

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

**CONDENSED FINANCIAL STATEMENTS**  
**UNAUDITED INCOME STATEMENT**  
**FOR THE FINANCIAL HALF YEAR ENDED 30 JUNE 2021**

	Note	Second Quarter Ended		Cumulative 6 Months Ended	
		30 June 2021 RM'000	30 June 2020 RM'000	30 June 2021 RM'000	30 June 2020 RM'000
Income derived from investment of depositors' funds	A23	2,281,903	1,907,811	4,513,325	4,370,154
Income derived from investment of investment account funds	A24	231,147	265,922	455,064	516,261
Income derived from investment of shareholder's funds	A25	121,946	96,263	223,089	209,100
Allowances for impairment losses on financing and advances, net	A26	(164,655)	(358,406)	(344,007)	(553,347)
(Allowances for)/writeback of impairment losses on financial investments, net	A27	(475)	(10,709)	242,814	(16,508)
Writeback of /(allowances for) impairment losses on other financial assets, net	A28	1,667	-	(732)	-
<b>Total distributable income</b>		<b>2,471,533</b>	<b>1,900,881</b>	<b>5,089,553</b>	<b>4,525,660</b>
Profit share from restricted investment accounts		25	-	25	-
Profit distributed to depositors	A29	(870,055)	(1,124,333)	(1,723,774)	(2,504,204)
Profit distributed to investment account holders		(71,986)	(101,189)	(143,881)	(217,067)
<b>Total net income</b>		<b>1,529,517</b>	<b>675,359</b>	<b>3,221,923</b>	<b>1,804,389</b>
Overhead expenses	A30	(429,050)	(346,014)	(781,681)	(836,813)
Finance costs	A31	(101,738)	(122,231)	(203,167)	(248,478)
<b>Profit before taxation and zakat</b>		<b>998,729</b>	<b>207,114</b>	<b>2,237,075</b>	<b>719,098</b>
Taxation	A32	(241,207)	(66,229)	(537,463)	(187,162)
Zakat	A32	(4,141)	(5,515)	(11,164)	(11,746)
<b>Profit for the period</b>		<b>753,381</b>	<b>135,370</b>	<b>1,688,448</b>	<b>520,190</b>
<b>Profit attributable to:</b>					
Equity holder of the Bank		753,381	135,370	1,688,448	520,190
<b>Earnings per share attributable to equity holder of the Bank</b>					
- basic/diluted (sen)		207.26	38.78	465.92	152.32

(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 FINANCIAL HALF YEAR ENDED 30 JUNE 2021**

	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June 2021 RM'000	30 June 2020 RM'000	30 June 2021 RM'000	30 June 2020 RM'000
<b>Profit for the period</b>	<b>753,381</b>	135,370	<b>1,688,448</b>	520,190
<b>Other comprehensive income/(loss):</b>				
<i>Items that may be reclassified subsequently to profit or loss</i>				
Net (loss)/gain on foreign exchange translation	(17)	24	(473)	(122)
Net gain/(loss) on financial investments at fair value through other comprehensive income	<b>52,161</b>	195,178	<b>(400,663)</b>	177,947
- Net gain/(loss) from change in fair value	<b>66,032</b>	258,243	<b>(528,631)</b>	232,810
- Changes in expected credit losses	<b>1,977</b>	(1,087)	<b>1,097</b>	1,011
- Income tax effect	<b>(15,848)</b>	(61,978)	<b>126,871</b>	(55,874)
Other comprehensive income/(loss) for the period, net of tax	<b>52,144</b>	195,202	<b>(401,136)</b>	177,825
<b>Total comprehensive income for the period, net of tax</b>	<b>805,525</b>	330,572	<b>1,287,312</b>	698,015
<b>Total comprehensive income attributable to:</b>				
Equity holder of the Bank	<b>805,525</b>	330,572	<b>1,287,312</b>	698,015

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**MAYBANK ISLAMIC BERHAD**  
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**CONDENSED FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021**

	Note	30 June 2021 RM'000	31 December 2020 RM'000
<b>ASSETS</b>			
Cash and short-term funds		18,226,674	9,890,517
Deposits and placements with banks and other financial institutions		2,502,861	-
Financial assets purchased under resale agreements		3,207,787	3,625,611
Financial investments at fair value through profit or loss	A11(i)	686,085	-
Financial investments at fair value through other comprehensive income	A11(ii)	16,544,237	18,453,139
Financial investments at amortised cost	A11(iii)	20,532,196	16,381,007
Financing and advances	A12	207,730,008	203,666,875
Derivative assets	A13	223,163	385,303
Other assets	A14	4,376,674	2,804,924
Statutory deposit with Bank Negara Malaysia		12,565	12,591
Property, plant and equipment		776	979
Right-of-use assets		8,379	9,901
Deferred tax assets		33,377	-
<b>TOTAL ASSETS</b>		<b>274,084,782</b>	<b>255,230,847</b>
<b>LIABILITIES</b>			
Customers' funding:			
- Deposits from customers	A15	174,718,521	165,268,246
- Investment accounts of customers <sup>1</sup>	A16	25,475,794	23,840,796
Deposits and placements of banks and other financial institutions	A17	46,209,245	38,770,852
Bills and acceptances payable		35,935	38,086
Derivative liabilities	A13	167,757	656,302
Other liabilities	A18	783,063	339,080
Provision for taxation and zakat		257,082	14,373
Term funding	A20	10,905,479	10,895,058
Subordinated sukuk	A21	2,021,532	2,028,303
Capital securities	A22	1,002,305	1,002,441
Deferred tax liabilities		-	449,812
<b>TOTAL LIABILITIES</b>		<b>261,576,713</b>	<b>243,303,349</b>

<sup>1</sup> 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 JUNE 2021**

	Note	30 June 2021 RM'000	31 December 2020 RM'000
<b>EQUITY ATTRIBUTABLE TO EQUITY HOLDER OF THE BANK</b>			
Share capital		8,636,184	7,929,444
Retained profits		3,031,424	2,756,457
Other reserves		840,461	1,241,597
<b>TOTAL SHAREHOLDER'S EQUITY</b>		<b>12,508,069</b>	<b>11,927,498</b>
<b>TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY</b>		<b>274,084,782</b>	<b>255,230,847</b>
Restricted investment accounts managed by the Bank	A16	541,728	-
<b>TOTAL ISLAMIC BANKING ASSETS OWNED AND MANAGED BY THE BANK</b>		<b>274,626,510</b>	<b>255,230,847</b>
<b>COMMITMENTS AND CONTINGENCIES</b>	A35	<b>81,318,020</b>	<b>76,524,814</b>
<b><u>CAPITAL ADEQUACY</u></b>	A36		
The capital adequacy ratios of the Bank are as follows:			
CET1 capital ratio		14.180%	13.773%
Tier 1 capital ratio		15.390%	15.030%
Total capital ratio		18.329%	18.063%

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**CONDENSED FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL HALF YEAR ENDED 30 JUNE 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
<b>At 1 January 2021</b>	7,929,444	1,697	645,023	594,474	403	2,756,457	11,927,498
Profit for the period	-	-	-	-	-	1,688,448	1,688,448
Other comprehensive loss	-	-	(400,663)	-	(473)	-	(401,136)
<b>Total comprehensive (loss)/income for the period</b>	-	-	(400,663)	-	(473)	1,688,448	1,287,312
Issue of ordinary shares (Note A8(i)(a))	706,740	-	-	-	-	-	706,740
Dividend on ordinary shares (Note A9(a))	-	-	-	-	-	(1,413,481)	(1,413,481)
<b>Total transactions with shareholder/ other equity movements</b>	706,740	-	-	-	-	(1,413,481)	(706,741)
<b>At 30 June 2021</b>	8,636,184	1,697	244,360	594,474	(70)	3,031,424	12,508,069

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**CONDENSED FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL HALF YEAR ENDED 30 JUNE 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
<b>At 1 January 2020</b>							
- 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)
<b>At 1 January 2020, as restated</b>	7,197,398	1,697	338,321	846,497	82	2,457,477	10,841,472
Profit for the period	-	-	-	-	-	520,190	520,190
Other comprehensive income/(loss)	-	-	177,947	-	(122)	-	177,825
<b>Total comprehensive income/(loss) for the period</b>	-	-	177,947	-	(122)	520,190	698,015
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)
<b>Total transactions with shareholder/ other equity movements</b>	732,046	-	-	(252,023)	-	(1,212,068)	(732,045)
<b>At 30 June 2020</b>	7,929,444	1,697	516,268	594,474	(40)	1,765,599	10,807,442

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**CONDENSED FINANCIAL STATEMENTS**  
**UNAUDITED CASH FLOW STATEMENT**  
**FOR THE FINANCIAL HALF YEAR ENDED 30 JUNE 2021**

	<b>30 June 2021 RM'000</b>	<b>30 June 2020 RM'000</b>
<b>Cash flows from operating activities</b>		
Profit before taxation and zakat	<b>2,237,075</b>	719,098
Adjustments for:		
Amortisation of premiums	<b>28,779</b>	2,069
Allowances for impairment losses on financing and advances	<b>380,108</b>	581,794
(Writeback of)/allowances for impairment losses on financial investments	<b>(242,814)</b>	16,508
Allowances for impairment losses on other financial assets	<b>732</b>	-
Depreciation of property, plant and equipment	<b>216</b>	263
Depreciation of right-of-use assets	<b>1,513</b>	1,532
Finance cost on lease liabilities	<b>176</b>	204
Unrealised losses on revaluation of derivatives	<b>8,540</b>	7,852
Unrealised (gains)/losses on revaluation of financial investments at fair value through profit or loss	<b>(143)</b>	675
Gains on disposal of financial investments at fair value through other comprehensive income	<b>(53,585)</b>	(51,120)
Gains on disposal of financial investments at amortised cost	<b>(889)</b>	-
Losses/(gains) on disposal of financial investment at fair value through profit or loss	<b>2,180</b>	(9,522)
Gains on foreign exchange translations	<b>(11,920)</b>	(69,213)
ESGP expenses	<b>1,463</b>	906
Finance costs	<b>203,167</b>	248,478
Operating profit before working capital changes	<b>2,554,598</b>	1,449,524
Change in deposits and placements with banks and other financial institutions	<b>(2,502,861)</b>	-
Change in financial assets purchased under resale agreements	<b>417,092</b>	-
Change in financial investments portfolio	<b>(3,195,610)</b>	(7,429,921)
Change in financing and advances	<b>(4,437,065)</b>	(4,568,031)
Change in derivative assets and liabilities	<b>(334,946)</b>	(21,751)
Change in other assets	<b>(1,572,221)</b>	(2,573,929)
Change in statutory deposit with Bank Negara Malaysia	<b>26</b>	4,218,610
Change in deposits from customers	<b>9,450,275</b>	4,684,776
Change in deposits and placements of banks and other financial institutions	<b>7,450,324</b>	(4,450,011)
Change in investment accounts of customers	<b>1,634,998</b>	1,799,953
Change in bills and acceptances payable	<b>(2,151)</b>	(46,167)
Change in other liabilities	<b>443,582</b>	204,639
Cash generated from/(used in) operating activities	<b>9,906,041</b>	(6,732,308)
Taxes and zakat paid	<b>(662,236)</b>	(28,570)
<b>Net cash generated from/(used in) operating activities</b>	<b>9,243,805</b>	(6,760,878)

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**CONDENSED FINANCIAL STATEMENTS**  
**UNAUDITED CASH FLOW STATEMENT**  
**FOR THE FINANCIAL HALF YEAR ENDED 30 JUNE 2021**

	<b>30 June 2021 RM'000</b>	<b>30 June 2020 RM'000</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(15)	-
<b>Net cash used in investing activities</b>	(15)	-
<b>Cash flows from financing activities</b>		
Proceeds from issuance of shares	706,740	732,046
Dividend paid on ordinary shares	(1,413,481)	(1,464,091)
Dividend paid for capital securities	(24,682)	(24,682)
Dividend paid for subordinated sukuk	(45,625)	(46,134)
Dividend paid for term funding	(127,077)	(331,273)
(Redemption)/drawdown of term funding	(2,270)	1,140,269
Repayment of lease liabilities	(1,238)	(1,122)
<b>Net cash (used in)/generated from financing activities</b>	(907,633)	5,013
<b>Net increase/(decrease) in cash and cash equivalents</b>	8,336,157	(6,755,865)
Cash and cash equivalents at beginning of period	9,890,517	21,703,239
<b>Cash and cash equivalents at end of period</b>	18,226,674	14,947,374

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

	<b>30 June 2021 RM'000</b>	<b>30 June 2020 RM'000</b>
<b>Cash and cash equivalents comprise:</b>		
Cash and short term funds	18,226,674	14,947,374
Deposits and placements with banks and other financial institutions	2,502,861	-
	20,729,535	14,947,374
Less:		
Cash and short-term funds and deposits and placements, with original maturity of more than three months	(2,502,861)	-
	18,226,674	14,947,374

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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 half year ended 30 June 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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**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.

**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 half year ended 30 June 2021.

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

During the financial half year ended 30 June 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 half year ended 30 June 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 half year ended 30 June 2021:

(a) **Share capital**

The share capital of the Bank increased from RM7,929,444,460 as at 31 December 2020 to RM8,636,183,780 as at 30 June 2021 via 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.

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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 half year ended 30 June 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 June 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) <sup>1</sup>	10 years

<sup>1</sup> This subordinated sukuk was fully redeemed on the First Call Date.

**A9. Dividends paid/declared**

Dividends paid/declared during the financial half year ended 30 June 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) 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.

**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 June 2021 RM'000	31 December 2020 RM'000
Financial investments at fair value through profit or loss	(i)	686,085	-
Financial investments at fair value through other comprehensive income	(ii)	16,544,237	18,453,139
Financial investments at amortised cost	(iii)	20,532,196	16,381,007
		<u>37,762,518</u>	<u>34,834,146</u>

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

	30 June 2021 RM'000	31 December 2020 RM'000
<b>At fair value</b>		
<b>Money market instruments:</b>		
Malaysian Government Investment Issues	262,794	-
Malaysian Government Treasury Bills	423,291	-
<b>Total financial investments at FVTPL</b>	<u>686,085</u>	<u>-</u>

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

	30 June 2021 RM'000	31 December 2020 RM'000
<b>At fair value</b>		
<b>Money market instruments:</b>		
Malaysian Government Investment Issues	11,813,358	13,473,916
Khazanah Sukuk	29,274	29,032
	<u>11,842,632</u>	<u>13,502,948</u>

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**A11. Financial investments portfolio (cont'd.)**

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

	<b>30 June 2021 RM'000</b>	<b>31 December 2020 RM'000</b>
<b>Unquoted securities:</b>		
<b>In Malaysia:</b>		
Corporate Sukuk^	4,034,081	4,147,084
Government Sukuk	42,462	41,892
Equity	1,250	1,250
	<u>4,077,793</u>	<u>4,190,226</u>
<b>Outside Malaysia:</b>		
Islamic Corporate Sukuk	623,812	759,965
	<u>4,701,605</u>	<u>4,950,191</u>
<b>Total financial investments at FVOCI</b>	<u><b>16,544,237</b></u>	<u><b>18,453,139</b></u>

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

	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	
	12-month	Lifetime ECL	Lifetime ECL	
	ECL	not credit	credit	
<b>As at 30 June 2021</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>Total RM'000</b>
At 1 January 2021	2,812	551	-	3,363
Transferred to Stage 1	551	(551)	-	-
Net remeasurement of allowances	(534)	-	-	(534)
New financial assets purchased	2,299	-	-	2,299
Financial assets derecognised	(2,283)	-	-	(2,283)
Changes in models/risk parameters	(321)	-	-	(321)
Exchange differences	90	-	-	90
At 30 June 2021	<u>2,614</u>	<u>-</u>	<u>-</u>	<u>2,614</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 ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	Total RM'000
<b>As at 31 December 2020</b>				
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 June 2021, the exposure of the financial investments at FVOCI funded by Restricted Profit-Sharing Investment Account ("RPSIA") was RM229.6 million (31 December 2020: Nil).

**(iii) Financial investments at amortised cost**

	<b>30 June 2021 RM'000</b>	<b>31 December 2020 RM'000</b>
<b>Money market instruments:</b>		
Malaysian Government Investment Issues	6,965,726	4,588,339
Khazanah Sukuk	814,285	932,288
	<u>7,780,011</u>	<u>5,520,627</u>
<b>Unquoted securities:</b>		
<b>In Malaysia:</b>		
Corporate Sukuk	13,224,797	11,130,024
	<u>13,224,797</u>	<u>11,130,024</u>
Allowances for impairment losses	(472,612)	(269,644)
<b>Total financial investments at amortised cost</b>	<u>20,532,196</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:

	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
	<b>12-month ECL RM'000</b>	<b>Lifetime ECL not credit impaired RM'000</b>	<b>Lifetime ECL credit impaired RM'000</b>	
<b>As at 30 June 2021</b>				
At 1 January 2021	38,379	231,265	-	269,644
Transferred to Stage 1	346	(346)	-	-
Net remeasurement of allowances	(11,375)	-	-	(11,375)
New financial assets purchased	935	-	-	935
Financial assets derecognised	(512)	(230,919)	-	(231,431)
Changes in models/risk parameters	(104)	-	-	(104)
Amount related to Restricted Investment Accounts*	11,132	433,797	-	444,929
Exchange differences	14	-	-	14
<b>At 30 June 2021</b>	<b>38,815</b>	<b>433,797</b>	<b>-</b>	<b>472,612</b>
	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	
	<b>12-month ECL RM'000</b>	<b>Lifetime ECL not credit impaired RM'000</b>	<b>Lifetime ECL credit impaired RM'000</b>	<b>Total RM'000</b>
<b>As at 31 December 2020</b>				
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
<b>At 31 December 2020</b>	<b>38,379</b>	<b>231,265</b>	<b>-</b>	<b>269,644</b>

\* As at 30 June 2021, the exposure of the financial investments at amortised cost funded by RPSIA was RM5,560.5 million (31 December 2020: RM2,884.2 million). The expected credit losses relating to these financial investments amounting to RM444.9 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 June 2021 RM'000	31 December 2020 RM'000
Financing and advances to financial institution	(i)	103,346	-
Financing and advances to customers	(ii)	<u>207,626,662</u>	<u>203,666,875</u>
		<u><b>207,730,008</b></u>	<u><b>203,666,875</b></u>
(i) Financing and advances to financial institution:			
(A) Financing and advances at FVOCI <sup>^</sup>		<u>103,346</u>	-
Net financing and advances to financial institution		<u><b>103,346</b></u>	-
(ii) Financing and advances to customers:			
(A) Financing and advances at FVOCI		<u>3,039,970</u>	2,741,267
(B) Financing and advances at amortised cost		<u>290,291,202</u>	<u>289,662,732</u>
		<u>293,331,172</u>	<u>292,403,999</u>
Unearned income		<u>(82,346,800)</u>	<u>(85,698,158)</u>
Gross financing and advances to customers		<u>210,984,372</u>	<u>206,705,841</u>
Allowances for ECL and impairment losses:			
- Stage 1 - 12-month ECL		<u>(600,476)</u>	(574,213)
- Stage 2 - Lifetime ECL not credit impaired		<u>(1,488,870)</u>	(1,209,931)
- Stage 3 - Lifetime ECL credit impaired		<u>(1,268,364)</u>	<u>(1,254,822)</u>
Net financing and advances to customers		<u>207,626,662</u>	<u>203,666,875</u>
Net financing and advances	(i) & (ii)	<u><b>207,730,008</b></u>	<u><b>203,666,875</b></u>

<sup>^</sup> Included in the Bank's financing and advances to financial institution is financing granted under RPSIA amounting to RM103.3 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 June 2021	Bai <sup>1</sup> RM'000	Murabahah RM'000	Musharakah RM'000	Al-Ijarah Thumma Al- Bai' ("AITAB") <sup>2</sup> RM'000	Ijarah <sup>3</sup> RM'000	Others RM'000	Total financing and advances RM'000
Cashline	-	6,205,033	-	-	-	-	6,205,033
Term financing							
- House financing	13,306,265	79,305,667	1,788,618	-	-	608	94,401,158
- Syndicated financing	-	8,774,422	-	-	-	-	8,774,422
- Hire purchase receivables	-	10,863,040	-	35,043,851	-	-	45,906,891
- Lease receivables	-	-	-	-	540,001	-	540,001
- Other term financing	8,909,580	104,108,439	559,250	-	-	118,903	113,696,172
Bills receivable	-	-	-	-	-	1,632	1,632
Trust receipts	-	115,333	-	-	-	-	115,333
Claims on customers under acceptance credits	-	5,004,911	-	-	-	-	5,004,911
Staff financing	361,945	2,214,873	7,828	169,422	-	30,274	2,784,342
Credit card receivables	-	-	-	-	-	1,183,171	1,183,171
Revolving credit	-	14,775,391	-	-	-	-	14,775,391
Share margin financing	-	40,285	-	-	-	-	40,285
Financing to:							
- Directors of the Bank	-	1,875	-	-	-	2	1,877
- Directors of related companies	-	3,604	-	274	-	21	3,899
	<b>22,577,790</b>	<b>231,412,873</b>	<b>2,355,696</b>	<b>35,213,547</b>	<b>540,001</b>	<b>1,334,611</b>	<b>293,434,518</b>
Unearned income							<b>(82,346,800)</b>
Gross financing and advances <sup>4</sup>							<b>211,087,718</b>
Allowances for ECL and impairment losses:							
- Stage 1 - 12-month ECL							<b>(600,476)</b>
- Stage 2 - Lifetime ECL not credit impaired							<b>(1,488,870)</b>
- Stage 3 - Lifetime ECL credit impaired							<b>(1,268,364)</b>
Net financing and advances							<b>207,730,008</b>

<sup>1</sup> Bai' comprises of Bai'-Bithaman Ajil, Bai' Al-Inah and Bai'-Al-Dayn.

<sup>2</sup> 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.

<sup>3</sup> 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.

<sup>4</sup> 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.):

<b>As at 31 December 2020</b>	<b>Bai'<sup>1</sup></b>	<b>Murabahah</b>	<b>Musharakah</b>	<b>Al-Ijarah Thumma Al- Bai'<sup>2</sup></b>	<b>Ijarah<sup>3</sup></b>	<b>Others</b>	<b>Total financing and advances</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>("AITAB")<sup>2</sup></b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
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 <sup>4</sup>							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>

<sup>1</sup> Bai' comprises of Bai'-Bithaman Ajil, Bai' Al-Inah and Bai'-Al-Dayn.

<sup>2</sup> 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.

<sup>3</sup> 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.

<sup>4</sup> 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:

	<b>30 June 2021 RM'000</b>	<b>31 December 2020 RM'000</b>
Domestic banking institution	<b>103,352</b>	-
Domestic non-banking financial institutions	<b>3,986,872</b>	4,385,735
Domestic business enterprises:		
- Small and medium enterprises	<b>27,767,507</b>	26,319,703
- Others	<b>31,051,018</b>	30,637,837
Government and statutory bodies	<b>15,911,583</b>	16,144,388
Individuals	<b>130,730,518</b>	127,787,608
Other domestic entities	<b>99,523</b>	33,265
Foreign entities	<b>1,437,345</b>	1,397,305
Gross financing and advances	<b><u>211,087,718</u></b>	<u>206,705,841</u>

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

	<b>30 June 2021 RM'000</b>	<b>31 December 2020 RM'000</b>
Fixed rate:		
- House financing	<b>1,562,298</b>	1,506,079
- Hire purchase receivables	<b>31,840,194</b>	31,474,156
- Other financing	<b>33,640,135</b>	33,281,314
Floating rate:		
- House financing	<b>56,714,637</b>	53,987,854
- Other financing	<b>87,330,454</b>	86,456,438
Gross financing and advances	<b><u>211,087,718</u></b>	<u>206,705,841</u>

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

	<b>30 June 2021 RM'000</b>	<b>31 December 2020 RM'000</b>
Purchase of securities	<b>24,050,191</b>	24,118,381
Purchase of transport vehicles	<b>42,311,703</b>	40,840,421
Purchase of landed properties:		
- Residential	<b>58,255,931</b>	54,518,350
- Non-residential	<b>15,247,990</b>	14,667,103
Purchase of fixed assets (excluding landed properties)	<b>165,528</b>	148,492
Personal use	<b>3,279,433</b>	4,784,845
Purchase of consumer durables	<b>578</b>	346
Constructions	<b>2,603,575</b>	2,542,260
Working capital	<b>63,954,288</b>	63,783,960
Credit/charge card	<b>1,218,501</b>	1,301,683
Gross financing and advances	<b><u>211,087,718</u></b>	<u>206,705,841</u>

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**A12. Financing and advances (cont'd.)**

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

	<b>30 June 2021 RM'000</b>	<b>31 December 2020 RM'000</b>
Within one year	<b>33,897,563</b>	33,131,625
One year to three years	<b>8,891,776</b>	8,896,910
Three years to five years	<b>17,203,262</b>	15,229,505
After five years	<b>151,095,117</b>	149,447,801
Gross financing and advances	<b>211,087,718</b>	206,705,841

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

	<b>30 June 2021 RM'000</b>	<b>31 December 2020 RM'000</b>
Gross impaired financing and advances at 1 January	<b>2,452,406</b>	3,115,266
Impaired during the financial period/year	<b>231,951</b>	584,878
Reclassified as non-impaired	<b>(116,769)</b>	(485,955)
Amount recovered	<b>(159,545)</b>	(437,564)
Amount written-off	<b>(102,025)</b>	(317,043)
Amount related to Restricted Investment Account	<b>10,504</b>	(7,176)
Gross impaired financing and advances at 30 June 2021/ 31 December 2020	<b>2,316,522</b>	2,452,406
Less: Stage 3 - Lifetime ECL credit impaired	<b>(1,268,364)</b>	(1,254,822)
Net impaired financing and advances at 30 June 2021/ 31 December 2020	<b>1,048,158</b>	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 June 2021/ 31 December 2020	<b>1,629,488</b>	1,776,012
Less: Stage 3 - Lifetime ECL credit impaired	<b>(1,268,364)</b>	(1,254,822)
Net impaired financing and advances at 30 June 2021/ 31 December 2020	<b>361,124</b>	521,190
Gross financing and advances	<b>159,638,727</b>	156,381,322
Less: Allowances for financing and advances at amortised cost and FVOCI	<b>(3,363,712)</b>	(3,043,122)
Net financing and advances	<b>156,275,015</b>	153,338,200
Ratio of net impaired financing and advances	<b>0.23%</b>	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:

	<b>30 June 2021 RM'000</b>	<b>31 December 2020 RM'000</b>
Purchase of securities	26,579	76,253
Purchase of transport vehicles	171,897	174,184
Purchase of landed properties:		
- Residential	352,540	381,806
- Non-residential	181,069	178,437
Purchase of fixed assets (exclude landed properties)	927	889
Personal use	46,137	49,336
Purchase of consumer durables	2	2
Constructions	24,071	50,111
Working capital	1,506,572	1,536,493
Credit/charge card	6,728	4,895
Gross credit impaired financing and advances	<b>2,316,522</b>	<b>2,452,406</b>

(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	
<b>As at 30 June 2021</b>				
At 1 January 2021	1,662	2,494	-	4,156
Net remeasurement of allowances	41	-	-	41
New financial assets originated or purchased	37	-	-	37
Financial assets derecognised	(363)	-	-	(363)
Changes in models/risk parameters	1,387	734	-	2,121
Exchange differences	10	-	-	10
At 30 June 2021	<b>2,774</b>	<b>3,228</b>	<b>-</b>	<b>6,002</b>

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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	
<b>As at 31 December 2020</b>				
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	
<b>As at 30 June 2021</b>				
At 1 January 2021	574,213	1,209,931	1,254,822	3,038,966
Transferred to Stage 1	139,575	(133,534)	(6,041)	-
Transferred to Stage 2	(16,024)	41,035	(25,011)	-
Transferred to Stage 3	(2,819)	(23,129)	25,948	-
Net remeasurement of allowances	(113,832)	390,314	80,835	357,317
New financial assets originated or purchased	87,843	74,294	-	162,137
Financial assets derecognised	(48,542)	(66,933)	(8,599)	(124,074)
Changes in models/risk parameters	(20,394)	(5,583)	-	(25,977)
Amount related to Restricted Investment Accounts*	174	1,661	28,415	30,250
Amount written off	-	-	(102,025)	(102,025)
Exchange differences	282	814	20,020	21,116
At 30 June 2021	<u>600,476</u>	<u>1,488,870</u>	<u>1,268,364</u>	<u>3,357,710</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>	<u>Total</u>
	12-month ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	
<b>As at 31 December 2020</b>				
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)
<b>At 31 December 2020</b>	<u>574,213</u>	<u>1,209,931</u>	<u>1,254,822</u>	<u>3,038,966</u>

\* As at 30 June 2021, the gross exposure of the financing funded by RPSIA was RM25,973.2 million (31 December 2020: RM26,483.7 million). The expected credit losses relating to these financing amounting to RM487.6 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 June 2021 was RM25,475.8 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 June 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
<b>Trading derivatives</b>						
<u>Foreign exchange related contracts</u>						
Currency forwards:						
- Less than one year	8,830,830	81,897	(13,555)	7,302,204	16,665	(215,360)
- One year to three years	1,042,126	4,786	(4,786)	881,114	8,609	(8,609)
- More than three years	2,824,268	6,244	(6,244)	2,498,574	30,465	(30,465)
	<u>12,697,224</u>	<u>92,927</u>	<u>(24,585)</u>	<u>10,681,892</u>	<u>55,739</u>	<u>(254,434)</u>
Currency swaps:						
- Less than one year	15,184,932	43,422	(43,065)	15,836,028	180,934	(260,507)
Currency spot:						
- Less than one year	510,502	226	(2,933)	426,413	11,262	(865)
Currency options:						
- Less than one year	3,131	12	(12)	1,161	10	(10)

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**A13. Derivative financial instruments (cont'd.)**

	30 June 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
<b><u>Trading derivatives (cont'd.)</u></b>						
<b><u>Foreign exchange related contracts (cont'd.)</u></b>						
Cross currency profit rate swaps:						
- Less than one year	2,109,219	3,349	(3,349)	-	-	-
- One year to three years	30,153	72	(72)	2,092,853	31,242	(31,242)
- More than three years	403,980	6,681	(6,681)	415,320	2,135	(2,135)
	<b>2,543,352</b>	<b>10,102</b>	<b>(10,102)</b>	<b>2,508,173</b>	<b>33,377</b>	<b>(33,377)</b>
<b><u>Profit rate related contracts</u></b>						
Profit rate swaps:						
- Less than one year	83,020	246	(245)	80,340	456	(452)
- One year to three years	3,278,786	39,647	(39,228)	1,490,000	35,702	(35,702)
- More than three years	1,787,003	36,581	(47,587)	2,145,654	67,823	(70,955)
	<b>5,148,809</b>	<b>76,474</b>	<b>(87,060)</b>	<b>3,715,994</b>	<b>103,981</b>	<b>(107,109)</b>
<b>Total</b>	<b>36,087,950</b>	<b>223,163</b>	<b>(167,757)</b>	<b>33,169,661</b>	<b>385,303</b>	<b>(656,302)</b>

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**A14. Other assets**

	<b>30 June 2021 RM'000</b>	<b>31 December 2020 RM'000</b>
Amount due from holding company	3,589,186	1,772,618
Handling fees	187,641	191,339
Prepayments and deposits	17,360	21,796
Tax recoverable	-	319,391
Margin account with holding company	115,350	98,420
Others debtors	467,137	401,360
	<b>4,376,674</b>	<b>2,804,924</b>

**A15. Deposits from customers**

(i) By type of deposits

	<b>30 June 2021 RM'000</b>	<b>31 December 2020 RM'000</b>
<b>Savings deposits</b>		
Qard	28,501,572	23,708,048
<b>Demand deposits</b>		
Qard	35,413,691	26,703,465
<b>Term deposits</b>		
Murabahah	109,553,321	114,498,944
Qard	1,249,937	357,789
	<b>110,803,258</b>	<b>114,856,733</b>
	<b>174,718,521</b>	<b>165,268,246</b>

(ii) By type of customers

	<b>30 June 2021 RM'000</b>	<b>31 December 2020 RM'000</b>
Business enterprises	55,052,380	55,608,362
Individuals	49,550,632	45,188,774
Government and statutory bodies	37,238,451	32,798,930
Others	32,877,058	31,672,180
	<b>174,718,521</b>	<b>165,268,246</b>

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**A16. Investment accounts of customers**

<b>Mudharabah</b>	<b>30 June 2021 RM'000</b>	<b>31 December 2020 RM'000</b>
Unrestricted investment accounts <sup>1</sup>	<b>25,475,794</b>	23,840,796
Restricted investment accounts managed by the Bank <sup>2</sup>	<b>541,728</b>	-

<sup>1</sup> Included in the unrestricted investment accounts are funds received from the Multi-Asset Investment Account-i ("MAIA") product of RM254.8 million that are managed by the Bank. The amount represents 50% of the total funds invested in MAIA product of RM511.5 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 RM256.7 million as at 30 June 2021. The fund managed by MIAM are excluded from the asset and liability of the Bank.

<sup>2</sup> 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 RM541.7 million.

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

<b>As at 30 June 2021</b>	<b>Unrestricted investment accounts RM'000</b>
Business enterprises	14,212,790
Individuals	9,453,303
Government and statutory bodies	141,141
Others	1,668,560
	<b>25,475,794</b>
<b>As at 31 December 2020</b>	
Business enterprises	13,328,580
Individuals	9,200,552
Government and statutory bodies	112,309
Others	1,199,355
	<b>23,840,796</b>

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

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

	<b>Unrestricted investment accounts RM'000</b>
<b>As at 30 June 2021</b>	
- without maturity	20,191,435
- with maturity	<b>5,284,359</b>
Within six months	4,498,778
Six months to one year	769,597
One year to three years	10,423
Three years to five years	5,561
	<b>25,475,794</b>
 <b>As at 31 December 2020</b>	
- without maturity	18,243,257
- with maturity	<b>5,597,539</b>
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
	<b>23,840,796</b>

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

	<b>Unrestricted investment accounts RM'000</b>
<b>As at 30 June 2021</b>	
Retail financing	<b>23,802,230</b>
Non-retail financing	<b>1,673,564</b>
	<b>25,475,794</b>
 <b>As at 31 December 2020</b>	
Retail financing	22,550,499
Non-retail financing	1,290,297
	<b>23,840,796</b>

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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 (%)
<b>As at 30 June 2021</b>		
Unrestricted investment accounts	<b>30.85</b>	<b>1.19</b>
<b>As at 31 December 2020</b>		
Unrestricted investment accounts	36.53	1.64

**A17. Deposits and placements of banks and other financial institutions**

	30 June 2021 RM'000	31 December 2020 RM'000
<u>Mudharabah Fund</u>		
Licensed banks*	<b>31,016,279</b>	28,997,440
<u>Non-Mudharabah Fund</u>		
Licensed banks	<b>12,223,629</b>	7,662,450
Licensed Islamic banks	<b>1,296,400</b>	549,213
Licensed investment banks	<b>149,675</b>	49,721
Other financial institutions	<b>1,523,262</b>	1,512,028
	<b>15,192,966</b>	9,773,412
	<b>46,209,245</b>	38,770,852

\* Mudharabah deposits and placements of licensed banks is the RPSIA placed by the holding company amounting to RM31,016.3 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 June 2021 RM'000	31 December 2020 RM'000
Sundry creditors		627,898	175,210
Deposit on trade financing		67,268	34,457
Provisions and accruals		22,651	25,654
Provisions for commitments and contingencies		-	47,918
Allowances for impairment losses on financing commitments and financial guarantee contracts	(i)	39,397	36,341
Lease liabilities		8,658	9,896
Structured deposits		6,495	1,161
Amount due to related company		10,696	8,443
		<b>783,063</b>	<b>339,080</b>

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

	Stage 1 12-month ECL RM'000	Stage 2 Lifetime ECL not credit impaired RM'000	Stage 3 Lifetime ECL credit impaired RM'000	Total RM'000
<b>As at 30 June 2021</b>				
At 1 January 2021	26,366	9,592	383	36,341
Transferred to Stage 1	127	(127)	-	-
Transferred to Stage 2	(163)	163	-	-
Net remeasurement of allowances	(72)	612	346	886
New credit exposures originated or purchased	2,705	1,639	-	4,344
Credit exposures derecognised	(1,820)	(1,040)	(281)	(3,141)
Changes in models/risk parameters	794	(45)	-	749
Exchange differences	203	15	-	218
At 30 June 2021	<b>28,140</b>	<b>10,809</b>	<b>448</b>	<b>39,397</b>

	Stage 1 12-month ECL RM'000	Stage 2 Lifetime ECL not credit impaired RM'000	Stage 3 Lifetime ECL credit impaired RM'000	Total RM'000
<b>As at 31 December 2020</b>				
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	<b>26,366</b>	<b>9,592</b>	<b>383</b>	<b>36,341</b>

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**A19. Sources and uses of charity funds**

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

\* Denotes RM61.84

**A20. Term Funding**

	<b>30 June 2021 RM'000</b>	<b>31 December 2020 RM'000</b>
Unsecured term funding:		
(a) Commercial Paper - Less than one year	7,944,024	7,945,896
(b) Medium Term Notes - More than one year	2,002,992	2,003,222
(c) Term funding - More than one year (note(a))	958,463	945,940
<b>Total term funding</b>	<b>10,905,479</b>	<b>10,895,058</b>

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**

	<b>30 June 2021 RM'000</b>	<b>31 December 2020 RM'000</b>
RM1,000 million subordinated sukuk due in 2026	-	1,017,454
RM1,000 million subordinated sukuk due in 2029	<b>1,010,726</b>	1,010,849
RM1,000 million subordinated sukuk due in 2031	<b>1,010,806</b>	-
	<b><u>2,021,532</u></b>	<b><u>2,028,303</u></b>

**A22. Capital Securities**

	<b>30 June 2021 RM'000</b>	<b>31 December 2020 RM'000</b>
RM1,000 million 4.95% Additional Tier 1 Sukuk Wakalah	<b><u>1,002,305</u></b>	<b><u>1,002,441</u></b>

**A23. Income derived from investment of depositors' funds**

	<b>Second Quarter Ended</b>		<b>Cumulative 6 Months Ended</b>	
	<b>30 June 2021 RM'000</b>	<b>30 June 2020 RM'000</b>	<b>30 June 2021 RM'000</b>	<b>30 June 2020 RM'000</b>
Income derived from investment of:				
i) General investment deposits	<b>1,382,165</b>	1,239,423	<b>2,862,040</b>	3,067,884
ii) Other deposits	<b>899,738</b>	668,388	<b>1,651,285</b>	1,302,270
	<b><u>2,281,903</u></b>	<b><u>1,907,811</u></b>	<b><u>4,513,325</u></b>	<b><u>4,370,154</u></b>

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

**i) Income derived from investment of general investment deposits**

	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June 2021 RM'000	30 June 2020 RM'000	30 June 2021 RM'000	30 June 2020 RM'000
<b>Finance income and hibah</b>				
Financing and advances (Note A25 (note(a)))	1,048,791	926,543	2,186,787	2,333,114
Money at call and deposits with financial institutions	38,933	57,796	76,780	147,784
Financial assets purchased under resale agreements	11,297	-	18,920	-
Financial investments at fair value through other comprehensive income	91,844	99,264	198,174	198,537
Financial investments at amortised cost	120,282	98,286	230,115	185,598
Financial investments at fair value through profit or loss	1,330	192	2,302	1,748
	<u>1,312,477</u>	<u>1,182,081</u>	<u>2,713,078</u>	<u>2,866,781</u>
Amortisation of premiums	(5,761)	(5,121)	(17,391)	(1,386)
<b>Total finance income and hibah</b>	<b>1,306,716</b>	<b>1,176,960</b>	<b>2,695,687</b>	<b>2,865,395</b>
<b>Other operating income :</b>				
Fee income:				
- Processing fees	(1,600)	1,403	16,479	5,968
- Commissions	32,618	22,235	61,793	56,000
- Service charges and other fees	26,595	27,332	54,085	58,599
Gains/(losses) on disposal of financial investment at fair value through other comprehensive income	20,656	(889)	32,382	34,248
Gains on redemption of financial investments at amortised cost	24	-	310	-
Gains/(losses) on disposal of financial investments at fair value through profit or loss	385	296	(1,317)	6,379
Unrealised (losses)/gains on revaluation of:				
- Financial investments at fair value through profit or loss	(81)	1,801	86	(452)
- Derivatives	(2,032)	1,141	(5,161)	(5,260)
Gains/(losses) on foreign exchange:				
- Realised	67,920	25,484	12,352	95,708
- Unrealised	(69,354)	(16,502)	(5,149)	(49,338)
Realised gains on derivatives	129	162	275	637
Others	189	-	218	-
<b>Total other operating income</b>	<b>75,449</b>	<b>62,463</b>	<b>166,353</b>	<b>202,489</b>
<b>Total</b>	<b>1,382,165</b>	<b>1,239,423</b>	<b>2,862,040</b>	<b>3,067,884</b>

Included in finance income are income on impaired assets amounting to RM16.7 million (30 June 2020: RM25.9 million).

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

**ii) Income derived from investment of other deposits**

	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June 2021 RM'000	30 June 2020 RM'000	30 June 2021 RM'000	30 June 2020 RM'000
<b>Finance income and hibah</b>				
Financing and advances (Note A25 (note(a)))	683,814	502,750	1,261,417	990,373
Money at call and deposits with financial with financial institutions	25,079	31,535	44,289	62,732
Financial assets purchased under resale agreements	7,045	-	10,914	-
Financial investments at fair value through other comprehensive income	60,345	49,860	114,314	84,276
Financial investments at amortised cost	76,992	48,515	132,739	78,784
Financial investments at fair value through profit or loss	835	203	1,328	742
	<b>854,110</b>	<b>632,863</b>	<b>1,565,001</b>	<b>1,216,907</b>
Amortisation of premiums	<b>(4,129)</b>	<b>(1,884)</b>	<b>(10,032)</b>	<b>(589)</b>
<b>Total finance income and hibah</b>	<b>849,981</b>	<b>630,979</b>	<b>1,554,969</b>	<b>1,216,318</b>
<b>Other operating income :</b>				
Fee income:				
- Processing fees	329	951	9,505	2,533
- Commissions	20,836	12,066	35,644	23,771
- Service charges and other fees	17,245	14,035	31,198	24,874
Gains on disposal of financial investments at fair value through other comprehensive income	12,727	2,357	18,679	14,538
(Losses)/gains on redemption of financial investments at amortised cost	(27)	-	537	-
Gains/(losses) on disposal of financial investments at fair value through profit or loss	104	599	(760)	2,708
Unrealised (losses)/gains on revaluation of:				
- Financial investments at fair value through profit or loss	(35)	589	50	(192)
- Derivatives	(1,389)	(14)	(2,977)	(2,233)
Gains/(losses) on foreign exchange:				
- Realised	35,329	16,281	7,125	40,626
- Unrealised	(35,558)	(9,560)	(2,970)	(20,943)
Realised gains on derivatives	85	105	159	270
Others	111	-	126	-
<b>Total other operating income</b>	<b>49,757</b>	<b>37,409</b>	<b>96,316</b>	<b>85,952</b>
<b>Total</b>	<b>899,738</b>	<b>668,388</b>	<b>1,651,285</b>	<b>1,302,270</b>

Included in finance income are income on impaired assets amounting to RM9.65 million (30 June 2020: RM11.0 million).

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**A24. Income derived from investment of investment account funds**

	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June 2021 RM'000	30 June 2020 RM'000	30 June 2021 RM'000	30 June 2020 RM'000
Financing and advances (Note A25 (note(a)))	231,085	265,767	454,943	515,964
<b>Total finance income and hibah</b>	<b>231,085</b>	<b>265,767</b>	<b>454,943</b>	<b>515,964</b>
<b>Other operating income :</b>				
Fee income:				
- Commissions	54	140	105	260
- Service charges and other fees	8	15	16	37
<b>Total other operating income</b>	<b>62</b>	<b>155</b>	<b>121</b>	<b>297</b>
<b>Total</b>	<b>231,147</b>	<b>265,922</b>	<b>455,064</b>	<b>516,261</b>

**A25. Income derived from investment of shareholder's funds**

	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June 2021 RM'000	30 June 2020 RM'000	30 June 2021 RM'000	30 June 2020 RM'000
<b>Finance income and hibah</b>				
Financing and advances (note(a))	92,679	72,218	170,442	159,020
Money at call and deposits with financial institutions	3,398	4,520	5,984	10,073
Financial assets purchased under resale agreements	954	-	1,475	-
Financial investments at fair value through other comprehensive income	8,180	7,406	15,446	13,532
Financial investments at amortised cost	10,431	7,262	17,936	12,650
Financial investments at fair value through profit or loss	113	23	179	119
	<b>115,755</b>	<b>91,429</b>	<b>211,462</b>	<b>195,394</b>
Amortisation of premiums	(561)	(324)	(1,356)	(94)
<b>Total finance income and hibah</b>	<b>115,194</b>	<b>91,105</b>	<b>210,106</b>	<b>195,300</b>

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

	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June 2021 RM'000	30 June 2020 RM'000	30 June 2021 RM'000	30 June 2020 RM'000
<b>Other operating income :</b>				
Fee income:				
- Processing fees	49	125	1,284	407
- Commissions	2,822	1,733	4,816	3,817
- Service charges and other fees	2,336	2,064	4,215	3,994
Gains on disposal of financial investments at fair value through other comprehensive income	1,723	166	2,524	2,334
Gains on redemption of financial investments at amortised cost	3	-	42	-
Gains/(losses) on disposal of financial investments at fair value through profit or loss	13	60	(103)	435
Unrealised (losses)/gains on revaluation of:				
- Financial investments at fair value through profit or loss	(4)	108	7	(31)
- Derivatives	(188)	36	(402)	(359)
Gains/(losses) on foreign exchange:				
- Realised	4,760	2,189	963	6,523
- Unrealised	(4,788)	(1,337)	(401)	(3,363)
Realised gains on derivatives	11	14	21	43
Others	15	-	17	-
<b>Total other operating income</b>	<b>6,752</b>	<b>5,158</b>	<b>12,983</b>	<b>13,800</b>
<b>Total</b>	<b>121,946</b>	<b>96,263</b>	<b>223,089</b>	<b>209,100</b>

Included in finance income are income on impaired assets amounting to RM1.3 million (30 June 2020: RM1.7 million).

Note(a): During the financial half year ended 30 June 2020, 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 amounting to RM238,839,000 for the Bank.

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**A26. Allowances for impairment losses on financing and advances, net**

	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June 2021 RM'000	30 June 2020 RM'000	30 June 2021 RM'000	30 June 2020 RM'000
(Writeback of)/allowances for impairment losses on financing and advances:				
- Stage 1 - 12-month ECL, net	(20,029)	182,141	(92,216)	69,138
- Stage 2 - Lifetime ECL not credit impaired, net	163,665	92,603	393,992	301,949
- Stage 3 - Lifetime ECL credit impaired, net	36,377	92,761	72,301	206,290
Impaired financing and advances written-off	3,709	1,968	5,784	4,440
Impaired financing and advances recovered	(19,237)	(11,064)	(36,101)	(28,447)
Allowances for/(writeback of) impairment losses on other debts	170	(3)	247	(23)
	<b>164,655</b>	<b>358,406</b>	<b>344,007</b>	<b>553,347</b>

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

	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June 2021 RM'000	30 June 2020 RM'000	30 June 2021 RM'000	30 June 2020 RM'000
Financial investments at fair value through other comprehensive income				
- Stage 1 - 12-month ECL, net	(14)	(1,113)	(839)	(118)
- Stage 2 - Lifetime ECL not credit impaired, net	-	5	-	918
	<b>(14)</b>	<b>(1,108)</b>	<b>(839)</b>	<b>800</b>
Financial investments at amortised cost				
- Stage 1 - 12-month ECL, net	489	922	(11,056)	901
- Stage 2 - Lifetime ECL not credit impaired, net	-	10,895	(230,919)	14,807
	<b>489</b>	<b>11,817</b>	<b>(241,975)</b>	<b>15,708</b>
	<b>475</b>	<b>10,709</b>	<b>(242,814)</b>	<b>16,508</b>

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**A28. (Writeback of)/allowances for impairment losses on other financial assets, net**

	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June	30 June	30 June	30 June
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Financial assets purchased under resale agreements				
- Stage 1 - 12-month ECL, net	(1,667)	-	732	-
	<u>(1,667)</u>	<u>-</u>	<u>732</u>	<u>-</u>

**A29. Profit distributed to depositors**

	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June	30 June	30 June	30 June
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Deposits from customers				
- Non-mudharabah fund	567,506	824,121	1,150,087	1,892,530
	<u>567,506</u>	<u>824,121</u>	<u>1,150,087</u>	<u>1,892,530</u>
Deposits and placements of banks and other financial institutions				
- Mudharabah fund	252,449	263,464	477,195	462,274
- Non-mudharabah fund	50,095	36,703	96,479	149,268
	<u>302,544</u>	<u>300,167</u>	<u>573,674</u>	<u>611,542</u>
Structured deposits				
- Non-mudharabah fund	5	45	13	132
	<u>870,055</u>	<u>1,124,333</u>	<u>1,723,774</u>	<u>2,504,204</u>

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**A30. Overhead expenses**

	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June	30 June	30 June	30 June
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Personnel expenses	<b>11,780</b>	13,632	<b>25,539</b>	26,661
- Salaries, allowances and bonuses	<b>8,973</b>	9,865	<b>19,812</b>	19,051
- Pension costs - defined contribution plan	<b>1,372</b>	1,613	<b>2,962</b>	3,117
- Share/options granted under ESGP	<b>741</b>	460	<b>1,463</b>	906
- Other staff related expenses	<b>694</b>	1,694	<b>1,302</b>	3,587
Establishment costs	<b>1,706</b>	1,864	<b>3,271</b>	3,442
- Depreciation of right-of-use assets	<b>761</b>	783	<b>1,513</b>	1,532
- Depreciation of property, plant and equipment	<b>109</b>	186	<b>216</b>	263
- Repairs, servicing and maintenance	<b>10</b>	2	<b>69</b>	46
- Information technology expenses	<b>740</b>	791	<b>1,297</b>	1,397
- Finance cost on lease liabilities	<b>86</b>	102	<b>176</b>	204
Marketing costs	<b>1,652</b>	1,163	<b>4,169</b>	3,599
- Advertisement and publicity	<b>520</b>	(240)	<b>1,604</b>	63
- Others	<b>1,132</b>	1,403	<b>2,565</b>	3,536
Administration and general expenses	<b>413,912</b>	329,355	<b>748,702</b>	803,111
- Fees and brokerage	<b>19,686</b>	8,757	<b>36,182</b>	24,592
- Administrative expenses	<b>2,497</b>	2,086	<b>6,791</b>	5,233
- General expenses	<b>4,827</b>	6,402	<b>(37,892)</b>	66,580
- Shared service cost paid/payable to Maybank and related company	<b>386,902</b>	312,110	<b>743,621</b>	706,706
<b>Total</b>	<b>429,050</b>	346,014	<b>781,681</b>	836,813

**A31. Finance costs**

	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June	30 June	30 June	30 June
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Subordinated sukuk	<b>18,449</b>	22,813	<b>38,853</b>	45,625
Capital securities	<b>12,341</b>	12,341	<b>24,547</b>	24,682
Term funding	<b>70,948</b>	87,077	<b>139,767</b>	178,171
	<b>101,738</b>	122,231	<b>203,167</b>	248,478



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**A32. Taxation and zakat**

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

	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June 2021 RM'000	30 June 2020 RM'000	30 June 2021 RM'000	30 June 2020 RM'000
Malaysian income tax	458,924	(137,740)	893,781	-
Foreign income tax	-	6	-	27
	<u>458,924</u>	<u>(137,734)</u>	<u>893,781</u>	<u>27</u>
Deferred tax				
- Relating to origination and reversal of temporary differences	<u>(217,717)</u>	203,963	<u>(356,318)</u>	187,135
Tax expense for the financial period	<u>241,207</u>	66,229	<u>537,463</u>	187,162
Zakat	<u>4,141</u>	5,515	<u>11,164</u>	11,746
	<u><u>245,348</u></u>	<u>71,744</u>	<u><u>548,627</u></u>	<u>198,908</u>

**A33. Credit exposure arising from credit transactions with connected parties**

The credit exposures disclosed below are based on requirement of Paragraph 9.1 of Bank Negara Malaysia's revised Guidelines on Credit Transactions and Exposures with Connected Parties:

	30 June 2021	31 December 2020
Outstanding credit exposure with connected parties (RM'000)	<u>8,778,446</u>	<u>7,655,809</u>
Percentage of outstanding credit exposures to connected parties as proportion of total credit exposures	<u>3.65%</u>	<u>3.45%</u>
Percentage of outstanding credit exposures to connected parties which is impaired* or in default	<u>-</u>	<u>-</u>

\* Impaired refers to non-performing as stated in Paragraph 9.1 of Bank Negara Malaysia's revised Guidelines on Credit Transactions and Exposures with Connected Parties.

**A34. 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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**A35. 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 June 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
<b><u>Contingent liabilities</u></b>						
Direct credit substitutes	3,046,183	2,997,166	2,242,781	2,832,337	2,786,746	2,258,338
Certain transaction-related contingent items	3,214,846	1,585,501	1,124,794	2,533,185	1,246,136	778,165
Short-term self-liquidating trade-related contingencies	296,620	60,752	35,395	162,041	34,164	15,170
	<b>6,557,649</b>	<b>4,643,419</b>	<b>3,402,970</b>	<b>5,527,563</b>	<b>4,067,046</b>	<b>3,051,673</b>
<b><u>Commitments</u></b>						
Irrevocable commitments to extend credit:						
- maturity within one year	28,267,886	1,479,215	270,098	27,288,508	1,388,834	261,485
- maturity exceeding one year	10,320,811	18,356,324	8,637,239	10,452,802	17,979,661	7,763,819
	<b>38,588,697</b>	<b>19,835,539</b>	<b>8,907,337</b>	<b>37,741,310</b>	<b>19,368,495</b>	<b>8,025,304</b>
Miscellaneous commitments and contingencies	83,724	-	-	86,280	-	-
Total credit-related commitments and contingencies	<b>45,230,070</b>	<b>24,478,958</b>	<b>12,310,307</b>	<b>43,355,153</b>	<b>23,435,541</b>	<b>11,076,977</b>

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**A35. 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 June 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
<b><u>Derivative financial instruments</u></b>						
Foreign exchange related contracts:						
- less than one year	26,638,614	116,196	104,060	23,565,806	152,805	58,958
- one year to less than five years	1,925,112	362,748	109,972	3,571,063	158,246	123,372
- more than five years	2,375,415	201,694	168,647	2,316,798	185,877	145,433
Profit rate related contracts:						
- less than one year	83,020	59,757	24,272	80,340	80	24
- one year to less than five years	4,765,789	88,666	87,617	3,335,654	146,381	119,953
- more than five years	300,000	26,604	11,324	300,000	34,064	15,797
Total treasury-related commitments and contingencies	<b>36,087,950</b>	<b>855,665</b>	<b>505,892</b>	<b>33,169,661</b>	<b>677,453</b>	<b>463,537</b>
<b>Total commitments and contingencies</b>	<b>81,318,020</b>	<b>25,334,623</b>	<b>12,816,199</b>	<b>76,524,814</b>	<b>24,112,994</b>	<b>11,540,514</b>

\* 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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**A36. 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:**

	<b>30 June 2021</b>	<b>31 December 2020</b>
<b>Capital ratios</b>		
CET1 capital ratio	<b>14.180%</b>	13.773%
Tier 1 capital ratio	<b>15.390%</b>	15.030%
Total capital ratio	<b>18.329%</b>	18.063%

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**A36. Capital Adequacy (cont'd.)**

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

	<b>30 June 2021 RM'000</b>	<b>31 December 2020 RM'000</b>
<b>CET1 capital</b>		
Share capital	8,636,184	7,929,444
Retained profits	3,031,424	2,756,457
Other reserves	831,846	1,234,078
<b>CET1 capital before regulatory adjustments</b>	<b>12,499,454</b>	<b>11,919,979</b>
Less: Regulatory adjustment applied in CET1 capital	(781,585)	(960,375)
Deferred tax assets	(33,377)	-
Gain of financial instruments classified as 'fair value through other comprehensive income'	(153,734)	(365,901)
Regulatory reserve	(594,474)	(594,474)
<b>Total CET1 Capital</b>	<b>11,717,869</b>	<b>10,959,604</b>
<b>Additional Tier 1 Capital</b>		
Capital securities	1,000,000	1,000,000
<b>Total Tier 1 capital</b>	<b>12,717,869</b>	<b>11,959,604</b>
<b>Tier 2 capital</b>		
Subordinated sukuk	2,000,000	2,000,000
General provision <sup>1</sup>	10,083	11,523
Surplus of eligible provision over expected loss	418,635	401,538
<b>Total Tier 2 capital</b>	<b>2,428,718</b>	<b>2,413,061</b>
<b>Total Capital</b>	<b>15,146,587</b>	<b>14,372,665</b>

<sup>1</sup> 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:**

	<b>30 June 2021 RM'000</b>	<b>31 December 2020 RM'000</b>
Standardised Approach exposure	2,473,969	2,970,081
Internal Ratings-Based Approach exposure after scaling factor	90,188,156	80,460,704
<b>Total RWA for credit risk</b>	<b>92,662,125</b>	<b>83,430,785</b>
Total RWA for credit risk absorbed by the holding company and Investment Account Holders ("IAH") <sup>^</sup>	(20,415,619)	(13,537,755)
Total RWA for market risk	1,315,359	1,177,963
Total RWA for operational risk	9,074,076	8,499,254
<b>Total RWA</b>	<b>82,635,941</b>	<b>79,570,247</b>

<sup>^</sup> 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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**A37. 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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**A37. 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 June 2021 and 31 December 2020 is summarised in the table:

As at 30 June 2021	Quoted Market Price (Level 1) RM'000	<u>Valuation technique using</u> Observable Inputs (Level 2) RM'000		Unobservable Inputs (Level 3) RM'000	Total RM'000
Financial assets measured at fair value:					
<b>Financial investments at fair value through profit and loss</b>	-	686,085	-	-	686,085
<i>Money market instruments</i>	-	686,085	-	-	686,085
<b>Financial investments at fair value through other comprehensive income</b>	-	16,542,987	1,250	-	16,544,237
<i>Money market instruments</i>	-	11,842,632	-	-	11,842,632
<i>Unquoted securities</i>	-	4,700,355	1,250	-	4,701,605
<b>Financing and advances at fair value through other comprehensive income</b>	-	-	3,143,316	-	3,143,316
<b>Derivative assets</b>	-	223,163	-	-	223,163
<i>Foreign exchange related contracts</i>	-	146,689	-	-	146,689
<i>Profit rate related contracts</i>	-	76,474	-	-	76,474
	-	17,452,235	3,144,566	-	20,596,801
Financial liabilities measured at fair value:					
<b>Derivative liabilities</b>	-	167,757	-	-	167,757
<i>Foreign exchange related contracts</i>	-	80,697	-	-	80,697
<i>Profit rate related contracts</i>	-	87,060	-	-	87,060
	-	167,757	-	-	167,757

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**A37. 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 June 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	
<b>Financial assets measured at fair value:</b>				
<b>Financial investments at fair value through other comprehensive income</b>				
	-	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
<b>Financing and advances at fair value through other comprehensive income</b>				
	-	-	2,741,267	2,741,267
<b>Derivative assets</b>				
	-	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
<b>Financial liabilities measured at fair value:</b>				
<b>Derivative liabilities</b>				
	-	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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**A37. Fair value of financial instruments (cont'd.)**

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

<b>As at 30 June 2021</b>	<b>At 1 January 2021 RM'000</b>	<b>Unrealised gains recognised in other comprehensive income RM'000</b>	<b>Purchases/ Issuances/ Additions RM'000</b>	<b>Settlements RM'000</b>	<b>Exchange differences RM'000</b>	<b>At 30 June 2021 RM'000</b>
<b>Financial investments at fair value through other comprehensive income</b>						
<i>Unquoted securities</i>	1,250	-	-	-	-	1,250
<b>Financing and advances at fair value through other comprehensive income</b>	2,741,267	25,735	538,295	(165,600)	3,619	3,143,316
<b>Total Level 3 financial assets</b>	<b>2,742,517</b>	<b>25,735</b>	<b>538,295</b>	<b>(165,600)</b>	<b>3,619</b>	<b>3,144,566</b>

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**A37. Fair value of financial instruments (cont'd.)**

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

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

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 6 months financial half year ended 30 June 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 6 months financial half year ended 30 June 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 RM2,237.1 million for the financial period ended 30 June 2021, an increase of RM1,518.0 million or 211.1% compared to the previous corresponding period.

The Bank's allowances for impairment on financing and advances recorded an impairment charge of RM553.3 million in last year corresponding period to an impairment charge of RM344.0 million in financial period ended 30 June 2021.

Total income increased by RM96.0 million or 1.9% to RM5,191.5 million from previous corresponding period, comprising of income derived from investment of depositors' funds, income derived from investment account funds and income derived from investment of shareholder's funds of RM4,513.3 million, RM455.1 million and RM223.1 million respectively.

The Bank's gross financing and advances increased by RM4.3 billion to RM211.0 billion as compared to RM206.7 billion recorded in previous financial year. As at 30 June 2021, total customer funding increased by 5.9% to RM200.2 billion, contributed by customer deposits which has increased by 5.7% at RM174.7 billion against RM165.3 billion in last financial year. Investment accounts of customers grew by RM1.7 billion to close at RM25.5 billion compared to RM23.8 billion in the last financial year.

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 14.180%, 15.390% and 18.329% respectively.

**B2. Prospects**

Amid the soft economic backdrop, Malaysia's economic recovery is expected to rebound to 4.2% (2020: -5.6%) even with the resurgence of COVID-19 cases and the re-imposition of nationwide containment measures in 2021. Monetary, fiscal and economic stimulus will continue, focusing on targeted support and interventions for the most-affected individuals and businesses. 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 will continue via Budget 2021's record spending allocation of RM322.5 billion and two additional economic stimulus packages worth RM190 billion announced in 2Q 2021.

Due to the challenging business environment and prolonged impact on economic recovery resulting from the resurgence of COVID-19 cases and ongoing nationwide movement restrictions, the Bank will continue its efforts to maintain its capital and liquidity strength by proactively engaging and addressing asset quality concerns. The Bank will remain vigilant in ensuring customers impacted by the pandemic continue to have access to the financial assistance and support they require amidst this turbulent period.

The Bank aims to mitigate the expected revenue pressures due to a softer growth environment and the low policy rates across our home markets. This entails focusing on net profit margin expansion by maintaining low cost of funds by growing current and savings deposits. The Bank will also strive to grow its income streams with an emphasis on fee income, through innovative consumer centric financial products and solutions. The Bank is committed to support the domestic economies of its home markets and strives to meet customers' needs while delivering a positive impact to the communities it serves. The Bank will maintain cost discipline through its strategic cost management programme to limit the increase in overheads.