

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

CONDENSED FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2021

<u>Group</u>	Note	30 September 2021 RM'000	31 December 2020 RM'000
ASSETS			
Cash and short-term funds	14	813,528	1,405,734
Deposits and placements with a financial institution	15	673,798	519,130
Financial investments portfolio	16	1,381,361	1,311,143
Loans and advances	17	77,717	151,741
Derivative assets	21 (i)	270,574	126,917
Other assets	18	747,260	981,455
Tax recoverable		26,865	17,146
Statutory deposit with Bank Negara Malaysia		105	105
Investment in a joint venture		-	223
Property, plant and equipment		4,210	5,066
Right-of-use assets		13,561	7,931
Intangible assets		7,849	9,192
Deferred tax assets		23,581	28,356
TOTAL ASSETS		4,040,409	4,564,139
LIABILITIES			
Deposits and placements from a financial institution	19	1,325,312	1,880,201
Derivative liabilities	21 (i)	200,075	276,712
Other liabilities	20	1,798,123	1,776,770
Provision for zakat		1,003	1,421
Subordinated obligation		35,331	35,055
TOTAL LIABILITIES		3,359,844	3,970,159
SHAREHOLDER'S EQUITY			
Share capital		222,785	222,785
Reserves		457,780	371,195
TOTAL EQUITY		680,565	593,980
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY		4,040,409	4,564,139
COMMITMENTS AND CONTINGENCIES	29	3,117,398	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
(Co. Reg. No.: 197301002412)
(Incorporated in Malaysia)

CONDENSED FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2021

<u>Bank</u>	Note	30 September 2021 RM'000	31 December 2020 RM'000
ASSETS			
Cash and short-term funds	14	780,334	1,373,724
Deposits and placements with a financial institution	15	673,778	519,110
Financial investments portfolio	16	1,381,361	1,311,143
Loans and advances	17	77,717	151,741
Derivative assets	21 (i)	270,574	126,917
Other assets	18	744,226	981,416
Tax recoverable		26,869	17,153
Statutory deposit with Bank Negara Malaysia		105	105
Investment in subsidiaries		197,267	197,267
Property, plant and equipment		4,210	5,066
Right-of-use assets		13,561	7,931
Intangible assets		7,849	9,192
Deferred tax assets		23,581	28,356
TOTAL ASSETS		4,201,432	4,729,121
LIABILITIES			
Deposits and placements from a financial institution	19	1,325,312	1,880,201
Derivative liabilities	21 (i)	200,075	276,712
Other liabilities	20	1,964,978	1,947,727
Provision for zakat		1,003	1,421
Subordinated obligation		35,331	35,055
TOTAL LIABILITIES		3,526,699	4,141,116
SHAREHOLDER'S EQUITY			
Share capital		222,785	222,785
Reserves		451,948	365,220
TOTAL EQUITY		674,733	588,005
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY		4,201,432	4,729,121
COMMITMENTS AND CONTINGENCIES	29	3,117,398	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
(Co. Reg. No.: 197301002412)
(Incorporated in Malaysia)

CONDENSED FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021

<u>Group</u>	Notes	Unaudited		Unaudited	
		Third Quarter Ended		Cumulative 9 Months Ended	
		30 September 2021	30 September 2020	30 September 2021	30 September 2020
		RM'000	RM'000	RM'000	RM'000
Interest income	22	5,938	9,644	16,830	34,690
Interest expense	23	(7,249)	(9,168)	(21,797)	(32,279)
Net interest (expense)/income		(1,311)	476	(4,967)	2,411
Income from Islamic Banking Scheme operations	31	9,263	29,555	31,023	45,521
Non-interest income	24	98,122	192,860	419,803	381,195
Direct costs	25	(12,979)	(30,822)	(65,296)	(55,167)
Net income		93,095	192,069	380,563	373,960
Overhead expenses	26	(65,405)	(73,304)	(207,750)	(213,585)
Operating profit		27,690	118,765	172,813	160,375
Writeback of/(allowance for) impairment on loans and advances and other assets, net	27	3,780	(441)	(897)	(212)
		31,470	118,324	171,916	160,163
Share of results of a joint venture		-	(212)	(242)	(718)
Profit before taxation and zakat		31,470	118,112	171,674	159,445
Taxation and zakat		(7,912)	(30,053)	(37,613)	(39,774)
Profit for the period, attributable to equity holder of the Bank		23,558	88,059	134,061	119,671
Basic and diluted earnings per share (sen), attributable to equity holder of the Bank		47	176	268	239
Other comprehensive income:					
<i>Item that will not be reclassified subsequently to profit or loss:</i>					
Net gain on revaluation of financial asset at fair value through other comprehensive income		14	54	14	54
<i>Item that may be reclassified subsequently to profit or loss:</i>					
Net (loss)/gain on foreign exchange translation		(175)	54	(70)	318
Other comprehensive (loss)/income for the period, net of tax		(161)	108	(56)	372
Total comprehensive income for the period, attributable to equity holder of the Bank		23,397	88,167	134,005	120,043

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

CONDENSED FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THIRD QUARTER AND FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021

<u>Bank</u>	Notes	Unaudited Third Quarter Ended		Unaudited Cumulative 9 Months Ended	
		30 September 2021 RM'000	30 September 2020 RM'000	30 September 2021 RM'000	30 September 2020 RM'000
Interest income	22	5,827	9,388	16,501	34,220
Interest expense	23	(7,249)	(9,168)	(21,797)	(32,279)
Net interest (expense)/income		(1,422)	220	(5,296)	1,941
Income from Islamic Banking Scheme operations	31	9,263	29,555	31,023	45,521
Non-interest income	24	98,122	192,860	419,803	387,166
Direct costs	25	(12,979)	(30,822)	(65,296)	(55,167)
Net income		92,984	191,813	380,234	379,461
Overhead expenses	26	(65,375)	(73,271)	(207,658)	(213,484)
Operating profit		27,609	118,542	172,576	165,977
Impairment on investment in a subsidiary		-	-	-	(5,250)
Writeback of/(allowance for) impairment on loans and advances and other assets, net	27	3,780	(441)	(897)	(212)
Profit before taxation and zakat		31,389	118,101	171,679	160,515
Taxation and zakat		(7,890)	(29,995)	(37,545)	(39,673)
Profit for the period, attributable to equity holder of the Bank		23,499	88,106	134,134	120,842
Other comprehensive income:					
<i>Item that will not be reclassified subsequently to profit or loss:</i>					
Net gain on revaluation of financial asset at fair value through other comprehensive income		-	54	14	54
Other comprehensive income for the period, net of tax		-	54	14	54
Total comprehensive income for the period, attributable to equity holder of the Bank		23,499	88,160	134,148	120,896

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

CONDENSED FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 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	-	-	-	-	134,061	134,061
Other comprehensive income/(loss)	-	-	14	(70)	-	(56)
Total comprehensive income/(loss) for the period	-	-	14	(70)	134,061	134,005
Transfer from regulatory reserve	-	(5,794)	-	-	5,794	-
Dividend	-	-	-	-	(47,420)	(47,420)
At 30 September 2021	222,785	19,687	984	(226)	437,335	680,565
At 1 January 2020	222,785	30,388	916	(298)	379,801	633,592
Profit for the period	-	-	-	-	119,671	119,671
Other comprehensive income	-	-	54	318	-	372
Total comprehensive income for the period	-	-	54	318	119,671	120,043
Transfer from regulatory reserve	-	(4,656)	-	-	4,656	-
At 30 September 2020	222,785	25,732	970	20	504,128	753,635

(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 to these financial statements)

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

CONDENSED FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 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	-	-	-	134,134	134,134
Other comprehensive income	-	-	14	-	14
Total comprehensive income for the period	-	-	14	134,134	134,148
Transfer from regulatory reserve	-	(5,794)	-	5,794	-
Dividend	-	-	-	(47,420)	(47,420)
At 30 September 2021	222,785	19,687	984	431,277	674,733
At 1 January 2020	222,785	30,388	916	372,378	626,467
Profit for the period	-	-	-	120,842	120,842
Other comprehensive income	-	-	54	-	54
Total comprehensive income for the period	-	-	54	120,842	120,896
Transfer from regulatory reserve	-	(4,656)	-	4,656	-
At 30 September 2020	222,785	25,732	970	497,876	747,363

(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 to these financial statements)

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

CONDENSED FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2021

	Note	Group		Bank	
		30 September 2021	30 September 2020	30 September 2021	30 September 2020
		RM'000	RM'000	RM'000	RM'000
Cash flows from operating activities					
Profit before taxation and zakat		171,674	159,445	171,679	160,515
Adjustments for:					
Share of results of a joint venture		242	718	-	-
Depreciation of property, plant and equipment	26	1,552	1,880	1,552	1,880
Depreciation of right-of-use assets	26	6,239	6,200	6,239	6,200
Amortisation of computer software	26	2,405	2,885	2,405	2,885
Finance cost on lease liabilities	26	385	-	385	-
Allowance for impairment on loans and advances and other assets, net		987	524	987	524
Impairment on investment in a subsidiary		-	-	-	5,250
Gross dividends	24	(37,664)	(14,793)	(37,664)	(20,764)
Realised (gain)/loss from sale of financial assets at fair value through profit or loss, net	24	(8,291)	39,878	(8,291)	39,878
Unrealised loss on revaluation of financial assets at fair value through profit or loss, net	24	63,380	82,524	63,380	82,524
Realised loss/(gain) from sale of derivative financial instruments, net	24	105,105	(28,264)	105,105	(28,264)
Unrealised gain on revaluation of derivative financial instruments, net	24	(223,419)	(237,336)	(223,419)	(237,336)
Operating profit before working capital changes		82,595	13,661	82,358	13,292
Change in cash and short-term funds with original maturity more than three months		72,569	(34,175)	72,569	(34,175)
Change in deposits and placements with original maturity more than three months		(53,606)	(150,957)	(53,606)	(150,957)
Change in financial investments portfolio and derivative financial instruments		(227,273)	(509,193)	(227,273)	(509,193)
Change in loans and advances		74,025	164,589	74,025	164,589
Change in other assets		221,338	(346,742)	224,333	(347,390)
Change in deposits and placements from a financial institution		(554,889)	1,004,172	(554,889)	1,004,172
Change in other liabilities		28,361	490,931	24,259	491,118
Cash (used in)/generated from operations		(356,880)	632,286	(358,224)	631,456
Taxation and zakat paid, net		(42,975)	(11,697)	(42,904)	(12,298)
Net cash (used in)/generated from operating activities		(399,855)	620,589	(401,128)	619,158
Cash flows from investing activities					
Purchase of property, plant and equipment		(696)	(519)	(696)	(519)
Purchase of computer software		(1,062)	(518)	(1,062)	(518)
Proceeds from disposal of a subsidiary		-	-	-	742
Net dividends received		37,664	14,793	37,664	20,764
Net cash generated from investing activities		35,906	13,756	35,906	20,469
Cash flows from financing activities					
Subordinated obligation		(554)	-	(554)	-
Dividends paid		(47,420)	-	(47,420)	-
Repayment of lease liabilities		(6,563)	(6,595)	(6,563)	(6,595)
Net cash used in financing activities		(54,537)	(6,595)	(54,537)	(6,595)

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

CONDENSED FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL QUARTER ENDED 30 SEPTEMBER 2021 (CONT'D.)

	Note	Group		Bank	
		30 September	30 September	30 September	30 September
		2021	2020	2021	2020
		RM'000	RM'000	RM'000	RM'000
Net (decrease)/increase in cash and cash equivalents		(418,486)	627,750	(419,759)	633,032
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		(89)	296	-	-
Cash and cash equivalents at the end of the period		873,731	1,440,359	840,517	1,407,737
Cash and cash equivalents comprise:					
Cash and short-term funds	14	813,528	1,478,536	780,334	1,445,934
Deposits and placements with a financial institution	15	673,798	794,330	673,778	794,310
		1,487,326	2,272,866	1,454,112	2,240,244
Less:					
Cash and short-term funds and deposits and placements with original maturity more than three months		(613,595)	(832,507)	(613,595)	(832,507)
		873,731	1,440,359	840,517	1,407,737

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

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.

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

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 financial period ended 30 September 2021.

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

During the financial period ended 30 September 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 financial period ended 30 September 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 financial period ended 30 September 2021.

9. Changes in the Composition of the Group

There were no changes in the composition of the Group during the financial period ended 30 September 2021.

10. Dividend

The Board of Directors have declared a single-tier interim dividend in respect of the financial year ending 31 December 2021 of approximately RM0.95 on 50,116,000 ordinary shares, amounting to a net dividend of RM47,420,000. The dividend was paid on 24 September 2021.

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

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 financial period ended 30 September 2021.

12. Performance Review

For the financial period ended 30 September 2021, the Group's operating profit increased by 7.8% to RM172.8 million from RM160.4 million during the same period last year due to higher income.

Net income increased by 1.8% from RM374.0 million to RM380.6 million. Non-interest income increased by RM38.6 million to RM419.8 million due to higher fee income. However, income from Islamic Banking Scheme operations decreased by RM14.5 million to RM31.0 million as a result of lower fee income during the period. Net interest income decreased by RM7.4 million mainly due to lower interest income from loans and advances, and deposits and placements with financial institutions.

Overhead expenses decreased by 2.7% or RM5.8 million from RM213.6 million to RM207.8 million. This was mainly contributed by lower personnel, marketing, and administration expenses compared to the previous period.

The Group profit before taxation and zakat increased by 7.7% or RM12.2 million from RM159.4 million to RM171.7 million. Profit for the period increased by 12.0% or RM14.4 million to RM134.1 million.

13. Business Outlook

The global economy is expected to rebound by +6.0% in 2021 (2020: -3.3%) following the gradual re-opening of the economy amid vaccination progress, coupled with continued accommodative monetary policies and expansionary fiscal policies.

In Malaysia, economic recovery is expected to be moderate (2021E: +3.8%; 2020: -5.6%) reflecting the impact of several rounds of nationwide containment measures to deal with the resurgence of COVID-19 cases that caused GDP to shrink -4.5% YoY in 3Q 2021 (2Q 2021: +16.1% YoY). However, recovery is expected to resume in the fourth quarter of 2021 and gain momentum in 2022 as the full vaccination rate of over 75% of the population as of November 2021 allows for economic re-opening. Monetary, fiscal and economic stimulus will continue, focusing on targeted support and interventions for the most-affected individuals and businesses. The Overnight Policy Rate (OPR) is expected to remain at a record low of 1.75% throughout 2021 despite a moderate return of inflation this year from deflation in 2020, while the expansionary fiscal policy continues to be supported by the higher Budget deficit in 2021 of 6.5% of GDP (2020: 6.2% of GDP), on top of the additional four economic stimulus packages in the first half of 2021 totalling RM225 billion.

In the wake of 2Q 2021 reporting and the expected gradual earnings improvement, FBM KLCI is expected to see an earnings recovery in 2021 after three consecutive years of earnings contraction with the end-2021 KLCI targeted at 1,530 points.

Investment Banking deal activity for the remainder of 2021 continues to be slightly muted with an expected gradual recovery in 2022. The industry deal volume and fees improved year-on-year in 3Q 2021 mainly due to an increase in Merger & Acquisition and Equity Capital Market deals in selected sectors in view of compelling valuations and lower cost of leverage.

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. Corporates are expected to continue to source for funding on the still relatively low interest-rate environment as the economy gradually opens.

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

14. **Cash and short-term funds**

	Group		Bank	
	30 September 2021	31 December 2020	30 September 2021	31 December 2020
	RM'000	RM'000	RM'000	RM'000
Cash and bank balances with financial institutions	192,471	475,899	184,794	469,407
Deposit and placements maturing within one month	621,057	929,835	595,540	904,317
Total cash and short-term funds	813,528	1,405,734	780,334	1,373,724

The monies held-in-trust for clients by the Group and by the Bank as at the reporting date are approximately RM543,297,000 (2020: RM695,632,000). 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	
	30 September 2021	31 December 2020	30 September 2021	31 December 2020
	RM'000	RM'000	RM'000	RM'000
Licensed bank	673,798	519,130	673,778	519,110

16. **Financial investments portfolio**

		Group and Bank	
		30 September 2021	31 December 2020
		RM'000	RM'000
Financial assets at fair value through profit or loss	(i)	1,380,177	1,309,973
Financial assets at fair value through other comprehensive income	(ii)	1,184	1,170
Total financial investments portfolio		1,381,361	1,311,143

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

	Group and Bank	
	30 September 2021	31 December 2020
	RM'000	RM'000
At fair value		
Quoted financial assets:		
Shares in Malaysia	838,280	932,674
Shares outside Malaysia	541,897	328,425
	1,380,177	1,261,099
Unquoted financial assets:		
Loan stock in Malaysia	-	48,874
	1,380,177	1,309,973

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

	Group and Bank	
	30 September 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	1,184	1,170

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

17. Loans and advances

	Group and Bank	
	30 September 2021	31 December 2020
	RM'000	RM'000
Amount due from brokers and clients		
- Margin accounts	33,744	107,291
Staff loans	44,164	44,642
Gross loans and advances at amortised cost	<u>77,908</u>	<u>151,933</u>
Less: Allowances for impaired loans and advances:		
- Stage 1 - 12 Months ECL	(19)	(20)
- Stage 3 - Lifetime ECL credit impaired	(172)	(172)
Net loans and advances	<u>77,717</u>	<u>151,741</u>

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

	Group and Bank	
	30 September 2021	31 December 2020
	RM'000	RM'000
Domestic business enterprises		
- Small and medium enterprises	-	10,578
- Others	12,577	16,826
Individuals	65,331	124,351
Foreign entities	-	178
Gross loans and advances	<u>77,908</u>	<u>151,933</u>

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

	Group and Bank	
	30 September 2021	31 December 2020
	RM'000	RM'000
Fixed rate		
- Housing loans	32,651	30,828
- Hire purchase receivables	11,452	13,611
- Other fixed rate loans	61	203
Variable rate		
- Base lending rate (BLR) plus	33,744	107,291
Gross loans and advances	<u>77,908</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	
	30 September 2021 RM'000	31 December 2020 RM'000
Purchase of securities	33,744	107,291
Purchase of transport vehicles	11,452	13,611
Purchase of residential landed property	32,651	30,828
Personal use	61	203
Gross loans and advances	77,908	151,933

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

	Group and Bank	
	30 September 2021 RM'000	31 December 2020 RM'000
Within one year	34,588	108,185
More than one year to three years	3,417	2,964
More than three years to five years	7,932	9,970
More than five years	31,971	30,814
Gross loans and advances	77,908	151,933

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

	Group and Bank	
	30 September 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	(155)	(391)
Amount written-off	-	(46)
Gross impaired loans and advances	677	832
Less: - Stage 3 - Lifetime ECL credit impaired	(172)	(172)
Net impaired loans and advances	505	660
Net impaired loans and advances as a percentage of gross loans and advances less Stage 3 - Lifetime ECL credit impaired	0.65%	0.43%

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

	Group and Bank	
	30 September 2021 RM'000	31 December 2020 RM'000
Purchase of transport vehicles	172	172
Purchase of residential landed property	505	660
Gross impaired loans and advances	677	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
Amount written-back, net (Note 27)	(1)	-	-	(1)
At 30 September 2021	19	-	172	191
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	
	30 September 2021 RM'000	31 December 2020 RM'000	30 September 2021 RM'000	31 December 2020 RM'000
Amount due from brokers and clients				
- Non-margin accounts (a)	594,142	791,283	594,142	791,283
Amount due from ultimate holding company	9,866	2,801	9,866	2,801
Other debtors, deposits and prepayments	154,319	200,009	153,822	199,970
	758,327	994,093	757,830	994,054
Less: Allowance for impairment losses	(11,067)	(12,638)	(13,604)	(12,638)
	747,260	981,455	744,226	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	
	30 September 2021 RM'000	31 December 2020 RM'000
Licensed bank	1,325,312	1,880,201

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

20. Other liabilities

	Group		Bank	
	30 September 2021 RM'000	31 December 2020 RM'000	30 September 2021 RM'000	31 December 2020 RM'000
Provisions and accruals	85,326	117,677	85,317	117,669
Amount due to brokers and clients (a)	516,845	534,617	516,845	534,617
Provision for contingent liability	4,500	4,500	4,500	4,500
Deposits and other creditors	1,084,074	1,071,876	1,079,464	1,071,367
Lease liabilities	13,864	8,173	13,864	8,173
Amount due to:				
- Holding company	81,185	37,457	81,185	37,457
- Related companies	12,329	2,470	12,329	2,470
- Subsidiaries	-	-	171,474	171,474
	<u>1,798,123</u>	<u>1,776,770</u>	<u>1,964,978</u>	<u>1,947,727</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

	Group and Bank 30 September 2021		
	Contract/ Notional amount RM'000	Fair Value	
		Assets RM'000	Liabilities RM'000
Hedging derivatives			
Equity-related derivatives:			
Equity options			
- Less than one year	1,931,589	204,681	103,790
- One to three years	213,442	12,513	900
Equity swaps			
- Less than one year	370,369	52,788	95,036
- One to three years	19,490	592	349
	<u>2,534,890</u>	<u>270,574</u>	<u>200,075</u>
Group and Bank 31 December 2020			
	Contract/ Notional amount RM'000	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
	<u>1,972,922</u>	<u>126,917</u>	<u>276,712</u>

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	
	Third Quarter Ended		Cumulative 9 Months Ended	
	30 September 2021	30 September 2020	30 September 2021	30 September 2020
	RM'000	RM'000	RM'000	RM'000
Equity-related derivatives:				
Index futures	-	(524)	-	(191)
Equity options	56,794	76,810	199,326	218,483
Equity swaps	1,324	9,726	24,093	19,044
	58,118	86,012	223,419	237,336

22. Interest income

	Unaudited		Unaudited	
	Third Quarter Ended		Cumulative 9 Months Ended	
	30 September 2021	30 September 2020	30 September 2021	30 September 2020
	RM'000	RM'000	RM'000	RM'000
<u>Group</u>				
Loans and advances	444	3,331	1,739	14,214
Money at call and deposits and placements with financial institutions	4,346	5,971	12,946	19,255
Others	1,148	342	2,145	1,221
Total interest income	5,938	9,644	16,830	34,690

	Unaudited		Unaudited	
	Third Quarter Ended		Cumulative 9 Months Ended	
	30 September 2021	30 September 2020	30 September 2021	30 September 2020
	RM'000	RM'000	RM'000	RM'000
<u>Bank</u>				
Loans and advances	444	3,331	1,739	14,214
Money at call and deposits and placements with financial institutions	4,235	5,715	12,617	18,785
Others	1,148	342	2,145	1,221
Total interest income	5,827	9,388	16,501	34,220

Included in interest income for the current financial year was interest on impaired assets amounting to approximately RM268,000 (2020: RM504,000) for the Group and the Bank.

23. Interest expense

	Unaudited		Unaudited	
	Third Quarter Ended		Cumulative 9 Months Ended	
	30 September 2021	30 September 2020	30 September 2021	30 September 2020
	RM'000	RM'000	RM'000	RM'000
<u>Group and Bank</u>				
Deposits and placements from a financial institution	3,857	5,650	12,736	18,547
Derivative financial instruments	3,112	3,518	8,231	13,732
Subordinated obligation	280	-	830	-
Total interest expense	7,249	9,168	21,797	32,279

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

24. Non-interest income

<u>Group</u>	Unaudited Third Quarter Ended		Unaudited Cumulative 9 Months Ended	
	30 September 2021 RM'000	30 September 2020 RM'000	30 September 2021 RM'000	30 September 2020 RM'000
Fee and commission income:				
Arranger and upfront fees	(6,013)	2,993	33,365	15,747
Brokerage income	50,706	94,321	189,589	199,189
Corporate advisory fees	2,572	960	14,214	3,325
Placement and related fees	5,583	-	12,512	250
Underwriting commission	2,018	85	2,780	1,416
Others	3,377	2,476	16,089	7,902
	58,243	100,835	268,549	227,829
Investment income:				
Realised (loss)/gain from sale of financial assets at fair value through profit or loss, net	(39,730)	59,621	8,291	(39,878)
Unrealised gain/(loss) on revaluation of financial assets at fair value through profit or loss, net	20,194	(27,199)	(63,380)	(82,524)
Realised (loss)/gain from sale of derivative financial instruments, net	(26,663)	(38,194)	(105,105)	28,264
Unrealised gain on revaluation of derivative financial instruments, net (Note 21 (ii))	58,118	86,012	223,419	237,336
Gross dividends from financial assets at fair value through profit or loss				
- Quoted in Malaysia	7,067	4,502	27,709	10,991
- Quoted outside Malaysia	2,136	2,317	9,955	3,802
	21,122	87,059	100,889	157,991
Other income:				
Foreign exchange (loss)/gain, net	(158)	4,048	1,273	(7,579)
Others	18,915	918	49,092	2,954
	18,757	4,966	50,365	(4,625)
Total non-interest income	98,122	192,860	419,803	381,195

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

24. Non-interest income (Cont'd)

	Unaudited		Unaudited	
	Third Quarter Ended 30 September 2021	30 September 2020	Cumulative 9 Months Ended 30 September 2021	30 September 2020
<u>Bank</u>	RM'000	RM'000	RM'000	RM'000
Fee and commission income:				
Arranger and upfront fees	(6,013)	2,993	33,365	15,747
Brokerage income	50,706	94,321	189,589	199,189
Corporate advisory fees	2,572	960	14,214	3,325
Placement and related fees	5,583	-	12,512	250
Underwriting commission	2,018	85	2,780	1,416
Others	3,377	2,476	16,089	7,902
	58,243	100,835	268,549	227,829
Investment income:				
Realised (loss)/gain from sale of financial assets at fair value through profit or loss, net	(39,730)	59,621	8,291	(39,878)
Unrealised gain/(loss) on revaluation of financial assets at fair value through profit or loss, net	20,194	(27,199)	(63,380)	(82,524)
Realised (loss)/gain from sale of derivative financial instruments, net	(26,663)	(38,194)	(105,105)	28,264
Unrealised gain on revaluation of derivative financial instruments, net (Note 21 (ii))	58,118	86,012	223,419	237,336
Gross dividends from financial assets at fair value through profit or loss				
- Quoted in Malaysia	7,067	4,502	27,709	10,991
- Quoted outside Malaysia	2,136	2,317	9,955	3,802
Gross dividend from a subsidiary	-	-	-	5,971
	21,122	87,059	100,889	163,962
Other income:				
Foreign exchange (loss)/gain, net	(158)	4,048	1,273	(7,579)
Others	18,915	918	49,092	2,954
	18,757	4,966	50,365	(4,625)
Total non-interest income	98,122	192,860	419,803	387,166

25. Direct costs

	Unaudited		Unaudited	
	Third Quarter Ended 30 September 2021	30 September 2020	Cumulative 9 Months Ended 30 September 2021	30 September 2020
<u>Group and Bank</u>	RM'000	RM'000	RM'000	RM'000
Dealers' incentive	10,770	23,180	47,389	39,040
Trade-related charges	2,209	7,642	17,907	16,127
	12,979	30,822	65,296	55,167

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

26. **Overhead expenses**

Group	Unaudited Third Quarter Ended		Unaudited Cumulative 9 Months Ended	
	30 September 2021	30 September 2020	30 September 2021	30 September 2020
	RM'000	RM'000	RM'000	RM'000
Personnel expenses				
- Salaries, allowances and bonuses	43,639	47,533	141,542	146,301
- Pension costs - defined contribution plan	5,205	5,257	15,916	15,717
- Employees' Share Scheme expenses	3,615	2,519	10,771	7,556
- Other staff-related expenses	2,482	2,567	7,069	7,427
	54,941	57,876	175,298	177,001
Establishment costs				
- Depreciation of property, plant and equipment	496	584	1,552	1,880
- Amortisation of computer software	761	896	2,405	2,885
- Rental	254	387	834	1,065
- Finance cost on lease liability	112	117	385	524
- Depreciation of right-of-use assets	2,059	2,086	6,239	6,200
- Repairs and maintenance of property, plant and equipment	3,351	2,470	9,954	9,790
- Information technology expenses	8,393	6,649	22,498	16,950
- Others (Note (i))	(9,943)	(5,229)	(25,908)	(21,150)
	5,483	7,960	17,959	18,144
Marketing costs				
- Advertisement and publicity	376	257	781	1,306
- Others	121	168	288	1,532
	497	425	1,069	2,838
Administration and general expenses				
- Fee and brokerage	1,300	2,649	2,333	7,933
- Administrative expenses	2,360	3,112	7,682	5,076
- General expenses	824	1,282	3,409	2,593
	4,484	7,043	13,424	15,602
Total overhead expenses	65,405	73,304	207,750	213,585

Note (i): Included in other establishment costs are service chargebacks amounting to approximately RM26,977,000 (2020: RM23,799,000).

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

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

	Unaudited		Unaudited	
	Third Quarter Ended 30 September 2021 RM'000	30 September 2020 RM'000	Cumulative 9 Months Ended 30 September 2021 RM'000	30 September 2020 RM'000
Bank				
Personnel expenses				
- Salaries, allowances and bonuses	43,639	47,533	141,542	146,301
- Pension costs - defined contribution plan	5,205	5,257	15,916	15,717
- Employees' Share Scheme expenses	3,615	2,519	10,771	7,556
- Other staff related expenses	2,482	2,567	7,069	7,427
	54,941	57,876	175,298	177,001
Establishment costs				
- Depreciation of property, plant and equipment	496	584	1,552	1,880
- Amortisation of computer software	761	896	2,405	2,885
- Rental	254	387	834	1,065
- Finance cost on lease liability	112	117	385	524
- Depreciation of right-of-use assets	2,059	2,086	6,239	6,200
- Repairs and maintenance of property, plant and equipment	3,351	2,470	9,954	9,790
- Information technology expenses	8,393	6,649	22,498	16,950
- Others (Note (i))	(9,943)	(5,229)	(25,908)	(21,150)
	5,483	7,960	17,959	18,144
Marketing costs				
- Advertisement and publicity	376	257	781	1,306
- Others	121	168	288	1,532
	497	425	1,069	2,838
Administration and general expenses				
- Fee and brokerage	1,284	2,635	2,284	7,880
- Administrative expenses	2,346	3,093	7,639	5,028
- General expenses	824	1,282	3,409	2,593
	4,454	7,010	13,332	15,501
Total overhead expenses	65,375	73,271	207,658	213,484

Note (i): Included in other establishment costs are service chargebacks amounting to approximately RM26,977,000 (2020: RM23,799,000).

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

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

Group and Bank	Unaudited		Unaudited	
	Third Quarter Ended	30 September	Cumulative 9 Months Ended	30 September
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Writeback of/(allowance for) impairment on loans and advances:				
- Stage 1 - 12 months ECL (Note 17 (vii))	1	122	1	162
- Stage 3 - Lifetime ECL credit impaired (Note 17 (vii))	-	106	-	47
Bad debts recovered	-	23	90	312
Writeback of/(allowance for) impairment on other assets, net	3,779	(692)	(988)	(733)
Total	3,780	(441)	(897)	(212)

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 30 September 2021</u>		
CET1 capital ratio	23.249	22.371
Tier 1 capital ratio	23.249	22.371
Total capital ratio	25.350	24.503
<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 30 September 2021</u>	Group RM'000	Bank RM'000
Paid-up share capital	222,785	222,785
Other reserves	434,222	428,449
CET1 capital before regulatory adjustments	657,007	651,234
Less: Deferred tax assets	(23,581)	(23,581)
Intangible assets	(7,849)	(7,849)
Gains on financial instruments classified as 'fair value through other comprehensive income'	(541)	(541)
Regulatory reserve	(19,687)	(19,687)
Investment in subsidiaries and a joint venture ¹	-	(25,793)
CET1 capital/Tier 1 capital	605,349	573,783
Tier 2 capital		
Subordinated obligation	35,000	35,000
General provisions	19,706	19,706
Tier 2 capital	54,706	54,706
Total capital	660,055	628,489
	Group	Bank
	RM'000	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
30 September 2021				
Exposure Class				
(i) <u>Credit Risk</u>				
On-balance sheet exposures:				
Sovereigns/Central banks	590,447	590,447	-	-
Banks, Development Financial Institutions ("DFIs") and Multilateral Development Banks ("MDBs")	1,413,510	1,413,510	321,904	25,752
Corporates	20,915	18,637	18,637	1,491
Regulatory retail	76,498	64,198	63,843	5,107
Higher risk assets	1,184	1,184	1,776	142
Other assets	326,882	326,719	269,060	21,525
Total on-balance sheet exposures	2,429,436	2,414,695	675,220	54,017
Off-balance sheet exposures:				
Credit-related off-balance sheet exposures	582,508	582,508	2,068	165
Total off-balance sheet exposures	582,508	582,508	2,068	165
Total on and off-balance sheet exposures	3,011,944	2,997,203	677,288	54,182
(ii) <u>Market Risk</u>				
Equity position risk	-	-	71,925	5,754
Foreign currency risk	-	-	322,798	25,824
Options risk	-	-	610,997	48,880
Total	-	-	1,005,720	80,458
(iii) <u>Operational Risk</u>				
	-	-	920,723	73,658
Total RWA and capital requirements	3,011,944	2,997,203	2,603,731	208,298

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 RM'000	Net credit exposures RM'000	Risk- weighted assets RM'000	Capital requirements RM'000
31 December 2020				
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
30 September 2021				
Exposure Class				
(i) <u>Credit Risk</u>				
On-balance sheet exposures:				
Sovereigns/Central banks	590,447	590,447	-	-
Banks, Development Financial Institutions and Multilateral Development Banks	1,380,315	1,380,315	315,265	25,221
Corporates	20,915	18,637	18,637	1,491
Regulatory retail	76,498	64,198	63,843	5,107
Higher risk assets	1,184	1,184	1,776	142
Other assets	323,829	323,666	266,009	21,281
Total on-balance sheet exposures	2,393,188	2,378,447	665,530	53,242
Off-balance sheet exposures:				
Credit-related off-balance sheet exposures	582,508	582,508	2,068	165
Total off-balance sheet exposures	582,508	582,508	2,068	165
Total on and off-balance sheet exposures	2,975,696	2,960,955	667,598	53,407
(ii) <u>Market Risk</u>				
Equity position risk	-	-	71,925	5,754
Foreign currency risk	-	-	317,923	25,434
Options risk	-	-	610,997	48,880
Total	-	-	1,000,845	80,068
(iii) <u>Operational Risk</u>				
	-	-	896,458	71,717
Total RWA and capital requirements	2,975,696	2,960,955	2,564,901	205,192

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				
Exposure Class	RM'000	RM'000	RM'000	RM'000
(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	30 September 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	578,373	-	-	1,139,898	-	-
- Maturity exceeding one year	4,135	2,068	2,068	3,417	1,709	1,709
	582,508	2,068	2,068	1,143,315	1,709	1,709
<u>Derivative financial instruments</u>						
Equity-related contracts						
- Less than one year	2,301,958	-	-	1,854,324	-	-
- One year to less than five years	232,932	-	-	118,598	-	-
	2,534,890	-	-	1,972,922	-	-
Total commitments and contingencies	3,117,398	2,068	2,068	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 proceeded for hearing on 21 January 2021 and 3 September 2021 (part heard). The Federal Court vacated the initial continued hearing date fixed on 25 October 2021 and the new continued hearing date is now fixed on 16 February 2022.

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
30 September 2021	RM'000	RM'000	RM'000	RM'000
Net interest income/(expense)	189	(5,156)	-	(4,967)
Income from Islamic Banking Scheme operations	18,960	12,063	-	31,023
Non-interest income	86,141	333,663	-	419,804
Direct costs	-	(65,296)	-	(65,296)
Net income	<u>105,290</u>	<u>275,274</u>	-	<u>380,564</u>
Results				
Segment results	105,290	275,274	-	380,564
Overhead expenses	(39,296)	(168,454)	-	(207,750)
Allowance for impairment on loans and advances and other assets, net	(809)	(88)	-	(897)
Share of results of a joint venture	-	-	(242)	(242)
Profit/(loss) before taxation	<u>65,185</u>	<u>106,732</u>	<u>(242)</u>	<u>171,675</u>
Taxation and zakat				<u>(37,613)</u>
Profit for the period				<u><u>134,062</u></u>
Other segment information				
Depreciation of property, plant and equipment	320	1,232	-	1,552
Depreciation of right-of-use assets	2,186	4,053	-	6,239
Amortisation of computer software	<u>26</u>	<u>2,379</u>	-	<u>2,405</u>
Group				
30 September 2020	RM'000	RM'000	RM'000	RM'000
Net interest income	-	2,411	-	2,411
Income from Islamic Banking Scheme operations	31,503	14,018	-	45,521
Non-interest income	21,238	359,957	-	381,195
Direct costs	-	(55,167)	-	(55,167)
Net income	<u>52,741</u>	<u>321,219</u>	-	<u>373,960</u>
Results				
Segment results	52,741	321,219	-	373,960
Overhead expenses	(66,673)	(146,912)	-	(213,585)
(Allowance for)/writeback of impairment on loans and advances and other assets, net	(443)	231	-	(212)
Share of results of a joint venture	-	-	(718)	(718)
(Loss)/profit before taxation	<u>(14,375)</u>	<u>174,538</u>	<u>(718)</u>	<u>159,445</u>
Taxation and zakat				<u>(39,774)</u>
Loss for the period				<u><u>119,671</u></u>
Other segment information				
Depreciation of property, plant and equipment	340	1,540	-	1,880
Depreciation of right-of-use assets	1,826	4,374	-	6,200
Amortisation of computer software	<u>118</u>	<u>2,767</u>	-	<u>2,885</u>

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 30 September 2021

	Notes	Group and Bank	
		30 September 2021	31 December 2020
		RM'000	RM'000
ASSETS			
Cash and short-term funds	(a)	23,508	29,466
Other assets	(b)	502,173	468,324
Total assets		525,681	497,790
LIABILITIES			
Other liabilities	(c)	283,774	258,539
Provision for taxation and zakat	(d)	7,443	6,883
Total liabilities		291,217	265,422
ISLAMIC BANKING CAPITAL FUND			
Islamic banking fund		5,000	5,000
Retained earnings		229,464	227,368
		234,464	232,368
Total liabilities and Islamic banking capital fund		525,681	497,790

Unaudited Statements of Comprehensive Income
For the Third Quarter and Financial Period Ended 30 September 2021

Group and Bank	Notes	Unaudited		Unaudited	
		Third Quarter Ended 30 September 2021	30 September 2020	Cumulative 9 Months Ended 30 September 2021	30 September 2020
		RM'000	RM'000	RM'000	RM'000
Income derived from investment of Islamic banking fund	(e)	9,263	29,555	31,023	45,521
Direct costs		(2,461)	(3,727)	(5,232)	(5,508)
Net income attributable to the Group and to the Bank		6,802	25,828	25,791	40,013
Overhead expenses	(f)	(10,518)	(12,856)	(20,969)	(23,938)
Operating profit		(3,716)	12,972	4,822	16,075
Allowance for impairment on other assets, net		(781)	(192)	(741)	(296)
(Loss)/profit before taxation and zakat		(4,497)	12,780	4,081	15,779
Taxation		1,620	(3,067)	(980)	(3,787)
Zakat		(349)	(720)	(1,005)	(1,210)
(Loss)/profit for the period, representing total comprehensive (loss)/income for the period, attributable to equity holder of the Bank		(3,226)	8,993	2,096	10,782

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 Financial Period Ended 30 September 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	-	2,096	2,096
Total comprehensive income for the period	-	2,096	2,096
At 30 September 2021	5,000	229,464	234,464
At 1 January 2020	5,000	211,509	216,509
Profit for the period	-	10,782	10,782
Total comprehensive income for the period	-	10,782	10,782
At 30 September 2020	5,000	222,291	227,291

Unaudited Statements of Cash Flows
For the Financial Period Ended 30 September 2021

	Group and Bank	
	30 September 2021 RM'000	30 September 2020 RM'000
Cash flows from operating activities		
Profit before taxation and zakat, representing		
operating profit before working capital changes	4,081	15,779
Increase in receivables	(33,849)	(37,213)
Decrease in payables	25,235	25,001
Taxation and zakat paid, net	(1,425)	(1,105)
Net cash (used in)/generated from operating activities	(5,958)	2,462
Net (decrease)/increase in cash and cash equivalents	(5,958)	2,462
Cash and cash equivalents at beginning of the period	29,466	29,315
Cash and cash equivalents at end of the period	23,508	31,777

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	
30 September	31 December
2021	2020
RM'000	RM'000
Cash and bank balances with financial institutions	29,466
23,508	29,466

(b) Other assets

Group and Bank	
30 September	31 December
2021	2020
RM'000	RM'000
Debtors	468,324
502,173	468,324

(c) Other liabilities

Group and Bank	
30 September	31 December
2021	2020
RM'000	RM'000
Provisions and accruals*	258,539
283,774	258,539

* Include prohibited sources/means to charitable causes amounting to nil (2020: RM2,259).

(d) Provision for taxation and zakat

Group and Bank	
30 September	31 December
2021	2020
RM'000	RM'000
Taxation	5,458
Zakat	1,425
6,438	6,883
1,005	1,425
7,443	6,883

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 Third Quarter Ended		Unaudited Cumulative 9 Months Ended	
	30 September 2021 RM'000	30 September 2020 RM'000	30 September 2021 RM'000	30 September 2020 RM'000
Realised gain from sale of financial assets at fair value through profit or loss, net	-	-	-	2
Fee and commission income from:				
- Arranger and upfront fees	882	16,460	4,160	19,410
- Brokerage income	2,947	6,263	12,063	14,018
- Corporate advisory fees	-	254	-	354
- Placement fees	219	2,794	1,255	3,795
- Underwriting commission	1,250	800	1,250	841
- Others	4,040	2,990	12,353	7,092
Foreign exchange (loss)/gain, net	(75)	(6)	(58)	9
Total	9,263	29,555	31,023	45,521

(f) Overhead expenses

<u>Group and Bank</u>	Unaudited Third Quarter Ended		Unaudited Cumulative 9 Months Ended	
	30 September 2021 RM'000	30 September 2020 RM'000	30 September 2021 RM'000	30 September 2020 RM'000
Personnel expenses	7,115	8,959	14,046	17,672
Establishment costs	712	1,055	1,479	1,782
Marketing costs	53	107	86	283
Administration and general expenses	2,638	2,735	5,358	4,201
Total	10,518	12,856	20,969	23,938

Note (i): Included in establishment costs is service chargeback amounting to approximately RM2,162,000 (2020: RM2,376,000).

(g) Capital adequacy

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

<u>Group and Bank</u>	30 September 2021 %	31 December 2020 %
	CET1 capital ratio	83.088
Tier 1 capital ratio	83.088	84.838
Total capital ratio	83.088	84.838

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

<u>Group and Bank</u>	30 September 2021 RM'000	31 December 2020 RM'000
	Tier 1 capital	
Islamic banking fund	5,000	5,000
Retained earnings	229,466	227,368
CET1 capital/Tier 1 capital/Total capital	234,466	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:

<u>Group and Bank</u>	Gross credit exposures RM'000	Net credit exposures RM'000	Risk- weighted assets RM'000	Capital requirements RM'000
30 September 2021				
Exposure Class				
(i) <u>Credit Risk</u>				
On-balance sheet exposures:				
Sovereigns/Central banks	21,115	21,115	-	-
Banks, Development Financial Institutions and Multilateral Development Banks	2,393	2,393	479	38
Other assets	740,476	740,476	180,784	14,463
Total on-balance sheet exposures	763,984	763,984	181,263	14,501
Total on and off-balance sheet exposures *	763,984	763,984	181,263	14,501
(ii) <u>Market Risk</u>				
Foreign currency risk	-	-	3	-
(iii) <u>Operational Risk</u>	-	-	100,924	8,074
Total RWA and capital requirements	763,984	763,984	282,190	22,575

<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 2020				
Exposure Class				
(i) <u>Credit Risk</u>				
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) <u>Market Risk</u>				
Foreign currency risk	-	-	3	-
(iii) <u>Operational Risk</u>	-	-	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 seven 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 30 September 2021 and 31 December 2020.

<u>Group and Bank</u>	<u>Valuation techniques using</u>			Total
	Quoted Market Price (Level 1) RM'000	Observable Inputs (Level 2) RM'000	Unobservable Inputs (Level 3) RM'000	
As at 30 September 2021				
Financial assets measured at fair values:				
Financial assets at fair value through profit or loss	1,380,177	-	-	1,380,177
Derivative assets	-	270,574	-	270,574
	1,380,177	270,574	-	1,650,751
Financial liabilities measured at fair values:				
Derivative liabilities	38,966	161,109	-	200,075
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
	1,261,099	175,791	-	1,436,890
Financial liabilities measured at fair values:				
Derivative liabilities	96,890	179,822	-	276,712

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

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.