

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

CONDENSED FINANCIAL STATEMENTS
UNAUDITED INCOME STATEMENT
FOR THE FIRST QUARTER ENDED 31 MARCH 2022

	Note	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
Income derived from investment of depositors' funds	A23	2,006,050	2,231,422	2,006,050	2,231,422
Income derived from investment of investment account funds	A24	260,719	223,917	260,719	223,917
Income derived from investment of shareholder's funds	A25	112,945	101,143	112,945	101,143
Allowances for impairment losses on financing and advances, net (Allowances for)/writeback of impairment losses on financial investments, net	A26 A27	(108,603) (2,226)	(179,352) 243,289	(108,603) (2,226)	(179,352) 243,289
Writeback of/(allowances for) impairment losses on other financial assets, net	A28	1,239	(2,399)	1,239	(2,399)
Total distributable income		2,270,124	2,618,020	2,270,124	2,618,020
Profit share income from investment accounts		50,492	-	50,492	-
Profit distributed to depositors	A29	(674,087)	(853,719)	(674,087)	(853,719)
Profit distributed to investment account holders		(73,838)	(71,895)	(73,838)	(71,895)
Total net income		1,572,691	1,692,406	1,572,691	1,692,406
Overhead expenses	A30	(462,728)	(352,631)	(462,728)	(352,631)
Finance costs	A31	(99,493)	(101,429)	(99,493)	(101,429)
Profit before taxation and zakat		1,010,470	1,238,346	1,010,470	1,238,346
Taxation	A32	(387,022)	(296,256)	(387,022)	(296,256)
Zakat	A32	(20,184)	(7,023)	(20,184)	(7,023)
Profit for the period		603,264	935,067	603,264	935,067
Profit attributable to:					
Equity holder of the Bank		603,264	935,067	603,264	935,067
Earnings per share attributable to equity holder of the Bank					
- basic/diluted (sen)		139.61	258.66	139.61	258.66

(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
(Co. Reg. No.: 200701029411)
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CONDENSED FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED 31 MARCH 2022

	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
Profit for the period	603,264	935,067	603,264	935,067
Other comprehensive income/(loss):				
<i>Items that may be reclassified subsequently to profit or loss</i>				
Net loss on foreign exchange translation	(133)	(456)	(133)	(456)
Net loss on financial investments at fair value through other comprehensive income	(112,452)	(452,824)	(112,452)	(452,824)
- Net loss from change in fair value	(163,564)	(594,663)	(163,564)	(594,663)
- Changes in expected credit losses	5,582	(880)	5,582	(880)
- Income tax effect	45,530	142,719	45,530	142,719
Other comprehensive loss for the period, net of tax	(112,585)	(453,280)	(112,585)	(453,280)
Total comprehensive income for the period, net of tax	490,679	481,787	490,679	481,787
Total comprehensive income attributable to:				
Equity holder of the Bank	490,679	481,787	490,679	481,787

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MAYBANK ISLAMIC BERHAD
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CONDENSED FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2022

	Note	31 March 2022 RM'000	31 December 2021 RM'000
ASSETS			
Cash and short-term funds		9,569,028	12,123,992
Deposits and placements with banks and other financial institutions		-	3,000,157
Financial assets purchased under resale agreements		9,021,201	10,420,749
Financial investments at fair value through profit or loss	A11(i)	-	784,302
Financial investments at fair value through other comprehensive income	A11(ii)	15,036,778	15,082,779
Financial investments at amortised cost	A11(iii)	25,724,237	22,867,781
Financing and advances	A12	197,306,041	192,465,717
Derivative assets	A13	101,321	117,420
Other assets	A14	2,878,269	4,804,475
Statutory deposit with Bank Negara Malaysia		19,644	20,447
Property, plant and equipment		457	546
Right-of-use assets		5,483	6,126
Deferred tax assets		235,985	190,616
TOTAL ASSETS		259,898,444	261,885,107
LIABILITIES			
Customers' funding:			
- Deposits from customers	A15	183,338,103	179,514,918
- Investment accounts of customers ¹	A16	27,972,533	28,720,799
Deposits and placements of banks and other financial institutions	A17	20,880,643	24,186,628
Bills and acceptances payable		42,643	19,561
Derivative liabilities	A13	106,427	177,545
Other liabilities	A18	699,461	1,521,121
Provision for zakat		34,498	27,544
Term funding	A20	10,949,694	10,923,177
Subordinated sukuk	A21	2,025,521	2,021,814
Capital securities	A22	1,014,647	1,002,441
TOTAL LIABILITIES		247,064,170	248,115,548

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

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(Co. Reg. No.: 200701029411)
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CONDENSED FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2022

	Note	31 March 2022 RM'000	31 December 2021 RM'000
EQUITY ATTRIBUTABLE TO EQUITY HOLDER OF THE BANK			
Share capital		10,322,374	10,322,374
Retained profits		2,272,397	3,247,267
Other reserves		239,503	199,918
TOTAL SHAREHOLDER'S EQUITY		12,834,274	13,769,559
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY		259,898,444	261,885,107
Restricted investment accounts managed by the Bank	A16	30,752,538	30,147,795
TOTAL ISLAMIC BANKING ASSETS OWNED AND MANAGED BY THE BANK		290,650,982	292,032,902
COMMITMENTS AND CONTINGENCIES	A34	75,748,379	83,982,957
<u>CAPITAL ADEQUACY</u>	A35		
The capital adequacy ratios of the Bank are as follows:			
CET1 capital ratio		13.813%	15.981%
Tier 1 capital ratio		14.996%	17.173%
Total capital ratio		17.893%	20.077%

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MAYBANK ISLAMIC BERHAD
(Co. Reg. No.: 200701029411)
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CONDENSED FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED 31 MARCH 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
At 1 January 2022	10,322,374	1,697	77,255	121,014	(48)	3,247,267	13,769,559
Profit for the period	-	-	-	-	-	603,264	603,264
Other comprehensive loss	-	-	(112,452)	-	(133)	-	(112,585)
Total comprehensive (loss)/income for the period	-	-	(112,452)	-	(133)	603,264	490,679
Transfer to regulatory reserve	-	-	-	152,170	-	(152,170)	-
Dividend on ordinary shares (Note A9(a))	-	-	-	-	-	(1,425,964)	(1,425,964)
Total transactions with shareholder/ other equity movements	-	-	-	152,170	-	(1,578,134)	(1,425,964)
At 31 March 2022	10,322,374	1,697	(35,197)	273,184	(181)	2,272,397	12,834,274

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(Co. Reg. No.: 200701029411)
(Incorporated in Malaysia)

CONDENSED FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED 31 MARCH 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
At 1 January 2021	7,929,444	1,697	645,023	594,474	403	2,756,457	11,927,498
Profit for the period	-	-	-	-	-	935,067	935,067
Other comprehensive loss	-	-	(452,824)	-	(456)	-	(453,280)
Total comprehensive (loss)/income for the period	-	-	(452,824)	-	(456)	935,067	481,787
At 31 March 2021	7,929,444	1,697	192,199	594,474	(53)	3,691,524	12,409,285

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MAYBANK ISLAMIC BERHAD
(Co. Reg. No.: 200701029411)
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CONDENSED FINANCIAL STATEMENTS
UNAUDITED CASH FLOW STATEMENT
FOR THE FIRST QUARTER ENDED 31 MARCH 2022

	31 March 2022 RM'000	31 March 2021 RM'000
Cash flows from operating activities		
Profit before taxation and zakat	1,010,470	1,238,346
Adjustments for:		
Amortisation of premiums, net	19,890	18,328
Allowances for impairment losses on financing and advances, net	135,410	196,216
Allowances for/(writeback of) impairment losses on financial investments, net	2,226	(243,289)
(Writeback of)/allowances for impairment losses on other financial assets, net	(1,239)	2,399
Depreciation of property, plant and equipment	115	107
Depreciation of right-of-use assets	740	752
Finance cost on lease liabilities	58	90
Unrealised (gains)/losses on revaluation of derivatives	(3,422)	4,931
Unrealised losses/(gains) on revaluation of financial investments at fair value through profit or loss	1,413	(263)
Gains on disposal of financial investments at fair value through other comprehensive income	(7,797)	(18,479)
Gains on redemption of financial investments at amortised cost	-	(889)
(Gains)/losses on disposal of financial investment at fair value through profit or loss	(1,594)	2,682
Losses/(gains) on foreign exchange translations	12,882	(13,611)
ESGP expenses	739	722
Finance costs	99,493	101,429
Operating profit before working capital changes	1,269,384	1,289,471
Change in deposits and placements with banks and other financial institutions	3,000,157	-
Change in financial assets purchased under resale agreements	1,400,786	(2,021,120)
Change in financial investments portfolio	(2,221,896)	(3,073,260)
Change in financing and advances	(5,556,855)	(2,892,006)
Change in derivative assets and liabilities	(51,597)	(441,060)
Change in other assets	1,924,934	(2,727,736)
Change in statutory deposit with Bank Negara Malaysia	803	593
Change in deposits from customers	3,823,185	9,670,329
Change in deposits and placements of banks and other financial institutions	(2,700,470)	4,371,722
Change in investment accounts of customers	(760,878)	1,969,433
Change in bills and acceptances payable	23,082	(17,548)
Change in other liabilities	(822,020)	38,351
Cash (used in)/generated from operating activities	(671,385)	6,167,169
Taxes and zakat paid	(400,090)	(441,688)
Net cash (used in)/generated from operating activities	(1,071,475)	5,725,481

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CONDENSED FINANCIAL STATEMENTS
UNAUDITED CASH FLOW STATEMENT
FOR THE FIRST QUARTER ENDED 31 MARCH 2022

	31 March 2022 RM'000	31 March 2021 RM'000
Cash flows from investing activities		
Purchase of property, plant and equipment	(27)	(2)
Net cash used in investing activities	(27)	(2)
Cash flows from financing activities		
Dividend paid on ordinary shares	(1,425,964)	-
Dividend paid for subordinated sukuk	(14,540)	(23,186)
Dividend paid for term funding	(42,525)	(42,371)
Redemption of term funding	-	(870)
Repayment of lease liabilities	(433)	(705)
Net cash used in financing activities	(1,483,462)	(67,132)
Net (decrease)/increase in cash and cash equivalents	(2,554,964)	5,658,347
Cash and cash equivalents at beginning of period	12,123,992	9,890,517
Cash and cash equivalents at end of period	9,569,028	15,548,864
Cash and cash equivalents comprise:		
Cash and short term funds	9,569,028	15,548,864

(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.

MAYBANK ISLAMIC BERHAD
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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 first quarter ended 31 March 2022.

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

During the first quarter ended 31 March 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 first quarter ended 31 March 2022.

A8. Changes in debt and equity securities

(i) Save as disclosed below, there were no new shares issuance by the Bank during the first quarter ended 31 March 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 31 March 2022 are as follows:

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

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A9. Dividends payable/declared

Dividends payable during the first quarter ended 31 March 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 current 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) No interim dividend has been recommended during the first quarter ended 31 March 2022.

A10. Related party transactions

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

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(Co. Reg. No.: 200701029411)
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A11. Financial investments portfolio

	Note	31 March 2022 RM'000	31 December 2021 RM'000
Financial investments at fair value through profit or loss	(i)	-	784,302
Financial investments at fair value through other comprehensive income	(ii)	15,036,778	15,082,779
Financial investments at amortised cost	(iii)	25,724,237	22,867,781
		<u>40,761,015</u>	<u>38,734,862</u>

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

	31 March 2022 RM'000	31 December 2021 RM'000
At fair value		
Money market instruments:		
Malaysian Government Treasury Bills	-	659,118
Unquoted securities:		
Outside Malaysia:		
Islamic Corporate Sukuk	-	125,184
Total financial investments at FVTPL	-	784,302

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

	Note	31 March 2022 RM'000	31 December 2021 RM'000
At fair value			
Money market instruments:			
Malaysian Government Investment Issues		10,893,440	10,848,583
Khazanah Sukuk		29,740	29,614
		<u>10,923,180</u>	<u>10,878,197</u>

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

A11. Financial investments portfolio (cont'd.)

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

	Note	31 March 2022 RM'000	31 December 2021 RM'000
Unquoted securities:			
In Malaysia:			
Corporate Sukuk	(a)	3,027,158	3,274,997
Equity		1,250	1,250
		<u>3,028,408</u>	<u>3,276,247</u>
Outside Malaysia:			
Islamic Corporate Sukuk		1,085,190	928,335
		<u>4,113,598</u>	<u>4,204,582</u>
Total financial investments at FVOCI		<u>15,036,778</u>	<u>15,082,779</u>

(a) As at 31 March 2022, the Corporate Sukuk funded by RPSIA amounting to RM367.1 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	Stage 2	Stage 3	Total RM'000
	12-month ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	
As at 31 March 2022				
At 1 January 2022	3,632	-	-	3,632
Transferred to Stage 2	(593)	593	-	-
Net remeasurement of allowances	(40)	1,142	-	1,102
New financial assets purchased	2,105	-	-	2,105
Financial assets derecognised	(1,822)	-	-	(1,822)
Changes in models/risk parameters	(31)	-	-	(31)
Exchange differences	18	-	-	18
At 31 March 2022	<u>3,269</u>	<u>1,735</u>	<u>-</u>	<u>5,004</u>

MAYBANK ISLAMIC BERHAD
(Co. Reg. No.: 200701029411)
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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.):

As at 31 December 2021	Stage 1	Stage 2	Stage 3	Total
	12-month	Lifetime ECL	Lifetime ECL	
	ECL	not credit	credit	
	RM'000	impaired	impaired	RM'000
	RM'000	RM'000	RM'000	RM'000
At 1 January 2021	2,812	551	-	3,363
Transferred to Stage 1	551	(551)	-	-
Net remeasurement of allowances	(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

	Note	31 March	31 December
		2022	2021
		RM'000	RM'000
Money market instruments:			
Malaysian Government Investment Issues		13,328,943	11,246,266
Khazanah Sukuk		832,178	826,400
		<u>14,161,121</u>	<u>12,072,666</u>
Unquoted securities:			
In Malaysia:			
Corporate Sukuk	(a)	<u>11,592,343</u>	10,823,470
Allowances for impairment losses	(b)	<u>(29,227)</u>	(28,355)
Total financial investments at amortised cost		<u>25,724,237</u>	<u>22,867,781</u>

(a) As at 31 March 2022, the Corporate Sukuk funded by RPSIA amounting to RM4,973.1 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.

MAYBANK ISLAMIC BERHAD
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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:

	Stage 1	Stage 2	Stage 3	Total
	12-month ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	
As at 31 March 2022				RM'000
At 1 January 2022	28,355	-	-	28,355
Transferred to Stage 2	(386)	386	-	-
Net remeasurement of allowances	848	662	-	1,510
New financial assets purchased	660	-	-	660
Financial assets derecognised	(139)	-	-	(139)
Changes in models/risk parameters	(1,159)	-	-	(1,159)
At 31 March 2022	28,179	1,048	-	29,227
	Stage 1	Stage 2	Stage 3	
	12-month ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	Total RM'000
As at 31 December 2021				RM'000
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	28,355	-	-	28,355

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

A12. Financing and advances

	31 March 2022 RM'000	31 December 2021 RM'000
Financing and advances*:		
(A) Financing and advances at FVOCI	2,233,642	2,175,615
(B) Financing and advances at amortised cost	265,769,068	262,214,501
	268,002,710	264,390,116
Unearned income	(67,792,170)	(68,980,345)
Gross financing and advances	200,210,540	195,409,771
Allowances for ECL and impairment losses:		
- Stage 1 - 12-month ECL	(545,107)	(556,209)
- Stage 2 - Lifetime ECL not credit impaired	(1,552,719)	(1,678,410)
- Stage 3 - Lifetime ECL credit impaired	(806,673)	(709,435)
Net financing and advances	197,306,041	192,465,717

* As at 31 March 2022, the financing and advances funded by RPSIA amounting to RM25,501.3 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 31 March 2022 was RM27,972.5 million (31 December 2021: RM28,720.8 million).

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

A12. Financing and advances (cont'd.)

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

As at 31 March 2022	Bai ¹ RM'000	Murabahah RM'000	Musharakah RM'000	Al-Ijarah Thumma Al- Bai' ("AITAB") ² RM'000	Ijarah ³ RM'000	Others RM'000	Total financing and advances RM'000
Cashline	-	6,123,418	-	-	-	-	6,123,418
Term financing							
- House financing	12,565,049	82,915,471	1,679,750	-	-	602	97,160,872
- Syndicated financing	-	5,865,398	-	-	-	-	5,865,398
- Hire purchase receivables	-	12,055,836	-	37,467,200	-	-	49,523,036
- Lease receivables	-	-	-	-	1,072,802	-	1,072,802
- Other term financing	7,693,495	83,647,949	520,249	-	502	63,564	91,925,759
Trust receipts	-	134,542	-	-	-	-	134,542
Claims on customers under acceptance credits	-	5,894,247	-	-	-	-	5,894,247
Staff financing	327,522	2,416,380	7,217	148,227	-	34,677	2,934,023
Credit card receivables	-	-	-	-	-	1,412,675	1,412,675
Revolving credit	-	5,904,788	-	-	-	-	5,904,788
Share margin financing	-	45,632	-	-	-	-	45,632
Financing to:							
- Directors of the Bank	-	1,587	-	-	-	26	1,613
- Directors of related companies	-	3,543	-	125	-	237	3,905
	20,586,066	205,008,791	2,207,216	37,615,552	1,073,304	1,511,781	268,002,710
Unearned income							(67,792,170)
Gross financing and advances ⁴							200,210,540
Allowances for ECL and impairment losses:							
- Stage 1 - 12-month ECL							(545,107)
- Stage 2 - Lifetime ECL not credit impaired							(1,552,719)
- Stage 3 - Lifetime ECL credit impaired							(806,673)
Net financing and advances							197,306,041

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

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

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

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

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

A12. Financing and advances (cont'd.)

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

As at 31 December 2021	Bai'¹	Murabahah	Musharakah	Al-Ijarah Thumma Al- Bai'	Ijarah³	Others	Total financing and advances
	RM'000	RM'000	RM'000	("AITAB")²	RM'000	RM'000	RM'000
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
	21,486,812	201,743,435	2,263,577	36,657,552	815,909	1,422,831	264,390,116
Unearned income							(68,980,345)
Gross financing and advances ⁴							195,409,771
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>

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

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

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

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

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

A12. Financing and advances (cont'd.)

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

	31 March 2022 RM'000	31 December 2021 RM'000
Domestic non-banking financial institutions	4,559,770	4,102,492
Domestic business enterprises:		
- Small and medium enterprises	33,780,076	30,636,404
- Others	18,327,880	19,993,497
Government and statutory bodies	2,297,827	2,315,399
Individuals	139,343,581	136,439,893
Other domestic entities	75,153	75,855
Foreign entities	1,826,253	1,846,231
Gross financing and advances	<u>200,210,540</u>	<u>195,409,771</u>

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

	31 March 2022 RM'000	31 December 2021 RM'000
Fixed rate:		
- House financing	1,640,545	1,618,632
- Hire purchase receivables	33,681,108	32,783,987
- Other financing	13,895,872	13,899,657
Floating rate:		
- House financing	61,173,910	59,652,877
- Other financing	89,819,105	87,454,618
Gross financing and advances	<u>200,210,540</u>	<u>195,409,771</u>

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

	31 March 2022 RM'000	31 December 2021 RM'000
Purchase of securities	25,632,324	25,278,402
Purchase of transport vehicles	45,076,098	43,898,276
Purchase of landed properties:		
- Residential	63,360,924	61,572,937
- Non-residential	16,779,898	16,204,503
Purchase of fixed assets (excluding landed properties)	217,474	177,947
Personal use	3,159,128	3,252,580
Purchase of consumer durables	518	520
Constructions	2,231,938	2,037,500
Mergers and acquisitions	480,000	500,000
Working capital	41,818,644	41,086,366
Credit/charge cards	1,453,594	1,400,740
Gross financing and advances	<u>200,210,540</u>	<u>195,409,771</u>

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

A12. Financing and advances (cont'd.)

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

	31 March 2022 RM'000	31 December 2021 RM'000
Within one year	24,794,064	23,468,423
One year to three years	7,296,514	7,961,295
Three years to five years	17,236,809	16,372,043
After five years	150,883,153	147,608,010
Gross financing and advances	<u>200,210,540</u>	<u>195,409,771</u>

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

	31 March 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	565,585	238,626
Reclassified as non-impaired	(33,174)	(36,215)
Amount recovered	(63,198)	(339,776)
Amount written off	(166,494)	(233,810)
Amount related to Restricted Investment Account	-	(588,475)
Gross impaired financing and advances at 31 March 2022/ 31 December 2021	<u>1,795,475</u>	<u>1,492,756</u>
Less: Stage 3 - Lifetime ECL credit impaired	<u>(806,673)</u>	<u>(709,435)</u>
Net impaired financing and advances at 31 March 2022/ 31 December 2021	<u>988,802</u>	<u>783,321</u>

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

Gross impaired financing and advances	1,724,880	1,429,024
Less: Stage 3 - Lifetime ECL credit impaired	<u>(806,673)</u>	<u>(709,435)</u>
Net impaired financing and advances	<u>918,207</u>	<u>719,589</u>
Gross financing and advances	172,238,007	166,688,972
Less: Allowances for financing and advances at amortised cost and at fair value through other comprehensive income	<u>(2,911,011)</u>	<u>(2,946,356)</u>
Net financing and advances	<u>169,326,996</u>	<u>163,742,616</u>
Ratio of net impaired financing and advances	<u>0.54%</u>	<u>0.44%</u>

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

A12. Financing and advances (cont'd.)

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

	31 March 2022 RM'000	31 December 2021 RM'000
Purchase of securities	18,546	11,569
Purchase of transport vehicles	123,373	126,187
Purchase of landed properties:		
- Residential	274,758	291,858
- Non-residential	173,820	146,632
Purchase of fixed assets (excluding landed properties)	284	920
Personal use	37,474	39,409
Purchase of consumer durables	2	2
Constructions	27,414	25,099
Working capital	1,133,773	844,904
Credit/charge cards	6,031	6,176
Gross credit impaired financing and advances	1,795,475	1,492,756

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

At fair value through other comprehensive income

	<u>Stage 1</u>	<u>Stage 2</u>	<u>Stage 3</u>	<u>Total</u>
	12-month ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	
As at 31 March 2022				
At 1 January 2022	2,302	-	-	2,302
Transferred to Stage 2	(1,833)	1,833	-	-
Financial assets derecognised	(4)	-	-	(4)
Changes in models/risk parameters	(132)	4,342	-	4,210
Exchange differences	4	-	-	4
At 31 March 2022	337	6,175	-	6,512

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

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.)

	Stage 1	Stage 2	Stage 3	Total
	12-month ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	
As at 31 December 2021				
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	2,302	-	-	2,302

At amortised cost

	Stage 1	Stage 2	Stage 3	Total
	12-month ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	
As at 31 March 2022				
At 1 January 2022	556,209	1,678,410	709,435	2,944,054
Transferred to Stage 1	98,342	(95,483)	(2,859)	-
Transferred to Stage 2	(13,790)	21,657	(7,867)	-
Transferred to Stage 3	(1,026)	(41,776)	42,802	-
Net remeasurement of allowances	(93,613)	24,545	324,564	255,496
New financial assets originated or purchased	59,206	27,726	-	86,932
Financial assets derecognised	(30,520)	(23,077)	(95,192)	(148,789)
Changes in models/risk parameters	(30,046)	(39,351)	-	(69,397)
Amount written off	-	-	(166,493)	(166,493)
Exchange differences	345	68	2,283	2,696
At 31 March 2022	545,107	1,552,719	806,673	2,904,499

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

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.)

	Stage 1	Stage 2	Stage 3	Total
	12-month ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	
As at 31 December 2021				
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
At 31 December 2021	556,209	1,678,410	709,435	2,944,054

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

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.

	31 March 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
<u>Trading derivatives</u>						
<u>Foreign exchange related contracts</u>						
Currency forwards:						
- Less than one year	8,887,549	27,986	(17,519)	8,617,698	26,173	(35,464)
- One year to three years	655,278	5,023	(4,973)	574,349	2,475	(2,475)
- More than three years	2,600,535	18,765	(18,765)	2,704,174	6,242	(6,242)
	<u>12,143,362</u>	<u>51,774</u>	<u>(41,257)</u>	<u>11,896,221</u>	<u>34,890</u>	<u>(44,181)</u>
Currency swaps:						
- Less than one year	<u>10,539,444</u>	<u>24,454</u>	<u>(36,062)</u>	<u>15,398,762</u>	<u>19,239</u>	<u>(65,804)</u>
Currency spot:						
- Less than one year	<u>583,290</u>	<u>130</u>	<u>(2,023)</u>	<u>400,910</u>	<u>65</u>	<u>(1,283)</u>
Currency options:						
- Less than one year	<u>102,973</u>	<u>42</u>	<u>(42)</u>	<u>7,157</u>	<u>38</u>	<u>(38)</u>

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

A13. Derivative financial instruments (cont'd.)

	31 March 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
<u>Trading derivatives (cont'd.)</u>						
<u>Foreign exchange related contracts (cont'd.)</u>						
Cross currency profit rate swaps:						
- Less than one year	-	-	-	2,114,560	7,548	(7,548)
- One year to three years	21,175	213	(213)	24,137	112	(112)
- More than three years	406,634	3,227	(3,227)	405,012	7,759	(7,759)
	<u>427,809</u>	<u>3,440</u>	<u>(3,440)</u>	<u>2,543,709</u>	<u>15,419</u>	<u>(15,419)</u>
<u>Profit rate related contracts</u>						
Profit rate swaps:						
- Less than one year	490,000	3,187	(3,187)	490,000	4,185	(4,185)
- One year to three years	3,582,992	13,645	(13,645)	4,622,648	37,370	(36,085)
- More than three years	300,000	4,649	(6,771)	392,321	6,214	(10,550)
	<u>4,372,992</u>	<u>21,481</u>	<u>(23,603)</u>	<u>5,504,969</u>	<u>47,769</u>	<u>(50,820)</u>
Total	<u>28,169,870</u>	<u>101,321</u>	<u>(106,427)</u>	<u>35,751,728</u>	<u>117,420</u>	<u>(177,545)</u>

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

A14. Other assets

	31 March 2022 RM'000	31 December 2021 RM'000
Amount due from holding company	2,175,548	3,880,724
Handling fees	195,705	190,877
Prepayments and deposits	15,505	16,079
Tax recoverable	50,504	171,447
Margin account with holding company	8,040	114,110
Other debtors	432,967	431,238
	<u>2,878,269</u>	<u>4,804,475</u>

A15. Deposits from customers

(i) By type of deposits

	31 March 2022 RM'000	31 December 2021 RM'000
Savings deposits		
Murabahah	28,561,486	26,302,000
Qard	1,109,912	3,496,477
	<u>29,671,398</u>	<u>29,798,477</u>
Demand deposits		
Murabahah	30,046,765	32,042,239
Qard	1,504,150	1,362,014
	<u>31,550,915</u>	<u>33,404,253</u>
Term deposits		
Murabahah	121,633,803	115,751,729
Qard	481,987	560,459
	<u>122,115,790</u>	<u>116,312,188</u>
	<u>183,338,103</u>	<u>179,514,918</u>

(ii) By type of customers

	31 March 2022 RM'000	31 December 2021 RM'000
Business enterprises	72,605,851	54,833,259
Individuals	52,024,332	51,692,158
Government and statutory bodies	34,206,331	36,389,382
Others	24,501,589	36,600,119
	<u>183,338,103</u>	<u>179,514,918</u>

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

A16. Investment accounts

	31 March 2022 RM'000	31 December 2021 RM'000
Investment accounts of customers		
- Unrestricted investment accounts ¹	27,972,533	28,720,799
Restricted investment accounts managed by the Bank ²	30,752,538	30,147,795

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

	Unrestricted investment accounts¹ RM'000	Restricted investment accounts managed by the Bank² RM'000
As at 31 March 2022		
Business enterprises	15,607,953	-
Individuals	10,435,375	-
Government and statutory bodies	172,729	-
Licensed banks	-	30,129,312
Others	1,756,476	623,226
	27,972,533	30,752,538
As at 31 December 2021		
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
	28,720,799	30,147,795

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

A16. Investment accounts (cont'd.)

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

	Unrestricted investment accounts¹	Restricted investment accounts managed by the Bank²
As at 31 March 2022	RM'000	RM'000
- without maturity	23,029,925	-
- with maturity	4,942,608	30,752,538
Within six months	3,428,165	8,719,199
Six months to one year	1,503,109	30,539
One year to three years	6,495	3,660,944
Three years to five years	4,839	18,341,856
	27,972,533	30,752,538
As at 31 December 2021	RM'000	RM'000
- 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
	28,720,799	30,147,795

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

A16. Investment accounts (cont'd.)

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

	Unrestricted investment accounts¹ RM'000	Restricted investment accounts managed by the Bank² RM'000
As at 31 March 2022		
Retail financing	26,322,533	-
Non-retail financing	1,650,000	25,412,378
Corporate Sukuk	-	5,340,160
	27,972,533	30,752,538
As at 31 December 2021		
Retail financing	26,965,529	-
Non-retail financing	1,755,270	24,819,965
Corporate Sukuk	-	5,327,830
	28,720,799	30,147,795

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

	Investment account holder ("IAH")	
	Average profit sharing ratio (%)	Average rate of return (%)
As at 31 March 2022		
Investment accounts of customers		
- Unrestricted investment accounts ¹	27.81	1.11
Restricted investment accounts managed by the Bank ²	79.02	3.33

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

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 (%)
As at 31 December 2021		
Investment accounts of customers		
- Unrestricted investment accounts ¹	29.55	1.18
Restricted investment accounts managed by the Bank ²	78.41	3.20

¹ Included in the unrestricted investment accounts are funds received from the Multi-Asset Investment Account-i ("MAIA") product of RM252.1 million (31 December 2021: RM254.1 million) that are managed by the Bank. The amount represents 50% of the total funds invested in MAIA product of RM496.5 million (31 December 2021: RM515.4 million). The remaining are managed by a related entity, Maybank Islamic Asset Management Sdn Bhd ("MIAM") where the funds are invested in marketable securities with net asset value of RM244.4 million as at 31 March 2022 (31 December 2021: RM261.3 million). The funds managed by MIAM are excluded from the asset and liability of the Bank.

² 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 RM30,129.3 million and RM623.2 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

	31 March 2022 RM'000	31 December 2021 RM'000
<u>Non-Mudharabah Fund</u>		
Licensed banks	18,313,239	21,378,327
Licensed Islamic banks	399,566	948,712
Licensed investment banks	944,629	267,265
Other financial institutions	1,223,209	1,592,324
	20,880,643	24,186,628

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

A18. Other liabilities

	Note	31 March 2022 RM'000	31 December 2021 RM'000
Sundry creditors		451,249	1,285,618
Deposit on trade financing		80,685	125,593
Provisions and accruals		38,486	44,371
Allowances for impairment losses on financing commitments and financial guarantee contracts	(i)	53,787	50,720
Lease liabilities		5,567	5,957
Structured deposits		58,545	3,592
Amount due to related company		11,142	5,270
		699,461	1,521,121

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

	Stage 1	Stage 2	Stage 3	
	12-month ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	
As at 31 March 2022				
At 1 January 2022	31,665	17,433	1,622	50,720
Transferred to Stage 1	946	(946)	-	-
Transferred to Stage 2	(1,874)	1,874	-	-
Transferred to Stage 3	(5)	(2,435)	2,440	-
Net remeasurement of allowances	(786)	584	(221)	(423)
New credit exposures originated or purchased	6,743	6,183	-	12,926
Credit exposures derecognised	(5,855)	(3,532)	(9)	(9,396)
Changes in models/risk parameters	(29)	(26)	-	(55)
Exchange differences	7	8	-	15
At 31 March 2022	30,812	19,143	3,832	53,787

	Stage 1	Stage 2	Stage 3	
	12-month ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	
As at 31 December 2021				
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	31,665	17,433	1,622	50,720

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

A19. Sources and uses of charity funds

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

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

A20. Term Funding

	31 March 2022 RM'000	31 December 2021 RM'000
Unsecured term funding:		
(a) Commercial Paper		
- Less than one year	7,945,530	7,947,135
(b) Medium Term Notes		
- Less than one year	2,023,474	2,002,762
(c) Term funding		
- More than one year (note(a))	980,690	973,280
Total term funding	10,949,694	10,923,177

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.

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

A21. Subordinated Sukuk

	31 March 2022 RM'000	31 December 2021 RM'000
RM1,000 million subordinated sukuk due in 2029	1,021,945	1,010,849
RM1,000 million subordinated sukuk due in 2031	1,003,576	1,010,965
	<u>2,025,521</u>	<u>2,021,814</u>

A22. Capital Securities

	31 March 2022 RM'000	31 December 2021 RM'000
RM1,000 million 4.95% Additional Tier 1 Sukuk Wakalah	1,014,647	1,002,441

A23. Income derived from investment of depositors' funds

	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
Income derived from investment of:				
i) General investment deposits	1,336,167	1,479,875	1,336,167	1,479,875
ii) Other deposits	669,883	751,547	669,883	751,547
	<u>2,006,050</u>	<u>2,231,422</u>	<u>2,006,050</u>	<u>2,231,422</u>

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

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

i) Income derived from investment of general investment deposits

	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
Finance income and hibah				
Financing and advances	989,524	1,137,996	989,524	1,137,996
Money at call and deposits with financial institutions	28,115	37,847	28,115	37,847
Financial assets purchased under resale agreements	23,222	7,623	23,222	7,623
Financial investments at fair value through other comprehensive income	92,032	106,330	92,032	106,330
Financial investments at amortised cost	147,296	109,833	147,296	109,833
Financial investments at fair value through profit or loss	458	972	458	972
	1,280,647	1,400,601	1,280,647	1,400,601
Amortisation of premiums, net	(12,542)	(11,630)	(12,542)	(11,630)
Total finance income and hibah	1,268,105	1,388,971	1,268,105	1,388,971
Other operating income :				
Fee income:				
- Processing fees	3,195	18,079	3,195	18,079
- Commissions	33,641	29,175	33,641	29,175
- Service charges and other fees	31,058	27,490	31,058	27,490
Gains on disposal of financial investments at fair value through other comprehensive income	4,916	11,726	4,916	11,726
Gains on redemption of financial investments at amortised cost	-	286	-	286
Gains/(losses) on disposal of financial investments at fair value through profit or loss	1,005	(1,702)	1,005	(1,702)
Unrealised (losses)/gains on revaluation of:				
- Financial investments at fair value through profit or loss	(891)	167	(891)	167
- Derivatives	2,158	(3,129)	2,158	(3,129)
Gains/(losses) on foreign exchange:				
- Realised	24,497	(55,568)	24,497	(55,568)
- Unrealised	(32,621)	64,205	(32,621)	64,205
Realised gains on derivatives	817	146	817	146
Others	287	29	287	29
Total other operating income	68,062	90,904	68,062	90,904
Total	1,336,167	1,479,875	1,336,167	1,479,875

Included in finance income are income on impaired assets amounting to RM8.4 million (31 March 2021: RM9.2 million).

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

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

ii) Income derived from investment of other deposits

	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
Finance income and hibah				
Financing and advances	496,094	577,603	496,094	577,603
Money at call and deposits with financial institutions	14,095	19,210	14,095	19,210
Financial assets purchased under resale agreements	11,642	3,869	11,642	3,869
Financial investments at fair value through other comprehensive income	46,140	53,969	46,140	53,969
Financial investments at amortised cost	73,846	55,747	73,846	55,747
Financial investments at fair value through profit or loss	230	493	230	493
	642,047	710,891	642,047	710,891
Amortisation of premiums, net	(6,288)	(5,903)	(6,288)	(5,903)
Total finance income and hibah	635,759	704,988	635,759	704,988
Other operating income :				
Fee income:				
- Processing fees	1,602	9,176	1,602	9,176
- Commissions	16,865	14,808	16,865	14,808
- Service charges and other fees	15,571	13,953	15,571	13,953
Gains on disposal of financial investments at fair value through other comprehensive income	2,465	5,952	2,465	5,952
Gains on redemption of financial investments at amortised cost	-	564	-	564
Gains/(losses) on disposal of financial investments at fair value through profit or loss	504	(864)	504	(864)
Unrealised (losses)/gains on revaluation of:				
- Financial investments at fair value through profit or loss	(447)	85	(447)	85
- Derivatives	1,082	(1,588)	1,082	(1,588)
Gains/(losses) on foreign exchange:				
- Realised	12,282	(28,204)	12,282	(28,204)
- Unrealised	(16,354)	32,588	(16,354)	32,588
Realised gains on derivatives	410	74	410	74
Others	144	15	144	15
Total other operating income	34,124	46,559	34,124	46,559
Total	669,883	751,547	669,883	751,547

Included in finance income are income on impaired assets amounting to RM4.3 million (31 March 2021: RM4.7 million).

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

A24. Income derived from investment of investment account funds

	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
Financing and advances	260,379	223,858	260,379	223,858
Total finance income and hibah	260,379	223,858	260,379	223,858
Other operating income :				
Fee income:				
- Commissions	288	51	288	51
- Service charges and other fees	52	8	52	8
Total other operating income	340	59	340	59
Total	260,719	223,917	260,719	223,917

A25. Income derived from investment of shareholder's funds

	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
Finance income and hibah				
Financing and advances	83,644	77,763	83,644	77,763
Money at call and deposits with financial institutions	2,377	2,586	2,377	2,586
Financial assets purchased under resale agreements	1,963	521	1,963	521
Financial investments at fair value through other comprehensive income	7,779	7,266	7,779	7,266
Financial investments at amortised cost	12,451	7,505	12,451	7,505
Financial investments at fair value through profit or loss	39	66	39	66
	108,253	95,707	108,253	95,707
Amortisation of premiums, net	(1,060)	(795)	(1,060)	(795)
Total finance income and hibah	107,193	94,912	107,193	94,912

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

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

	First Quarter Ended		Cumulative 3 Months Ended	
	31 March	31 March	31 March	31 March
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Other operating income :				
Fee income:				
- Processing fees	270	1,235	270	1,235
- Commissions	2,842	1,994	2,842	1,994
- Service charges and other fees	2,625	1,879	2,625	1,879
Gains on disposal of financial investments at fair value through other comprehensive income	416	801	416	801
Gains on redemption of financial investments at amortised cost	-	39	-	39
Gains/(losses) on disposal of financial investments at fair value through profit or loss	85	(116)	85	(116)
Unrealised (losses)/gains on revaluation of:				
- Financial investments at fair value through profit or loss	(75)	11	(75)	11
- Derivatives	182	(214)	182	(214)
Gains/(losses) on foreign exchange:				
- Realised	2,071	(3,797)	2,071	(3,797)
- Unrealised	(2,757)	4,387	(2,757)	4,387
Realised gains on derivatives	69	10	69	10
Others	24	2	24	2
Total other operating income	5,752	6,231	5,752	6,231
Total	112,945	101,143	112,945	101,143

Included in finance income are income on impaired assets amounting to RM0.7 million (31 March 2021: RM0.6 million).

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

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

	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
(Writeback of)/allowances for impairment losses on financing and advances:				
- Stage 1 - 12-month ECL, net	(95,036)	(72,187)	(95,036)	(72,187)
- Stage 2 - Lifetime ECL not credit impaired, net	(2,606)	230,327	(2,606)	230,327
- Stage 3 - Lifetime ECL credit impaired, net	229,142	35,924	229,142	35,924
Impaired financing and advances written off	4,078	2,075	4,078	2,075
Impaired financing and advances recovered	(26,807)	(16,864)	(26,807)	(16,864)
Allowances for impairment losses on other debts	(168)	77	(168)	77
	<u>108,603</u>	<u>179,352</u>	<u>108,603</u>	<u>179,352</u>

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

	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
Financial investments at fair value through other comprehensive income				
- Stage 1 - 12-month ECL, net	212	(825)	212	(825)
- Stage 2 - Lifetime ECL not credit impaired, net	1,142	-	1,142	-
	<u>1,354</u>	<u>(825)</u>	<u>1,354</u>	<u>(825)</u>
Financial investments at amortised cost				
- Stage 1 - 12-month ECL, net	210	(11,545)	210	(11,545)
- Stage 2 - Lifetime ECL not credit impaired, net	662	(230,919)	662	(230,919)
	<u>872</u>	<u>(242,464)</u>	<u>872</u>	<u>(242,464)</u>
	<u>2,226</u>	<u>(243,289)</u>	<u>2,226</u>	<u>(243,289)</u>

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

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

	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
Financial assets purchased under resale agreements				
- Stage 1 - 12-month ECL, net	(1,239)	2,399	(1,239)	2,399
	(1,239)	2,399	(1,239)	2,399

A29. Profit distributed to depositors

	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
Deposits from customers				
- Non-mudharabah fund	573,561	582,581	573,561	582,581
Deposits and placements of banks and other financial institutions				
- Mudharabah fund	-	224,746	-	224,746
- Non-mudharabah fund	100,398	46,384	100,398	46,384
	100,398	271,130	100,398	271,130
Structured deposits				
- Non-mudharabah fund	128	8	128	8
	674,087	853,719	674,087	853,719

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

A30. Overhead expenses

	First Quarter Ended		Cumulative 3 Months Ended	
	31 March	31 March	31 March	31 March
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Personnel expenses	16,100	13,759	16,100	13,759
- Salaries, allowances and bonuses	11,991	10,839	11,991	10,839
- Retirement cost	1,904	1,590	1,904	1,590
- ESGP expenses	739	722	739	722
- Other staff related expenses	1,466	608	1,466	608
Establishment costs	1,592	1,565	1,592	1,565
- Depreciation of right-of-use assets	740	752	740	752
- Depreciation of property, plant and equipment	115	107	115	107
- Repairs, servicing and maintenance	42	59	42	59
- Information technology expenses	637	557	637	557
- Finance cost on lease liabilities	58	90	58	90
Marketing costs	1,554	2,517	1,554	2,517
- Advertisement and publicity	838	1,084	838	1,084
- Others	716	1,433	716	1,433
Administration and general expenses	443,482	334,790	443,482	334,790
- Fees and brokerage	10,592	16,496	10,592	16,496
- Administrative expenses	4,484	4,294	4,484	4,294
- General expenses	6,028	(42,719)	6,028	(42,719)
- Shared service cost paid/payable to Maybank and related company	422,378	356,719	422,378	356,719
Total	462,728	352,631	462,728	352,631

A31. Finance costs

	First Quarter Ended		Cumulative 3 Months Ended	
	31 March	31 March	31 March	31 March
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Subordinated sukuk	18,247	20,404	18,247	20,404
Capital securities	12,205	12,206	12,205	12,206
Term funding	69,041	68,819	69,041	68,819
	99,493	101,429	99,493	101,429

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

A32. Taxation and zakat

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

	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
Malaysian income tax	372,675	434,857	372,675	434,857
Under provision in prior period:				
Malaysian income tax	14,185	-	14,185	-
Deferred tax				
- Relating to origination and reversal of temporary differences	162	(138,601)	162	(138,601)
Tax expense for the financial period	387,022	296,256	387,022	296,256
Zakat	20,184	7,023	20,184	7,023
	407,206	303,279	407,206	303,279

A33. Subsequent events to the balance sheet

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

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

A34. Commitments and contingencies

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

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

	31 March 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
<u>Contingent liabilities</u>						
Direct credit substitutes	3,001,069	2,393,758	1,645,808	2,845,299	2,236,690	1,589,255
Certain transaction-related contingent items	3,357,761	1,665,914	1,209,076	3,316,724	1,623,110	1,120,828
Short-term self-liquidating trade-related contingencies	578,521	116,972	40,560	500,796	102,269	39,713
	6,937,351	4,176,644	2,895,444	6,662,819	3,962,069	2,749,796
<u>Commitments</u>						
Irrevocable commitments to extend credit:						
- maturity within one year	30,211,590	1,524,145	278,141	31,073,338	1,493,386	262,960
- maturity exceeding one year	10,051,815	20,042,736	8,320,699	10,411,607	20,641,624	8,367,924
	40,263,405	21,566,881	8,598,840	41,484,945	22,135,010	8,630,884
Miscellaneous commitments and contingencies	377,753	-	-	83,465	-	-
Total credit-related commitments and contingencies	47,578,509	25,743,525	11,494,284	48,231,229	26,097,079	11,380,680

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

A34. Commitments and contingencies (cont'd.)

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

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

	31 March 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
<u>Derivative financial instruments</u>						
Foreign exchange related contracts:						
- less than one year	20,113,257	161,158	64,113	26,539,087	173,490	54,161
- one year to less than five years	1,790,081	96,004	37,800	1,577,464	87,013	34,567
- more than five years	1,893,540	152,777	71,839	2,130,208	176,384	82,878
Profit rate related contracts:						
- less than one year	490,000	4,045	2,411	490,000	5,042	3,028
- one year to less than five years	3,582,992	36,383	17,514	4,714,969	82,015	61,906
- more than five years	300,000	19,371	7,035	300,000	22,879	8,803
Total treasury-related commitments and contingencies	28,169,870	469,738	200,712	35,751,728	546,823	245,343
Total commitments and contingencies	75,748,379	26,213,263	11,694,996	83,982,957	26,643,902	11,626,023

* 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.

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

A35. Capital Adequacy

(a) Capital Adequacy Framework

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

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

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

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

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

(b) Compliance and application of capital adequacy ratios

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

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

The minimum regulatory capital adequacy requirements for CET1, Tier 1 and Total Capital are 4.5%, 6.0% and 8.0% of total RWA for the current financial year ending 31 December 2022 (2021: 4.5%, 6.0% and 8.0% of total RWA).

(c) The capital adequacy ratios of the Bank

On 22 February 2022, the Board of Directors had declared a single-tier second interim dividend in respect of the current 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.

In arriving the capital adequacy ratios for the three months financial period ended 31 March 2022, the single-tier second interim dividend has been deducted from the calculation of CET1 Capital.

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

	31 March 2022	31 December 2021
Capital ratios		
CET1 capital ratio	13.813%	15.981%
Tier 1 capital ratio	14.996%	17.173%
Total capital ratio	17.893%	20.077%

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

A35. Capital Adequacy (cont'd.)

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

	31 March 2022 RM'000	31 December 2021 RM'000
CET1 capital		
Share capital	10,322,374	10,322,374
Retained profits	1,669,133	3,247,267
Other reserves	227,987	193,984
CET1 capital before regulatory adjustments	12,219,494	13,763,625
Less: Regulatory adjustment applied in CET1 capital	(543,927)	(359,160)
Deferred tax assets	(235,985)	(190,616)
Gain of financial instruments classified as 'fair value through other comprehensive income'	(34,758)	(47,530)
Regulatory reserve	(273,184)	(121,014)
Total CET1 Capital	11,675,567	13,404,465
Additional Tier 1 Capital		
Capital securities	1,000,000	1,000,000
Total Tier 1 capital	12,675,567	14,404,465
Tier 2 capital		
Subordinated sukuk	2,000,000	2,000,000
General provision ¹	17,744	10,735
Surplus of eligible provision over expected loss	431,046	425,171
Total Tier 2 capital	2,448,790	2,435,906
Total Capital	15,124,357	16,840,371

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

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

	31 March 2022 RM'000	31 December 2021 RM'000
Standardised Approach exposure	2,185,893	2,192,197
Internal Ratings-Based Approach exposure after scaling factor	85,257,698	83,621,226
Total RWA for credit risk	87,443,591	85,813,423
Total RWA for credit risk absorbed by the holding company and Investment Account Holders ("IAH") [^]	(13,416,724)	(12,759,358)
Total RWA for market risk	699,034	1,316,769
Total RWA for operational risk	9,800,637	9,507,656
Total RWA	84,526,538	83,878,490

[^] 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.

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

A36. Fair value measurements of financial instruments

(a) Valuation principles

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

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

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

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

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

(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.

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

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

The classification in the fair value hierarchy of the Bank's financial assets and financial liabilities measured at fair value as at 31 March 2022 and 31 December 2021 is summarised in the table:

As at 31 March 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:				
Financial investments at fair value through other comprehensive income	-	15,035,528	1,250	15,036,778
<i>Money market instruments</i>	-	10,923,180	-	10,923,180
<i>Unquoted securities</i>	-	4,112,348	1,250	4,113,598
Financing and advances at fair value through other comprehensive income	-	-	2,233,642	2,233,642
Derivative assets	-	101,321	-	101,321
<i>Foreign exchange related contracts</i>	-	79,840	-	79,840
<i>Profit rate related contracts</i>	-	21,481	-	21,481
	-	15,136,849	2,234,892	17,371,741
Financial liabilities measured at fair value:				
Derivative liabilities	-	106,427	-	106,427
<i>Foreign exchange related contracts</i>	-	82,824	-	82,824
<i>Profit rate related contracts</i>	-	23,603	-	23,603
	-	106,427	-	106,427

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

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

The classification in the fair value hierarchy of the Bank's financial assets and financial liabilities measured at fair value as at 31 March 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> Observable Inputs (Level 2) RM'000		Unobservable Inputs (Level 3) RM'000	Total RM'000
Financial assets measured at fair value:					
Financial investments at fair value through profit and loss	-	784,302	-	-	784,302
<i>Money market instruments</i>	-	659,118	-	-	659,118
<i>Unquoted securities</i>	-	125,184	-	-	125,184
Financial investments at fair value through other comprehensive income	-	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
Financing and advances at fair value through other comprehensive income	-	-	2,175,615	-	2,175,615
Derivative assets	-	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:					
Derivative liabilities	-	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

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

A36. 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 31 March 2022 RM'000
As at 31 March 2022						
Financial investments at fair value through other comprehensive income						
<i>Unquoted securities</i>	1,250	-	-	-	-	1,250
Financing and advances at fair value through other comprehensive income	2,175,615	27,601	30,103	(673)	996	2,233,642
Total Level 3 financial assets	2,176,865	27,601	30,103	(673)	996	2,234,892

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

A36. 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
As at 31 December 2021						
Financial investments at fair value through other comprehensive income						
<i>Unquoted securities</i>	1,250	-	-	-	-	1,250
Financing and advances at fair value through other comprehensive income	2,741,267	(2)	133,394	(703,231)	4,187	2,175,615
Total Level 3 financial assets	<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 3 months financial period ended 31 March 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 3 months financial period ended 31 March 2022.

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

Part B: Review of Performance & Current Year Prospects

B1. Performance Review

The Bank posted profit before tax and zakat of RM1,010.5 million for the financial period ended 31 March 2022, a decrease of RM227.8 million or 18.4% compared to the previous corresponding period.

The Bank reported allowances for impairment losses on assets of RM109.6 million in financial period ended 31 March 2022, from an impairment writeback of RM61.5 million in last year corresponding period.

Total income decreased by RM176.8 million or 6.9% from RM2,556.5 million in previous corresponding period to RM2,379.7 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 RM2,006.1 million, RM260.7 million and RM112.9 million respectively.

The Bank's gross financing and advances for the year grew by 2.5% to RM200.2 billion as compared to RM195.4 billion recorded as at 31 December 2021. Gross financing and advances excludes the financing funded by RPSIA of RM25.9 million which are treated as off balance sheet with RM0.7 million or 3% growth. Total Islamic banking assets owned and managed by the Bank decreased by 0.5% to RM290.7 billion as compared to RM292.0 billion recorded in previous financial year end.

As at 31 March 2022, total customer funding increased by 1.5% to RM211.3 billion, contributed by growth in customer deposits of 2.1% at RM183.3 billion against RM179.5 billion in last financial year. Investment account of customers decreased by RM0.7 billion to RM28.0 billion from RM28.7 billion in the previous 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 13.813%, 14.996% and 17.893% respectively.

B2. Prospects

The Malaysian economy is expected to continue its recovery trajectory with firmer and broad-based growth (2022E: +6.0%; 2021: +3.1%), amid global headwinds from the Russia-Ukraine conflict, China's extended lockdowns and tightening of global monetary policies. Malaysia's economic growth is mainly supported by stronger domestic demand on the back of mass immunisation, full opening of its domestic economy, and reopening of international borders. Fiscal policy is expected to gradually normalise but remains relatively expansionary. Bank Negara Malaysia (BNM) announced a 25bps hike in its Overnight Policy Rate (OPR) to 2.00% from the historical low of 1.75% which is aligned with the trend of gradual monetary policy normalisation, as the country transitions to endemic state.

Maybank Islamic (the Bank) is focused on capturing the growth opportunities through its strategic initiatives across its operations in Malaysia, Singapore, Indonesia and Dubai-DIFC branch. Through its leveraged model relationship with Maybank Group, the Bank remains committed to provide seamless innovative Shariah compliant financial products and services including via Maybank Group's digital ecosystem to meet the evolving needs of its customers. In line with its M25 aspirations, the Bank aims to support its clients' sustainability journey by offering Sustainable Shariah compliant Financial solutions that is centred on their needs.

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

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

B2. Prospects (cont'd.)

Amid normalising monetary policy environment, the Bank strives to provide value to its shareholders through sustainably growing its revenue streams via its financing business in key markets and strengthening its fee based income. Concurrently, the Bank will maintain cost discipline to ensure prudent and balanced impact to overheads, as well as defending its low-cost funding base. Given external headwinds such as market volatility, the Bank will remain vigilant of the prevailing risks and continue to proactively engage customers that require additional support, as part of our efforts to ensure strong asset quality management and maintaining the resilience of its capital and liquidity positions.

The Bank continues to hold a sanguine outlook for 2022 and remains committed to support the domestic economies of its home markets and strives to meet customers' needs while delivering a positive impact on the communities we serve. The Bank together with its Group counterparts remains committed towards promoting greater financial inclusion and its sustainability agenda.