

MAYBANK ISLAMIC BERHAD
(Co. Reg. No.: 200701029411)
(Incorporated in Malaysia)

CONDENSED FINANCIAL STATEMENTS
UNAUDITED INCOME STATEMENT
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021

	Note	Third Quarter Ended		Cumulative 9 Months Ended	
		30 September 2021 RM'000	30 September 2020 RM'000	30 September 2021 RM'000	30 September 2020 RM'000
Income derived from investment of depositors' funds	A23	2,044,000	2,107,370	6,557,325	6,477,524
Income derived from investment of investment account funds	A24	239,580	245,322	694,644	761,583
Income derived from investment of shareholder's funds	A25	159,959	83,370	383,048	292,470
(Allowances for)/writeback of impairment losses on financing and advances, net	A26	(330,392)	17,172	(674,399)	(536,175)
(Allowances for)/writeback of impairment losses on financial investments, net	A27	(1,039)	3,601	241,775	(12,907)
Allowances for impairment losses on other financial assets, net	A28	(2,170)	(90)	(2,902)	(90)
Total distributable income		2,109,938	2,456,745	7,199,491	6,982,405
Profit share from restricted investment accounts		37	-	62	-
Profit distributed to depositors	A29	(872,318)	(973,412)	(2,596,092)	(3,477,616)
Profit distributed to investment account holders		(72,723)	(76,591)	(216,604)	(293,658)
Total net income		1,164,934	1,406,742	4,386,857	3,211,131
Overhead expenses	A30	(396,025)	(375,867)	(1,177,706)	(1,212,680)
Finance costs	A31	(102,813)	(121,290)	(305,980)	(369,768)
Profit before taxation and zakat		666,096	909,585	2,903,171	1,628,683
Taxation	A32	(161,739)	(214,760)	(699,202)	(401,922)
Zakat	A32	(8,073)	(8,926)	(19,237)	(20,672)
Profit for the period		496,284	685,899	2,184,732	1,206,089
Profit attributable to:					
Equity holder of the Bank		496,284	685,899	2,184,732	1,206,089
Earnings per share attributable to equity holder of the Bank					
- basic/diluted (sen)		124.45	194.06	590.37	346.38

(These unaudited condensed interim 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 ISLAMIC BERHAD
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CONDENSED FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021

	Third Quarter Ended		Cumulative 9 Months Ended	
	30 September 2021 RM'000	30 September 2020 RM'000	30 September 2021 RM'000	30 September 2020 RM'000
Profit for the period	496,284	685,899	2,184,732	1,206,089
Other comprehensive income/(loss):				
<i>Items that may be reclassified subsequently to profit or loss</i>				
Net (loss)/gain on foreign exchange translation	(27)	174	(500)	52
Net (loss)/gain on financial investments at fair value through other comprehensive income	(94,870)	101,308	(495,533)	279,255
- Net (loss)/gain from change in fair value	(125,845)	127,439	(654,476)	360,249
- Changes in expected credit losses	772	4,454	1,869	5,465
- Income tax effect	30,203	(30,585)	157,074	(86,459)
Other comprehensive (loss)/income for the period, net of tax	(94,897)	101,482	(496,033)	279,307
Total comprehensive income for the period, net of tax	401,387	787,381	1,688,699	1,485,396
Total comprehensive income attributable to:				
Equity holder of the Bank	401,387	787,381	1,688,699	1,485,396

(These unaudited condensed interim 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 ISLAMIC BERHAD
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CONDENSED FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2021

	Note	30 September 2021 RM'000	31 December 2020 RM'000
ASSETS			
Cash and short-term funds		19,204,793	9,890,517
Deposits and placements with banks and other financial institutions		500,529	-
Financial assets purchased under resale agreements		6,399,821	3,625,611
Financial investments at fair value through profit or loss	A11(i)	1,584,593	-
Financial investments at fair value through other comprehensive income	A11(ii)	15,620,379	18,453,139
Financial investments at amortised cost	A11(iii)	26,478,113	16,381,007
Financing and advances	A12	208,457,041	203,666,875
Derivative assets	A13	254,835	385,303
Other assets	A14	2,833,515	2,804,924
Statutory deposit with Bank Negara Malaysia		14,505	12,591
Property, plant and equipment		661	979
Right-of-use assets		7,611	9,901
Deferred tax assets		197,054	-
TOTAL ASSETS		281,553,450	255,230,847
LIABILITIES			
Customers' funding:			
- Deposits from customers	A15	176,706,341	165,268,246
- Investment accounts of customers ¹	A16	25,408,966	23,840,796
Deposits and placements of banks and other financial institutions	A17	50,920,897	38,770,852
Bills and acceptances payable		40,054	38,086
Derivative liabilities	A13	229,769	656,302
Other liabilities	A18	1,001,341	339,080
Provision for taxation and zakat		360,859	14,373
Term funding	A20	10,935,262	10,895,058
Subordinated sukuk	A21	2,025,723	2,028,303
Capital securities	A22	1,014,782	1,002,441
Deferred tax liabilities		-	449,812
TOTAL LIABILITIES		268,643,994	243,303,349

¹ Investment accounts of customers are used to fund financing and advances as disclosed in Note A12.

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

	Note	30 September 2021 RM'000	31 December 2020 RM'000
EQUITY ATTRIBUTABLE TO EQUITY HOLDER OF THE BANK			
Share capital		10,322,374	7,929,444
Retained profits		1,841,518	2,756,457
Other reserves		745,564	1,241,597
TOTAL SHAREHOLDER'S EQUITY		12,909,456	11,927,498
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY		281,553,450	255,230,847
Restricted investment accounts managed by the Bank	A16	546,766	-
TOTAL ISLAMIC BANKING ASSETS OWNED AND MANAGED BY THE BANK		282,100,216	255,230,847
COMMITMENTS AND CONTINGENCIES	A34	84,136,532	76,524,814
<u>CAPITAL ADEQUACY</u>	A35		
The capital adequacy ratios of the Bank are as follows:			
CET1 capital ratio		13.446%	13.773%
Tier 1 capital ratio		14.613%	15.030%
Total capital ratio		17.474%	18.063%

(These unaudited condensed interim 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 CHANGES IN EQUITY
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021

	<=====Non-distributable=====>					Distributable	
	Share capital RM'000	Equity contribution from the holding company RM'000	Fair value through other comprehensive income reserve RM'000	Regulatory reserve RM'000	Exchange fluctuation reserve RM'000	Retained profits RM'000	Total equity RM'000
At 1 January 2021	7,929,444	1,697	645,023	594,474	403	2,756,457	11,927,498
Profit for the period	-	-	-	-	-	2,184,732	2,184,732
Other comprehensive loss	-	-	(495,533)	-	(500)	-	(496,033)
Total comprehensive (loss)/income for the period	-	-	(495,533)	-	(500)	2,184,732	1,688,699
Issue of ordinary shares (Note A8(i)(a))	2,392,930	-	-	-	-	-	2,392,930
Dividend on ordinary shares (Note A9(a) & (b))	-	-	-	-	-	(3,099,671)	(3,099,671)
Total transactions with shareholder/ other equity movements	2,392,930	-	-	-	-	(3,099,671)	(706,741)
At 30 September 2021	10,322,374	1,697	149,490	594,474	(97)	1,841,518	12,909,456

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CONDENSED FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF CHANGES IN EQUITY
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021

	<=====Non-distributable=====>					Distributable	
	Share capital RM'000	Equity contribution from the holding company RM'000	Fair value through other comprehensive income reserve RM'000	Regulatory reserve RM'000	Exchange fluctuation reserve RM'000	Retained profits RM'000	Total equity RM'000
At 1 January 2020							
- as previously stated	7,197,398	1,697	338,321	846,497	82	2,676,002	11,059,997
- restatement of comparatives	-	-	-	-	-	(218,525)	(218,525)
At 1 January 2020, as restated	7,197,398	1,697	338,321	846,497	82	2,457,477	10,841,472
Profit for the period	-	-	-	-	-	1,206,089	1,206,089
Other comprehensive income	-	-	279,255	-	52	-	279,307
Total comprehensive income for the period	-	-	279,255	-	52	1,206,089	1,485,396
Transfer from regulatory reserve	-	-	-	(252,023)	-	252,023	-
Issue of ordinary shares	732,046	-	-	-	-	-	732,046
Dividend on ordinary shares	-	-	-	-	-	(1,464,091)	(1,464,091)
Total transactions with shareholder/ other equity movements	732,046	-	-	(252,023)	-	(1,212,068)	(732,045)
At 30 September 2020	7,929,444	1,697	617,576	594,474	134	2,451,498	11,594,823

(These unaudited condensed interim 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 CASH FLOW STATEMENT
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021

	30 September 2021 RM'000	30 September 2020 RM'000
Cash flows from operating activities		
Profit before taxation and zakat	2,903,171	1,628,683
Adjustments for:		
Amortisation of premiums	41,368	14,094
Allowances for impairment losses on financing and advances	726,657	588,655
(Writeback of)/allowances for impairment losses on financial investments	(241,775)	12,907
Allowances for impairment losses on other financial assets	2,902	90
Depreciation of property, plant and equipment	329	381
Depreciation of right-of-use assets	2,276	2,325
Finance cost on lease liabilities	259	303
Unrealised (gains)/losses on revaluation of derivatives	(5,974)	10,157
Unrealised (gains)/losses on revaluation of financial investments at fair value through profit or loss	(217)	1,731
Gains on disposal of financial investments at fair value through other comprehensive income	(69,444)	(95,339)
Gains on redemption of financial investments at amortised cost	(889)	-
Losses/(gains) on disposal of financial investment at fair value through profit or loss	453	(9,936)
Losses/(gains) on foreign exchange translations	6,438	(83,304)
ESGP expenses	2,205	1,386
Finance costs	305,980	369,768
Operating profit before working capital changes	<u>3,673,739</u>	<u>2,441,901</u>
Change in deposits and placements with banks and other financial institutions	(500,529)	-
Change in financial assets purchased under resale agreements	(2,777,113)	-
Change in financial investments portfolio	(9,226,765)	(8,265,539)
Change in financing and advances	(5,521,100)	(11,694,458)
Change in derivative assets and liabilities	(290,091)	(20,203)
Change in other assets	(875,198)	(3,516,780)
Change in statutory deposit with Bank Negara Malaysia	(1,914)	4,227,751
Change in deposits from customers	11,438,095	14,579,399
Change in deposits and placements of banks and other financial institutions	12,143,626	(5,412,881)
Change in investment accounts of customers	1,568,170	2,738,005
Change in bills and acceptances payable	1,968	(107,292)
Change in other liabilities	661,674	232,618
Cash generated from/(used in) operating activities	<u>10,294,562</u>	<u>(4,797,479)</u>
Taxes and zakat paid	(15,635)	(69,652)
Net cash generated from/(used in) operating activities	<u>10,278,927</u>	<u>(4,867,131)</u>

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CONDENSED FINANCIAL STATEMENTS
UNAUDITED CASH FLOW STATEMENT
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2021

	30 September 2021 RM'000	30 September 2020 RM'000
Cash flows from investing activities		
Purchase of property, plant and equipment	(15)	-
Net cash used in investing activities	(15)	-
Cash flows from financing activities		
Proceeds from issuance of shares	2,392,930	732,046
Dividend paid on ordinary shares	(3,099,671)	(1,464,091)
Dividend paid for capital securities	(24,682)	(24,682)
Dividend paid for subordinated sukuk	(60,085)	(69,321)
Dividend paid for term funding	(168,977)	(367,414)
(Redemption)/drawdown of term funding	(2,270)	1,093,099
Repayment of lease liabilities	(1,881)	(1,728)
Net cash used in financing activities	(964,636)	(102,091)
Net increase/(decrease) in cash and cash equivalents	9,314,276	(4,969,222)
Cash and cash equivalents at beginning of period	9,890,517	21,703,239
Cash and cash equivalents at end of period	19,204,793	16,734,017

Cash and cash equivalents included in the cash flow statements comprise the following amounts in statement of financial position:

	30 September 2021 RM'000	30 September 2020 RM'000
Cash and cash equivalents comprise:		
Cash and short term funds	19,204,793	16,734,017
Deposits and placements with banks and other financial institutions	500,529	-
	19,705,322	16,734,017
Less:		
Cash and short-term funds and deposits and placements, with original maturity of more than three months	(500,529)	-
	19,204,793	16,734,017

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

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

A1. Basis of preparation

The unaudited condensed interim financial statements for Maybank Islamic Berhad (“MIB” or “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 other comprehensive income, financial assets and liabilities at fair value through profit or loss and derivative financial instruments.

The unaudited condensed interim financial statements have been prepared in accordance with the requirements of MFRS 134 *Interim Financial Reporting*, IAS 34 *Interim Financial Reporting* and the principles of Shariah.

The unaudited condensed interim financial statements do not include all the information and disclosures required in the audited annual financial statements, and should be read in conjunction with the audited annual 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 Bank since the financial year ended 31 December 2020.

The significant accounting policies and methods of computation applied by the Bank are consistent with those adopted in the most recent audited annual financial statements for the financial year ended 31 December 2020 except for adoption of the following amendments to Malaysian Financial Reporting Standards (“MFRSs”), which are effective for annual periods beginning on or after 1 January 2021:

- Amendments to MFRS 4, MFRS 7, MFRS 9, MFRS 16 and MFRS 139 *Profit Rate Benchmark Reform (Phase 2)*
- Amendment to MFRS 16 *COVID-19 Related Rent Concessions beyond 30 June 2021*

The adoption of the above amendments to MFRSs do not have any significant financial impact to the Bank's financial statements.

Amendments to MFRS 4, MFRS 7, MFRS 9, MFRS 16 and MFRS 139 Profit Rate Benchmark Reform (Phase 2)

The amendments provide a practical expedient whereby an entity would not derecognise or adjust the carrying amount of financial instruments for modifications required by profit rate benchmark reform, but would instead update the effective profit rate to reflect the change in the profit rate benchmark. On hedging relationship, entities would be required to amend the formal designation of a hedging relationship to reflect the modifications and/or changes made to the hedged item and/or hedging instruments as a result of the reform. However, the modification does not constitute discontinuation of the hedging relationship nor the designation of a new hedging relationship.

Amendment to MFRS 16 COVID-19 Related Rent Concessions beyond 30 June 2021

The amendment extends the availability of the practical expedient provided in 2020 where the amendment provides lessees with an option to treat qualifying COVID-19 related rent concession not as lease modification. Lessees may account the concession as a variable lease payment in the period it is granted. This practical expedient applies to rent concession that due on or before 30 June 2022.

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A1. Basis of preparation (cont'd.)

Measures announced by Bank Negara Malaysia ("BNM") to assist individuals, small-medium enterprise ("SMEs") and microenterprises affected by COVID-19

During the financial period ended 30 September 2021, BNM had announced the extension of regulatory measures to facilitate financing repayment assistance to customers affected by the COVID-19 pandemic in line with the Government economic stimulus packages. The support measures include the following:

Targeted repayment assistance ("TRA") and moratorium

(i) *Enhanced targeted repayment assistance under Perlindungan Ekonomi dan Rakyat Malaysia ("PERMAI")*

An extension of TRA under PERMAI was announced on 18 January 2021. The extension applied to all TRA schemes announced previously where customers can apply for 3-month deferment of instalment or a 50% reduction in their monthly instalment payment for a period of 6 months. The TRA was applicable to all B40 (who registered in Bantuan Sara Hidup ("BSH") or Bantuan Prihatin Rakyat ("BPR")), M40 (who are recipients of Bantuan Prihatin Nasional ("BPN")) and microenterprises with financing facilities not more than RM150,000 whose financing were approved on or before 30 September 2020 and not in arrears for more than 90 days.

(ii) *Targeted repayment assistance under Program Strategik Memperkasa Rakyat dan Ekonomi Tambahan ("PEMERKASA+")*

TRA under PEMERKASA+ was announced on 31 May 2021. The TRA was applicable to all customers who have lost their employment, B40 customers registered under BSH/BPR, SMEs and microenterprises with financing facilities not more than RM150,000 whose financing were approved on or before 30 June 2021 and not in arrears for more than 90 days. All these affected customers may opt for 3-month deferment of instalment or a 50% reduction in their monthly instalment payment for a period of 6 months.

(iii) *Six-month moratorium under Perlindungan Rakyat dan Pemulihan Ekonomi ("PEMULIH")*

The six-month moratorium under PEMULIH was announced on 28 June 2021. The moratorium applies to ringgit and foreign currency denominated financing approved on or before 30 June 2021, not in arrears exceeding 90 days and customers must not be adjudicated bankrupts or under bankruptcy proceedings. All individuals, SMEs and microenterprises may opt for 6-month deferment of instalment or 50% reduction in their monthly instalment payment for a period of 6 months. There will be no compounding of profit and any penalty profit during the moratorium period.

The repayment assistance/moratorium are not applicable to credit card balances. For outstanding credit card balances, customers are offered an option to convert the outstanding balance into an instalment programme of 36 months (3 years).

Credit risk monitoring, stress testing and classification in the Central Credit Reference Information System ("CCRIS")

The repayment assistance/moratorium do not automatically result in a stage transfer under MFRS 9 in the absence of other factors indication evidence of significant increase in credit risk ("SICR"). The Bank will continue to apply judgement and perform more holistic assessment of all relevant indicators and information such as historical repayment and delinquency trend in determining SICR.

The financing that are approved under repayment assistance on or before 31 December 2021 are exempted to be reported as rescheduling and restructuring ("R&R") in CCRIS. However, the Bank is required to report the credit-impaired status consistently with the accounting classification.

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A1. Basis of preparation (cont'd.)

Measures announced by Bank Negara Malaysia ("BNM") to assist individuals, small-medium enterprise ("SMEs") and microenterprises affected by COVID-19 (cont'd.)

Financial management and resilience programme ("URUS")

Subsequent to the financial period ended 30 September 2021, pursuant to the statement issued by the Prime Minister on 13 October 2021, banking industry, represented collectively by The Association of Banks in Malaysia ("ABM"), Association of Islamic Banking and Financial Institutions Malaysia ("AIBIM") and Association of Development Finance Institutions of Malaysia ("ADFIM") had on 14 October 2021 announced its continued support to individual customers. The Bank has worked alongside with Agensi Kaunseling dan Pengurusan Kredit ("AKPK") to offer a comprehensive extended financial assistance scheme called Financial Management and Resilience Programme ("URUS").

The scheme is open to individual customers, on application, who are under an existing repayment assistance (e.g. Targeted Repayment Assistance, PEMERKASA+, PEMULIH, the Bank's own rescheduling and restructuring, etc.) as at 30 September 2021 and meet the following criteria:

- (i) From B50 income segment i.e. customer with household income of RM5,880 or lower based on definition by the Department of Statistic of Malaysia;
- (ii) Have experience either loss of employment or reduction of income of at least 50%; and
- (iii) Whose financing is still performing (not in arrears exceeding 90 days) as at the date of their application.

Under URUS, AKPK will provide the customer with a personalised financial plan that encompass the following options:

- (a) A profit waiver for a period of 3 months, commencing the month following the customer's on boarding into the scheme; or
- (b) A 3-month profit waiver together with reduced instalments for a period of up to 24 months. This option will also benefit customers with unsecured personal financing and credit cards.

Individual customers who fulfil the abovementioned criteria can apply for URUS effective 15 November 2021 until 31 January 2022.

A2. Significant accounting policies

The audited annual financial statements of the Bank for the financial year ended 31 December 2020 were prepared in accordance with MFRS and 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 annual financial statements for the financial year ended 31 December 2020 except for the adoption of the amendments to MFRSs which are effective for annual periods beginning on or after 1 January 2021 as disclosed in Note A1.

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A3. 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 Bank's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the audited annual financial statements for the financial year ended 31 December 2020.

A4. Auditors' report on preceding audited annual financial statements

The auditors' report on the audited financial statements for the financial year ended 31 December 2020 was not qualified.

A5. Seasonal or cyclical factors

The operations of the Bank were not materially affected by any seasonal or cyclical factors during the financial period ended 30 September 2021.

A6. Unusual items due to their nature, size or incidence

During the financial period ended 30 September 2021, save as disclosed in Note A8 below, there were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Bank.

A7. Changes in estimates

There were no material changes in estimates during the financial period ended 30 September 2021.

A8. Changes in debt and equity securities

(i) The following are the changes in debt and equity securities for the Bank during the financial period ended 30 September 2021:

(a) **Share capital**

The share capital of the Bank increased from RM7,929,443,460 as at 31 December 2020 to RM10,322,374,000 as at 30 September 2021 as follow:

- (A) the issuance of 22,594,000 new ordinary shares at RM31.28 per share to Maybank on the basis of one new share for every sixteen existing ordinary shares held; and
- (B) the issuance of 48,012,250 new ordinary shares at RM35.12 per share to Maybank on the basis of one new share for every eight existing ordinary shares held.

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A8. Changes in debt and equity securities (cont'd.)

(i) The following are the changes in debt and equity securities for the Bank during the financial period ended 30 September 2021 (cont'd.):

(b) **Term funding**

Issuance/redemption of term funding by the Bank

The aggregate nominal value of the Islamic commercial papers issued by the Bank and outstanding as at 30 September 2021 are as follows:

Currency	Description	Aggregate Nominal Value (in Million)
RM	Zero Profit Islamic Commercial Paper ("ICP")	8,000.0

(c) **Subordinated sukuk**

Issuance/redemption of Tier 2 Subordinated Sukuk Murabahah pursuant to the RM10.0 billion Sukuk Murabahah Programme by the Bank

Issuance/ redemption	Issue Date	First Call Date	Maturity Date	Nominal Value	Description	Tenor
Issuance	15 February 2021	16 February 2026	14 February 2031	RM1.0 billion	Tier 2 Subordinated Sukuk Murabahah (10 non-call 5)	10 years
Redemption	15 February 2016	15 February 2021	13 February 2026	RM1.0 billion	Tier 2 Subordinated Sukuk Murabahah (10 non-call 5) ¹	10 years

¹ This subordinated sukuk was fully redeemed on the First Call Date.

A9. Dividends paid/declared

Dividends paid/declared during the financial period ended 30 September 2021 are as follows:

- (a) During the Annual General Meeting held on 22 June 2021, a single-tier final dividend in respect of the financial year ended 31 December 2020 of RM3.91 per share on 361,504,000 ordinary shares, amounting to a dividend payable of RM1,413,480,640 was approved by shareholder. The payment of dividend was completed on 28 June 2021.
- (b) On 26 August 2021, the Board of Directors have declared a single-tier interim dividend in respect of the financial year ending 31 December 2021 of RM4.39 per share on 384,098,000 ordinary shares, amounting to RM1,686,190,220. The payment of dividend was completed on 28 September 2021.
- (c) No interim dividend has been recommended during the financial period ended 30 September 2021.

A10. Related party transactions

All related party transactions within the Maybank Group had been entered into in the normal course of business and were carried out on normal commercial terms.

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A11. Financial investments portfolio

	Note	30 September 2021 RM'000	31 December 2020 RM'000
Financial investments at fair value through profit or loss	(i)	1,584,593	-
Financial investments at fair value through other comprehensive income	(ii)	15,620,379	18,453,139
Financial investments at amortised cost	(iii)	26,478,113	16,381,007
		43,683,085	34,834,146

(i) Financial investments at fair value through profit or loss ("FVTPL")

	30 September 2021 RM'000	31 December 2020 RM'000
At fair value		
Money market instruments:		
Malaysian Government Treasury Bills	1,165,529	-
Unquoted securities:		
Islamic private debt securities in Malaysia	419,064	-
Total financial investments at FVTPL	1,584,593	-

(ii) Financial investments at fair value through other comprehensive income ("FVOCI")

	30 September 2021 RM'000	31 December 2020 RM'000
At fair value		
Money market instruments:		
Malaysian Government Investment Issues	11,306,490	13,473,916
Khazanah Sukuk	29,436	29,032
	11,335,926	13,502,948

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A11. Financial investments portfolio (cont'd.)

(ii) Financial investments at fair value through other comprehensive income ("FVOCI") (cont'd.)

	30 September 2021 RM'000	31 December 2020 RM'000
Unquoted securities:		
In Malaysia:		
Corporate Sukuk^	3,864,109	4,147,084
Government Sukuk	-	41,892
Equity	1,250	1,250
	<u>3,865,359</u>	<u>4,190,226</u>
Outside Malaysia:		
Islamic Corporate Sukuk	419,094	759,965
	<u>4,284,453</u>	<u>4,950,191</u>
Total financial investments at FVOCI	<u>15,620,379</u>	<u>18,453,139</u>

(a) Movements in the allowances for impairment losses on financial investments at FVOCI are as follows:

	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
As at 30 September 2021	RM'000	RM'000	RM'000	RM'000
At 1 January 2021	2,812	551	-	3,363
Transferred to Stage 1	551	(551)	-	-
Net remeasurement of allowances	(133)	-	-	(133)
New financial assets purchased	1,915	-	-	1,915
Financial assets derecognised	(2,644)	-	-	(2,644)
Changes in models/risk parameters	31	-	-	31
Exchange differences	98	-	-	98
At 30 September 2021	<u>2,630</u>	<u>-</u>	<u>-</u>	<u>2,630</u>

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A11. Financial investments portfolio (cont'd.)

(ii) Financial investments at fair value through other comprehensive income ("FVOCI") (cont'd.)

(a) Movements in the allowances for impairment losses on financial investments at FVOCI are as follows (cont'd.):

	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	
	12-month	Lifetime ECL	Lifetime ECL	Total
	ECL	not credit	credit	
As at 31 December 2020	RM'000	RM'000	RM'000	RM'000
At 1 January 2020	1,866	-	-	1,866
Transferred to Stage 2	(279)	279	-	-
Net remeasurement of allowances	246	272	-	518
New financial assets purchased	2,261	-	-	2,261
Financial assets derecognised	(1,142)	-	-	(1,142)
Changes in models/risk parameters	(34)	-	-	(34)
Exchange differences	(106)	-	-	(106)
At 31 December 2020	<u>2,812</u>	<u>551</u>	<u>-</u>	<u>3,363</u>

[^] As at 30 September 2021, the exposure of the financial investments at FVOCI funded by Restricted Profit-Sharing Investment Account ("RPSIA") was RM241.5 million (31 December 2020: Nil).

(iii) Financial investments at amortised cost

	30 September	31 December
	2021	2020
	RM'000	RM'000
Money market instruments:		
Malaysian Government Investment Issues	10,607,285	4,588,339
Khazanah Sukuk	820,223	932,288
	<u>11,427,508</u>	<u>5,520,627</u>
Unquoted securities:		
In Malaysia:		
Corporate Sukuk	15,524,092	11,130,024
	<u>15,524,092</u>	<u>11,130,024</u>
Allowances for impairment losses	(473,487)	(269,644)
Total financial investments at amortised cost	<u>26,478,113</u>	<u>16,381,007</u>

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A11. Financial investments portfolio (cont'd.)

(iii) Financial investments at amortised cost (cont'd.)

(a) Movements in the allowances for impairment losses on financial investments at amortised cost are as follows:

	Stage 1	Stage 2	Stage 3	Total
	12-month ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	
As at 30 September 2021				RM'000
At 1 January 2021	38,379	231,265	-	269,644
Transferred to Stage 1	346	(346)	-	-
Net remeasurement of allowances	(10,806)	-	-	(10,806)
New financial assets purchased	1,947	-	-	1,947
Financial assets derecognised	(1,140)	(230,919)	-	(232,059)
Changes in models/risk parameters	(26)	-	-	(26)
Amount related to Restricted Investment Accounts*	10,977	433,797	-	444,774
Exchange differences	13	-	-	13
At 30 September 2021	39,690	433,797	-	473,487
	Stage 1	Stage 2	Stage 3	
	12-month ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	Total RM'000
As at 31 December 2020				
At 1 January 2020	17,995	-	-	17,995
Transferred to Stage 2	(1,879)	1,879	-	-
Net remeasurement of allowances	16,628	229,386	-	246,014
New financial assets purchased	9,257	-	-	9,257
Financial assets derecognised	(3,695)	-	-	(3,695)
Changes in models/risk parameters	73	-	-	73
At 31 December 2020	38,379	231,265	-	269,644

* As at 30 September 2021, the exposure of the financial investments at amortised cost funded by RPSIA was RM5,529.0 million (31 December 2020: RM2,884.2 million). The expected credit losses relating to these financial investments amounting to RM444.8 million (31 December 2020: Nil) are reflected as a reduction in both financial investments and deposits and placements of banks and other financial institutions as disclosed in Note A17.

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A12. Financing and advances

	Note	30 September 2021 RM'000	31 December 2020 RM'000
Financing and advances to financial institution	(i)	104,942	-
Financing and advances to customers	(ii)	<u>208,352,099</u>	203,666,875
		<u>208,457,041</u>	<u>203,666,875</u>
(i) Financing and advances to financial institution:			
(A) Financing and advances at FVOCI [^]		<u>104,942</u>	-
Net financing and advances to financial institution		<u>104,942</u>	-
(ii) Financing and advances to customers:			
(A) Financing and advances at FVOCI		3,179,414	2,741,267
(B) Financing and advances at amortised cost		<u>290,285,535</u>	289,662,732
		<u>293,464,949</u>	292,403,999
Unearned income		<u>(81,586,332)</u>	(85,698,158)
Gross financing and advances to customers		<u>211,878,617</u>	206,705,841
Allowances for ECL and impairment losses:			
- Stage 1 - 12-month ECL		(605,516)	(574,213)
- Stage 2 - Lifetime ECL not credit impaired		(1,768,013)	(1,209,931)
- Stage 3 - Lifetime ECL credit impaired		<u>(1,152,989)</u>	(1,254,822)
Net financing and advances to customers		<u>208,352,099</u>	203,666,875
Net financing and advances	(i) & (ii)	<u>208,457,041</u>	<u>203,666,875</u>

[^] Included in the Bank's financing and advances to financial institution is financing granted under RPSIA amounting to RM104.9 million (31 December 2020: Nil). The RPSIA is a contract based on the Mudharabah principle between two parties to finance a financing where the Bank acts as the investor who solely provides capital to financial institution whereas the business venture is managed solely by the financial institution as an entrepreneur. The profit of the business venture is shared between both parties based on pre-agreed ratios. Losses, if any, are borne by the Bank.

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A12. Financing and advances (cont'd.)

(iii) Financing and advances analysed by type and Shariah concepts are as follows:

As at 30 September 2021	Bai ¹ RM'000	Murabahah RM'000	Musharakah RM'000	Al-Ijarah Thumma Al- Bai' ("AITAB") ² RM'000	Ijarah ³ RM'000	Others RM'000	Total financing and advances RM'000
Financing to financial institution	-	-	-	-	-	104,942	104,942
Cashline	-	6,117,814	-	-	-	-	6,117,814
Term financing							
- House financing	13,093,814	80,155,212	1,759,620	-	-	602	95,009,248
- Syndicated financing	-	6,643,719	-	-	-	-	6,643,719
- Hire purchase receivables	-	11,042,516	-	34,507,611	-	-	45,550,127
- Lease receivables	-	-	-	-	640,673	-	640,673
- Other term financing	8,518,670	109,175,528	552,939	-	-	14,572	118,261,709
Bills receivable	-	-	-	-	-	418	418
Trust receipts	-	109,805	-	-	-	-	109,805
Claims on customers under acceptance credits	-	5,063,745	-	-	-	-	5,063,745
Staff financing	350,111	2,273,610	7,401	161,816	-	31,807	2,824,745
Credit card receivables	-	-	-	-	-	1,217,365	1,217,365
Revolving credit	-	11,970,942	-	-	-	-	11,970,942
Share margin financing	-	49,299	-	-	-	-	49,299
Financing to:							
- Directors of the Bank	-	1,606	-	-	-	1	1,607
- Directors of related companies	-	3,482	-	241	-	10	3,733
	21,962,595	232,607,278	2,319,960	34,669,668	640,673	1,369,717	293,569,891
Unearned income							(81,586,332)
Gross financing and advances ⁴							211,983,559
Allowances for ECL and impairment losses:							
- Stage 1 - 12-month ECL							(605,516)
- Stage 2 - Lifetime ECL not credit impaired							(1,768,013)
- Stage 3 - Lifetime ECL credit impaired							(1,152,989)
Net financing and advances							208,457,041

¹ Bai' comprises of Bai'-Bithaman Ajil, Bai' Al-Inah and Bai'-Al-Dayn.

² The Bank is the owner of the asset. The ownership of an asset will be transferred to the customer via sale at the end of the Ijarah financing.

³ The Bank is the owner of the asset. The ownership of an asset will be transferred to the customer at the end of the Ijarah financing subject to the customer's execution of the purchase option.

⁴ Included in financing and advances are the underlying assets under the RPSIA and Investment Accounts of Customers ("IA").

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A12. Financing and advances (cont'd.)

(iii) Financing and advances analysed by type and Shariah concepts are as follows (cont'd.):

As at 31 December 2020	Bai'¹	Murabahah	Musharakah	Al-Ijarah Thumma Al- Bai'²	Ijarah³	Others	Total financing and advances
	RM'000	RM'000	RM'000	("AITAB")²	RM'000	RM'000	RM'000
Cashline	-	6,354,760	-	-	-	-	6,354,760
Term financing							
- House financing	13,846,268	77,006,822	1,877,969	-	-	609	92,731,668
- Syndicated financing	-	7,106,556	-	-	-	-	7,106,556
- Hire purchase receivables	-	9,635,007	-	35,204,145	-	-	44,839,152
- Lease receivables	-	-	-	-	303,050	-	303,050
- Other term financing	10,653,246	106,866,849	610,568	-	-	18,364	118,149,027
Bills receivable	-	-	-	-	-	50	50
Trust receipts	-	106,257	-	-	-	-	106,257
Claims on customers under acceptance credits	-	4,723,695	-	-	-	-	4,723,695
Staff financing	390,857	2,110,096	8,384	179,242	-	33,633	2,722,212
Credit card receivables	-	-	-	-	-	1,263,404	1,263,404
Revolving credit	-	14,068,861	-	-	-	-	14,068,861
Share margin financing	-	29,008	-	-	-	-	29,008
Financing to:							
- Directors of the Bank	-	2,024	-	-	-	8	2,032
- Directors of related companies	-	3,879	-	340	-	48	4,267
	<u>24,890,371</u>	<u>228,013,814</u>	<u>2,496,921</u>	<u>35,383,727</u>	<u>303,050</u>	<u>1,316,116</u>	<u>292,403,999</u>
Unearned income							<u>(85,698,158)</u>
Gross financing and advances ⁴							206,705,841
Allowances for ECL and impairment losses:							
- Stage 1 - 12-month ECL							(574,213)
- Stage 2 - Lifetime ECL not credit impaired							(1,209,931)
- Stage 3 - Lifetime ECL credit impaired							<u>(1,254,822)</u>
Net financing and advances							<u>203,666,875</u>

¹ Bai' comprises of Bai'-Bithaman Ajil, Bai' Al-Inah and Bai'-Al-Dayn.

² The Bank is the owner of the asset. The ownership of an asset will be transferred to the customer via sale at the end of the Ijarah financing.

³ The Bank is the owner of the asset. The ownership of an asset will be transferred to the customer at the end of the Ijarah financing subject to the customer's execution of the purchase option.

⁴ Included in financing and advances are the underlying assets under the RPSIA and IA.

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A12. Financing and advances (cont'd.)

(iv) Financing and advances analysed by type of customers are as follows:

	30 September 2021 RM'000	31 December 2020 RM'000
Domestic banking institution	104,948	-
Domestic non-banking financial institutions	3,942,149	4,385,735
Domestic business enterprises:		
- Small and medium enterprises	31,848,101	26,319,703
- Others	27,261,890	30,637,837
Government and statutory bodies	15,563,183	16,144,388
Individuals	131,565,309	127,787,608
Other domestic entities	60,333	33,265
Foreign entities	1,637,646	1,397,305
Gross financing and advances	211,983,559	206,705,841

(v) Financing and advances analysed by profit rate sensitivity are as follows:

	30 September 2021 RM'000	31 December 2020 RM'000
Fixed rate:		
- House financing	1,581,507	1,506,079
- Hire purchase receivables	30,967,180	31,474,156
- Other financing	28,471,801	33,281,314
Floating rate:		
- House financing	57,804,652	53,987,854
- Other financing	93,158,419	86,456,438
Gross financing and advances	211,983,559	206,705,841

(vi) Financing and advances analysed by their economic purposes are as follows:

	30 September 2021 RM'000	31 December 2020 RM'000
Purchase of securities	24,443,864	24,118,381
Purchase of transport vehicles	41,562,786	40,840,421
Purchase of landed properties:		
- Residential	59,506,418	54,518,350
- Non-residential	15,711,106	14,667,103
Purchase of fixed assets (excluding landed properties)	171,204	148,492
Personal use	3,249,641	4,784,845
Purchase of consumer durables	500	346
Constructions	2,501,860	2,542,260
Mergers and acquisitions	650,000	-
Working capital	62,931,968	63,783,960
Credit/charge card	1,254,212	1,301,683
Gross financing and advances	211,983,559	206,705,841

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A12. Financing and advances (cont'd.)

(vii) The maturity profile of financing and advances are as follows:

	30 September 2021 RM'000	31 December 2020 RM'000
Within one year	31,883,575	33,131,625
One year to three years	9,316,656	8,896,910
Three years to five years	19,082,686	15,229,505
After five years	151,700,642	149,447,801
Gross financing and advances	211,983,559	206,705,841

(viii) Movements in the credit impaired financing and advances are as follows:

	30 September 2021 RM'000	31 December 2020 RM'000
Gross impaired financing and advances at 1 January	2,452,406	3,115,266
Impaired during the financial period/year	289,946	584,878
Reclassified as non-impaired	(36,687)	(485,955)
Amount recovered	(305,419)	(437,564)
Amount written-off	(142,282)	(317,043)
Amount related to Restricted Investment Account	(79,137)	(7,176)
Gross impaired financing and advances at 30 September 2021/ 31 December 2020	2,178,827	2,452,406
Less: Stage 3 - Lifetime ECL credit impaired	(1,152,989)	(1,254,822)
Net impaired financing and advances at 30 September 2021/ 31 December 2020	1,025,838	1,197,584

Calculation of ratio of net impaired financing and advances
(excluding financing funded by RPSIA and IA):

Gross impaired financing and advances at 30 September 2021/ 31 December 2020	1,588,099	1,776,012
Less: Stage 3 - Lifetime ECL credit impaired	(1,152,989)	(1,254,822)
Net impaired financing and advances at 30 September 2021/ 31 December 2020	435,110	521,190

Gross financing and advances	163,268,208	156,381,322
Less: Allowances for financing and advances at amortised cost and FVOCI	(3,533,276)	(3,043,122)
Net financing and advances	159,734,932	153,338,200
Ratio of net impaired financing and advances	0.27%	0.34%

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A12. Financing and advances (cont'd.)

(ix) Credit impaired financing and advances analysed by their economic purposes are as follows:

	30 September 2021 RM'000	31 December 2020 RM'000
Purchase of securities	24,014	76,253
Purchase of transport vehicles	179,645	174,184
Purchase of landed properties:		
- Residential	329,425	381,806
- Non-residential	165,141	178,437
Purchase of fixed assets (exclude landed properties)	907	889
Personal use	43,358	49,336
Purchase of consumer durables	2	2
Constructions	20,905	50,111
Working capital	1,407,375	1,536,493
Credit/charge card	8,055	4,895
Gross credit impaired financing and advances	2,178,827	2,452,406

(x) Movements in the allowances for impairment losses on financing and advances are as follows:

At fair value through other comprehensive income

	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>Total</u>
	12-month ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	
As at 30 September 2021				
At 1 January 2021	1,662	2,494	-	4,156
Net remeasurement of allowances	72	-	-	72
New financial assets originated or purchased	648	-	-	648
Financial assets derecognised	(366)	-	-	(366)
Changes in models/risk parameters	1,502	734	-	2,236
Exchange differences	12	-	-	12
At 30 September 2021	3,530	3,228	-	6,758

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A12. Financing and advances (cont'd.)

(x) Movements in the allowances for impairment losses on financing and advances are as follows (cont'd.):

At fair value through other comprehensive income (cont'd.)

	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>Total</u>
	12-month ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	
As at 31 December 2020				
At 1 January 2020	523	2,378	-	2,901
New financial assets originated or purchased	1,036	-	-	1,036
Changes in models/risk parameters	103	116	-	219
At 31 December 2020	<u>1,662</u>	<u>2,494</u>	<u>-</u>	<u>4,156</u>

At amortised cost

	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>Total</u>
	12-month ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	
As at 30 September 2021				
At 1 January 2021	574,213	1,209,931	1,254,822	3,038,966
Transferred to Stage 1	191,184	(181,194)	(9,990)	-
Transferred to Stage 2	(20,462)	51,920	(31,458)	-
Transferred to Stage 3	(5,037)	(27,799)	32,836	-
Net remeasurement of allowances	(162,200)	721,959	116,252	676,011
New financial assets originated or purchased	102,575	69,289	-	171,864
Financial assets derecognised	(52,505)	(71,354)	(18,009)	(141,868)
Changes in models/risk parameters	(24,473)	1,723	-	(22,750)
Amount related to Restricted Investment Accounts*	1,831	(7,374)	(74,518)	(80,061)
Amount written off	-	-	(142,282)	(142,282)
Exchange differences	390	912	25,336	26,638
At 30 September 2021	<u>605,516</u>	<u>1,768,013</u>	<u>1,152,989</u>	<u>3,526,518</u>

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A12. Financing and advances (cont'd.)

(x) Movements in the allowances for impairment losses on financing and advances are as follows (cont'd.):

At amortised cost (cont'd.)

	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	Total
	12-month ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	
As at 31 December 2020				
At 1 January 2020	371,029	616,576	1,252,818	2,240,423
Transferred to Stage 1	192,492	(180,987)	(11,505)	-
Transferred to Stage 2	(24,260)	216,014	(191,754)	-
Transferred to Stage 3	(5,653)	(133,942)	139,595	-
Net remeasurement of allowances	89,882	615,209	436,543	1,141,634
New financial assets originated or purchased	111,779	105,132	-	216,911
Financial assets derecognised	(53,808)	(78,272)	(163,013)	(295,093)
Changes in models/risk parameters	(110,039)	40,745	-	(69,294)
Amount related to Restricted Investment Accounts*	3,084	11,681	122,297	137,062
Amount written off	-	-	(317,043)	(317,043)
Exchange differences	(293)	(2,225)	(13,116)	(15,634)
At 31 December 2020	<u>574,213</u>	<u>1,209,931</u>	<u>1,254,822</u>	<u>3,038,966</u>

* As at 30 September 2021, the gross exposure of the financing funded by RPSIA was RM23,306.4 million (31 December 2020: RM26,483.7 million). The expected credit losses relating to these financing amounting to RM380.2 million (31 December 2020: RM446.6 million) are reflected as a reduction in both financing and advances and deposits and placements of banks and other financial institutions as disclosed in Note A17.

The gross exposure of the financing funded by IA as at 30 September 2021 was RM25,409.0 million (31 December 2020: RM23,840.8 million).

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A13. Derivative financial instruments

The table below shows the fair values of derivative financial instruments, recorded as assets or liabilities, together with their notional amounts. The notional amount, recorded gross, is the amount of derivative's underlying asset, reference rate or index and is the basis upon which change in the value of derivatives are measured. The notional amounts indicate the volume of transactions outstanding at the financial period/year ended and are indicative of neither the market risks nor the credit risk.

The Bank enters into derivative financial instruments at the request and on behalf of its customers as well as to hedge the Bank's own exposures and not for speculative purpose.

	30 September 2021			31 December 2020		
	Principal Amount RM'000	Fair value Assets RM'000	Fair value Liabilities RM'000	Principal Amount RM'000	Fair value Assets RM'000	Fair value Liabilities RM'000
Trading derivatives						
<u>Foreign exchange related contracts</u>						
Currency forwards:						
- Less than one year	8,702,946	68,256	(32,640)	7,302,204	16,665	(215,360)
- One year to three years	812,961	5,560	(5,560)	881,114	8,609	(8,609)
- More than three years	2,785,695	18,591	(18,591)	2,498,574	30,465	(30,465)
	<u>12,301,602</u>	<u>92,407</u>	<u>(56,791)</u>	<u>10,681,892</u>	<u>55,739</u>	<u>(254,434)</u>
Currency swaps:						
- Less than one year	15,540,355	71,995	(69,605)	15,836,028	180,934	(260,507)
Currency spot:						
- Less than one year	203,698	27	(3,204)	426,413	11,262	(865)
Currency options:						
- Less than one year	23,159	11	(11)	1,161	10	(10)

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A13. Derivative financial instruments (cont'd.)

	30 September 2021			31 December 2020		
	Principal Amount RM'000	Fair value Assets RM'000	Fair value Liabilities RM'000	Principal Amount RM'000	Fair value Assets RM'000	Fair value Liabilities RM'000
<u>Trading derivatives (cont'd.)</u>						
<u>Foreign exchange related contracts (cont'd.)</u>						
Cross currency profit rate swaps:						
- Less than one year	2,118,630	13,066	(13,066)	-	-	-
- One year to three years	27,237	127	(127)	2,092,853	31,242	(31,242)
- More than three years	405,799	9,266	(9,266)	415,320	2,135	(2,135)
	2,551,666	22,459	(22,459)	2,508,173	33,377	(33,377)
<u>Profit rate related contracts</u>						
Profit rate swaps:						
- Less than one year	41,880	133	(132)	80,340	456	(452)
- One year to three years	4,934,410	66,665	(65,169)	1,490,000	35,702	(35,702)
- More than three years	398,855	1,138	(12,398)	2,145,654	67,823	(70,955)
	5,375,145	67,936	(77,699)	3,715,994	103,981	(107,109)
Total	35,995,625	254,835	(229,769)	33,169,661	385,303	(656,302)

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A14. Other assets

	30 September 2021 RM'000	31 December 2020 RM'000
Amount due from holding company	2,025,491	1,772,618
Handling fees	179,745	191,339
Prepayments and deposits	16,575	21,796
Tax recoverable	-	319,391
Margin account with holding company	120,800	98,420
Others debtors	490,904	401,360
	2,833,515	2,804,924

A15. Deposits from customers

(i) By type of deposits

	30 September 2021 RM'000	31 December 2020 RM'000
Savings deposits		
Qard	29,754,174	23,708,048
Demand deposits		
Qard	34,363,454	26,703,465
Term deposits		
Murabahah	112,049,093	114,498,944
Qard	539,620	357,789
	112,588,713	114,856,733
	176,706,341	165,268,246

(ii) By type of customers

	30 September 2021 RM'000	31 December 2020 RM'000
Business enterprises	51,546,334	55,608,362
Individuals	51,094,230	45,188,774
Government and statutory bodies	38,741,284	32,798,930
Others	35,324,493	31,672,180
	176,706,341	165,268,246

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A16. Investment accounts of customers

Mudharabah	30 September 2021 RM'000	31 December 2020 RM'000
Unrestricted investment accounts ¹	<u>25,408,966</u>	<u>23,840,796</u>
Restricted investment accounts managed by the Bank ²	<u>546,766</u>	<u>-</u>

¹ Included in the unrestricted investment accounts are funds received from the Multi-Asset Investment Account-i ("MAIA") product of RM256.0 million that are managed by the Bank. The amount represents 50% of the total funds invested in MAIA product of RM514.0 million. The remaining are managed by a related entity, Maybank Islamic Asset Management Sdn Bhd ("MIAM") where the funds are invested in marketable securities with net asset value of RM258.0 million as at 30 September 2021. The fund managed by MIAM are excluded from the asset and liability of the Bank.

² Included in restricted investment accounts managed by the Bank is an arrangement between the Bank and third party where the Bank acts as an investment agent to manage and administer the restricted investment accounts, with underlying assets amounting to RM546.8 million.

(i) Investment accounts are sourced from the following type of customers:

As at 30 September 2021	Unrestricted investment accounts RM'000
Business enterprises	13,797,916
Individuals	9,740,837
Government and statutory bodies	194,759
Others	1,675,454
	<u>25,408,966</u>
 As at 31 December 2020	
Business enterprises	13,328,580
Individuals	9,200,552
Government and statutory bodies	112,309
Others	1,199,355
	<u>23,840,796</u>

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A16. Investment accounts of customers (cont'd.)

(ii) Maturity profile of investment accounts are as follows:

	Unrestricted investment accounts RM'000
As at 30 September 2021	
- without maturity	20,182,607
- with maturity	5,226,359
Within six months	4,772,005
Six months to one year	436,430
One year to three years	12,447
Three years to five years	5,477
	25,408,966
 As at 31 December 2020	
- without maturity	18,243,257
- with maturity	5,597,539
Within six months	4,241,279
Six months to one year	1,342,789
One year to three years	9,158
Three years to five years	4,313
	23,840,796

(iii) The allocation of investment assets are as follows:

	Unrestricted investment accounts RM'000
As at 30 September 2021	
Retail financing	23,763,294
Non-retail financing	1,645,672
	25,408,966
 As at 31 December 2020	
Retail financing	22,550,499
Non-retail financing	1,290,297
	23,840,796

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A16. Investment accounts of customers (cont'd.)

(iv) Profit sharing ratio and rate of return are as follows:

	<u>Investment account holder ("IAH")</u>	
	Average profit sharing ratio (%)	Average rate of return (%)
As at 30 September 2021		
Unrestricted investment accounts	30.46	1.18
As at 31 December 2020		
Unrestricted investment accounts	36.53	1.64

A17. Deposits and placements of banks and other financial institutions

	30 September 2021 RM'000	31 December 2020 RM'000
<u>Mudharabah Fund</u>		
Licensed banks*	28,489,845	28,997,440
<u>Non-Mudharabah Fund</u>		
Licensed banks	20,072,690	7,662,450
Licensed Islamic banks	895,815	549,213
Licensed investment banks	100,114	49,721
Other financial institutions	1,362,433	1,512,028
	22,431,052	9,773,412
	50,920,897	38,770,852

* Mudharabah deposits and placements of licensed banks is the RPSIA placed by the holding company amounting to RM28,489.8 million (31 December 2020: RM28,997.4 million). These placements are used to fund certain specific financing and advances and purchase of financial investments instruments.

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A18. Other liabilities

	Note	30 September 2021 RM'000	31 December 2020 RM'000
Sundry creditors		779,120	175,210
Deposit on trade financing		80,524	34,457
Provisions and accruals		30,618	25,654
Provisions for commitments and contingencies		-	47,918
Allowances for impairment losses on financing commitments and financial guarantee contracts	(i)	68,293	36,341
Lease liabilities		8,014	9,896
Structured deposits		23,163	1,161
Amount due to related company		11,609	8,443
		1,001,341	339,080

(i) Movements in the allowances for impairment losses on financing commitments and financial guarantee contracts are as follows:

	Stage 1	Stage 2	Stage 3	Total
	12-month ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	
As at 30 September 2021				RM'000
At 1 January 2021	26,366	9,592	383	36,341
Transferred to Stage 1	108	(108)	-	-
Transferred to Stage 2	(122)	122	-	-
Net remeasurement of allowances	(11,930)	1,144	1,594	(9,192)
New credit exposures originated or purchased	32,085	13,529	-	45,614
Credit exposures derecognised	(2,678)	(1,617)	(281)	(4,576)
Changes in models/risk parameters	-	(98)	-	(98)
Exchange differences	186	18	-	204
At 30 September 2021	44,015	22,582	1,696	68,293

	Stage 1	Stage 2	Stage 3	Total
	12-month ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	
As at 31 December 2020				RM'000
At 1 January 2020	20,003	4,541	2,138	26,682
Transferred to Stage 1	337	(327)	(10)	-
Transferred to Stage 2	(6,163)	6,163	-	-
Transferred to Stage 3	-	(73)	73	-
Net remeasurement of allowances	689	355	(1,772)	(728)
New credit exposures originated or purchased	14,393	2,260	-	16,653
Credit exposures derecognised	(2,851)	(3,294)	(46)	(6,191)
Changes in models/risk parameters	1	(16)	-	(15)
Exchange differences	(43)	(17)	-	(60)
At 31 December 2020	26,366	9,592	383	36,341

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A19. Sources and uses of charity funds

	30 September 2021 RM'000	31 December 2020 RM'000
Sources of charity funds		
Shariah non-compliant/prohibited income	-*	39
Total sources of charity funds during the period/year	-*	39
Uses of charity funds		
Contribution to non-profit organisation	-*	39
Total uses of charity funds during the period/year	-*	39
Undistributed charity funds at 30 September 2021/31 December 2020	-	-

* Denotes RM61.84

A20. Term Funding

	30 September 2021 RM'000	31 December 2020 RM'000
Unsecured term funding:		
(a) Commercial Paper - Less than one year	7,945,226	7,945,896
(b) Medium Term Notes - More than one year	2,024,164	2,003,222
(c) Term funding - More than one year (note(a))	965,872	945,940
Total term funding	10,935,262	10,895,058

Note(a): Term funding relates to amounts received by the Bank under government financing scheme as part of the government support measures in response to COVID-19 pandemic for the purpose of SME financing at a below market rate with a six-year maturity to be repaid on 17 June 2026. The financing under the government scheme is for financing at concession rates to SMEs and for COVID-19 related relief measures.

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A21. Subordinated Sukuk

	30 September 2021 RM'000	31 December 2020 RM'000
RM1,000 million subordinated sukuk due in 2026	-	1,017,454
RM1,000 million subordinated sukuk due in 2029	1,022,068	1,010,849
RM1,000 million subordinated sukuk due in 2031	1,003,655	-
	<u>2,025,723</u>	<u>2,028,303</u>

A22. Capital Securities

	30 September 2021 RM'000	31 December 2020 RM'000
RM1,000 million 4.95% Additional Tier 1 Sukuk Wakalah	1,014,782	1,002,441

A23. Income derived from investment of depositors' funds

	Third Quarter Ended		Cumulative 9 Months Ended	
	30 September 2021 RM'000	30 September 2020 RM'000	30 September 2021 RM'000	30 September 2020 RM'000
Income derived from investment of:				
i) General investment deposits	1,315,742	1,202,848	4,177,782	4,270,732
ii) Other deposits	728,258	904,522	2,379,543	2,206,792
	<u>2,044,000</u>	<u>2,107,370</u>	<u>6,557,325</u>	<u>6,477,524</u>

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A23. Income derived from investment of depositors' funds (cont'd.)

i) Income derived from investment of general investment deposits

	Third Quarter Ended		Cumulative 9 Months Ended	
	30 September 2021 RM'000	30 September 2020 RM'000	30 September 2021 RM'000	30 September 2020 RM'000
Finance income and hibah				
Financing and advances (Note A25 (note(a)))	969,000	923,741	3,155,787	3,256,855
Money at call and deposits with financial institutions	49,252	28,562	126,032	176,346
Financial assets purchased under resale agreements	11,467	6	30,387	6
Financial investments at fair value through other comprehensive income	92,593	86,789	290,767	285,326
Financial investments at amortised cost	141,593	92,396	371,708	277,994
Financial investments at fair value through profit or loss	679	857	2,981	2,605
	<u>1,264,584</u>	<u>1,132,351</u>	<u>3,977,662</u>	<u>3,999,132</u>
Amortisation of premiums	<u>(7,512)</u>	<u>(7,505)</u>	<u>(24,903)</u>	<u>(8,891)</u>
Total finance income and hibah	1,257,072	1,124,846	3,952,759	3,990,241
Other operating income :				
Fee income:				
- Processing fees	5,100	1,864	21,579	7,832
- Commissions	26,398	23,201	88,191	79,201
- Service charges and other fees	25,258	22,629	79,343	81,228
Gains on disposal of financial investments at fair value through other comprehensive income	9,422	25,895	41,804	60,143
(Losses)/gains on redemption of financial investments at amortised cost	(5)	-	305	-
Gains/(losses) on disposal of financial investments at fair value through profit or loss	1,590	(111)	273	6,268
Unrealised gains/(losses) on revaluation of:				
- Financial investments at fair value through profit or loss	45	(640)	131	(1,092)
- Derivatives	1,565	(1,147)	(3,596)	(6,407)
Gains/(losses) on foreign exchange:				
- Realised	61,500	(54,495)	73,852	41,213
- Unrealised	(72,578)	60,676	(77,727)	11,338
Realised gains on derivatives	129	130	404	767
Others	246	-	464	-
Total other operating income	58,670	78,002	225,023	280,491
Total	1,315,742	1,202,848	4,177,782	4,270,732

Included in finance income are income on impaired assets amounting to RM23.9 million (30 September 2020: RM32.9 million).

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A23. Income derived from investment of depositors' funds (cont'd.)

ii) Income derived from investment of other deposits

	Third Quarter Ended		Cumulative 9 Months Ended	
	30 September 2021 RM'000	30 September 2020 RM'000	30 September 2021 RM'000	30 September 2020 RM'000
Finance income and hibah				
Financing and advances (Note A25 (note(a)))	535,758	692,524	1,797,175	1,682,897
Money at call and deposits with financial with financial institutions	27,485	28,391	71,774	91,123
Financial assets purchased under resale agreements	6,391	3	17,305	3
Financial investments at fair value through other comprehensive income	51,273	63,159	165,587	147,435
Financial investments at amortised cost	78,943	64,862	211,682	143,646
Financial investments at fair value through profit or loss	370	604	1,698	1,346
	700,220	849,543	2,265,221	2,066,450
Amortisation of premiums	(4,150)	(4,005)	(14,182)	(4,594)
Total finance income and hibah	696,070	845,538	2,251,039	2,061,856
Other operating income :				
Fee income:				
- Processing fees	2,784	1,514	12,289	4,047
- Commissions	14,579	17,154	50,223	40,925
- Service charges and other fees	13,986	17,098	45,184	41,972
Gains on disposal of financial investments at fair value through other comprehensive income	5,128	16,539	23,807	31,077
(Losses)/gains on redemption of financial investments at amortised cost	(2)	-	535	-
Gains on disposal of financial investments at fair value through profit or loss	915	531	155	3,239
Unrealised gains/(losses) on revaluation of:				
- Financial investments at fair value through profit or loss	24	(372)	74	(564)
- Derivatives	929	(1,078)	(2,048)	(3,311)
Gains/(losses) on foreign exchange:				
- Realised	34,932	(19,330)	42,057	21,296
- Unrealised	(41,295)	26,802	(44,265)	5,859
Realised gains on derivatives	71	126	230	396
Others	137	-	263	-
Total other operating income	32,188	58,984	128,504	144,936
Total	728,258	904,522	2,379,543	2,206,792

Included in finance income are income on impaired assets amounting to RM13.6 million (30 September 2020: RM17.0 million).

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A24. Income derived from investment of investment account funds

	Third Quarter Ended		Cumulative 9 Months Ended	
	30 September 2021 RM'000	30 September 2020 RM'000	30 September 2021 RM'000	30 September 2020 RM'000
Financing and advances (Note A25 (note(a)))	239,509	245,250	694,452	761,214
Total finance income and hibah	239,509	245,250	694,452	761,214
Other operating income :				
Fee income:				
- Commissions	65	63	170	323
- Service charges and other fees	6	9	22	46
Total other operating income	71	72	192	369
Total	239,580	245,322	694,644	761,583

A25. Income derived from investment of shareholder's funds

	Third Quarter Ended		Cumulative 9 Months Ended	
	30 September 2021 RM'000	30 September 2020 RM'000	30 September 2021 RM'000	30 September 2020 RM'000
Finance income and hibah				
Financing and advances (note(a))	118,887	64,017	289,329	223,037
Money at call and deposits with financial institutions	5,571	2,004	11,555	12,077
Financial assets purchased under resale agreements	1,311	1	2,786	1
Financial investments at fair value through other comprehensive income	11,212	6,008	26,658	19,540
Financial investments at amortised cost	16,143	6,388	34,079	19,038
Financial investments at fair value through profit or loss	94	59	273	178
	153,218	78,477	364,680	273,871
Amortisation of premiums	(927)	(515)	(2,283)	(609)
Total finance income and hibah	152,291	77,962	362,397	273,262

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A25. Income derived from investment of shareholder's funds (cont'd.)

	Third Quarter Ended		Cumulative 9 Months Ended	
	30 September 2021 RM'000	30 September 2020 RM'000	30 September 2021 RM'000	30 September 2020 RM'000
Other operating income :				
Fee income:				
- Processing fees	694	129	1,978	536
- Commissions	3,270	1,607	8,086	5,424
- Service charges and other fees	3,059	1,569	7,274	5,563
Gains on disposal of financial investments at fair value through other comprehensive income	1,309	1,785	3,833	4,119
Gains on redemption of financial investments at amortised cost	7	-	49	-
Gains on disposal of financial investments at fair value through profit or loss	128	(6)	25	429
Unrealised gains/(losses) on revaluation of:				
- Financial investments at fair value through profit or loss	5	(44)	12	(75)
- Derivatives	72	(80)	(330)	(439)
Gains/(losses) on foreign exchange:				
- Realised	5,808	(3,701)	6,771	2,822
- Unrealised	(6,725)	4,139	(7,126)	776
Realised gains on derivatives	16	10	37	53
Others	25	-	42	-
Total other operating income	7,668	5,408	20,651	19,208
Total	159,959	83,370	383,048	292,470

Included in finance income are income on impaired assets amounting to RM2.2 million (30 September 2020: RM2.2 million).

Note(a): Included in income derived from investment of depositors' funds, investment account funds and shareholder's funds were the net effects under government support measures to assist customers adversely impacted by COVID-19 in order to sustain their business operations amounting to RM100,347,000 (30 September 2020: RM243,289,000) for the Bank.

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A26. Allowances for/(writeback of) impairment losses on financing and advances, net

	Third Quarter Ended		Cumulative 9 Months Ended	
	30 September 2021 RM'000	30 September 2020 RM'000	30 September 2021 RM'000	30 September 2020 RM'000
(Writeback of)/allowances for impairment losses on financing and advances:				
- Stage 1 - 12-month ECL, net	(25,054)	(28,468)	(117,270)	40,670
- Stage 2 - Lifetime ECL not credit impaired, net	341,317	3,113	735,309	305,062
- Stage 3 - Lifetime ECL credit impaired, net	27,255	28,385	99,556	234,675
Impaired financing and advances written-off	3,093	3,791	8,877	8,231
Impaired financing and advances recovered	(16,157)	(24,033)	(52,258)	(52,480)
(Writeback of)/allowances for impairment losses on other debts	(62)	40	185	17
	<u>330,392</u>	<u>(17,172)</u>	<u>674,399</u>	<u>536,175</u>

A27. Allowances for/(writeback of) impairment losses on financial investments, net

	Third Quarter Ended		Cumulative 9 Months Ended	
	30 September 2021 RM'000	30 September 2020 RM'000	30 September 2021 RM'000	30 September 2020 RM'000
Financial investments at fair value through other comprehensive income				
- Stage 1 - 12-month ECL, net	8	4,993	(831)	4,875
- Stage 2 - Lifetime ECL not credit impaired, net	-	(646)	-	272
	<u>8</u>	<u>4,347</u>	<u>(831)</u>	<u>5,147</u>
Financial investments at amortised cost				
- Stage 1 - 12-month ECL, net	1,031	3,381	(10,025)	4,282
- Stage 2 - Lifetime ECL not credit impaired, net	-	(11,329)	(230,919)	3,478
	<u>1,031</u>	<u>(7,948)</u>	<u>(240,944)</u>	<u>7,760</u>
	<u>1,039</u>	<u>(3,601)</u>	<u>(241,775)</u>	<u>12,907</u>

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A28. Allowances for impairment losses on other financial assets, net

	Third Quarter Ended		Cumulative 9 Months Ended	
	30 September	30 September	30 September	30 September
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Financial assets purchased under resale agreements				
- Stage 1 - 12-month ECL, net	2,170	90	2,902	90
	2,170	90	2,902	90

A29. Profit distributed to depositors

	Third Quarter Ended		Cumulative 9 Months Ended	
	30 September	30 September	30 September	30 September
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Deposits from customers				
- Non-mudharabah fund	561,486	722,875	1,711,573	2,615,405
Deposits and placements of banks and other financial institutions				
- Mudharabah fund	240,851	234,868	718,046	697,142
- Non-mudharabah fund	69,965	15,650	166,444	164,918
	310,816	250,518	884,490	862,060
Structured deposits				
- Non-mudharabah fund	16	19	29	151
	872,318	973,412	2,596,092	3,477,616

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A30. Overhead expenses

	Third Quarter Ended		Cumulative 9 Months Ended	
	30 September	30 September	30 September	30 September
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Personnel expenses	12,530	12,539	38,069	39,200
- Salaries, allowances and bonuses	9,120	9,078	28,932	28,129
- Pension costs - defined contribution plan	1,385	1,417	4,347	4,534
- Share/options granted under ESGP	742	480	2,205	1,386
- Other staff related expenses	1,283	1,564	2,585	5,151
Establishment costs	2,116	2,474	5,387	5,916
- Depreciation of right-of-use assets	763	793	2,276	2,325
- Depreciation of property, plant and equipment	113	118	329	381
- Repairs, servicing and maintenance	24	5	93	51
- Information technology expenses	1,133	1,459	2,430	2,856
- Finance cost on lease liabilities	83	99	259	303
Marketing costs	2,645	2,228	6,814	5,827
- Advertisement and publicity	1,573	412	3,177	475
- Others	1,072	1,816	3,637	5,352
Administration and general expenses	378,734	358,626	1,127,436	1,161,737
- Fees and brokerage	11,810	15,394	47,992	39,986
- Administrative expenses	2,928	3,224	9,719	8,457
- General expenses	5,482	2,815	(32,410)	69,395
- Shared service cost paid/payable to Maybank and related company	358,514	337,193	1,102,135	1,043,899
Total	396,025	375,867	1,177,706	1,212,680

A31. Finance costs

	Third Quarter Ended		Cumulative 9 Months Ended	
	30 September	30 September	30 September	30 September
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Subordinated sukuk	18,653	23,063	57,506	68,688
Capital securities	12,476	12,477	37,023	37,159
Term funding	71,684	85,750	211,451	263,921
	102,813	121,290	305,980	369,768

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A32. Taxation and zakat

The analysis of the taxation and zakat expense are as follows:

	Third Quarter Ended		Cumulative 9 Months Ended	
	30 September 2021 RM'000	30 September 2020 RM'000	30 September 2021 RM'000	30 September 2020 RM'000
Malaysian income tax	(133,334)	42,273	760,447	42,273
Foreign income tax	-	-	-	27
	(133,334)	42,273	760,447	42,300
Under provision in prior year:				
Malaysian income tax	428,546	-	428,546	-
Deferred tax				
- Relating to origination and reversal of temporary differences	(133,473)	172,487	(489,791)	359,622
Tax expense for the financial period	161,739	214,760	699,202	401,922
Zakat	8,073	8,926	19,237	20,672
	169,812	223,686	718,439	422,594

A33. Subsequent events to the balance sheet

There were no material events subsequent to the balance sheet date that require disclosure or adjustment to the unaudited condensed interim financial statements.

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A34. Commitments and contingencies

In the normal course of business, the Bank makes various commitments and incurs certain contingent liabilities with legal recourse to their customers. No material losses are anticipated as a result of these transactions.

The risk-weighted exposures of the Bank as at the reporting dates are as follows:

	30 September 2021			31 December 2020		
	Full commitment RM'000	Credit Equivalent Amount* RM'000	Risk Weighted Amount* RM'000	Full commitment RM'000	Credit Equivalent Amount* RM'000	Risk Weighted Amount* RM'000
<u>Contingent liabilities</u>						
Direct credit substitutes	3,095,809	3,043,905	2,327,519	2,832,337	2,786,746	2,258,338
Certain transaction-related contingent items	3,261,939	1,612,022	1,109,722	2,533,185	1,246,136	778,165
Short-term self-liquidating trade-related contingencies	375,255	76,359	38,268	162,041	34,164	15,170
	6,733,003	4,732,286	3,475,509	5,527,563	4,067,046	3,051,673
<u>Commitments</u>						
Irrevocable commitments to extend credit:						
- maturity within one year	31,095,433	1,473,159	265,374	27,288,508	1,388,834	261,485
- maturity exceeding one year	10,139,785	20,291,363	8,374,409	10,452,802	17,979,661	7,763,819
	41,235,218	21,764,522	8,639,783	37,741,310	19,368,495	8,025,304
Miscellaneous commitments and contingencies	172,686	-	-	86,280	-	-
Total credit-related commitments and contingencies	48,140,907	26,496,808	12,115,292	43,355,153	23,435,541	11,076,977

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A34. Commitments and contingencies (cont'd.)

In the normal course of business, the Bank makes various commitments and incurs certain contingent liabilities with legal recourse to their customers. No material losses are anticipated as a result of these transactions. (cont'd.)

The risk-weighted exposures of the Bank as at the reporting dates are as follows (cont'd.):

	30 September 2021			31 December 2020		
	Full commitment RM'000	Credit Equivalent Amount* RM'000	Risk Weighted Amount* RM'000	Full commitment RM'000	Credit Equivalent Amount* RM'000	Risk Weighted Amount* RM'000
<u>Derivative financial instruments</u>						
Foreign exchange related contracts:						
- less than one year	26,588,788	284,038	132,252	23,565,806	152,805	58,958
- one year to less than five years	1,771,654	101,528	47,019	3,571,063	158,246	123,372
- more than five years	2,260,038	203,283	110,052	2,316,798	185,877	145,433
Profit rate related contracts:						
- less than one year	41,880	91	22	80,340	80	24
- one year to less than five years	4,934,410	134,393	97,989	3,335,654	146,381	119,953
- more than five years	398,855	24,893	10,079	300,000	34,064	15,797
Total treasury-related commitments and contingencies	35,995,625	748,226	397,413	33,169,661	677,453	463,537
Total commitments and contingencies	84,136,532	27,245,034	12,512,705	76,524,814	24,112,994	11,540,514

* The credit equivalent amount and risk-weighted amount are arrived at using the credit conversion factors and risk-weights respectively as specified by Bank Negara Malaysia for regulatory capital adequacy purposes.

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A35. Capital Adequacy

(a) Capital Adequacy Framework

- (i) Bank Negara Malaysia ("BNM") had on 9 December 2020 issued the Capital Adequacy Framework for Islamic Banks (Capital Components) on the computation of capital and capital adequacy ratios for Islamic banks. All financial institutions shall hold and maintain at all times, the following minimum capital adequacy ratios:

Common Equity Tier I ("CET1") Ratio	Tier 1 Capital Ratio	Total Capital Ratio
4.5%*	6.0%	8.0%

* In addition, BNM had introduced Capital Conservation Buffer of 2.5% of total risk-weighted assets ("RWA") as well as Countercyclical Capital Buffer ranging between 0% - 2.5% of total RWA.

- (ii) Total RWA is calculated as the sum of credit RWA, market RWA, operational RWA and large exposure risk requirements as determined in accordance with Capital Adequacy Framework for Islamic Banks (Risk-Weighted Assets) issued by BNM on 3 May 2019 for Islamic Banks.

Any exposures which are deducted in the calculation of CET1 Capital, Tier 1 Capital and Total Capital are not subjected to any further capital charges in the computation of RWA.

(b) Compliance and application of capital adequacy ratios

The capital adequacy ratio of the Bank are computed in accordance with BNM's Capital Adequacy Framework for Islamic Banks (Capital Components) and Capital Adequacy Framework for Islamic Banks (Risk Weighted Assets) both issued on 9 December 2020 and 3 May 2019 respectively. The total RWA are computed based on the following approaches:

- (i) Credit risk under Internal Ratings-Based Approach and Standardised Approach;
- (ii) Market risk under Standardised Approach; and
- (iii) Operational risk under Basic Indicator Approach.

The minimum regulatory capital adequacy requirements for CET1, Tier 1 and Total Capital are 4.5%, 6.0% and 8.0% of total RWA for the current financial year ending 31 December 2021 (2020: 4.5%, 6.0% and 8.0% of total RWA).

(c) The capital adequacy ratios of the Bank as at the following dates, are as follows:

	30 September 2021	31 December 2020
Capital ratios		
CET1 capital ratio	13.446%	13.773%
Tier 1 capital ratio	14.613%	15.030%
Total capital ratio	17.474%	18.063%

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A35. Capital Adequacy (cont'd.)

(d) Components of Tier 1 and Tier 2 capital:

	30 September 2021 RM'000	31 December 2020 RM'000
CET1 capital		
Share capital	10,322,374	7,929,444
Retained profits	1,345,234	2,756,457
Other reserves	736,177	1,234,078
CET1 capital before regulatory adjustments	12,403,785	11,919,979
Less: Regulatory adjustment applied in CET1 capital	(877,764)	(960,375)
Deferred tax assets	(197,054)	-
Gain of financial instruments classified as 'fair value through other comprehensive income'	(86,236)	(365,901)
Regulatory reserve	(594,474)	(594,474)
Total CET1 Capital	11,526,021	10,959,604
Additional Tier 1 Capital		
Capital securities	1,000,000	1,000,000
Total Tier 1 capital	12,526,021	11,959,604
Tier 2 capital		
Subordinated sukuk	2,000,000	2,000,000
General provision ¹	13,845	11,523
Surplus of eligible provision over expected loss	438,441	401,538
Total Tier 2 capital	2,452,286	2,413,061
Total Capital	14,978,307	14,372,665

¹ Refers to loss allowance measured at an amount equal to 12-month and lifetime expected credit losses and regulatory reserve, to the extent they are ascribed to non-credit impaired exposures, determined under Standardised Approach for credit risk.

(e) The breakdown of RWA by each major risk categories are as follows:

	30 September 2021 RM'000	31 December 2020 RM'000
Standardised Approach exposure	2,274,622	2,970,081
Internal Ratings-Based Approach exposure after scaling factor	92,208,223	80,460,704
Total RWA for credit risk	94,482,845	83,430,785
Total RWA for credit risk absorbed by the holding company and Investment Account Holders ("IAH") [^]	(19,134,665)	(13,537,755)
Total RWA for market risk	1,132,568	1,177,963
Total RWA for operational risk	9,237,199	8,499,254
Total RWA	85,717,947	79,570,247

[^] In accordance to the BNM Investment Account policy, the credit risk weighted assets funded by investment accounts (Unrestricted Investment Account and Restricted Investment Account) are excluded from the calculation of capital adequacy ratio of the Bank.

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A36. Fair value measurements of financial instruments

(a) Valuation principles

For disclosure purposes, the level in the hierarchy within which the instruments are classified in its entirety is based on the lowest level input that is significant to the position's fair value measurements:

(a) Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities

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 sukuk and less illiquid equities and consumer financing and advances with homogeneous or similar features in the market.

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

Refers to instruments where fair value is measured using significant unobservable market inputs. The valuation techniques used are consistent with the Level 2 but incorporate the Bank's own assumptions and data. Examples of Level 3 instruments include corporate sukuk in illiquid markets, private equity investments and financing and advances priced primarily based on internal credit assessment.

(b) Valuation techniques

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

Derivatives

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

Financial investments at fair value through profit or loss and financial investments at fair value through other comprehensive income

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

Financing and advances at fair value through other comprehensive income

The fair values are estimated based on expected future cash flows of contractual instalment payments, discounted at applicable and prevailing rates at reporting date offered for similar facilities to new customers with similar credit profiles.

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A36. Fair value of financial instruments (cont'd.)

The classification in the fair value hierarchy of the Bank's financial assets and financial liabilities measured at fair value as at 30 September 2021 and 31 December 2020 is summarised in the table:

As at 30 September 2021	Quoted Market Price (Level 1) RM'000	<u>Valuation technique using</u> Observable Unobservable Inputs Inputs (Level 2) (Level 3) RM'000 RM'000		Total RM'000
	Financial assets measured at fair value:			
Financial investments at fair value through profit and loss	-	1,584,593	-	1,584,593
<i>Money market instruments</i>	-	1,165,529	-	1,165,529
<i>Unquoted Securities</i>	-	419,064	-	419,064
Financial investments at fair value through other comprehensive income	-	15,619,129	1,250	15,620,379
<i>Money market instruments</i>	-	11,335,926	-	11,335,926
<i>Unquoted securities</i>	-	4,283,203	1,250	4,284,453
Financing and advances at fair value through other comprehensive income	-	-	3,284,356	3,284,356
Derivative assets	-	254,835	-	254,835
<i>Foreign exchange related contracts</i>	-	186,899	-	186,899
<i>Profit rate related contracts</i>	-	67,936	-	67,936
	-	17,458,557	3,285,606	20,744,163
Financial liabilities measured at fair value:				
Derivative liabilities	-	229,769	-	229,769
<i>Foreign exchange related contracts</i>	-	152,070	-	152,070
<i>Profit rate related contracts</i>	-	77,699	-	77,699
	-	229,769	-	229,769

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A36. Fair value of financial instruments (cont'd.)

The classification in the fair value hierarchy of the Bank's financial assets and financial liabilities measured at fair value as at 30 September 2021 and 31 December 2020 is summarised in the table (cont'd.):

As at 31 December 2020	<u>Valuation technique using</u>			Total RM'000
	Quoted Market Price (Level 1) RM'000	Observable Inputs (Level 2) RM'000	Unobservable Inputs (Level 3) RM'000	
Financial assets measured at fair value:				
Financial investments at fair value through other comprehensive income				
	-	18,451,889	1,250	18,453,139
<i>Money market instruments</i>	-	13,502,948	-	13,502,948
<i>Unquoted securities</i>	-	4,948,941	1,250	4,950,191
Financing and advances at fair value through other comprehensive income				
	-	-	2,741,267	2,741,267
Derivative assets				
	-	385,303	-	385,303
<i>Foreign exchange related contracts</i>	-	281,322	-	281,322
<i>Profit rate related contracts</i>	-	103,981	-	103,981
	-	18,837,192	2,742,517	21,579,709
Financial liabilities measured at fair value:				
Derivative liabilities				
	-	656,302	-	656,302
<i>Foreign exchange related contracts</i>	-	549,193	-	549,193
<i>Profit rate related contracts</i>	-	107,109	-	107,109
	-	656,302	-	656,302

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A36. Fair value of financial instruments (cont'd.)

Reconciliation of fair value measurements in Level 3 of the fair value hierarchy:

As at 30 September 2021	At 1 January 2021 RM'000	Unrealised losses recognised in other comprehensive income RM'000	Purchases/ Issuances/ Additions RM'000	Settlements RM'000	Exchange differences RM'000	At 30 September 2021 RM'000
Financial investments at fair value through other comprehensive income						
<i>Unquoted securities</i>	1,250	-	-	-	-	1,250
Financing and advances at fair value through other comprehensive income	2,741,267	(17,818)	721,889	(165,600)	4,618	3,284,356
Total Level 3 financial assets	2,742,517	(17,818)	721,889	(165,600)	4,618	3,285,606

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A36. Fair value of financial instruments (cont'd.)

Reconciliation of fair value measurements in Level 3 of the fair value hierarchy (cont'd.):

As at 31 December 2020	At 1 January 2020 RM'000	Unrealised gains recognised in other comprehensive income RM'000	Purchases/ Issuances/ Additions RM'000	Settlements RM'000	Exchange differences RM'000	At 31 December 2020 RM'000
Financial investments at fair value through other comprehensive income						
<i>Unquoted securities</i>	1,250	-	-	-	-	1,250
Financing and advances at fair value through other comprehensive income	440,383	34,225	2,347,259	(80,600)	-	2,741,267
Total Level 3 financial assets	441,633	34,225	2,347,259	(80,600)	-	2,742,517

The Bank's accounting policy is to recognise transfers into and transfers out of fair value hierarchy levels as the end of the reporting period.

There were no transfers between Level 1 and Level 2 for the Bank during the third quarter ended 30 September 2021.

Movements in Level 3 financial instruments measured at fair value

There were no transfers into or out of Level 3 for the Bank during the third quarter ended 30 September 2021.

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Part B: Review of Performance & Current Year Prospects

B1. Performance Review

The Bank posted profit before tax and zakat of RM2,903.2 million for the financial period ended 30 September 2021, an increase of RM1,274.5 million or 78.3% compared to the previous corresponding period.

The Bank's allowance for impairment of assets decreased by RM113.6 million or 20.7% to RM435.5 million as compared to RM549.2 million in the previous corresponding financial period ended 30 September 2020.

Total income increased by RM103.4 million or 1.4% to RM7,635.0 million from previous corresponding period. Total income represents income derived from investment of depositors' funds, income derived from investment account funds and income derived from investment of shareholder's funds of RM6,557.3 million, RM694.6 million and RM383.0 million respectively.

The Bank's gross financing and advances increased by RM5.3 billion to RM212.0 billion as compared to RM206.7 billion recorded in previous financial period. As at 30 September 2021, total customer funding increased by 6.9% to RM202.1 billion, contributed by customer deposits which has increased by 6.9% at RM176.7 billion against RM165.3 billion in last financial period. Investment account of customers grew by RM1.6 billion to close at RM25.4 billion from RM23.8 billion in the corresponding financial period.

The Bank's capital position continued to be strong and well above regulatory requirements as reflected by its Common Equity Tier I, Tier I Capital Ratio and Total Capital Ratio of 13.446%, 14.613% and 17.474% respectively.

B2. Prospects

Amidst the soft economic backdrop, the Malaysian economic recovery is expected to moderate to 3.8% (2020: -5.6%) reflecting the subdued economic activity due to several national wide measures to curb the spread of the Covid-19 pandemic. However, the economy is expected to resume its recovery path in 4Q2021 and gain momentum in 2022 as economic sectors continue to reopen on the back of vaccination rate of over 75% of the population as of November 2021. Monetary, fiscal and economic stimulus is expected to continue, focusing on targeted support and interventions for the most-affected individuals and businesses. The Bank Negara Malaysia (BNM) Overnight Policy Rate (OPR) is anticipated to remain accommodative at a record low of 1.75% throughout 2021, despite a moderate rate of inflation this year from deflation in 2020. The higher Budget deficit in 2021 of 6.5% of GDP (2020:6.2% of GDP) continues to support the government's expansionary fiscal policy, on top of the additional four economic stimulus packages announced in the first half of 2021 totalling RM225 billion.

The Bank is focused on strengthening its income streams through innovative consumer centric financial products and solutions with an emphasis on its Strategic Initiatives across its operations in Malaysia, Singapore, Indonesia, and Dubai-DIFC. Concurrently, the Bank will maintain cost discipline through its strategic cost management programme to ensure prudent and balanced increase in overheads, as well as by growing current and savings deposits which carry lower cost.

Due to the challenging business environment, the Bank will continue to provide customers with access to financial assistance and support in this recovery phase and also pursue emerging growth opportunities. The Bank will remain vigilant of the risks inherent from the pandemic and continue to put an emphasis on strong asset quality management and maintaining the resilience of its capital and liquidity positions. The Bank is committed to support the domestic economies of its home markets and strives to meet customers' needs while delivering a positive impact on the communities that it serves.