

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

CONDENSED FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2022

<u>Group</u>	<u>Note</u>	31 March 2022 RM'000	31 December 2021 RM'000
ASSETS			
Cash and short-term funds	14	1,144,044	919,242
Deposits and placements with a financial institution	15	562,407	658,039
Financial investments portfolio	16	1,420,054	1,378,634
Loans and advances	17	59,483	64,197
Derivative financial assets	21 (i)	267,856	233,046
Other assets	18	685,163	520,796
Tax recoverable		29,514	19,927
Property, plant and equipment		3,637	3,913
Right-of-use assets		11,934	13,453
Intangible assets		8,279	8,673
Deferred tax assets		20,426	28,846
TOTAL ASSETS		4,212,797	3,848,766
LIABILITIES			
Deposits and placements from a financial institution	19	1,683,643	1,390,622
Derivative financial liabilities	21 (i)	133,980	127,038
Other liabilities	20	1,742,109	1,548,046
Provision for zakat		3,541	1,056
Subordinated obligation		35,328	35,055
TOTAL LIABILITIES		3,598,601	3,101,817
SHAREHOLDER'S EQUITY			
Share capital		222,785	222,785
Reserves		391,411	524,164
TOTAL EQUITY		614,196	746,949
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY		4,212,797	3,848,766
COMMITMENTS AND CONTINGENCIES	29	2,237,432	2,978,845

(These unaudited condensed financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to these financial statements)

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<u>Bank</u>	Note	31 March 2022 RM'000	31 December 2021 RM'000
ASSETS			
Cash and short-term funds	14	1,111,604	886,931
Deposits and placements with a financial institution	15	562,387	658,019
Financial investments portfolio	16	1,420,054	1,378,634
Loans and advances	17	59,483	64,197
Derivative financial assets	21 (i)	267,856	233,046
Other assets	18	684,855	520,744
Tax recoverable		29,521	19,928
Investment in subsidiaries		197,267	197,267
Property, plant and equipment		3,637	3,913
Right-of-use assets		11,934	13,453
Intangible assets		8,279	8,673
Deferred tax assets		20,426	28,846
TOTAL ASSETS		4,377,303	4,013,651
LIABILITIES			
Deposits and placements from a financial institution	19	1,683,643	1,390,622
Derivative financial liabilities	21 (i)	133,980	127,038
Other liabilities	20	1,912,509	1,718,804
Provision for zakat		3,541	1,056
Subordinated obligation		35,328	35,055
TOTAL LIABILITIES		3,769,001	3,272,575
SHAREHOLDER'S EQUITY			
Share capital		222,785	222,785
Reserves		385,517	518,291
TOTAL EQUITY		608,302	741,076
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY		4,377,303	4,013,651
COMMITMENTS AND CONTINGENCIES	29	2,237,432	2,978,845

(These unaudited condensed financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to these financial statements)

MAYBANK INVESTMENT BANK BERHAD
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CONDENSED FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2022

<u>Group</u>	Notes	Unaudited		Unaudited	
		First Quarter Ended		Cumulative 3 Months Ended	
		31 March 2022	31 March 2021	31 March 2022	31 March 2021
		RM'000	RM'000	RM'000	RM'000
Interest income	22	4,715	5,939	4,715	5,939
Interest expense	23	(6,500)	(7,415)	(6,500)	(7,415)
Net interest expense		(1,785)	(1,476)	(1,785)	(1,476)
Income from Islamic Banking Scheme operations	31	12,906	11,873	12,906	11,873
Non-interest income	24	111,566	189,235	111,566	189,235
Direct costs	25	(9,802)	(25,912)	(9,802)	(25,912)
Net income		112,885	173,720	112,885	173,720
Overhead expenses	26	(81,788)	(69,928)	(81,788)	(69,928)
Operating profit		31,097	103,792	31,097	103,792
Writeback of/(allowance for) impairment on loans and advances and other assets, net	27	168	(5,147)	168	(5,147)
		31,265	98,645	31,265	98,645
Share of results of a joint venture		-	(242)	-	(242)
Profit before taxation and zakat		31,265	98,403	31,265	98,403
Taxation and zakat		(10,927)	(24,690)	(10,927)	(24,690)
Profit for the period, attributable to equity holder of the Bank		20,338	73,713	20,338	73,713
Basic and diluted earnings per share (sen), attributable to equity holder of the Bank		41	147	41	147
Other comprehensive income:					
<i>Item that may be reclassified subsequently to profit or loss:</i>					
Net (loss)/gain on foreign exchange translation		(35)	134	(35)	134
Other comprehensive (loss)/income for the period, net of tax		(35)	134	(35)	134
Total comprehensive income for the period, attributable to equity holder of the Bank		20,303	73,847	20,303	73,847

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CONDENSED FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FIRST QUARTER AND FINANCIAL PERIOD ENDED 31 MARCH 2022

<u>Bank</u>	Notes	Unaudited		Unaudited	
		First Quarter Ended		Cumulative 3 Months Ended	
		31 March 2022	31 March 2021	31 March 2022	31 March 2021
		RM'000	RM'000	RM'000	RM'000
Interest income	22	4,607	5,831	4,607	5,831
Interest expense	23	(6,500)	(7,415)	(6,500)	(7,415)
Net interest expense		(1,893)	(1,584)	(1,893)	(1,584)
Income from Islamic Banking Scheme operations	31	12,906	11,873	12,906	11,873
Non-interest income	24	111,566	189,235	111,566	189,235
Direct costs	25	(9,802)	(25,912)	(9,802)	(25,912)
Net income		112,777	173,612	112,777	173,612
Overhead expenses	26	(81,758)	(69,898)	(81,758)	(69,898)
Operating profit		31,019	103,714	31,019	103,714
Writeback of/(allowance for) impairment on loans and advances and other assets, net	27	168	(5,147)	168	(5,147)
Profit before taxation and zakat		31,187	98,567	31,187	98,567
Taxation and zakat		(10,905)	(24,667)	(10,905)	(24,667)
Profit for the period, representing total comprehensive income for the period, attributable to equity holder of the Bank		20,282	73,900	20,282	73,900

(These unaudited condensed financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to these financial statements)

MAYBANK INVESTMENT BANK BERHAD
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CONDENSED FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2022

	←-----Non-distributable-----→				Distributable	
	Share capital RM'000	Regulatory reserve RM'000	Fair value through other comprehensive income reserve RM'000	Exchange fluctuation reserve RM'000	Retained earnings RM'000	Total RM'000
Group						
At 1 January 2022	222,785	14,046	984	(241)	509,375	746,949
Profit for the period	-	-	-	-	20,338	20,338
Other comprehensive loss	-	-	-	(35)	-	(35)
Total comprehensive (loss)/income for the period	-	-	-	(35)	20,338	20,303
Transfer to regulatory reserve	-	1,789	-	-	(1,789)	-
Dividend	-	-	-	-	(153,056)	(153,056)
At 31 March 2022	222,785	15,835	984	(276)	374,868	614,196
At 1 January 2021	222,785	25,481	970	(156)	344,900	593,980
Profit for the period	-	-	-	-	73,713	73,713
Other comprehensive income	-	-	-	134	-	134
Total comprehensive income for the period	-	-	-	134	73,713	73,847
Transfer from regulatory reserve	-	(911)	-	-	911	-
At 31 March 2021	222,785	24,570	970	(22)	419,524	667,827

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UNAUDITED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2022

	<-----Non-distributable----->			Distributable	
	Share capital RM'000	Regulatory reserve RM'000	Fair value through other comprehensive income reserve RM'000	Retained earnings RM'000	Total RM'000
Bank					
At 1 January 2022	222,785	14,046	984	503,261	741,076
Profit for the period	-	-	-	20,282	20,282
Total comprehensive income for the period	-	-	-	20,282	20,282
Transfer to regulatory reserve	-	1,789	-	(1,789)	-
Dividend	-	-	-	(153,056)	(153,056)
At 31 March 2022	222,785	15,835	984	368,698	608,302
At 1 January 2021	222,785	25,481	970	338,769	588,005
Profit for the period	-	-	-	73,900	73,900
Total comprehensive income for the period	-	-	-	73,900	73,900
Transfer from regulatory reserve	-	(911)	-	911	-
At 31 March 2021	222,785	24,570	970	413,580	661,905

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MAYBANK INVESTMENT BANK BERHAD
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CONDENSED FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2022

	Note	Group		Bank	
		31 March 2022 RM'000	31 March 2021 RM'000	31 March 2022 RM'000	31 March 2021 RM'000
Cash flows from operating activities					
Profit before taxation and zakat		31,265	98,403	31,187	98,567
Adjustments for:					
Share of results of a joint venture		-	242	-	-
Depreciation of property, plant and equipment	26	483	531	483	531
Depreciation of right-of-use assets	26	2,088	2,090	2,088	2,090
Amortisation of computer software	26	687	840	687	840
Finance cost on lease liabilities	26	93	145	93	145
Allowance for impairment on loans and advances and other assets, net		192	5,237	192	5,237
Gross dividends	24	(3,728)	(7,948)	(3,728)	(7,948)
Realised loss/(gain) from sale of financial assets at fair value through profit or loss, net	24	11,599	(29,205)	11,599	(29,205)
Unrealised loss on revaluation of financial assets at fair value through profit or loss, net	24	9,356	73,536	9,356	73,536
Realised loss from sale of derivative financial instruments, net	24	51,944	40,395	51,944	40,395
Unrealised gain on revaluation of derivative financial instruments, net	24	(113,192)	(140,478)	(113,192)	(140,478)
Operating (loss)/profit before working capital changes		(9,213)	43,788	(9,291)	43,710
Change in cash and short-term funds with original maturity more than three months		(12,542)	68,765	(12,542)	68,765
Change in deposits and placements with original maturity more than three months		87,996	(56,685)	87,996	(56,685)
Change in financial investments portfolio and derivative financial instruments		(28,995)	(83,982)	(28,995)	(83,982)
Change in loans and advances		4,714	64,667	4,714	64,667
Change in other assets		(165,128)	121,035	(164,872)	121,074
Change in deposits and placements from a financial institution		293,021	(218,726)	293,021	(218,726)
Change in other liabilities		196,436	(140,704)	196,078	(141,452)
Cash generated from/(used in) operations		366,289	(201,842)	366,109	(202,629)
Taxation and zakat paid, net		(9,609)	(10,390)	(9,593)	(10,370)
Net cash generated from/(used in) operating activities		356,680	(212,232)	356,516	(212,999)
Cash flows from investing activities					
Purchase of property, plant and equipment		(207)	(595)	(207)	(595)
Purchase of computer software		(293)	(87)	(293)	(87)
Net dividends received		3,728	7,948	3,728	7,948
Net cash generated from investing activities		3,228	7,266	3,228	7,266
Cash flows from financing activities					
Dividends paid		(153,056)	-	(153,056)	-
Repayment of lease liabilities		(2,193)	(2,198)	(2,193)	(2,198)
Net cash used in financing activities		(155,249)	(2,198)	(155,249)	(2,198)

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CONDENSED FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL QUARTER ENDED 31 MARCH 2022 (CONT'D.)

	Note	Group		Bank	
		31 March 2022 RM'000	31 March 2021 RM'000	31 March 2022 RM'000	31 March 2021 RM'000
Net increase/(decrease) in cash and cash equivalents		204,659	(207,164)	204,495	(207,931)
Cash and cash equivalents at the beginning of the period		963,686	1,292,306	931,355	1,260,276
Effects of foreign exchange rate changes		(35)	115	-	-
Cash and cash equivalents at the end of the period		1,168,310	1,085,257	1,135,850	1,052,345
Cash and cash equivalents comprise:					
Cash and short-term funds	14	1,144,044	1,127,976	1,111,604	1,095,084
Deposits and placements with a financial institution	15	562,407	577,759	562,387	577,739
		1,706,451	1,705,735	1,673,991	1,672,823
Less:					
Cash and short-term funds and deposits and placements with original maturity more than three months		(538,141)	(620,478)	(538,141)	(620,478)
		1,168,310	1,085,257	1,135,850	1,052,345

(These unaudited condensed financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to these financial statements)

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

1. Basis of Preparation

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

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

The unaudited condensed interim financial statements do not include all the information and disclosure required in the audited financial statements, and should be read in conjunction with the audited financial statements for the financial year ended 31 December 2021. These explanatory notes attached to the unaudited condensed interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group and of the Bank since the year ended 31 December 2021.

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

The significant accounting policies and methods of computation applied by the Group and by the Bank are consistent with those adopted in the most recent audited financial statements for the financial year ended 31 December 2021 except for adoption of the following Malaysian Financial Reporting Standards (“MFRSs”) and annual improvements to MFRSs which are effective for annual periods beginning on or after 1 January 2022:

Description	Effective for annual periods beginning on or after
Annual Improvements to MFRS Standards 2018 - 2020	1 January 2022
Amendments to MFRS 116 Property, Plant and Equipment - <i>Proceeds before Intended Use</i>	1 January 2022
Amendments to MFRS 3 Business Combination - <i>Reference to the Conceptual Framework</i>	1 January 2022
Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets - <i>Onerous Contracts - Cost of Fulfilling a Contract</i>	1 January 2022
Amendments to MFRS 101 - <i>Presentation of Financial Statements - Disclosure of Accounting Policies</i>	1 January 2022
Amendments to MFRS 101 - <i>Classification of Liabilities as Current or Non-current</i>	1 January 2023
Amendments to MFRS 108 - <i>Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates</i>	1 January 2023
MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 10 and MFRS 128 - <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

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

2. Significant Accounting Policies

The audited financial statements of the Group and of the Bank for the financial year ended 31 December 2021 were prepared in accordance with MFRS, International Financial Reporting Standards (“IFRS”) and the requirements of the Companies Act, 2016 in Malaysia. The significant accounting policies adopted in preparing these unaudited condensed interim financial statements are consistent with those of the audited financial statements for the financial year ended 31 December 2021 except for the adoption of the new MFRS, amendments to MFRS and annual improvements to MFRS which are effective for annual periods beginning on or after 1 January 2022 as disclosed in Note 1.

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

3. Significant Accounting Estimates and Judgements

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

In preparing these unaudited condensed interim financial statements, the significant judgements made by management in applying the Group's and the Bank's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the audited financial statements for the financial year ended 31 December 2021.

4. Auditors' Report on Annual Financial Statements

The auditors' report on the audited financial statements for the financial year ended 31 December 2021 was not qualified.

5. Seasonal or Cyclical Factors

The operations of the Group and of the Bank were not materially affected by any seasonal or cyclical factors during the first quarter ended 31 March 2022.

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

During the first quarter ended 31 March 2022, there were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group and of the Bank.

7. Changes in Estimates

There were no material changes in estimates during the first quarter ended 31 March 2022.

8. Changes in Debt and Equity Securities

There were no issuances, cancellations, share buy-backs, resale of shares bought back and repayment of debt and equity securities by the Group and the Bank during the first quarter ended 31 March 2022.

9. Changes in the Composition of the Group

There were no changes in the composition of the Group during the first quarter ended 31 March 2022.

10. Dividend

The Board of Directors have declared a single-tier second interim dividend in respect of the financial year ended 31 December 2021 of approximately RM3.05 on 50,116,000 ordinary shares, amounting to a net dividend of RM153,056,000. The dividend was paid on 25 March 2022.

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

11. Significant and Subsequent Event

There were no significant and subsequent events after the first quarter ended 31 March 2022.

12. Performance Review

For the financial period ended 31 March 2022, the Group's operating profit decreased by 70.0% or RM72.7 million to RM31.1 million from RM103.8 million last year due to lower income.

Net income decreased by 35.0% from RM173.7 million to RM112.9 million during the period. Net interest expense increased by RM0.3 million mainly due to lower interest income from loans and advances, and deposits and placements with financial institutions. Non-interest income decreased by RM77.7 million to RM111.6 million due to lower brokerage income and fee income during the period. Meanwhile, income from Islamic Banking Scheme operations increased by RM1.0 million to RM12.9 million due to higher Islamic fee income during the period.

Overhead expenses increased by 17.0% or RM11.9 million from RM69.9 million to RM81.8 million. This was mainly contributed by higher personnel and establishment costs compared to the previous period.

The Group profit before taxation and zakat decreased by 68.2% or RM67.1 million from RM98.4 million to RM31.3 million. Profit for the period decreased by 72.4% or RM53.4 million to RM20.3 million.

13. Business Outlook

The global economy is expected to chart a lower growth of +3.6% in 2022 after a strong rebound of +6.1% in 2021, amid global headwinds from the Russia-Ukraine war, China's extended lockdowns and tightening of global monetary policies. Fiscal policies are expected to gradually normalise but remain relatively expansionary in 2022.

In Malaysia, GDP grew +5.0% in 1Q 2022 (4Q 2021: +3.6%). Economic recovery is expected to be firmer and broad-based (2022E: +6.0%; 2021: +3.1%) supported by stronger domestic demand on the back of mass immunisation, the full opening of the domestic economy and reopening of international borders. Bank Negara Malaysia's announcement on the 25 bps hike in Overnight Policy Rate to 2.00% from the historic low of 1.75% signals gradual normalisation of monetary policy as the country transitions to an endemic state.

For 2022, the FBM KLCI is estimated to see earnings decline after incorporating the impact of Prosperity Tax, with an expected rebound in 2023 post the one-off tax.

Investment banking deal activity is expected to remain robust for 2022 as economic activities are gradually returning to prepandemic levels. The equity capital market is expected to remain active as clients actively seek expansion opportunities in the equity market to raise capital. Mergers & acquisitions and advisory are expected to see more opportunities arising from restructuring activities of government linked investment companies, private equity buy and sell side transactions, and consolidation. Nevertheless, uncertainties ahead of the General Election may impact deal activities in 2022.

For the Malaysian fixed income market, gross Private Debt Securities supply is forecasted to increase, underpinned by improved growth prospects, ongoing/new infrastructure spending and green/sustainability-labelled bonds. Debt capital market remains positive as bond issuers and corporates are expected to favour the bond market due to ample liquidity and the relatively low interest rate environment.

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

	Group		Bank	
	31 March 2022	31 December 2021	31 March 2022	31 December 2021
	RM'000	RM'000	RM'000	RM'000
Cash and bank balances with financial institutions	229,738	218,051	222,816	211,258
Deposit and placements maturing within one month	914,306	701,191	888,788	675,673
Total cash and short-term funds	1,144,044	919,242	1,111,604	886,931

The monies held-in-trust for clients by the Group and by the Bank as at the reporting date are approximately RM543,934,000 (2021: RM526,630,000). These amounts are excluded from the cash and short-term funds of the Group and of the Bank in accordance with FRSIC Consensus 18 Monies Held-in-Trust by Participating Organisation at Bursa Malaysia Securities Berhad.

15. **Deposits and placements with a financial institution**

	Group		Bank	
	31 March 2022	31 December 2021	31 March 2022	31 December 2021
	RM'000	RM'000	RM'000	RM'000
Licensed bank	562,407	658,039	562,387	658,019

16. **Financial investments portfolio**

		Group and Bank	
		31 March 2022	31 December 2021
		RM'000	RM'000
Financial assets at fair value through profit or loss	(i)	1,418,870	1,377,450
Financial assets at fair value through other comprehensive income	(ii)	1,184	1,184
Total financial investments portfolio		1,420,054	1,378,634

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

	Group and Bank	
	31 March 2022	31 December 2021
	RM'000	RM'000
At fair value		
Quoted financial assets:		
Shares in Malaysia	927,637	877,166
Shares outside Malaysia	491,233	500,284
	1,418,870	1,377,450

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

	Group and Bank	
	31 March 2022	31 December 2021
	RM'000	RM'000
At fair value, or at cost for certain unquoted equity instruments, less accumulated impairment loss		
Unquoted financial assets:		
Shares in Malaysia	1,184	1,184

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17. Loans and advances

	Group and Bank	
	31 March	31 December
	2022	2021
	RM'000	RM'000
Amount due from brokers and clients		
- Margin accounts	14,048	19,706
Staff loans	45,626	44,682
Gross loans and advances at amortised cost	59,674	64,388
Less: Allowances for impaired loans and advances:		
- Stage 1 - 12 Months ECL	(19)	(19)
- Stage 3 - Lifetime ECL credit impaired	(172)	(172)
Net loans and advances	59,483	64,197

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

	Group and Bank	
	31 March	31 December
	2022	2021
	RM'000	RM'000
Domestic business enterprises		
- Others	1,774	9,781
Individuals	57,900	54,607
Gross loans and advances	59,674	64,388

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

	Group and Bank	
	31 March	31 December
	2022	2021
	RM'000	RM'000
Fixed rate		
- Housing loans	33,884	32,831
- Hire purchase receivables	11,691	11,795
- Other fixed rate loans	51	56
Variable rate		
- Base lending rate (BLR) plus	14,048	19,706
Gross loans and advances	59,674	64,388

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17. Loans and advances (Cont'd)

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

	Group and Bank	
	31 March 2022 RM'000	31 December 2021 RM'000
Purchase of securities	14,048	19,706
Purchase of transport vehicles	11,691	11,795
Purchase of residential landed property	33,884	32,831
Personal use	51	56
Gross loans and advances	59,674	64,388

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

	Group and Bank	
	31 March 2022 RM'000	31 December 2021 RM'000
Within one year	14,905	20,719
More than one year to three years	4,729	5,282
More than three years to five years	8,530	7,928
More than five years	31,510	30,459
Gross loans and advances	59,674	64,388

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

	Group and Bank	
	31 March 2022 RM'000	31 December 2021 RM'000
At 1 January	673	832
Impaired during the period	-	1
Amount recovered	(5)	(160)
Gross impaired loans and advances	668	673
Less: - Stage 3 - Lifetime ECL credit impaired	(172)	(172)
Net impaired loans and advances	496	501
Net impaired loans and advances as a percentage of gross loans and advances less Stage 3 - Lifetime ECL credit impaired	0.83%	0.78%

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

	Group and Bank	
	31 March 2022 RM'000	31 December 2021 RM'000
Purchase of transport vehicles	172	172
Purchase of residential landed property	496	501
Gross impaired loans and advances	668	673

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17. Loans and advances (Cont'd)

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

Group and Bank	Stage 1	Stage 2	Stage 3	Total ECL RM'000
	12 Months ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	
At 1 January 2022	19	-	172	191
At 31 March 2022	19	-	172	191
At 1 January 2021	20	-	172	192
Amount written-back, net	(1)	-	-	(1)
At 31 December 2021	19	-	172	191

18. Other assets

	Group		Bank	
	31 March 2022 RM'000	31 December 2021 RM'000	31 March 2022 RM'000	31 December 2021 RM'000
Amount due from brokers and clients				
- Non-margin accounts (a)	504,532	308,589	504,532	308,589
Amount due from holding company	4,782	-	4,782	-
Other debtors, deposits and prepayments	187,147	223,313	186,839	223,261
	696,461	531,902	696,153	531,850
Less: Allowance for impairment losses	(11,298)	(11,106)	(11,298)	(11,106)
	685,163	520,796	684,855	520,744

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

19. Deposits and placements from a financial institution

	Group and Bank	
	31 March 2022 RM'000	31 December 2021 RM'000
Licensed bank	1,683,643	1,390,622

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20. Other liabilities

	Group		Bank	
	31 March 2022 RM'000	31 December 2021 RM'000	31 March 2022 RM'000	31 December 2021 RM'000
Provisions and accruals	49,101	109,480	48,583	109,296
Amount due to brokers and clients (a)	420,233	251,946	420,233	251,946
Provision for contingent liability	4,500	4,500	4,500	4,500
Deposits and other creditors	1,100,792	1,059,112	1,100,236	1,058,580
Lease liabilities	12,227	13,758	12,227	13,758
Amount due to:				
- Holding company	146,341	90,966	146,341	90,966
- Related companies	8,915	18,284	8,915	18,284
- Subsidiaries	-	-	171,474	171,474
	1,742,109	1,548,046	1,912,509	1,718,804

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

21. Derivative financial instruments

(i) Derivative financial assets/liabilities

	Contract/ Notional amount RM'000	Group and Bank 31 March 2022	
		Fair Value	
		Assets RM'000	Liabilities RM'000
Hedging derivatives			
Equity-related derivatives:			
Equity options			
- Less than one year	1,048,646	226,381	96,219
- One to three years	203,086	12,063	2,000
Equity swaps			
- Less than one year	484,336	29,412	35,761
	1,736,068	267,856	133,980
Group and Bank 31 December 2021			
	Contract/ Notional amount RM'000	Fair Value	
		Assets RM'000	Liabilities RM'000
		Assets RM'000	Liabilities RM'000
Equity-related derivatives:			
Equity options			
- Less than one year	1,865,830	198,340	85,748
- One to three years	127,560	9,016	2,021
Equity swaps			
- Less than one year	467,265	25,690	39,269
	2,460,655	233,046	127,038

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21. Derivative financial instruments (cont'd.)

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

	Group and Bank			
	Unaudited		Unaudited	
	First Quarter Ended		Cumulative 3 Months Ended	
	31 March 2022 RM'000	31 March 2021 RM'000	31 March 2022 RM'000	31 March 2021 RM'000
Equity-related derivatives:				
Equity options	105,962	127,119	105,962	127,119
Equity swaps	7,230	13,359	7,230	13,359
	113,192	140,478	113,192	140,478

22. Interest income

	Unaudited		Unaudited	
	First Quarter Ended		Cumulative 3 Months Ended	
	31 March 2022 RM'000	31 March 2021 RM'000	31 March 2022 RM'000	31 March 2021 RM'000
	Group			
Loans and advances	320	834	320	834
Money at call and deposits and placements with financial institutions	3,987	4,503	3,987	4,503
Others	408	602	408	602
Total interest income	4,715	5,939	4,715	5,939

	Unaudited		Unaudited	
	First Quarter Ended		Cumulative 3 Months Ended	
	31 March 2022 RM'000	31 March 2021 RM'000	31 March 2022 RM'000	31 March 2021 RM'000
	Bank			
Loans and advances	320	834	320	834
Money at call and deposits and placements with financial institutions	3,879	4,395	3,879	4,395
Others	408	602	408	602
Total interest income	4,607	5,831	4,607	5,831

Included in interest income was interest on impaired assets amounting to approximately RM79,000 (2021: RM80,000) for the Group and the Bank.

23. Interest expense

	Unaudited		Unaudited	
	First Quarter Ended		Cumulative 3 Months Ended	
	31 March 2022 RM'000	31 March 2021 RM'000	31 March 2022 RM'000	31 March 2021 RM'000
	Group and Bank			
Deposits and placements from a financial institution	3,288	4,740	3,288	4,740
Derivative financial instruments	2,938	2,402	2,938	2,402
Subordinated obligation	274	273	274	273
Total interest expense	6,500	7,415	6,500	7,415

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24. Non-interest income

<u>Group and Bank</u>	Unaudited		Unaudited	
	First Quarter Ended		Cumulative 3 Months Ended	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
	RM'000	RM'000	RM'000	RM'000
Fee and commission income:				
Arranger and upfront fees	589	33,767	589	33,767
Brokerage income	39,768	80,138	39,768	80,138
Corporate advisory fees	2,092	6,340	2,092	6,340
Placement and related fees	5,237	1,142	5,237	1,142
Underwriting commission	320	7	320	7
Others	3,004	2,637	3,004	2,637
	51,010	124,031	51,010	124,031
Investment income:				
Realised (loss)/gain from sale of financial assets at fair value through profit or loss, net	(11,599)	29,205	(11,599)	29,205
Unrealised loss on revaluation of financial assets at fair value through profit or loss, net	(9,356)	(73,536)	(9,356)	(73,536)
Realised loss from sale of derivative financial instruments, net	(51,944)	(40,395)	(51,944)	(40,395)
Unrealised gain on revaluation of derivative financial instruments, net (Note 21 (ii))	113,192	140,478	113,192	140,478
Gross dividends from financial assets at fair value through profit or loss				
- Quoted in Malaysia	3,491	7,813	3,491	7,813
- Quoted outside Malaysia	237	135	237	135
	44,021	63,700	44,021	63,700
Other income:				
Foreign exchange gain/(loss), net	186	(45)	186	(45)
Other operating income	14,898	-	14,898	-
Others	1,451	1,549	1,451	1,549
	16,535	1,504	16,535	1,504
Total non-interest income	111,566	189,235	111,566	189,235

25. Direct costs

<u>Group and Bank</u>	Unaudited		Unaudited	
	First Quarter Ended		Cumulative 3 Months Ended	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
	RM'000	RM'000	RM'000	RM'000
Dealers' incentive	5,945	19,530	5,945	19,530
Trade-related charges	3,857	6,382	3,857	6,382
	9,802	25,912	9,802	25,912

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26. **Overhead expenses**

Group	Unaudited First Quarter Ended		Unaudited Cumulative 3 Months Ended	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
	RM'000	RM'000	RM'000	RM'000
Personnel expenses				
- Salaries, allowances and bonuses	54,993	45,575	54,993	45,575
- Pension costs - defined contribution plan	5,474	5,316	5,474	5,316
- Employees' Share Scheme expenses	3,479	3,725	3,479	3,725
- Other staff-related expenses	2,948	2,314	2,948	2,314
	66,894	56,930	66,894	56,930
Establishment costs				
- Depreciation of property, plant and equipment	483	531	483	531
- Amortisation of computer software	687	840	687	840
- Rental	298	383	298	383
- Finance cost on lease liabilities	93	145	93	145
- Depreciation of right-of-use assets	2,088	2,090	2,088	2,090
- Repairs and maintenance of property, plant and equipment	2,462	3,371	2,462	3,371
- Information technology expenses	8,441	6,485	8,441	6,485
- Others (Note (i))	(4,029)	(7,493)	(4,029)	(7,493)
	10,523	6,352	10,523	6,352
Marketing costs				
- Advertisement and publicity	130	484	130	484
- Others	392	176	392	176
	522	660	522	660
Administration and general expenses				
- Fee and brokerage	1,467	1,290	1,467	1,290
- Administrative expenses	1,382	2,965	1,382	2,965
- General expenses	1,000	1,731	1,000	1,731
	3,849	5,986	3,849	5,986
Total overhead expenses	81,788	69,928	81,788	69,928

Note (i): Included in other establishment costs are service chargebacks amounting to approximately RM4,369,000 (2021: RM7,859,000).

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

<u>Bank</u>	Unaudited		Unaudited	
	First Quarter Ended		Cumulative 3 Months Ended	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
	RM'000	RM'000	RM'000	RM'000
Personnel expenses				
- Salaries, allowances and bonuses	54,993	45,575	54,993	45,575
- Pension costs - defined contribution plan	5,474	5,316	5,474	5,316
- Employees' Share Scheme expenses	3,479	3,725	3,479	3,725
- Other staff related expenses	2,948	2,314	2,948	2,314
	66,894	56,930	66,894	56,930
Establishment costs				
- Depreciation of property, plant and equipment	483	531	483	531
- Amortisation of computer software	687	840	687	840
- Rental	298	383	298	383
- Finance cost on lease liabilities	93	145	93	145
- Depreciation of right-of-use assets	2,088	2,090	2,088	2,090
- Repairs and maintenance of property, plant and equipment	2,462	3,371	2,462	3,371
- Information technology expenses	8,441	6,485	8,441	6,485
- Others (Note (i))	(4,029)	(7,493)	(4,029)	(7,493)
	10,523	6,352	10,523	6,352
Marketing costs				
- Advertisement and publicity	130	484	130	484
- Others	392	176	392	176
	522	660	522	660
Administration and general expenses				
- Fee and brokerage	1,450	1,274	1,450	1,274
- Administrative expenses	1,369	2,951	1,369	2,951
- General expenses	1,000	1,731	1,000	1,731
	3,819	5,956	3,819	5,956
Total overhead expenses	81,758	69,898	81,758	69,898

Note (i): Included in other establishment costs are service chargebacks amounting to approximately RM4,369,000 (2021: RM7,859,000).

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

Group and Bank	Unaudited		Unaudited	
	31 March	31 March	31 March	31 March
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Bad debts recovered	360	90	360	90
Allowance for impairment on other assets, net	(192)	(5,237)	(192)	(5,237)
Total	168	(5,147)	168	(5,147)

28. Capital adequacy

(i) Capital Adequacy Framework

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

The computation of capital adequacy ratios are based on Bank Negara Malaysia ("BNM") Capital Adequacy Framework (Capital Components) and Capital Adequacy Framework (Basel II - Risk Weighted Assets) issued on 2 February 2020 and 3 May 2019 respectively.

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

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

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

	Group	Bank
	%	%
<u>At 31 March 2022</u>		
CET1 capital ratio	21.314	20.253
Tier 1 capital ratio	21.314	20.253
Total capital ratio	23.289	22.245
<u>At 31 December 2021</u>		
CET1 capital ratio	26.457	25.454
Tier 1 capital ratio	26.457	25.454
Total capital ratio	28.325	27.337

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28. Capital adequacy (Cont'd)

(l) Capital Adequacy Framework (Cont'd)

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

<u>At 31 March 2022</u>	Group RM'000	Bank RM'000
Paid-up share capital	222,785	222,785
Other reserves	371,073	365,235
CET1 capital before regulatory adjustments	593,858	588,020
Less: Deferred tax assets	(20,426)	(20,426)
Intangible assets	(8,279)	(8,279)
Gains on financial instruments classified as 'fair value through other comprehensive income'	(541)	(541)
Regulatory reserve	(15,835)	(15,835)
Investment in subsidiaries and a joint venture ¹	-	(25,793)
CET1 capital/Tier 1 capital	548,777	517,146
Tier 2 capital		
Subordinated obligation	35,000	35,000
General provisions	15,854	15,854
Tier 2 capital	50,854	50,854
Total capital	599,631	568,000
	Group	Bank
	RM'000	RM'000
<u>At 31 December 2021</u>		
Paid-up share capital	222,785	222,785
Other reserves	524,164	518,291
CET1 capital before regulatory adjustments	746,949	741,076
Less: Deferred tax assets	(28,846)	(28,846)
Intangible assets	(8,673)	(8,673)
Gains on financial instruments classified as 'fair value through other comprehensive income'	(541)	(541)
Regulatory reserve	(14,046)	(14,046)
Investment in subsidiaries and a joint venture ¹	-	(25,793)
CET1 capital/Tier 1 capital	694,843	663,177
Tier 2 capital		
Subordinated obligation	35,000	35,000
General provisions	14,065	14,065
Tier 2 capital	49,065	49,065
Total capital	743,908	712,242

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

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28. Capital adequacy (Cont'd)

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

<u>Group</u>	Gross credit exposures RM'000	Net credit exposures RM'000	Risk- weighted assets RM'000	Capital requirements RM'000
31 March 2022				
Exposure Class				
(i) <u>Credit Risk</u>				
On-balance sheet exposures:				
Sovereigns/Central banks	687,784	687,784	-	-
Banks, Development Financial Institutions ("DFIs") and Multilateral Development Banks ("MDBs")	1,550,065	1,550,065	356,723	28,538
Corporates	5,504	5,504	5,504	440
Regulatory retail	65,497	61,995	61,530	4,922
Higher risk assets	1,184	1,184	1,776	142
Other assets	439,318	439,183	293,946	23,516
Total on-balance sheet exposures	2,749,352	2,745,715	719,479	57,558
Off-balance sheet exposures:				
Credit-related off-balance sheet exposures	501,364	501,364	1,535	123
Total off-balance sheet exposures	501,364	501,364	1,535	123
Total on and off-balance sheet exposures	3,250,716	3,247,079	721,014	57,681
(ii) <u>Market Risk</u>				
Interest rate risk	-	-	5,615	449
Equity position risk	-	-	73,963	5,917
Foreign currency risk	-	-	324,512	25,961
Options risk	-	-	456,700	36,536
Total	-	-	860,790	68,863
(iii) <u>Operational Risk</u>				
	-	-	992,921	79,434
Total RWA and capital requirements	3,250,716	3,247,079	2,574,725	205,978

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28. Capital adequacy (Cont'd)

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

<u>Group</u>	Gross credit exposures RM'000	Net credit exposures RM'000	Risk- weighted assets RM'000	Capital requirements RM'000
31 December 2021				
Exposure Class				
(i) <u>Credit Risk</u>				
On-balance sheet exposures:				
Sovereigns/Central banks	573,106	573,106	-	-
Banks, Development Financial Institutions and Multilateral Development Banks	1,508,689	1,508,689	347,976	27,838
Corporates	16,518	16,518	16,518	1,321
Regulatory retail	59,183	52,637	52,227	4,178
Higher risk assets	1,184	1,184	1,776	142
Other assets	337,791	337,625	272,191	21,775
Total on-balance sheet exposures	2,496,471	2,489,759	690,688	55,254
Off-balance sheet exposures:				
Credit-related off-balance sheet exposures	518,190	518,190	1,830	146
Total off-balance sheet exposures	518,190	518,190	1,830	146
Total on and off-balance sheet exposures	3,014,661	3,007,949	692,518	55,400
(ii) <u>Market Risk</u>				
Interest rate risk	-	-	4,401	352
Equity position risk	-	-	79,250	6,340
Foreign currency risk	-	-	317,761	25,421
Options risk	-	-	554,913	44,393
Total	-	-	956,325	76,506
(iii) <u>Operational Risk</u>				
	-	-	977,452	78,196
Total RWA and capital requirements	3,014,661	3,007,949	2,626,295	210,102

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28. **Capital adequacy (Cont'd)**

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

<u>Bank</u>	Gross credit exposures RM'000	Net credit exposures RM'000	Risk- weighted assets RM'000	Capital requirements RM'000
31 March 2022				
Exposure Class				
(i) <u>Credit Risk</u>				
On-balance sheet exposures:				
Sovereigns/Central banks	687,784	687,784	-	-
Banks, Development Financial Institutions and Multilateral Development Banks	1,517,625	1,517,625	350,235	28,019
Corporates	5,504	5,504	5,504	440
Regulatory retail	65,497	61,995	61,530	4,922
Higher risk assets	1,184	1,184	1,776	142
Other assets	438,990	438,855	293,620	23,490
Total on-balance sheet exposures	2,716,584	2,712,947	712,665	57,013
Off-balance sheet exposures:				
Credit-related off-balance sheet exposures	501,364	501,364	1,535	123
Total off-balance sheet exposures	501,364	501,364	1,535	123
Total on and off-balance sheet exposures	3,217,948	3,214,311	714,200	57,136
(ii) <u>Market Risk</u>				
Interest rate risk	-	-	5,615	449
Equity position risk	-	-	73,963	5,917
Foreign currency risk	-	-	319,694	25,575
Options risk	-	-	456,700	36,536
Total	-	-	855,972	68,477
(iii) <u>Operational Risk</u>				
	-	-	983,268	78,661
Total RWA and capital requirements	3,217,948	3,214,311	2,553,440	204,274

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28. Capital adequacy (Cont'd)

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

<u>Bank</u>	Gross credit exposures	Net credit exposures	Risk-weighted assets	Capital requirements
31 December 2021				
Exposure Class	RM'000	RM'000	RM'000	RM'000
(i) <u>Credit Risk</u>				
On-balance sheet exposures:				
Sovereigns/Central banks	573,106	573,106	-	-
Banks, Development Financial Institutions and Multilateral Development Banks	1,476,377	1,476,377	341,514	27,321
Corporates	16,518	16,518	16,518	1,321
Regulatory retail	59,183	52,637	52,227	4,178
Higher risk assets	1,184	1,184	1,776	142
Other assets	337,721	337,555	272,123	21,770
Total on-balance sheet exposures	2,464,089	2,457,377	684,158	54,732
Off-balance sheet exposures:				
Credit-related off-balance sheet exposures	518,190	518,190	1,830	146
Total off-balance sheet exposures	518,190	518,190	1,830	146
Total on and off-balance sheet exposures	2,982,279	2,975,567	685,988	54,878
(ii) <u>Market Risk</u>				
Interest rate risk	-	-	4,401	352
Equity position risk	-	-	79,250	6,340
Foreign currency risk	-	-	312,915	25,033
Options risk	-	-	554,913	44,393
Total	-	-	951,479	76,118
(iii) <u>Operational Risk</u>				
	-	-	967,911	77,433
Total RWA and capital requirements	2,982,279	2,975,567	2,605,378	208,429

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29. Commitments and contingencies

Group and Bank	31 March 2022			31 December 2021		
	Notional amount RM'000	Credit equivalent amount* RM'000	Risk-weighted amount* RM'000	Notional amount RM'000	Credit equivalent amount* RM'000	Risk-weighted amount* RM'000
<u>Credit-related</u>						
Revocable commitments to extend credit:						
- Maturity not exceeding one year	498,294	-	-	514,531	-	-
- Maturity exceeding one year	3,070	1,535	1,535	3,659	1,830	1,830
	501,364	1,535	1,535	518,190	1,830	1,830
<u>Derivative financial instruments</u>						
Equity-related contracts						
- Less than one year	1,532,982	-	-	2,333,095	-	-
- One year to less than five years	203,086	-	-	127,560	-	-
	1,736,068	-	-	2,460,655	-	-
Total commitments and contingencies	2,237,432	1,535	1,535	2,978,845	1,830	1,830

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

30. Segment information

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

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

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

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

- (i) Pillar 1 - Investment banking and advisory
Investment banking and advisory focus on business needs of mainly large corporate customers and financial institutions. The products and services offered to customers include corporate advisory services, bond issuance, equity issuance, syndicated acquisition advisory services and debt restructuring advisory services.
- (ii) Pillar 2 - Equities
Equities primarily engage in the shares and futures broking services, derivative financial instruments, custodian and nominees services.
- (iii) Others
Others includes share of results from investment in a joint venture.

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30. Segment information (Cont'd)

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

Group	Pillar 1	Pillar 2	Others	Total
31 March 2022	RM'000	RM'000	RM'000	RM'000
Net interest income/(expense)	108	(1,893)	-	(1,785)
Income from Islamic Banking Scheme operations	10,106	2,800	-	12,906
Non-interest income	10,701	100,865	-	111,566
Direct costs	-	(9,802)	-	(9,802)
Net income	<u>20,915</u>	<u>91,970</u>	-	<u>112,885</u>
Results				
Segment results	20,915	91,970	-	112,885
Overhead expenses	(13,809)	(67,979)	-	(81,788)
(Allowance for)/writeback of impairment on loans and advances and other assets, net	(290)	458	-	168
Profit before taxation	6,816	24,449	-	31,265
Taxation and zakat				(10,927)
Profit for the period				<u>20,338</u>
Other segment information				
Depreciation of property, plant and equipment	111	372	-	483
Depreciation of right-of-use assets	724	1,364	-	2,088
Amortisation of computer software	4	683	-	687
Group				
31 March 2021	RM'000	RM'000	RM'000	RM'000
Net interest income/(expense)	2	(1,478)	-	(1,476)
Income from Islamic Banking Scheme operations	6,669	5,204	-	11,873
Non-interest income	41,409	147,826	-	189,235
Direct costs	-	(25,912)	-	(25,912)
Net income	<u>48,080</u>	<u>125,640</u>	-	<u>173,720</u>
Results				
Segment results	48,080	125,640	-	173,720
Overhead expenses	(24,125)	(45,803)	-	(69,928)
Allowance for impairment on loans and advances and other assets, net	(4,891)	(256)	-	(5,147)
Share of results of a joint venture	-	-	(242)	(242)
Profit/(loss) before taxation	19,064	79,581	(242)	98,403
Taxation and zakat				(24,690)
Profit for the period				<u>73,713</u>
Other segment information				
Depreciation of property, plant and equipment	104	427	-	531
Depreciation of right-of-use assets	738	1,352	-	2,090
Amortisation of computer software	10	830	-	840

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

Unaudited Statements of Financial Position as at 31 March 2022

	Notes	Group and Bank	
		31 March 2022	31 December 2021
		RM'000	RM'000
ASSETS			
Cash and short-term funds	(a)	98,607	20,198
Other assets	(b)	551,867	545,751
Total assets		650,474	565,949
LIABILITIES			
Other liabilities	(c)	390,132	308,494
Provision for taxation and zakat	(d)	14,433	11,255
Total liabilities		404,565	319,749
ISLAMIC BANKING CAPITAL FUND			
Islamic banking fund		5,000	5,000
Retained earnings		240,909	241,200
		245,909	246,200
Total liabilities and Islamic banking capital fund		650,474	565,949

**Unaudited Statements of Comprehensive Income
For the First Quarter and Financial Period Ended 31 March 2022**

	Notes	Unaudited		Unaudited	
		First Quarter Ended 31 March 2022	31 March 2021	Cumulative 3 Months Ended 31 March 2022	31 March 2021
Group and Bank		RM'000	RM'000	RM'000	RM'000
Income derived from investment of					
Islamic banking fund	(e)	12,906	11,873	12,906	11,873
Direct costs		(967)	(1,411)	(967)	(1,411)
Net income attributable to the Group and to the Bank		11,939	10,462	11,939	10,462
Overhead expenses	(f)	(8,872)	(4,807)	(8,872)	(4,807)
Operating profit		3,067	5,655	3,067	5,655
Allowance for impairment on other assets, net		(180)	(241)	(180)	(241)
Profit before taxation and zakat		2,887	5,414	2,887	5,414
Taxation		(693)	(1,299)	(693)	(1,299)
Zakat		(2,485)	(686)	(2,485)	(686)
(Loss)/profit for the period, representing total comprehensive (loss)/income for the period, attributable to equity holder of the Bank		(291)	3,429	(291)	3,429

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

Unaudited Statements of Changes in Equity
For the Financial Quarter Ended 31 March 2022

Group and Bank	Islamic banking capital fund RM'000	Distributable retained earnings RM'000	Total RM'000
At 1 January 2022	5,000	241,200	246,200
Loss for the period	-	(291)	(291)
Total comprehensive loss for the period	-	(291)	(291)
At 31 March 2022	5,000	240,909	245,909
At 1 January 2021	5,000	227,368	232,368
Profit for the period	-	3,429	3,429
Total comprehensive profit for the period	-	3,429	3,429
At 31 March 2021	5,000	230,797	235,797

Unaudited Statements of Cash Flows
For the Financial Quarter Ended 31 March 2022

	Group and Bank	
	31 March 2022 RM'000	31 March 2021 RM'000
Cash flows from operating activities		
Profit before taxation and zakat, representing		
operating profit before working capital changes	2,887	5,414
Increase in receivables	(6,116)	(9,931)
Decrease/(increase) in payables	81,638	(2,228)
Net cash generated from/(used in) operating activities	78,409	(6,745)
Net increase/(decrease) in cash and cash equivalents	78,409	(6,745)
Cash and cash equivalents at beginning of the period	20,198	29,466
Cash and cash equivalents at end of the period	98,607	22,721

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

(a) Cash and short-term funds

	Group and Bank	
	31 March 2022 RM'000	31 December 2021 RM'000
Cash and bank balances with financial institutions	98,607	20,198

(b) Other assets

	Group and Bank	
	31 March 2022 RM'000	31 December 2021 RM'000
Debtors	551,867	545,751

(c) Other liabilities

	Group and Bank	
	31 March 2022 RM'000	31 December 2021 RM'000
Provisions and accruals*	390,132	308,494

* Include prohibited sources/means to charitable causes amounting to RM4,966 (2021: RM3,768).

(d) Provision for taxation and zakat

	Group and Bank	
	31 March 2022 RM'000	31 December 2021 RM'000
Taxation	10,890	10,197
Zakat	3,543	1,058
	14,433	11,255

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

(e) Income derived from investment of Islamic banking fund

<u>Group and Bank</u>	Unaudited		Unaudited	
	First Quarter Ended		Cumulative 3 Months Ended	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
	RM'000	RM'000	RM'000	RM'000
Profit income from money at call and deposits and placements with financial institutions	88	-	88	-
Realised gain from sale of financial assets at fair value through profit or loss, net	174	-	174	-
Fee and commission income from:				
- Arranger and upfront fees	7,182	600	7,182	600
- Brokerage income	2,712	5,204	2,712	5,204
- Placement fees	-	25	-	25
- Underwriting commission	226	-	226	-
- Others	2,503	6,021	2,503	6,021
Foreign exchange gain, net	21	23	21	23
Total	12,906	11,873	12,906	11,873

(f) Overhead expenses

<u>Group and Bank</u>	Unaudited		Unaudited	
	First Quarter Ended		Cumulative 3 Months Ended	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
	RM'000	RM'000	RM'000	RM'000
Personnel expenses	6,600	3,100	6,600	3,100
Establishment costs	1,032	338	1,032	338
Marketing costs	52	36	52	36
Administration and general expenses	1,188	1,333	1,188	1,333
Total	8,872	4,807	8,872	4,807

Note (i): Included in establishment costs are service chargeback amounting to approximately RM431,000 (2021: RM428,000).

(g) Capital adequacy

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

<u>Group and Bank</u>	31 March 2022	31 December 2021
	%	%
CET1 capital ratio	77.915	82.237
Tier 1 capital ratio	77.915	82.237
Total capital ratio	77.915	82.237

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

<u>Group and Bank</u>	31 March 2022	31 December 2021
	RM'000	RM'000
Tier 1 capital		
Islamic banking fund	5,000	5,000
Retained earnings	240,909	241,200
CET1 capital/Tier 1 capital/Total capital	245,909	246,200

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

(g) Capital adequacy (Cont'd)

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

<u>Group and Bank</u>	Gross credit exposures RM'000	Net credit exposures RM'000	Risk- weighted assets RM'000	Capital requirements RM'000
31 March 2022				
Exposure Class				
(i) <u>Credit Risk</u>				
On-balance sheet exposures:				
Sovereigns/Central banks	1,353	1,353	-	-
Banks, Development Financial Institutions and Multilateral Development Banks	97,254	97,254	19,451	1,556
Other assets	766,786	766,786	190,515	15,241
Total on-balance sheet exposures	865,393	865,393	209,966	16,797
Total on and off-balance sheet exposures *	865,393	865,393	209,966	16,797
(ii) <u>Market Risk</u>				
Foreign currency risk	-	-	3	-
(iii) <u>Operational Risk</u>	-	-	105,642	8,451
Total RWA and capital requirements	865,393	865,393	315,610	25,248

<u>Group and Bank</u>	Gross credit exposures RM'000	Net credit exposures RM'000	Risk- weighted assets RM'000	Capital requirements RM'000
31 December 2021				
Exposure Class				
(i) <u>Credit Risk</u>				
On-balance sheet exposures:				
Sovereigns/Central banks	1,020	1,020	-	-
Banks, Development Financial Institutions and Multilateral Development Banks	19,178	19,178	3,836	307
Other assets	753,156	753,156	190,990	15,279
Total on-balance sheet exposures	773,354	773,354	194,826	15,586
Total on and off-balance sheet exposures *	773,354	773,354	194,826	15,586
(ii) <u>Market Risk</u>				
Foreign currency risk	-	-	3	-
(iii) <u>Operational Risk</u>	-	-	104,550	8,364
Total RWA and capital requirements	773,354	773,354	299,378	23,950

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

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

(h) Fair values of financial assets and liabilities

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

(i) Allocation of income

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

(j) Shariah committee

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

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

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

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

The Group and the Bank presently have six Shariah members.

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32. Fair value of financial instruments

Fair value hierarchy

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

(a) Level 1: Quoted prices

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

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

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

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

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

The following table shows the Group's and the Bank's financial assets and liabilities that are measured at fair value analysed by level within the fair value hierarchy as at 31 March 2022 and 31 December 2021.

<u>Group and Bank</u>	<u>Valuation techniques using</u>			Total RM'000
	Quoted Market Price (Level 1) RM'000	Observable Inputs (Level 2) RM'000	Unobservable Inputs (Level 3) RM'000	
As at 31 March 2022				
Financial assets measured at fair values:				
Financial assets at fair value through profit or loss	1,418,870	-	-	1,418,870
Financial assets at fair value through other comprehensive income	-	-	1,184	1,184
Derivative financial assets	-	267,856	-	267,856
	<u>1,418,870</u>	<u>267,856</u>	<u>1,184</u>	<u>1,687,910</u>
Financial liabilities measured at fair values:				
Derivative financial liabilities	33,740	100,240	-	133,980
As at 31 December 2021				
Financial assets measured at fair values:				
Financial assets at fair value through profit or loss	1,377,450	-	-	1,377,450
Financial assets at fair value through other comprehensive income	-	-	1,184	1,184
Derivative financial assets	-	233,046	-	233,046
	<u>1,377,450</u>	<u>233,046</u>	<u>1,184</u>	<u>1,611,680</u>
Financial liabilities measured at fair values:				
Derivative financial liabilities	31,197	95,841	-	127,038

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

Valuation techniques

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

- (a) Financial investments at fair value through profit or loss and, financial investments at fair value through other comprehensive income.

The fair values of financial assets and financial investments are determined by reference to prices quoted by independent data providers and independent broker quotations. Fair value for unquoted equity securities held for socio economic reasons (classified as Level 3) are determined based on the net tangible assets of the companies.

- (b) Derivative financial instruments

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