called up for hearing on 14 April 2021.

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.

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

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 2021	RM'000	RM'000	RM'000	RM'000
Net interest income/(expense)	2	(1,478)	-	(1,476)
Income from Islamic Banking Scheme operations	6,669	5,204	-	11,873
Non-interest income	41,409	147,826	-	189,235
Direct costs	-	(25,912)	-	(25,912)
Net income	<u>48,080</u>	<u>125,640</u>	-	<u>173,720</u>
Results				
Segment results	48,080	125,640	-	173,720
Overhead expenses	(24,125)	(45,803)	-	(69,928)
Allowance for impairment on loans and advances and other assets, net	(4,891)	(256)	-	(5,147)
Share of results of a joint venture	-	-	(242)	(242)
Profit/(loss) before taxation	<u>19,064</u>	<u>79,581</u>	<u>(242)</u>	<u>98,403</u>
Taxation and zakat				(24,690)
Profit for the period				<u>73,713</u>
Other segment information				
Depreciation of property, plant and equipment	104	427	-	531
Depreciation of right-of-use assets	738	1,352	-	2,090
Amortisation of computer software	10	830	-	840
Group				
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	119	553	-	672
Depreciation of right-of-use assets	580	1,448	-	2,028
Amortisation of computer software	93	985	-	1,078

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

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

Unaudited Statements of Financial Position as at 31 March 2021

	Notes	Group and Bank	
		31 March 2021 RM'000	31 December 2020 RM'000
ASSETS			
Cash and short-term funds	(a)	22,721	29,466
Other assets	(b)	478,255	468,324
Total assets		500,976	497,790
LIABILITIES			
Other liabilities	(c)	256,311	258,539
Provision for taxation and zakat	(d)	8,868	6,883
Total liabilities		265,179	265,422
ISLAMIC BANKING CAPITAL FUND			
Islamic banking fund		5,000	5,000
Retained earnings		230,797	227,368
		235,797	232,368
Total liabilities and Islamic banking capital fund		500,976	497,790

**Unaudited Statements of Comprehensive Income
For the First Quarter Ended 31 March 2021**

Group and Bank	Notes	Unaudited First Quarter Ended		Unaudited Cumulative 3 Months Ended	
		31 March 2021 RM'000	31 March 2020 RM'000	31 March 2021 RM'000	31 March 2020 RM'000
Income derived from investment of Islamic banking fund	(e)	11,873	4,991	11,873	4,991
Direct costs		(1,411)	(496)	(1,411)	(496)
Net income attributable to the Group and to the Bank		10,462	4,495	10,462	4,495
Overhead expenses	(f)	(4,807)	(4,808)	(4,807)	(4,808)
Operating profit/(loss)		5,655	(313)	5,655	(313)
(Allowance for)/writeback of impairment on other assets, net		(241)	106	(241)	106
Profit/(loss) before taxation and zakat		5,414	(207)	5,414	(207)
Taxation		(1,299)	49	(1,299)	49
Zakat		(686)	(2,213)	(686)	(2,213)
Profit/(loss) for the period, representing total comprehensive income for the period, attributable to equity holder of the Bank		3,429	(2,371)	3,429	(2,371)

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

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

Unaudited Statements of Changes in Equity
For the First Quarter Ended 31 March 2021

Group and Bank	Islamic banking capital fund RM'000	Distributable retained earnings RM'000	Total RM'000
At 1 January 2021	5,000	227,368	232,368
Profit for the period	-	3,429	3,429
Total comprehensive income for the period	-	3,429	3,429
At 31 March 2021	5,000	230,797	235,797
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

Unaudited Statements of Cash Flows
For the First Quarter Ended 31 March 2021

	Group and Bank	
	31 March 2021 RM'000	31 March 2020 RM'000
Cash flows from operating activities		
Profit/(loss) before taxation and zakat, representing operating profit before working capital changes	5,414	(207)
Increase in receivables	(9,931)	(8,129)
(Decrease)/increase in payables	(2,228)	8,462
Taxation and zakat paid, net	-	(1,105)
Net cash used in operating activities	(6,745)	(979)
Net decrease in cash and cash equivalents	(6,745)	(979)
Cash and cash equivalents at beginning of the period	29,466	29,315
Cash and cash equivalents at end of the period	22,721	28,336

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

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

(a) Cash and short-term funds

	Group and Bank	
	31 March	31 December
	2021	2020
	RM'000	RM'000
Cash and bank balances with financial institutions	<u>22,721</u>	<u>29,466</u>

(b) Other assets

	Group and Bank	
	31 March	31 December
	2021	2020
	RM'000	RM'000
Debtors	<u>478,255</u>	<u>468,324</u>

(c) Other liabilities

	Group and Bank	
	31 March	31 December
	2021	2020
	RM'000	RM'000
Provisions and accruals*	<u>256,311</u>	<u>258,539</u>

* Include prohibited sources/means to charitable causes amounting to RM3,768 (2020: RM3,768).

(d) Provision for taxation and zakat

	Group and Bank	
	31 March	31 December
	2021	2020
	RM'000	RM'000
Taxation	6,757	5,458
Zakat	2,111	1,425
	<u>8,868</u>	<u>6,883</u>

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

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 2021 RM'000	31 March 2020 RM'000	31 March 2021 RM'000	31 March 2020 RM'000
Realised gain from sale of financial assets at fair value through profit or loss, net	-	2	-	2
Fee and commission income from:				
- Arranger and upfront fees	600	275	600	275
- Brokerage income	5,204	2,718	5,204	2,718
- Placement fees	25	150	25	150
- Underwriting commission	-	41	-	41
- Others	6,021	1,794	6,021	1,794
Foreign exchange gain, net	23	11	23	11
Total	11,873	4,991	11,873	4,991

(f) Overhead expenses

<u>Group and Bank</u>	Unaudited		Unaudited	
	First Quarter Ended		Cumulative 3 Months Ended	
	31 March 2021 RM'000	31 March 2020 RM'000	31 March 2021 RM'000	31 March 2020 RM'000
Personnel expenses	3,100	4,015	3,100	4,015
Establishment costs	338	16	338	16
Marketing costs	36	88	36	88
Administration and general expenses	1,333	689	1,333	689
Total	4,807	4,808	4,807	4,808

Note (i): Included in establishment costs is service chargeback amounting to approximately RM428,000 (2020: RM890,000).

(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 2021	31 December 2020
	%	%
CET1 capital ratio	83.883	84.838
Tier 1 capital ratio	83.883	84.838
Total capital ratio	83.883	84.838

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

<u>Group and Bank</u>	31 March 2021	31 December 2020
	RM'000	RM'000
Tier 1 capital		
Islamic banking fund	5,000	5,000
Retained earnings	227,368	227,368
CET1 capital/Tier 1 capital/Total capital	232,368	232,368

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

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:

Group and Bank	Gross credit exposures	Net credit exposures	Risk-weighted assets	Capital requirements
31 March 2021	RM'000	RM'000	RM'000	RM'000
Exposure Class				
(i) Credit Risk				
On-balance sheet exposures:				
Sovereigns/Central banks	21,771	21,771	-	-
Banks, Development Financial Institutions and Multilateral Development Banks	951	951	190	15
Other assets	713,436	713,436	178,782	14,303
Total on-balance sheet exposures	736,158	736,158	178,972	14,318
Total on and off-balance sheet exposures *	736,158	736,158	178,972	14,318
(ii) Market Risk				
Foreign currency risk	-	-	3	-
(iii) Operational Risk				
	-	-	98,039	7,843
Total RWA and capital requirements	736,158	736,158	277,014	22,161

Group and Bank	Gross credit exposures	Net credit exposures	Risk-weighted assets	Capital requirements
31 December 2020	RM'000	RM'000	RM'000	RM'000
Exposure Class				
(i) Credit Risk				
On-balance sheet exposures:				
Sovereigns/Central banks	29,001	29,001	-	-
Banks, Development Financial Institutions and Multilateral Development Banks	465	465	93	7
Other assets	678,135	678,135	169,028	13,522
Total on-balance sheet exposures	707,601	707,601	169,121	13,529
Total on and off-balance sheet exposures *	707,601	707,601	169,121	13,529
(ii) Market Risk				
Foreign currency risk	-	-	3	-
(iii) Operational Risk				
	-	-	104,772	8,382
Total RWA and capital requirements	707,601	707,601	273,896	21,911

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

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

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 five Shariah members.

MAYBANK INVESTMENT BANK BERHAD
(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 2021 and 31 December 2020.

<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 2021				
Financial assets measured at fair values:				
Financial assets at fair value through profit or loss	1,296,282	48,874	-	1,345,156
Derivative assets	-	129,133	-	129,133
	<u>1,296,282</u>	<u>178,007</u>	<u>-</u>	<u>1,474,289</u>
Financial liabilities measured at fair values:				
Derivative liabilities	<u>53,927</u>	<u>120,450</u>	<u>-</u>	<u>174,377</u>
As at 31 December 2020				
Financial assets measured at fair values:				
Financial assets at fair value through profit or loss	1,261,099	48,874	-	1,309,973
Derivative assets	-	126,917	-	126,917
	<u>1,261,099</u>	<u>175,791</u>	<u>-</u>	<u>1,436,890</u>
Financial liabilities measured at fair values:				
Derivative liabilities	<u>96,890</u>	<u>179,822</u>	<u>-</u>	<u>276,712</u>

MAYBANK INVESTMENT BANK BERHAD
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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.