

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

**CONDENSED FINANCIAL STATEMENTS**  
**UNAUDITED INCOME STATEMENT**  
**FOR THE FINANCIAL HALF YEAR ENDED 30 JUNE 2022**

	Note	Second Quarter Ended		Cumulative 6 Months Ended	
		30 June 2022 RM'000	30 June 2021 RM'000	30 June 2022 RM'000	30 June 2021 RM'000
Income derived from investment of depositors' funds	A23	2,169,179	2,281,903	4,175,229	4,513,325
Income derived from investment of investment account funds	A24	279,861	231,147	540,580	455,064
Income derived from investment of shareholder's funds	A25	114,435	121,946	227,380	223,089
Allowances for impairment losses on financing and advances, net	A26	(82,501)	(164,655)	(191,104)	(344,007)
Writeback of/(allowances for) impairment losses on financial investments, net	A27	388	(475)	(1,838)	242,814
Writeback of/(allowances for) impairment losses on other financial assets, net	A28	265	1,667	1,504	(732)
<b>Total distributable income</b>		<b>2,481,627</b>	<b>2,471,533</b>	<b>4,751,751</b>	<b>5,089,553</b>
Profit share income from investment accounts		55,088	25	105,580	25
Profit distributed to depositors	A29	(731,809)	(870,055)	(1,405,896)	(1,723,774)
Profit distributed to investment account holders		(80,268)	(71,986)	(154,106)	(143,881)
<b>Total net income</b>		<b>1,724,638</b>	<b>1,529,517</b>	<b>3,297,329</b>	<b>3,221,923</b>
Overhead expenses	A30	(470,134)	(429,050)	(932,862)	(781,681)
Finance costs	A31	(101,872)	(101,738)	(201,365)	(203,167)
<b>Profit before taxation and zakat</b>		<b>1,152,632</b>	<b>998,729</b>	<b>2,163,102</b>	<b>2,237,075</b>
Taxation	A32	(329,780)	(241,207)	(716,802)	(537,463)
Zakat	A32	(8,954)	(4,141)	(29,138)	(11,164)
<b>Profit for the period</b>		<b>813,898</b>	<b>753,381</b>	<b>1,417,162</b>	<b>1,688,448</b>
<b>Profit attributable to:</b>					
Equity holder of the Bank		<b>813,898</b>	<b>753,381</b>	<b>1,417,162</b>	<b>1,688,448</b>
<b>Earnings per share attributable to equity holder of the Bank</b>					
- basic/diluted (sen)		<b>188.35</b>	<b>207.26</b>	<b>327.96</b>	<b>465.92</b>

(These unaudited condensed interim 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 ISLAMIC BERHAD**  
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**CONDENSED FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE FINANCIAL HALF YEAR ENDED 30 JUNE 2022**

	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June 2022 RM'000	30 June 2021 RM'000	30 June 2022 RM'000	30 June 2021 RM'000
<b>Profit for the period</b>	<b>813,898</b>	<b>753,381</b>	<b>1,417,162</b>	<b>1,688,448</b>
<b>Other comprehensive income/(loss):</b>				
<i>Items that may be reclassified subsequently to profit or loss</i>				
Net loss on foreign exchange translation	(101)	(17)	(234)	(473)
Net (loss)/gain on financial investments at fair value through other comprehensive income	(223,472)	52,161	(335,924)	(400,663)
- Net (loss)/gain from change in fair value	(327,418)	66,032	(490,982)	(528,631)
- Changes in expected credit losses	(4,102)	1,977	1,480	1,097
- Income tax effect	108,048	(15,848)	153,578	126,871
Other comprehensive (loss)/income for the period, net of tax	(223,573)	52,144	(336,158)	(401,136)
<b>Total comprehensive income for the period, net of tax</b>	<b>590,325</b>	<b>805,525</b>	<b>1,081,004</b>	<b>1,287,312</b>
<b>Total comprehensive income attributable to:</b>				
Equity holder of the Bank	<b>590,325</b>	<b>805,525</b>	<b>1,081,004</b>	<b>1,287,312</b>

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**CONDENSED FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2022**

	Note	30 June 2022 RM'000	31 December 2021 RM'000
<b>ASSETS</b>			
Cash and short-term funds		11,463,343	12,123,992
Deposits and placements with banks and other financial institutions		-	3,000,157
Financial assets purchased under resale agreements		8,633,406	10,420,749
Financial investments at fair value through profit or loss	A11(i)	208,081	784,302
Financial investments at fair value through other comprehensive income	A11(ii)	14,434,266	15,082,779
Financial investments at amortised cost	A11(iii)	26,254,846	22,867,781
Financing and advances	A12	201,867,628	192,465,717
Derivative assets	A13	237,840	117,420
Other assets	A14	9,090,317	4,804,475
Statutory deposit with Bank Negara Malaysia		13,607	20,447
Property, plant and equipment		330	546
Right-of-use assets		9,180	6,126
Deferred tax assets		343,138	190,616
<b>TOTAL ASSETS</b>		<b>272,555,982</b>	<b>261,885,107</b>
<b>LIABILITIES</b>			
Customers' funding:			
- Deposits from customers	A15	189,543,147	179,514,918
- Investment accounts of customers <sup>1</sup>	A16	30,567,741	28,720,799
Deposits and placements of banks and other financial institutions	A17	23,697,987	24,186,628
Bills and acceptances payable		32,064	19,561
Derivative liabilities	A13	235,624	177,545
Other liabilities	A18	777,241	1,521,121
Provision for taxation and zakat		321,355	27,544
Term funding	A20	10,932,387	10,923,177
Subordinated sukuk	A21	2,021,532	2,021,814
Capital securities	A22	1,002,305	1,002,441
<b>TOTAL LIABILITIES</b>		<b>259,131,383</b>	<b>248,115,548</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 2022**

	Note	30 June 2022 RM'000	31 December 2021 RM'000
<b>EQUITY ATTRIBUTABLE TO EQUITY HOLDER OF THE BANK</b>			
Share capital		10,322,374	10,322,374
Retained profits		2,754,835	3,247,267
Other reserves		347,390	199,918
<b>TOTAL SHAREHOLDER'S EQUITY</b>		<b>13,424,599</b>	<b>13,769,559</b>
<b>TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY</b>			
		<b>272,555,982</b>	<b>261,885,107</b>
<b>Restricted investment accounts managed by the Bank</b>	A16	<b>29,230,595</b>	<b>30,147,795</b>
<b>TOTAL ISLAMIC BANKING ASSETS OWNED AND MANAGED BY THE BANK</b>			
		<b>301,786,577</b>	<b>292,032,902</b>
<b>COMMITMENTS AND CONTINGENCIES</b>	A35	<b>81,529,050</b>	<b>83,982,957</b>
<b><u>CAPITAL ADEQUACY</u></b>	A36		
The capital adequacy ratios of the Bank are as follows:			
CET1 capital ratio		14.269%	15.981%
Tier 1 capital ratio		15.418%	17.173%
Total capital ratio		<b>18.254%</b>	<b>20.077%</b>

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**CONDENSED FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL HALF YEAR ENDED 30 JUNE 2022**

	<=====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 2022</b>	10,322,374	1,697	77,255	121,014	(48)	3,247,267	13,769,559
Profit for the period	-	-	-	-	-	1,417,162	1,417,162
Other comprehensive loss	-	-	(335,924)	-	(234)	-	(336,158)
<b>Total comprehensive (loss)/income for the period</b>	-	-	(335,924)	-	(234)	1,417,162	1,081,004
Transfer to regulatory reserve	-	-	-	483,630	-	(483,630)	-
Dividend on ordinary shares (Note A9(a))	-	-	-	-	-	(1,425,964)	(1,425,964)
<b>Total transactions with shareholder/ other equity movements</b>	-	-	-	483,630	-	(1,909,594)	(1,425,964)
<b>At 30 June 2022</b>	10,322,374	1,697	(258,669)	604,644	(282)	2,754,835	13,424,599

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**CONDENSED FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL HALF YEAR ENDED 30 JUNE 2022**

	<=====Non-distributable=====>					Distributable		Total equity RM'000
	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		
<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	706,740	-	-	-	-	-	706,740	
Dividend on ordinary shares	-	-	-	-	-	(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 CASH FLOW STATEMENT**  
**FOR THE FINANCIAL HALF YEAR ENDED 30 JUNE 2022**

	<b>30 June 2022 RM'000</b>	<b>30 June 2021 RM'000</b>
<b>Cash flows from operating activities</b>		
Profit before taxation and zakat	<b>2,163,102</b>	2,237,075
Adjustments for:		
Amortisation of premiums, net	<b>39,826</b>	28,779
Allowances for impairment losses on financing and advances, net	<b>242,050</b>	380,108
Allowances for/(writeback of) impairment losses on financial investments, net	<b>1,838</b>	(242,814)
(Writeback of)/allowances for impairment losses on other financial assets, net	<b>(1,504)</b>	732
Depreciation of property, plant and equipment	<b>159</b>	216
Depreciation of right-of-use assets	<b>1,474</b>	1,513
Finance cost on lease liabilities	<b>130</b>	176
Unrealised (gains)/losses on revaluation of derivatives	<b>(4,409)</b>	8,540
Unrealised losses/(gains) on revaluation of financial investments at fair value through profit or loss	<b>1,157</b>	(143)
Gains on disposal of financial investments at fair value through other comprehensive income	<b>(8,023)</b>	(53,585)
Gains on redemption of financial investments at amortised cost	<b>-</b>	(889)
(Gains)/losses on disposal of financial investment at fair value through profit or loss	<b>(885)</b>	2,180
Losses/(gains) on foreign exchange translations	<b>32,565</b>	(11,920)
ESGP expenses	<b>1,322</b>	1,463
Finance costs	<b>201,365</b>	203,167
Operating profit before working capital changes	<b>2,670,167</b>	2,554,598
Change in deposits and placements with banks and other financial institutions	<b>3,000,157</b>	(2,502,861)
Change in financial assets purchased under resale agreements	<b>1,788,847</b>	417,092
Change in financial investments portfolio	<b>(2,337,988)</b>	(3,195,610)
Change in financing and advances	<b>(9,074,521)</b>	(4,437,065)
Change in derivative assets and liabilities	<b>(57,931)</b>	(334,946)
Change in other assets	<b>(4,290,623)</b>	(1,572,221)
Change in statutory deposit with Bank Negara Malaysia	<b>6,840</b>	26
Change in deposits from customers	<b>10,028,229</b>	9,450,275
Change in deposits and placements of banks and other financial institutions	<b>(1,744,435)</b>	7,450,324
Change in investment accounts of customers	<b>2,153,076</b>	1,634,998
Change in bills and acceptances payable	<b>12,502</b>	(2,151)
Change in other liabilities	<b>(744,119)</b>	443,582
Cash generated from operating activities	<b>1,410,201</b>	9,906,041
Taxes and zakat paid	<b>(451,073)</b>	(662,236)
<b>Net cash generated from operating activities</b>	<b>959,128</b>	9,243,805

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**CONDENSED FINANCIAL STATEMENTS**  
**UNAUDITED CASH FLOW STATEMENT**  
**FOR THE FINANCIAL HALF YEAR ENDED 30 JUNE 2022**

	<b>30 June 2022 RM'000</b>	<b>30 June 2021 RM'000</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(27)	(15)
<b>Net cash used in investing activities</b>	(27)	(15)
<b>Cash flows from financing activities</b>		
Proceeds from issuance of shares	-	706,740
Dividend paid on ordinary shares	(1,425,964)	(1,413,481)
Dividend paid for capital securities	(24,682)	(24,682)
Dividend paid for subordinated sukuk	(36,978)	(45,625)
Dividend paid for term funding	(130,913)	(127,077)
Redemption of term funding	-	(2,270)
Repayment of lease liabilities	(1,213)	(1,238)
<b>Net cash used in financing activities</b>	(1,619,750)	(907,633)
<b>Net (decrease)/increase in cash and cash equivalents</b>	(660,649)	8,336,157
Cash and cash equivalents at beginning of period	12,123,992	9,890,517
<b>Cash and cash equivalents at end of period</b>	11,463,343	18,226,674
<b>Cash and cash equivalents comprise:</b>		
Cash and short term funds	11,463,343	18,226,674

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



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

**A1. Basis of preparation**

The unaudited condensed interim financial statements for Maybank Islamic Berhad (“MIB” or “the Bank”) have been prepared under the historical cost convention except for the following assets and liabilities that are stated at fair values: financial assets at fair value through other comprehensive income, financial assets and liabilities at fair value through profit or loss and derivative financial instruments.

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

The unaudited condensed interim financial statements do not include all the information and disclosures required in the audited annual financial statements, and should be read in conjunction with the audited annual financial statements for the financial year ended 31 December 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 Bank since the financial year ended 31 December 2021.

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 2021 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 2022:

- Annual Improvements to MFRS Standards 2018 - 2020
- Amendments to MFRS 116 *Property, Plant and Equipment - Proceeds before Intended Use*
- Amendments to MFRS 137 *Provisions, Contingent Liabilities and Contingent Assets Onerous Contract - Cost of Fulfilling a Contract*

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

**Annual Improvements to MFRS Standards 2018 - 2020**

The amendments permit a subsidiary that elects to apply paragraph D13(a) of MFRS 1 *First-time Adoption of Malaysian Financial Reporting Standards* to measure cumulative translation differences using the amounts reported by the parent, based on the parent's date of transition to MFRS. The amendments are also applied to an associate or joint venture that elects to apply paragraph D13(a) of MFRS 1. The amendments are effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted. The amendments are not expected to have any impact on the Bank's financial statements.

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**A1. Basis of preparation (cont'd.)**

***Amendments to MFRS 116 Property, Plant and Equipment - Proceeds before Intended Use***

The amendments prohibit entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment. The amendments are not expected to have any impact on the Bank's financial statements.

***Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets - Onerous Contract - Cost of Fulfilling a Contract***

The amendments clarify that the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling contracts. Before recognising a separate provision for an onerous contract, the entity recognises any impairment loss that has occurred on assets used in fulfilling the contract.

The amendments are to be applied prospectively in annual periods beginning on or after 1 January 2022, earlier application is permitted. The amendments are not expected to have any impact on the Bank's financial statements.

**A2. Significant accounting policies**

The audited annual financial statements of the Bank for the financial year ended 31 December 2021 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 2021 except for the adoption of the amendments to MFRSs which are effective for annual periods beginning on or after 1 January 2022 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 2021.

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**A4. Auditors' report on preceding audited annual financial statements**

The auditors' report on the audited financial statements for the financial year ended 31 December 2021 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 2022.

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

During the financial half year ended 30 June 2022, 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 2022.

**A8. Changes in debt and equity securities**

(i) Save as disclosed below, there were no new shares issuance by the Bank during the financial half year ended 30 June 2022:

(a) **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 2022 are as follows:

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

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**A9. Dividends paid/declared**

Dividends paid/declared during the financial half year ended 30 June 2022 are as follows:

- (a) On 22 February 2022, the Board of Directors had declared a single-tier second interim dividend in respect of the financial year ended 31 December 2021 of RM3.30 per ordinary share on 432,110,250 ordinary shares, amounting to a dividend payable of RM1,425,963,825. The payment of dividend was completed on 13 April 2022.
- (b) The Board of Directors have declared a single-tier first interim dividend in respect of the financial year ending 31 December 2022 of RM3.275 per share on 432,110,250 ordinary shares, amounting to RM1,415,161,069.

**A10. Related party transactions**

All related party transactions within 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 2022 RM'000	31 December 2021 RM'000
Financial investments at fair value through profit or loss	(i)	208,081	784,302
Financial investments at fair value through other comprehensive income	(ii)	14,434,266	15,082,779
Financial investments at amortised cost	(iii)	26,254,846	22,867,781
		<u>40,897,193</u>	<u>38,734,862</u>

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

	30 June 2022 RM'000	31 December 2021 RM'000
<b>At fair value</b>		
<b>Money market instruments:</b>		
Malaysian Government Investment Issues	10,130	-
Malaysian Government Treasury Bills	197,951	659,118
	<u>208,081</u>	<u>659,118</u>
<b>Unquoted securities:</b>		
<b>Outside Malaysia:</b>		
Islamic Corporate Sukuk	-	125,184
	<u>-</u>	<u>125,184</u>
<b>Total financial investments at FVTPL</b>	<u>208,081</u>	<u>784,302</u>

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

	Note	30 June 2022 RM'000	31 December 2021 RM'000
<b>At fair value</b>			
<b>Money market instruments:</b>			
Malaysian Government Investment Issues		10,661,221	10,848,583
Khazanah Sukuk		29,870	29,614
		<u>10,691,091</u>	<u>10,878,197</u>

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

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

	Note	30 June 2022 RM'000	31 December 2021 RM'000
<b>Unquoted securities:</b>			
<b>In Malaysia:</b>			
Corporate Sukuk	(a)	2,652,217	3,274,997
Equity		1,250	1,250
		<u>2,653,467</u>	<u>3,276,247</u>
<b>Outside Malaysia:</b>			
Islamic Corporate Sukuk		1,089,708	928,335
		<u>3,743,175</u>	<u>4,204,582</u>
<b>Total financial investments at FVOCI</b>		<u><b>14,434,266</b></u>	<u><b>15,082,779</b></u>

(a) As at 30 June 2022, the Corporate Sukuk funded by RPSIA amounting to RM592.6 million (31 December 2021: RM343.8 million) was recorded off-balance sheet, upon revision in the agreement between the Bank with the holding company and with the third party on the timing of cash flow remittance received from the financial investment to the investment account holders.

(b) Movements in the allowances for impairment losses on financial investments at FVOCI 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 2022</b>				
At 1 January 2022	3,632	-	-	3,632
Transferred to Stage 2	(579)	579	-	-
Net remeasurement of allowances	(211)	1,115	-	904
New financial assets purchased	2,593	-	-	2,593
Financial assets derecognised	(2,367)	-	-	(2,367)
Exchange differences	179	-	-	179
At 30 June 2022	<u>3,247</u>	<u>1,694</u>	<u>-</u>	<u>4,941</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) Movements in the allowances for impairment losses on financial investments at FVOCI are as follows (cont'd.):

<b>As at 31 December 2021</b>	<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>	
At 1 January 2021	2,812	551	-	3,363
Transferred to Stage 1	551	(551)	-	-
Net remeasurement of allowances	(114)	-	-	(114)
New financial assets purchased	2,923	-	-	2,923
Financial assets derecognised	(2,649)	-	-	(2,649)
Changes in models/risk parameters	31	-	-	31
Exchange differences	78	-	-	78
At 31 December 2021	<u>3,632</u>	<u>-</u>	<u>-</u>	<u>3,632</u>

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

	<b>Note</b>	<b>30 June 2022 RM'000</b>	<b>31 December 2021 RM'000</b>
<b>Money market instruments:</b>			
Malaysian Government Investment Issues		<b>14,562,144</b>	11,246,266
Khazanah Sukuk		<b>537,821</b>	826,400
		<u><b>15,099,965</b></u>	<u>12,072,666</u>
<b>Unquoted securities:</b>			
<b>In Malaysia:</b>			
Corporate Sukuk	(a)	<u><b>11,183,944</b></u>	<u>10,823,470</u>
Allowances for impairment losses	(b)	<u><b>(29,063)</b></u>	<u>(28,355)</u>
<b>Total financial investments at amortised cost</b>		<u><b>26,254,846</b></u>	<u>22,867,781</u>

(a) As at 30 June 2022, the Corporate Sukuk funded by RPSIA amounting to RM4,574.5 million (31 December 2021: RM4,984.0 million) was recorded off-balance sheet, upon revision in the agreement between the Bank with the holding company on the timing of cash flow remittance received from the financial investment to the investment account holders.

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

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

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

	<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 2022</b>				
At 1 January 2022	28,355	-	-	28,355
Transferred to Stage 2	(386)	386	-	-
Net remeasurement of allowances	(186)	662	-	476
New financial assets purchased	559	-	-	559
Financial assets derecognised	(327)	-	-	(327)
At 30 June 2022	<u>28,015</u>	<u>1,048</u>	<u>-</u>	<u>29,063</u>
	<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 2021</b>				
At 1 January 2021	38,379	231,265	-	269,644
Transferred to Stage 1	346	(346)	-	-
Net remeasurement of allowances	(17,119)	-	-	(17,119)
New financial assets purchased	1,636	-	-	1,636
Financial assets derecognised	(1,249)	(230,919)	-	(232,168)
Changes in models/risk parameters	6,349	-	-	6,349
Exchange differences	13	-	-	13
At 31 December 2021	<u>28,355</u>	<u>-</u>	<u>-</u>	<u>28,355</u>



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**A12. Financing and advances**

	<b>30 June 2022 RM'000</b>	<b>31 December 2021 RM'000</b>
Financing and advances*:		
(A) Financing and advances at FVOCI	<b>2,260,605</b>	2,175,615
(B) Financing and advances at amortised cost	<b>269,015,737</b>	262,214,501
	<b>271,276,342</b>	264,390,116
Unearned income	<b>(66,452,945)</b>	(68,980,345)
Gross financing and advances	<b>204,823,397</b>	195,409,771
Allowances for ECL and impairment losses:		
- Stage 1 - 12-month ECL	<b>(553,141)</b>	(556,209)
- Stage 2 - Lifetime ECL not credit impaired	<b>(1,339,173)</b>	(1,678,410)
- Stage 3 - Lifetime ECL credit impaired	<b>(1,063,455)</b>	(709,435)
Net financing and advances	<b>201,867,628</b>	192,465,717

\* As at 30 June 2022, the financing and advances funded by RPSIA amounting to RM24,256.7 million (31 December 2021: RM25,033.6 million) was recorded off-balance sheet, upon revision in the agreement between the Bank with the holding company and with the third party on the timing of cash flow remittance received from the financing and advances to the investment account holders.

The gross exposure of the financing funded by investment accounts of customers ("IA") as at 30 June 2022 was RM30,567.7 million (31 December 2021: RM28,720.8 million).

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

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

<b>As at 30 June 2022</b>	<b>Bai'<sup>1</sup></b> <b>RM'000</b>	<b>Murabahah</b> <b>RM'000</b>	<b>Musharakah</b> <b>RM'000</b>	<b>Al-Ijarah Thumma Al- Bai' ("AITAB")<sup>2</sup></b> <b>RM'000</b>	<b>Ijarah<sup>3</sup></b> <b>RM'000</b>	<b>Others</b> <b>RM'000</b>	<b>Total financing and advances</b> <b>RM'000</b>
Cashline	-	6,279,380	-	-	-	-	6,279,380
Term financing							
- House financing	12,285,018	84,193,443	1,631,526	-	-	602	98,110,589
- Syndicated financing	-	5,846,223	-	-	-	-	5,846,223
- Hire purchase receivables	-	12,639,168	-	38,552,943	-	-	51,192,111
- Lease receivables	-	-	-	-	1,227,533	-	1,227,533
- Other term financing	7,232,107	83,636,079	505,981	-	-	89,165	91,463,332
Trust receipts	-	152,971	-	-	-	-	152,971
Claims on customers under acceptance credits	-	5,983,750	-	-	-	-	5,983,750
Staff financing	308,932	2,456,057	6,892	141,021	-	36,770	2,949,672
Credit card receivables	-	-	-	-	-	1,445,723	1,445,723
Revolving credit	-	6,577,172	-	-	-	-	6,577,172
Share margin financing	-	43,625	-	-	-	-	43,625
Financing to:							
- Directors of the Bank	-	1,463	-	-	-	9	1,472
- Directors of related companies	-	2,519	-	197	-	73	2,789
	<b>19,826,057</b>	<b>207,811,850</b>	<b>2,144,399</b>	<b>38,694,161</b>	<b>1,227,533</b>	<b>1,572,342</b>	<b>271,276,342</b>
Unearned income							<b>(66,452,945)</b>
Gross financing and advances <sup>4</sup>							<b>204,823,397</b>
Allowances for ECL and impairment losses:							
- Stage 1 - 12-month ECL							(553,141)
- Stage 2 - Lifetime ECL not credit impaired							(1,339,173)
- Stage 3 - Lifetime ECL credit impaired							(1,063,455)
Net financing and advances							<b>201,867,628</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 IA.

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

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

<b>As at 31 December 2021</b>	<b>Bai<sup>1</sup></b> <b>RM'000</b>	<b>Murabahah</b> <b>RM'000</b>	<b>Musharakah</b> <b>RM'000</b>	<b>Al-Ijarah Thumma Al- Bai' ("AITAB")<sup>2</sup></b> <b>RM'000</b>	<b>Ijarah<sup>3</sup></b> <b>RM'000</b>	<b>Others</b> <b>RM'000</b>	<b>Total financing and advances</b> <b>RM'000</b>
Cashline	-	6,287,366	-	-	-	-	6,287,366
Term financing							
- House financing	12,828,267	81,673,329	1,719,726	-	-	602	96,221,924
- Syndicated financing	-	5,955,729	-	-	-	-	5,955,729
- Hire purchase receivables	-	11,676,586	-	36,500,533	-	-	48,177,119
- Lease receivables	-	-	-	-	815,909	-	815,909
- Other term financing	8,317,772	82,612,398	536,521	-	-	30,604	91,497,295
Trust receipts	-	132,385	-	-	-	-	132,385
Claims on customers under acceptance credits	-	5,227,288	-	-	-	-	5,227,288
Staff financing	340,773	2,357,766	7,330	156,719	-	36,492	2,899,080
Credit card receivables	-	-	-	-	-	1,355,004	1,355,004
Revolving credit	-	5,760,355	-	-	-	-	5,760,355
Share margin financing	-	55,212	-	-	-	-	55,212
Financing to:							
- Directors of the Bank	-	1,451	-	-	-	4	1,455
- Directors of related companies	-	3,570	-	300	-	125	3,995
	<u>21,486,812</u>	<u>201,743,435</u>	<u>2,263,577</u>	<u>36,657,552</u>	<u>815,909</u>	<u>1,422,831</u>	<u>264,390,116</u>
Unearned income							(68,980,345)
Gross financing and advances <sup>4</sup>							<u>195,409,771</u>
Allowances for ECL and impairment losses:							
- Stage 1 - 12-month ECL							(556,209)
- Stage 2 - Lifetime ECL not credit impaired							(1,678,410)
- Stage 3 - Lifetime ECL credit impaired							(709,435)
Net financing and advances							<u>192,465,717</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 IA.

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

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

	<b>30 June 2022 RM'000</b>	<b>31 December 2021 RM'000</b>
Domestic non-banking financial institutions	4,701,890	4,102,492
Domestic business enterprises:		
- Small and medium enterprises	34,879,613	30,636,404
- Others	18,581,184	19,993,497
Government and statutory bodies	2,395,577	2,315,399
Individuals	142,301,892	136,439,893
Other domestic entities	89,020	75,855
Foreign entities	1,874,221	1,846,231
Gross financing and advances	<u>204,823,397</u>	<u>195,409,771</u>

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

	<b>30 June 2022 RM'000</b>	<b>31 December 2021 RM'000</b>
Fixed rate:		
- House financing	1,658,086	1,618,632
- Hire purchase receivables	34,680,362	32,783,987
- Other financing	14,177,553	13,899,657
Floating rate:		
- House financing	62,721,896	59,652,877
- Other financing	91,585,500	87,454,618
Gross financing and advances	<u>204,823,397</u>	<u>195,409,771</u>

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

	<b>30 June 2022 RM'000</b>	<b>31 December 2021 RM'000</b>
Purchase of securities	25,955,561	25,278,402
Purchase of transport vehicles	46,560,889	43,898,276
Purchase of landed properties:		
- Residential	65,085,117	61,572,937
- Non-residential	17,072,006	16,204,503
Purchase of fixed assets (excluding landed properties)	242,277	177,947
Personal use	3,125,150	3,252,580
Purchase of consumer durables	500	520
Constructions	2,268,201	2,037,500
Mergers and acquisitions	480,000	500,000
Working capital	42,544,527	41,086,366
Credit cards	1,489,169	1,400,740
Gross financing and advances	<u>204,823,397</u>	<u>195,409,771</u>

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

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

	30 June 2022 RM'000	31 December 2021 RM'000
Within one year	24,322,503	23,468,423
One year to three years	7,212,506	7,961,295
Three years to five years	17,908,720	16,372,043
After five years	155,379,668	147,608,010
Gross financing and advances	<u>204,823,397</u>	<u>195,409,771</u>

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

	30 June 2022 RM'000	31 December 2021 RM'000
Gross impaired financing and advances at 1 January	1,492,756	2,452,406
Impaired during the financial period	934,392	238,626
Reclassified as non-impaired	(47,255)	(36,215)
Amount recovered	(90,009)	(339,776)
Amount written off	(210,628)	(233,810)
Amount related to Restricted Investment Account	-	(588,475)
Gross impaired financing and advances at 30 June 2022/ 31 December 2021	<u>2,079,256</u>	<u>1,492,756</u>
Less: Stage 3 - Lifetime ECL credit impaired	<u>(1,063,455)</u>	<u>(709,435)</u>
Net impaired financing and advances at 30 June 2022/ 31 December 2021	<u>1,015,801</u>	<u>783,321</u>

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

Gross impaired financing and advances	2,005,248	1,429,024
Less: Stage 3 - Lifetime ECL credit impaired	<u>(1,063,455)</u>	<u>(709,435)</u>
Net impaired financing and advances	<u>941,793</u>	<u>719,589</u>
Gross financing and advances	174,255,656	166,688,972
Less: Allowances for financing and advances at amortised cost and at fair value through other comprehensive income	<u>(2,958,242)</u>	<u>(2,946,356)</u>
Net financing and advances	<u>171,297,414</u>	<u>163,742,616</u>
Ratio of net impaired financing and advances	<u>0.55%</u>	<u>0.44%</u>

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

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

	<b>30 June 2022 RM'000</b>	<b>31 December 2021 RM'000</b>
Purchase of securities	<b>16,053</b>	11,569
Purchase of transport vehicles	<b>109,675</b>	126,187
Purchase of landed properties:		
- Residential	<b>276,682</b>	291,858
- Non-residential	<b>188,513</b>	146,632
Purchase of fixed assets (excluding landed properties)	<b>3,760</b>	920
Personal use	<b>34,828</b>	39,409
Purchase of consumer durables	<b>2</b>	2
Constructions	<b>198,634</b>	25,099
Working capital	<b>1,246,261</b>	844,904
Credit cards	<b>4,848</b>	6,176
Gross credit impaired financing and advances	<b><u>2,079,256</u></b>	<b><u>1,492,756</u></b>

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

**At fair value through other comprehensive income**

	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	
	<b>12-month ECL</b>	<b>Lifetime ECL not credit impaired</b>	<b>Lifetime ECL credit impaired</b>	<b>Total</b>
<b>As at 30 June 2022</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
At 1 January 2022	<b>2,302</b>	-	-	<b>2,302</b>
Net remeasurement of allowances	<b>290</b>	-	-	<b>290</b>
Financial assets derecognised	<b>(26)</b>	-	-	<b>(26)</b>
Changes in models/risk parameters	<b>(118)</b>	-	-	<b>(118)</b>
Exchange differences	<b>25</b>	-	-	<b>25</b>
At 30 June 2022	<b><u>2,473</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>2,473</u></b>

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

(viii) 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>	<b>Total</b>
	<b>12-month ECL</b>	<b>Lifetime ECL not credit impaired</b>	<b>Lifetime ECL credit impaired</b>	
<b>As at 31 December 2021</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
At 1 January 2021	1,662	2,494	-	4,156
Net remeasurement of allowances	133	-	-	133
New financial assets originated or purchased	47	-	-	47
Financial assets derecognised	(636)	(2,494)	-	(3,130)
Changes in models/risk parameters	1,085	-	-	1,085
Exchange differences	11	-	-	11
At 31 December 2021	<u>2,302</u>	<u>-</u>	<u>-</u>	<u>2,302</u>

**At amortised cost**

	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<b>Total</b>
	<b>12-month ECL</b>	<b>Lifetime ECL not credit impaired</b>	<b>Lifetime ECL credit impaired</b>	
<b>As at 30 June 2022</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
At 1 January 2022	556,209	1,678,410	709,435	2,944,054
Transferred to Stage 1	127,760	(124,324)	(3,436)	-
Transferred to Stage 2	(18,475)	30,849	(12,374)	-
Transferred to Stage 3	(3,799)	(179,775)	183,574	-
Net remeasurement of allowances	(171,710)	(55,719)	473,021	245,592
New financial assets originated or purchased	84,951	45,127	-	130,078
Financial assets derecognised	(47,157)	(55,967)	(92,573)	(195,697)
Changes in models/risk parameters	(120)	97	-	(23)
Amount written off	-	-	(210,628)	(210,628)
Exchange differences	25,482	475	16,436	42,393
At 30 June 2022	<u>553,141</u>	<u>1,339,173</u>	<u>1,063,455</u>	<u>2,955,769</u>

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

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

**At amortised cost (cont'd.)**

	<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 31 December 2021</b>				
At 1 January 2021	574,213	1,209,931	1,254,822	3,038,966
Transferred to Stage 1	241,131	(229,027)	(12,104)	-
Transferred to Stage 2	(17,310)	45,043	(27,733)	-
Transferred to Stage 3	(5,392)	(27,532)	32,924	-
Net remeasurement of allowances	(245,822)	741,141	117,932	613,251
New financial assets originated or purchased	115,763	51,554	-	167,317
Financial assets derecognised	(42,288)	(75,656)	(24,227)	(142,171)
Changes in models/risk parameters	(44,063)	(20,640)	-	(64,703)
Amount related to Restricted Investment Accounts	(20,279)	(17,223)	(409,064)	(446,566)
Amount written off	-	-	(233,810)	(233,810)
Exchange differences	256	819	10,695	11,770
<b>At 31 December 2021</b>	<b>556,209</b>	<b>1,678,410</b>	<b>709,435</b>	<b>2,944,054</b>



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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 reporting date 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 2022			31 December 2021		
	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</u></b>						
<b><u>Foreign exchange related contracts</u></b>						
Currency forwards:						
- Less than one year	8,966,573	160,867	(33,410)	8,617,698	26,173	(35,464)
- One year to three years	714,437	9,706	(9,706)	574,349	2,475	(2,475)
- More than three years	2,653,286	29,205	(29,205)	2,704,174	6,242	(6,242)
	<b>12,334,296</b>	<b>199,778</b>	<b>(72,321)</b>	<b>11,896,221</b>	<b>34,890</b>	<b>(44,181)</b>
Currency swaps:						
- Less than one year	10,904,347	8,265	(115,402)	15,398,762	19,239	(65,804)
Currency spots:						
- Less than one year	429,387	87	(15,198)	400,910	65	(1,283)
Currency options:						
- Less than one year	87,215	68	(68)	7,157	38	(38)

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

	30 June 2022			31 December 2021		
	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	-	-	-	2,114,560	7,548	(7,548)
- One year to three years	18,558	700	(700)	24,137	112	(112)
- More than three years	416,536	13,261	(13,261)	405,012	7,759	(7,759)
	<b>435,094</b>	<b>13,961</b>	<b>(13,961)</b>	<b>2,543,709</b>	<b>15,419</b>	<b>(15,419)</b>
<b><u>Profit rate related contracts</u></b>						
Profit rate swaps:						
- Less than one year	490,000	1,693	(1,693)	490,000	4,185	(4,185)
- One year to three years	2,728,630	13,988	(16,981)	4,622,648	37,370	(36,085)
- More than three years	-	-	-	392,321	6,214	(10,550)
	<b>3,218,630</b>	<b>15,681</b>	<b>(18,674)</b>	<b>5,504,969</b>	<b>47,769</b>	<b>(50,820)</b>
<b>Total</b>	<b>27,408,969</b>	<b>237,840</b>	<b>(235,624)</b>	<b>35,751,728</b>	<b>117,420</b>	<b>(177,545)</b>

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**A14. Other assets**

	<b>30 June 2022 RM'000</b>	<b>31 December 2021 RM'000</b>
Amount due from holding company	8,056,924	3,880,724
Handling fees	203,657	190,877
Prepayments and deposits	31,264	16,079
Tax recoverable	-	171,447
Margin account with holding company	145,670	114,110
Other debtors	652,802	431,238
	<b>9,090,317</b>	<b>4,804,475</b>

**A15. Deposits from customers**

(i) By type of deposits

	<b>30 June 2022 RM'000</b>	<b>31 December 2021 RM'000</b>
<b>Savings deposits</b>		
Murabahah	29,701,194	26,302,000
Qard	1,820,301	3,496,477
	<b>31,521,495</b>	<b>29,798,477</b>
<b>Demand deposits</b>		
Murabahah	35,707,324	32,042,239
Qard	6,406,503	1,362,014
	<b>42,113,827</b>	<b>33,404,253</b>
<b>Term deposits</b>		
Murabahah	114,187,053	115,751,729
Qard	1,720,772	560,459
	<b>115,907,825</b>	<b>116,312,188</b>
	<b>189,543,147</b>	<b>179,514,918</b>

(ii) By type of customers

	<b>30 June 2022 RM'000</b>	<b>31 December 2021 RM'000</b>
Business enterprises	66,557,287	54,833,259
Individuals	56,507,658	51,692,158
Government and statutory bodies	37,627,865	36,389,382
Others	28,850,337	36,600,119
	<b>189,543,147</b>	<b>179,514,918</b>

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**A16. Investment accounts**

	<b>30 June 2022 RM'000</b>	<b>31 December 2021 RM'000</b>
Investment accounts of customers		
- Unrestricted investment accounts <sup>1</sup>	<b>30,567,741</b>	28,720,799
Restricted investment accounts managed by the Bank <sup>2</sup>	<b>29,230,595</b>	30,147,795

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

<b>As at 30 June 2022</b>	<b>Unrestricted investment accounts<sup>1</sup> RM'000</b>	<b>Restricted investment accounts managed by the Bank<sup>2</sup> RM'000</b>
Business enterprises	18,166,872	-
Individuals	10,529,074	-
Government and statutory bodies	216,756	-
Licensed banks	-	28,288,624
Others	1,655,039	941,971
	<b>30,567,741</b>	<b>29,230,595</b>

<b>As at 31 December 2021</b>	<b>Unrestricted investment accounts<sup>1</sup> RM'000</b>	<b>Restricted investment accounts managed by the Bank<sup>2</sup> RM'000</b>
Business enterprises	16,564,421	-
Individuals	10,159,957	-
Government and statutory bodies	205,058	-
Licensed banks	-	29,511,958
Others	1,791,363	635,837
	<b>28,720,799</b>	<b>30,147,795</b>

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

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

<b>As at 30 June 2022</b>	<b>Unrestricted investment accounts<sup>1</sup> RM'000</b>	<b>Restricted investment accounts managed by the Bank<sup>2</sup> RM'000</b>
- without maturity	25,795,208	-
- with maturity	4,772,533	29,230,595
Within six months	4,117,329	7,493,016
Six months to one year	644,321	625,532
One year to three years	6,568	3,766,669
Three years to five years	4,315	17,345,378
	<b>30,567,741</b>	<b>29,230,595</b>
<b>As at 31 December 2021</b>	<b>Unrestricted investment accounts<sup>1</sup> RM'000</b>	<b>Restricted investment accounts managed by the Bank<sup>2</sup> RM'000</b>
- without maturity	23,666,368	-
- with maturity	5,054,431	30,147,795
Within six months	3,560,977	8,099,298
Six months to one year	1,483,337	54,362
One year to three years	4,741	3,715,037
Three years to five years	5,376	18,279,098
	<b>28,720,799</b>	<b>30,147,795</b>

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

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

	<b>Unrestricted investment accounts<sup>1</sup> RM'000</b>	<b>Restricted investment accounts managed by the Bank<sup>2</sup> RM'000</b>
<b>As at 30 June 2022</b>		
Retail financing	28,807,956	-
Non-retail financing	1,759,785	24,267,092
Corporate Sukuk	-	4,963,503
	<b>30,567,741</b>	<b>29,230,595</b>
	<b>Unrestricted investment accounts<sup>1</sup> RM'000</b>	<b>Restricted investment accounts managed by the Bank<sup>2</sup> RM'000</b>
<b>As at 31 December 2021</b>		
Retail financing	26,965,529	-
Non-retail financing	1,755,270	24,819,965
Corporate Sukuk	-	5,327,830
	<b>28,720,799</b>	<b>30,147,795</b>

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

	<b>Investment account holder ("IAH")</b>	
	<b>Average profit sharing ratio (%)</b>	<b>Average rate of return (%)</b>
<b>As at 30 June 2022</b>		
Investment accounts of customers		
- Unrestricted investment accounts <sup>1</sup>	<b>28.20</b>	<b>1.13</b>
Restricted investment accounts managed by the Bank <sup>2</sup>	<b>79.65</b>	<b>3.37</b>

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

(iv) Profit sharing ratio and rate of return are as follows (cont'd.):

	Investment account holder ("IAH")	
	Average profit sharing ratio (%)	Average rate of return (%)
<b>As at 31 December 2021</b>		
Investment accounts of customers		
- Unrestricted investment accounts <sup>1</sup>	29.55	1.18
Restricted investment accounts managed by the Bank <sup>2</sup>	78.41	3.20

<sup>1</sup> The total funds invested in Multi-Asset Investment Account-i ("MAIA") product was RM476.7 million (31 December 2021: RM515.4 million) of which RM249.0 million (31 December 2021: RM254.1 million) are the funds managed by the Bank. 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 RM227.7 million as at 30 June 2022 (31 December 2021: RM261.3 million). The funds managed by MIAM are excluded from the asset and liability of the Bank.

<sup>2</sup> Included in the restricted investment accounts managed by the Bank is an arrangement between the Bank with the holding company and with the third party where the Bank acts as an investment agent to manage and administer the restricted investment accounts amounting to RM28,288.6 million and RM942.0 million (31 December 2021: RM29,512.0 million and RM635.8 million) respectively. The amount of restricted investment accounts managed by the Bank are disclosed net of any impairment allowances required on the underlying financial assets funded by the restricted investment accounts.

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

	30 June 2022 RM'000	31 December 2021 RM'000
<u>Non-Mudharabah Fund</u>		
Licensed banks	21,611,034	21,378,327
Licensed Islamic banks	500,325	948,712
Licensed investment banks	255,281	267,265
Other financial institutions	1,331,347	1,592,324
	<b>23,697,987</b>	<b>24,186,628</b>

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**A18. Other liabilities**

	Note	30 June 2022 RM'000	31 December 2021 RM'000
Sundry creditors		495,370	1,285,618
Deposit on trade financing		93,770	125,593
Provisions and accruals		29,817	44,371
Allowances for impairment losses on financing commitments and financial guarantee contracts	(i)	106,173	50,720
Lease liabilities		8,864	5,957
Structured deposits		39,086	3,592
Amount due to related company		4,161	5,270
		<b>777,241</b>	<b>1,521,121</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 2022</b>				
At 1 January 2022	31,665	17,433	1,622	50,720
Transferred to Stage 1	840	(840)	-	-
Transferred to Stage 2	(1,765)	1,765	-	-
Transferred to Stage 3	(2)	(6,652)	6,654	-
Net remeasurement of allowances	(4,834)	330	48,852	44,348
New credit exposures originated or purchased	23,000	8,745	-	31,745
Credit exposures derecognised	(11,334)	(8,184)	(1,249)	(20,767)
Changes in models/risk parameters	(48)	-	-	(48)
Exchange differences	120	55	-	175
At 30 June 2022	<b>37,642</b>	<b>12,652</b>	<b>55,879</b>	<b>106,173</b>
<b>As at 31 December 2021</b>				
At 1 January 2021	26,366	9,592	383	36,341
Transferred to Stage 1	76	(76)	-	-
Transferred to Stage 2	(18)	18	-	-
Transferred to Stage 3	(98)	-	98	-
Net remeasurement of allowances	(22,761)	563	1,422	(20,776)
New credit exposures originated or purchased	31,073	9,653	-	40,726
Credit exposures derecognised	(3,190)	(2,294)	(281)	(5,765)
Changes in models/risk parameters	1	(39)	-	(38)
Exchange differences	216	16	-	232
At 31 December 2021	<b>31,665</b>	<b>17,433</b>	<b>1,622</b>	<b>50,720</b>



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

	<b>30 June 2022 RM'000</b>	<b>31 December 2021 RM'000</b>
<b>Sources of charity funds</b>		
Shariah non-compliant/prohibited income	-	-
<b>Total sources of charity funds during the period/year</b>	-	-
<b>Uses of charity funds</b>		
Contribution to non-profit organisation	-	- <sup>1</sup>
<b>Total uses of charity funds during the period/year</b>	-	-
<b>Undistributed charity funds at 30 June 2022/31 December 2021</b>	-	-

<sup>1</sup> Does not include fund refunded to customers of RM61.84 made during the year.

**A20. Term Funding**

	<b>30 June 2022 RM'000</b>	<b>31 December 2021 RM'000</b>
Unsecured term funding:		
(a) Commercial Paper		
- Less than one year	7,941,680	7,947,135
(b) Medium Term Notes		
- Less than one year	2,002,532	2,002,762
(c) Term funding		
- More than one year (note(a))	988,175	973,280
<b>Total term funding</b>	<b>10,932,387</b>	<b>10,923,177</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 2022 RM'000</b>	<b>31 December 2021 RM'000</b>
RM1,000 million subordinated sukuk due in 2029	1,010,726	1,010,849
RM1,000 million subordinated sukuk due in 2031	1,010,806	1,010,965
	<b><u>2,021,532</u></b>	<b><u>2,021,814</u></b>

**A22. Capital Securities**

	<b>30 June 2022 RM'000</b>	<b>31 December 2021 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 2022 RM'000</b>	<b>30 June 2021 RM'000</b>	<b>30 June 2022 RM'000</b>	<b>30 June 2021 RM'000</b>
Income derived from investment of:				
i) General investment deposits	1,217,035	1,382,165	2,553,202	2,862,040
ii) Other deposits	952,144	899,738	1,622,027	1,651,285
	<b><u>2,169,179</u></b>	<b><u>2,281,903</u></b>	<b><u>4,175,229</u></b>	<b><u>4,513,325</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 2022 RM'000	30 June 2021 RM'000	30 June 2022 RM'000	30 June 2021 RM'000
<b>Finance income and hibah</b>				
Financing and advances	906,854	1,048,791	1,896,378	2,186,787
Money at call and deposits with financial institutions	22,835	38,933	50,950	76,780
Financial assets purchased under resale agreements	22,059	11,297	45,281	18,920
Financial investments at fair value through other comprehensive income	77,159	91,844	169,191	198,174
Financial investments at amortised cost	138,880	120,282	286,176	230,115
Financial investments at fair value through profit or loss	71	1,330	529	2,302
	<u>1,167,858</u>	<u>1,312,477</u>	<u>2,448,505</u>	<u>2,713,078</u>
Amortisation of premiums, net	(10,554)	(5,761)	(23,096)	(17,391)
<b>Total finance income and hibah</b>	<b>1,157,304</b>	<b>1,306,716</b>	<b>2,425,409</b>	<b>2,695,687</b>
<b>Other operating income :</b>				
Fee income:				
- Processing fees	11,243	(1,600)	14,438	16,479
- Commissions	31,253	32,618	64,894	61,793
- Service charges and other fees	27,781	26,595	58,839	54,085
(Losses)/gains on disposal of financial investments at fair value through other comprehensive income	(263)	20,656	4,653	32,382
Gains on redemption of financial investments at amortised cost	-	24	-	310
(Losses)/gains on disposal of financial investments at fair value through profit or loss	(492)	385	513	(1,317)
Unrealised gains/(losses) on revaluation of:				
- Financial investments at fair value through profit or loss	220	(81)	(671)	86
- Derivatives	399	(2,032)	2,557	(5,161)
Gains/(losses) on foreign exchange:				
- Realised	262,187	67,920	286,684	12,352
- Unrealised	(272,948)	(69,354)	(305,569)	(5,149)
Realised (losses)/gains on derivatives	(176)	129	641	275
Others	527	189	814	218
<b>Total other operating income</b>	<b>59,731</b>	<b>75,449</b>	<b>127,793</b>	<b>166,353</b>
<b>Total</b>	<b>1,217,035</b>	<b>1,382,165</b>	<b>2,553,202</b>	<b>2,862,040</b>

Included in finance income are income on impaired assets amounting to RM17.1 million (30 June 2021: RM16.7 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 2022 RM'000	30 June 2021 RM'000	30 June 2022 RM'000	30 June 2021 RM'000
<b>Finance income and hibah</b>				
Financing and advances	<b>708,660</b>	683,814	<b>1,204,754</b>	1,261,417
Money at call and deposits with financial institutions	<b>18,273</b>	25,079	<b>32,368</b>	44,289
Financial assets purchased under resale agreements	<b>17,125</b>	7,045	<b>28,767</b>	10,914
Financial investments at fair value through other comprehensive income	<b>61,346</b>	60,345	<b>107,486</b>	114,314
Financial investments at amortised cost	<b>107,959</b>	76,992	<b>181,805</b>	132,739
Financial investments at fair value through profit or loss	<b>106</b>	835	<b>336</b>	1,328
	<b>913,469</b>	854,110	<b>1,555,516</b>	1,565,001
Amortisation of premiums, net	<b>(8,385)</b>	(4,129)	<b>(14,673)</b>	(10,032)
<b>Total finance income and hibah</b>	<b>905,084</b>	849,981	<b>1,540,843</b>	1,554,969
<b>Other operating income :</b>				
Fee income:				
- Processing fees	<b>7,570</b>	329	<b>9,172</b>	9,505
- Commissions	<b>24,361</b>	20,836	<b>41,226</b>	35,644
- Service charges and other fees	<b>21,809</b>	17,245	<b>37,380</b>	31,198
Gains on disposal of financial investments at fair value through other comprehensive income	<b>491</b>	12,727	<b>2,956</b>	18,679
(Losses)/gains on redemption of financial investments at amortised cost	-	(27)	-	537
(Losses)/gains on disposal of financial investments at fair value through profit or loss	<b>(178)</b>	104	<b>326</b>	(760)
Unrealised gains/(losses) on revaluation of:				
- Financial investments at fair value through profit or loss	<b>21</b>	(35)	<b>(426)</b>	50
- Derivatives	<b>542</b>	(1,389)	<b>1,624</b>	(2,977)
Gains/(losses) on foreign exchange:				
- Realised	<b>169,846</b>	35,329	<b>182,128</b>	7,125
- Unrealised	<b>(177,772)</b>	(35,558)	<b>(194,126)</b>	(2,970)
Realised (losses)/gains on derivatives	<b>(3)</b>	85	<b>407</b>	159
Others	<b>373</b>	111	<b>517</b>	126
<b>Total other operating income</b>	<b>47,060</b>	49,757	<b>81,184</b>	96,316
<b>Total</b>	<b>952,144</b>	899,738	<b>1,622,027</b>	1,651,285

Included in finance income are income on impaired assets amounting to RM10.9 million (30 June 2021: RM9.7 million).

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

	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June 2022 RM'000	30 June 2021 RM'000	30 June 2022 RM'000	30 June 2021 RM'000
Financing and advances	279,114	231,085	539,493	454,943
<b>Total finance income and hibah</b>	<b>279,114</b>	<b>231,085</b>	<b>539,493</b>	<b>454,943</b>
<b>Other operating income :</b>				
Fee income:				
- Commissions	639	54	927	105
- Service charges and other fees	108	8	160	16
<b>Total other operating income</b>	<b>747</b>	<b>62</b>	<b>1,087</b>	<b>121</b>
<b>Total</b>	<b>279,861</b>	<b>231,147</b>	<b>540,580</b>	<b>455,064</b>

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

	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June 2022 RM'000	30 June 2021 RM'000	30 June 2022 RM'000	30 June 2021 RM'000
<b>Finance income and hibah</b>				
Financing and advances	85,241	92,679	168,885	170,442
Money at call and deposits with financial institutions	2,160	3,398	4,537	5,984
Financial assets purchased under resale agreements	2,070	954	4,033	1,475
Financial investments at fair value through other comprehensive income	7,289	8,180	15,068	15,446
Financial investments at amortised cost	13,035	10,431	25,486	17,936
Financial investments at fair value through profit or loss	8	113	47	179
	<b>109,803</b>	<b>115,755</b>	<b>218,056</b>	<b>211,462</b>
Amortisation of premiums, net	(997)	(561)	(2,057)	(1,356)
<b>Total finance income and hibah</b>	<b>108,806</b>	<b>115,194</b>	<b>215,999</b>	<b>210,106</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	30 June	30 June	30 June
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
<b>Other operating income :</b>				
Fee income:				
- Processing fees	1,016	49	1,286	1,284
- Commissions	2,937	2,822	5,779	4,816
- Service charges and other fees	2,615	2,336	5,240	4,215
(Losses)/gains on disposal of financial investments at fair value through other comprehensive income	(2)	1,723	414	2,524
Gains on redemption of financial investments at amortised cost	-	3	-	42
(Losses)/gains on disposal of financial investments at fair value through profit or loss	(39)	13	46	(103)
Unrealised gains/(losses) on revaluation of:				
- Financial investments at fair value through profit or loss	15	(4)	(60)	7
- Derivatives	46	(188)	228	(402)
Gains/(losses) on foreign exchange:				
- Realised	23,460	4,760	25,531	963
- Unrealised	(24,456)	(4,788)	(27,213)	(401)
Realised (losses)/gains on derivatives	(12)	11	57	21
Others	49	15	73	17
<b>Total other operating income</b>	<b>5,629</b>	<b>6,752</b>	<b>11,381</b>	<b>12,983</b>
<b>Total</b>	<b>114,435</b>	<b>121,946</b>	<b>227,380</b>	<b>223,089</b>

Included in finance income are income on impaired assets amounting to RM1.5 million (30 June 2021: RM1.3 million).

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

	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June 2022 RM'000	30 June 2021 RM'000	30 June 2022 RM'000	30 June 2021 RM'000
(Writeback of)/allowances for impairment losses on financing and advances:				
- Stage 1 - 12-month ECL, net	(32,070)	(20,029)	(127,106)	(92,216)
- Stage 2 - Lifetime ECL not credit impaired, net	(62,965)	163,665	(65,571)	393,992
- Stage 3 - Lifetime ECL credit impaired, net	198,909	36,377	428,051	72,301
Impaired financing and advances written off	2,772	3,709	6,850	5,784
Impaired financing and advances recovered	(24,139)	(19,237)	(50,946)	(36,101)
(Writeback of)/allowances for impairment losses on other debts	(6)	170	(174)	247
	<b>82,501</b>	<b>164,655</b>	<b>191,104</b>	<b>344,007</b>

**A27. (Writeback of)/allowances for impairment losses on financial investments, net**

	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June 2022 RM'000	30 June 2021 RM'000	30 June 2022 RM'000	30 June 2021 RM'000
Financial investments at fair value through other comprehensive income				
- Stage 1 - 12-month ECL, net	(197)	(14)	15	(839)
- Stage 2 - Lifetime ECL not credit impaired, net	(27)	-	1,115	-
	<b>(224)</b>	<b>(14)</b>	<b>1,130</b>	<b>(839)</b>
Financial investments at amortised cost				
- Stage 1 - 12-month ECL, net	(164)	489	46	(11,056)
- Stage 2 - Lifetime ECL not credit impaired, net	-	-	662	(230,919)
	<b>(164)</b>	<b>489</b>	<b>708</b>	<b>(241,975)</b>
	<b>(388)</b>	<b>475</b>	<b>1,838</b>	<b>(242,814)</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 2022 RM'000	30 June 2021 RM'000	30 June 2022 RM'000	30 June 2021 RM'000
Financial assets purchased under resale agreements				
- Stage 1 - 12-month ECL, net	(265)	(1,667)	(1,504)	732
	<b>(265)</b>	<b>(1,667)</b>	<b>(1,504)</b>	<b>732</b>

**A29. Profit distributed to depositors**

	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June 2022 RM'000	30 June 2021 RM'000	30 June 2022 RM'000	30 June 2021 RM'000
Deposits from customers				
- Non-mudharabah fund	<b>639,469</b>	567,506	<b>1,213,030</b>	1,150,087
Deposits and placements of banks and other financial institutions				
- Mudharabah fund	-	252,449	-	477,195
- Non-mudharabah fund	<b>92,206</b>	50,095	<b>192,604</b>	96,479
	<b>92,206</b>	302,544	<b>192,604</b>	573,674
Structured deposits				
- Non-mudharabah fund	<b>134</b>	5	<b>262</b>	13
	<b>731,809</b>	870,055	<b>1,405,896</b>	1,723,774



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**A30. Overhead expenses**

	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June 2022 RM'000	30 June 2021 RM'000	30 June 2022 RM'000	30 June 2021 RM'000
Personnel expenses	13,945	11,780	30,045	25,539
- Salaries, allowances and bonuses	10,692	8,973	22,683	19,812
- Retirement cost	1,642	1,372	3,546	2,962
- ESGP expenses	583	741	1,322	1,463
- Other staff related expenses	1,028	694	2,494	1,302
Establishment costs	983	1,706	2,575	3,271
- Depreciation of right-of-use assets	734	761	1,474	1,513
- Depreciation of property, plant and equipment	44	109	159	216
- Repairs, servicing and maintenance	(522)	10	(480)	69
- Information technology expenses	655	740	1,292	1,297
- Finance cost on lease liabilities	72	86	130	176
Marketing costs	887	1,652	2,441	4,169
- Advertisement and publicity	174	520	1,012	1,604
- Others	713	1,132	1,429	2,565
Administration and general expenses	454,319	413,912	897,801	748,702
- Fees and brokerage	24,010	19,686	34,602	36,182
- Administrative expenses	4,618	2,497	9,102	6,791
- General expenses	5,669	4,827	11,697	(37,892)
- Shared service cost paid/payable to Maybank and related company	420,022	386,902	842,400	743,621
<b>Total</b>	<b>470,134</b>	<b>429,050</b>	<b>932,862</b>	<b>781,681</b>

**A31. Finance costs**

	Second Quarter Ended		Cumulative 6 Months Ended	
	30 June 2022 RM'000	30 June 2021 RM'000	30 June 2022 RM'000	30 June 2021 RM'000
Subordinated sukuk	18,449	18,449	36,696	38,853
Capital securities	12,342	12,341	24,547	24,547
Term funding	71,081	70,948	140,122	139,767
	<b>101,872</b>	<b>101,738</b>	<b>201,365</b>	<b>203,167</b>

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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 2022 RM'000	30 June 2021 RM'000	30 June 2022 RM'000	30 June 2021 RM'000
Malaysian income tax	328,886	458,924	701,561	893,781
Under provision in prior period:				
Malaysian income tax	-	-	14,185	-
Deferred tax				
- Relating to origination and reversal of temporary differences	894	(217,717)	1,056	(356,318)
Tax expense for the financial period	<u>329,780</u>	241,207	<u>716,802</u>	537,463
Zakat	8,954	4,141	29,138	11,164
	<u>338,734</u>	<u>245,348</u>	<u>745,940</u>	<u>548,627</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 2022	31 December 2021
Outstanding credit exposure with connected parties (RM'000)	<u>7,226,505</u>	<u>6,901,533</u>
Percentage of outstanding credit exposures to connected parties as proportion of total credit exposures	<u>2.75%</u>	<u>2.77%</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 2022			31 December 2021		
	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	2,811,633	2,587,585	1,642,966	2,845,299	2,236,690	1,589,255
Certain transaction-related contingent items	3,334,286	1,644,904	1,147,902	3,316,724	1,623,110	1,120,828
Short-term self-liquidating trade-related contingencies	723,654	146,365	44,151	500,796	102,269	39,713
	<b>6,869,573</b>	<b>4,378,854</b>	<b>2,835,019</b>	<b>6,662,819</b>	<b>3,962,069</b>	<b>2,749,796</b>
<b><u>Commitments</u></b>						
Irrevocable commitments to extend credit:						
- maturity within one year	37,173,878	1,686,498	298,529	31,073,338	1,493,386	262,960
- maturity exceeding one year	9,968,734	22,034,296	7,526,793	10,411,607	20,641,624	8,367,924
	<b>47,142,612</b>	<b>23,720,794</b>	<b>7,825,322</b>	<b>41,484,945</b>	<b>22,135,010</b>	<b>8,630,884</b>
Miscellaneous commitments and contingencies	107,896	-	-	83,465	-	-
Total credit-related commitments and contingencies	<b>54,120,081</b>	<b>28,099,648</b>	<b>10,660,341</b>	<b>48,231,229</b>	<b>26,097,079</b>	<b>11,380,680</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 2022			31 December 2021		
	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	20,387,522	296,442	101,931	26,539,087	173,490	54,161
- one year to less than five years	2,535,875	141,238	48,075	1,577,464	87,013	34,567
- more than five years	1,266,942	162,082	75,711	2,130,208	176,384	82,878
Profit rate related contracts:						
- less than one year	490,000	2,036	1,223	490,000	5,042	3,028
- one year to less than five years	2,728,630	19,654	11,480	4,714,969	82,015	61,906
- more than five years	-	-	-	300,000	22,879	8,803
Total treasury-related commitments and contingencies	<b>27,408,969</b>	<b>621,452</b>	<b>238,420</b>	<b>35,751,728</b>	<b>546,823</b>	<b>245,343</b>
<b>Total commitments and contingencies</b>	<b>81,529,050</b>	<b>28,721,100</b>	<b>10,898,761</b>	<b>83,982,957</b>	<b>26,643,902</b>	<b>11,626,023</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 2022 (2021: 4.5%, 6.0% and 8.0% of total RWA).

**(c) The capital adequacy ratios of the Bank**

The Board of Directors have declared a single-tier first interim dividend in respect of the financial year ending 31 December 2022 of RM3.275 per share on 432,110,250 ordinary shares, amounting to RM1,415,161,069.

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

**(c) The capital adequacy ratios of the Bank (cont'd.)**

In arriving the capital adequacy ratios for the financial half year ended 30 June 2022, the single-tier first interim dividend has not been deducted from the calculation of CET1 Capital.

Based on the above, the capital adequacy ratios of the Bank are as follows:

	<b>30 June 2022</b>	<b>31 December 2021</b>
<b>Capital ratios</b>		
CET1 capital ratio	<b>14.269%</b>	15.981%
Tier 1 capital ratio	<b>15.418%</b>	17.173%
Total capital ratio	<b>18.254%</b>	20.077%

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

	<b>30 June 2022 RM'000</b>	<b>31 December 2021 RM'000</b>
<b>CET1 capital</b>		
Share capital	<b>10,322,374</b>	10,322,374
Retained profits	<b>2,754,835</b>	3,247,267
Other reserves	<b>339,976</b>	193,984
<b>CET1 capital before regulatory adjustments</b>	<b>13,417,185</b>	13,763,625
Less: Regulatory adjustment applied in CET1 capital	<b>(993,251)</b>	(359,160)
Deferred tax assets	<b>(343,138)</b>	(190,616)
Gain of financial instruments classified as 'fair value through other comprehensive income'	<b>(45,469)</b>	(47,530)
Regulatory reserve	<b>(604,644)</b>	(121,014)
<b>Total CET1 Capital</b>	<b>12,423,934</b>	13,404,465
<b>Additional Tier 1 Capital</b>		
Capital securities	<b>1,000,000</b>	1,000,000
<b>Total Tier 1 capital</b>	<b>13,423,934</b>	14,404,465
<b>Tier 2 capital</b>		
Subordinated sukuk	<b>2,000,000</b>	2,000,000
General provision <sup>1</sup>	<b>25,582</b>	10,735
Surplus of eligible provision over expected loss	<b>443,931</b>	425,171
<b>Total Tier 2 capital</b>	<b>2,469,513</b>	2,435,906
<b>Total Capital</b>	<b>15,893,447</b>	16,840,371

<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.

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

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

	<b>30 June 2022 RM'000</b>	<b>31 December 2021 RM'000</b>
Standardised Approach exposure	<b>2,296,523</b>	2,192,197
Internal Ratings-Based Approach exposure after scaling factor	<b>86,195,426</b>	83,621,226
Total RWA for credit risk	<b>88,491,949</b>	85,813,423
Total RWA for credit risk absorbed by the holding company and Investment Account Holders ("IAH") <sup>^</sup>	<b>(12,206,889)</b>	(12,759,358)
Total RWA for market risk	<b>603,700</b>	1,316,769
Total RWA for operational risk	<b>10,178,434</b>	9,507,656
<b>Total RWA</b>	<b>87,067,194</b>	83,878,490

<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 2022 and 31 December 2021 is summarised in the table:

As at 30 June 2022	<u>Valuation technique using</u>			Total RM'000
	Quoted Market Price (Level 1) RM'000	Observable Inputs (Level 2) RM'000	Unobservable Inputs (Level 3) RM'000	

Financial assets measured at fair value:

<b>Financial investments at fair value through profit and loss</b>	-	208,081	-	208,081
<i>Money market instruments</i>	-	208,081	-	208,081
<b>Financial investments at fair value through other comprehensive income</b>	-	14,433,016	1,250	14,434,266
<i>Money market instruments</i>	-	10,691,091	-	10,691,091
<i>Unquoted securities</i>	-	3,741,925	1,250	3,743,175
<b>Financing and advances at fair value through other comprehensive income</b>	-	-	2,260,605	2,260,605
<b>Derivative assets</b>	-	237,840	-	237,840
<i>Foreign exchange related contracts</i>	-	222,159	-	222,159
<i>Profit rate related contracts</i>	-	15,681	-	15,681
	-	14,878,937	2,261,855	17,140,792

Financial liabilities measured at fair value:

<b>Derivative liabilities</b>	-	235,624	-	235,624
<i>Foreign exchange related contracts</i>	-	216,950	-	216,950
<i>Profit rate related contracts</i>	-	18,674	-	18,674
	-	235,624	-	235,624

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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 2022 and 31 December 2021 is summarised in the table (cont'd.):

As at 31 December 2021	Quoted Market Price (Level 1) RM'000	<u>Valuation technique using</u>		Total RM'000
		Observable Inputs (Level 2) RM'000	Unobservable Inputs (Level 3) RM'000	
Financial assets measured at fair value:				
<b>Financial investments at fair value through profit and loss</b>	-	784,302	-	784,302
<i>Money market instruments</i>	-	659,118	-	659,118
<i>Unquoted securities</i>	-	125,184	-	125,184
<b>Financial investments at fair value through other comprehensive income</b>	-	15,081,529	1,250	15,082,779
<i>Money market instruments</i>	-	10,878,197	-	10,878,197
<i>Unquoted securities</i>	-	4,203,332	1,250	4,204,582
<b>Financing and advances at fair value through other comprehensive income</b>	-	-	2,175,615	2,175,615
<b>Derivative assets</b>	-	117,420	-	117,420
<i>Foreign exchange related contracts</i>	-	69,651	-	69,651
<i>Profit rate related contracts</i>	-	47,769	-	47,769
	-	15,983,251	2,176,865	18,160,116

Financial liabilities measured at fair value:

<b>Derivative liabilities</b>	-	177,545	-	177,545
<i>Foreign exchange related contracts</i>	-	126,725	-	126,725
<i>Profit rate related contracts</i>	-	50,820	-	50,820
	-	177,545	-	177,545

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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:

	At 1 January 2022 RM'000	Unrealised gain recognised in other comprehensive income RM'000	Purchases/ Issuances/ Additions RM'000	Settlements/ amount related to RPSIA RM'000	Exchange differences RM'000	At 30 June 2022 RM'000
<b>As at 30 June 2022</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>	2,175,615	43,588	34,331	-	7,071	2,260,605
<b>Total Level 3 financial assets</b>	<b>2,176,865</b>	<b>43,588</b>	<b>34,331</b>	<b>-</b>	<b>7,071</b>	<b>2,261,855</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.):

	At 1 January 2021 RM'000	Unrealised losses recognised in other comprehensive income RM'000	Purchases/ Issuances/ Additions RM'000	Settlements/ amount related to RPSIA RM'000	Exchange differences RM'000	At 31 December 2021 RM'000
<b>As at 31 December 2021</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	(2)	133,394	(703,231)	4,187	2,175,615
<b>Total Level 3 financial assets</b>	<u>2,742,517</u>	<u>(2)</u>	<u>133,394</u>	<u>(703,231)</u>	<u>4,187</u>	<u>2,176,865</u>

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 period ended 30 June 2022.

**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 period ended 30 June 2022.

**MAYBANK ISLAMIC BERHAD**  
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**Part B: Review of Performance & Current Year Prospects**

**B1. Performance Review**

The Bank recorded a profit before taxation and zakat of RM2,163.1 million for the financial period ended 30 June 2022, a decrease of 3.3% or RM74.0 million compared to the previous corresponding period.

Allowance for impairment of assets for the Bank increased by RM89.5 million from an impairment charge of RM101.9 million in last year corresponding period to an impairment charge of RM191.4 million in financial period ended 30 June 2022 from a reversal in prior period.

Total income decreased by RM248.3 million or 4.8% from RM5,191.5 million in previous corresponding period to RM4,943.2 million. Total income represents income derived from investment of depositors' funds, income derived from investment account funds and income derived from investment of shareholder's funds of RM4,175.2 million, RM540.6 million and RM227.4 million respectively.

The Bank's gross financing and advances for the year grew by 4.8% to RM204.8 billion as compared to RM195.4 billion recorded as at 31 December 2021. Gross financing and advances excludes the financing funded by RPSIA of RM24.7 billion which are treated as off balance sheet with RM0.5 billion or 2% negative growth. Total Islamic banking assets owned and managed by the Bank increased by 3.3% to RM301.8 billion as compared to RM292.0 billion recorded as at last financial year.

As at 30 June 2022, total customer funding increased by 5.7% to RM220.1 billion, contributed by growth in customer deposits of 5.6% at RM189.5 billion against RM179.5 billion as at 31 December 2021. Investment account of customers increased by RM1.8 billion to RM30.6 billion from RM28.7 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 14.269%, 15.418% and 18.254% respectively.

**B2. Prospects**

The Malaysian economy is expected to grow at +6.0% in 2022 (2021: +3.1%) amid the slower pace of global economic growth of +3.0% (2021:+6.1%) as most economies seek to overcome the spill over effects from the disruptions caused by the pandemic and Russia-Ukraine conflict. Malaysia's GDP growth in 2Q 2022 was recorded at +8.9% (1Q 2022: +0.5% YoY) mainly driven by robust service sector and consumer spending following the full economic reopening and lifting of international border restrictions since 1 April 2022. However, growth is expected to moderate in 2H2022 due to the impact of rising inflation brought about by global supply chain disruptions, a higher interest rate environment as central banks across the globe move towards tightening monetary policies, and signs of economic slowdown amongst Malaysia's major trading partners such as the US, Europe, and China. Bank Negara Malaysia is anticipated to continue tightening its monetary policy in a measured and gradual manner, with the aim of supporting sustainable economic growth. Fiscal policy is expected to remain relatively expansionary in 2022 with budget deficit at 6.0% of GDP (2021: 6.5% of GDP).

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**Part B: Review of Performance & Current Year Prospects (cont'd.)**

**B2. Prospects (cont'd.)**

The Bank is focused on growing its revenues through its strategic initiatives across its operations which include strengthening its fee based income streams and expanding its digital propositions. Concurrently, the Bank will selectively grow its financing book whilst defending its low-cost funding base. Capital and liquidity conservation are key priorities to ensure stable long term growth against external headwinds and uncertainties. The Bank will remain vigilant of the risks arising from the global market volatility and continue to proactively engage customers that require additional support on a targeted basis, together with Maybank Group as part of our efforts to ensure strong asset quality management.

The Bank remains committed to support the domestic economies of its home markets and strives to meet customers' needs while delivering a positive impact to the community. The Bank together with its Group counterparts remains committed towards promoting greater financial inclusion, sustainable financing and solutions, as well as supporting the transition to a low-carbon economy.