

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

**CONDENSED FINANCIAL STATEMENTS**  
**UNAUDITED INCOME STATEMENT**  
**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023**

	Note	Third Quarter Ended		Cumulative 9 Months Ended	
		30 September 2023 RM'000	30 September 2022 RM'000	30 September 2023 RM'000	30 September 2022 RM'000
Income derived from investment of depositors' funds	A23	2,927,045	2,541,280	8,666,631	6,716,509
Income derived from investment of investment account funds	A24	301,267	275,238	866,090	815,818
Income derived from investment of shareholder's funds	A25	174,885	137,381	517,812	364,761
Allowances for impairment losses on financing and advances, net	A26	(4,645)	(148,803)	(409,849)	(339,907)
Writeback of/(allowances for) impairment losses on financial investments, net	A27	4,029	(1,965)	13,160	(3,803)
Writeback of impairment losses on other financial assets, net	A28	8	2,375	101	3,879
<b>Total distributable income</b>		<b>3,402,589</b>	<b>2,805,506</b>	<b>9,653,945</b>	<b>7,557,257</b>
Profit share income from investment accounts		60,466	37,418	141,967	142,998
Profit distributed to depositors	A29	(1,521,236)	(903,558)	(4,532,945)	(2,309,454)
Profit distributed to investment account holders		(112,359)	(94,333)	(327,147)	(248,439)
<b>Total net income</b>		<b>1,829,460</b>	<b>1,845,033</b>	<b>4,935,820</b>	<b>5,142,362</b>
Overhead expenses	A30	(684,575)	(551,530)	(1,935,819)	(1,484,392)
Finance costs	A31	(141,593)	(109,131)	(420,726)	(310,496)
<b>Profit before taxation and zakat</b>		<b>1,003,292</b>	<b>1,184,372</b>	<b>2,579,275</b>	<b>3,347,474</b>
Taxation	A32	(221,304)	(374,923)	(586,361)	(1,091,725)
Zakat	A32	(12,669)	(4,363)	(42,355)	(33,501)
<b>Profit for the financial period</b>		<b>769,319</b>	<b>805,086</b>	<b>1,950,559</b>	<b>2,222,248</b>
<b>Profit attributable to:</b>					
Equity holder of the Bank		<b>769,319</b>	<b>805,086</b>	<b>1,950,559</b>	<b>2,222,248</b>
<b>Earnings per share attributable to equity holder of the Bank</b>					
- basic/diluted (sen)		<b>160.71</b>	<b>185.80</b>	<b>412.30</b>	<b>513.76</b>

(These unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022 and the accompanying explanatory notes attached to these financial statements)

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

**CONDENSED FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023**

	Third Quarter Ended		Cumulative 9 Months Ended	
	30 September 2023 RM'000	30 September 2022 RM'000	30 September 2023 RM'000	30 September 2022 RM'000
<b>Profit for the financial period</b>	<b>769,319</b>	<b>805,086</b>	<b>1,950,559</b>	<b>2,222,248</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	(163)	(269)	(3,376)	(503)
Net gain/(loss) on financial investments at fair value through other comprehensive income	<b>282,064</b>	(111,380)	<b>550,982</b>	(447,304)
- Net gain/(loss) from change in fair value	<b>344,974</b>	(165,949)	<b>703,178</b>	(656,931)
- Changes in expected credit losses	<b>19,884</b>	(194)	<b>16,567</b>	1,286
- Income tax effect	<b>(82,794)</b>	54,763	<b>(168,763)</b>	208,341
Other comprehensive income/(loss) for the financial period, net of tax	<b>281,901</b>	(111,649)	<b>547,606</b>	(447,807)
<b>Total comprehensive income for the financial period, net of tax</b>	<b>1,051,220</b>	<b>693,437</b>	<b>2,498,165</b>	<b>1,774,441</b>
<b>Total comprehensive income attributable to:</b>				
Equity holder of the Bank	<b>1,051,220</b>	<b>693,437</b>	<b>2,498,165</b>	<b>1,774,441</b>

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**CONDENSED FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2023**

	Note	30 September 2023 RM'000	31 December 2022 RM'000
<b>ASSETS</b>			
Cash and short-term funds		10,675,110	15,092,586
Deposits and placements with banks and other financial institutions		2,200,624	5,329,880
Financial assets purchased under resale agreements		2,180,771	2,121,695
Financial investments at fair value through profit or loss	A11(i)	679,855	309,504
Financial investments at fair value through other comprehensive income	A11(ii)	24,300,986	15,645,983
Financial investments at amortised cost	A11(iii)	14,000,416	27,461,699
Financing and advances	A12	220,049,462	214,379,623
Derivative assets	A13	339,854	263,763
Other assets	A14	5,272,877	5,150,765
Statutory deposit with Bank Negara Malaysia		3,602,581	3,505,736
Property, plant and equipment		241	341
Right-of-use assets		5,026	7,279
Deferred tax assets		110,143	288,433
<b>TOTAL ASSETS</b>		<b>283,417,946</b>	<b>289,557,287</b>
<b>LIABILITIES</b>			
Customers' funding:			
- Deposits from customers	A15	200,043,362	209,783,463
- Investment accounts of customers <sup>1</sup>	A16	25,876,714	25,637,702
Deposits and placements of banks and other financial institutions	A17	25,063,779	23,597,506
Obligations on financial assets sold under repurchase agreements		1,742,426	461,081
Bills and acceptances payable		57,148	32,569
Derivative liabilities	A13	296,087	384,674
Other liabilities	A18	1,524,650	2,654,948
Provision for taxation and zakat		56,659	138,207
Term funding	A20	10,948,778	9,421,202
Subordinated sukuk	A21	2,025,803	2,021,893
Capital securities	A22	1,014,215	1,002,347
<b>TOTAL LIABILITIES</b>		<b>268,649,621</b>	<b>275,135,592</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 SEPTEMBER 2023**

	Note	30 September 2023 RM'000	31 December 2022 RM'000
<b>EQUITY ATTRIBUTABLE TO EQUITY HOLDER OF THE BANK</b>			
Share capital		11,676,910	11,029,955
Retained profits		1,825,067	2,655,423
Other reserves		1,266,348	736,317
<b>TOTAL SHAREHOLDER'S EQUITY</b>		<b>14,768,325</b>	<b>14,421,695</b>
<b>TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY</b>			
		<b>283,417,946</b>	<b>289,557,287</b>
<b>Restricted investment accounts managed by the Bank</b>	A16	<b>35,913,175</b>	<b>30,552,966</b>
<b>TOTAL ISLAMIC BANKING ASSETS OWNED AND MANAGED BY THE BANK</b>			
		<b>319,331,121</b>	<b>320,110,253</b>
<b>COMMITMENTS AND CONTINGENCIES</b>	A34	<b>95,330,238</b>	<b>80,496,780</b>
<b><u>CAPITAL ADEQUACY</u></b>	A35		
The capital adequacy ratios of the Bank are as follows:			
CET1 capital ratio		13.440%	14.100%
Tier 1 capital ratio		14.495%	15.171%
Total capital ratio		<b>17.135%</b>	<b>17.844%</b>

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**CONDENSED FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023**

	←=====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 2023</b>	11,029,955	1,697	(169,846)	904,654	(188)	2,655,423	14,421,695
Profit for the financial period	-	-	-	-	-	1,950,559	1,950,559
Other comprehensive income/(loss)	-	-	550,982	-	(3,376)	-	547,606
<b>Total comprehensive income/(loss) for the financial period</b>	-	-	550,982	-	(3,376)	1,950,559	2,498,165
Transfer from regulatory reserve	-	-	-	(17,575)	-	17,575	-
Issue of ordinary shares (Note A8(i)(a))	646,955	-	-	-	-	-	646,955
Dividend on ordinary shares (Note A9(a) & (b))	-	-	-	-	-	(2,798,490)	(2,798,490)
<b>Total transactions with shareholder/ other equity movements</b>	646,955	-	-	(17,575)	-	(2,780,915)	(2,151,535)
<b>At 30 September 2023</b>	11,676,910	1,697	381,136	887,079	(3,564)	1,825,067	14,768,325

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**CONDENSED FINANCIAL STATEMENTS**  
**UNAUDITED STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023**

	<=====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 2022</b>	10,322,374	1,697	77,255	121,014	(48)	3,247,267	13,769,559	
Profit for the financial period	-	-	-	-	-	2,222,248	2,222,248	
Other comprehensive loss	-	-	(447,304)	-	(503)	-	(447,807)	
<b>Total comprehensive (loss)/income for the financial period</b>	-	-	(447,304)	-	(503)	2,222,248	1,774,441	
Transfer to regulatory reserve	-	-	-	512,698	-	(512,698)	-	
Issue of ordinary shares	707,581	-	-	-	-	-	707,581	
Dividend on ordinary shares	-	-	-	-	-	(2,841,125)	(2,841,125)	
<b>Total transactions with shareholder/ other equity movements</b>	707,581	-	-	512,698	-	(3,353,823)	(2,133,544)	
<b>At 30 September 2022</b>	11,029,955	1,697	(370,049)	633,712	(551)	2,115,692	13,410,456	

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**CONDENSED FINANCIAL STATEMENTS**  
**UNAUDITED CASH FLOW STATEMENT**  
**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023**

	<b>30 September 2023 RM'000</b>	<b>30 September 2022 RM'000</b>
<b>Cash flows from operating activities</b>		
Profit before taxation and zakat	2,579,275	3,347,474
Adjustments for:		
Amortisation of premiums, net	45,298	59,894
Allowances for impairment losses on financing and advances, net (Writeback of)/allowances for impairment losses on financial investments, net	495,361	422,342
Writeback of impairment losses on other financial assets, net	(13,160)	3,803
Depreciation of property, plant and equipment	(101)	(3,879)
Depreciation of right-of-use assets	109	226
Finance cost on lease liabilities	2,430	2,294
Unrealised gains on revaluation of derivatives	128	177
Unrealised (gains)/losses on revaluation of financial investments at fair value through profit or loss	(40,903)	(5,695)
Gains on disposal of financial investments at fair value through other comprehensive income	(749)	284
Gains on disposal of financial investment at fair value through profit or loss	(71,902)	(17,044)
Gains on foreign exchange translations	(11,104)	(1,041)
ESGP expenses	(227,124)	(19,570)
Finance costs	2,061	1,836
Operating profit before working capital changes	420,726	310,496
Change in deposits and placements with banks and other financial institutions	3,180,345	4,101,597
Change in financial assets purchased under resale agreements	5,329,880	2,768,877
Change in financial investments portfolio	(58,974)	5,438,585
Change in financing and advances	2,680,661	(5,772,399)
Change in derivative assets and liabilities	(8,998,778)	(16,108,765)
Change in other assets	(123,775)	(122,673)
Change in statutory deposit with Bank Negara Malaysia	316,968	(673,418)
Change in deposits from customers	(96,845)	7,172
Change in deposits and placements of banks and other financial institutions	(9,740,102)	23,584,579
Change in investment accounts of customers	6,991,877	(9,074,163)
Change in obligations on financial assets sold under repurchase agreements	301,070	(1,848,351)
Change in bills and acceptances payable	1,281,345	-
Change in other liabilities	24,580	31,076
Cash (used in)/generated from operating activities	(1,130,458)	(684,411)
Taxes and zakat paid	(42,206)	1,647,706
<b>Net cash (used in)/generated from operating activities</b>	<b>(1,143,545)</b>	<b>(688,842)</b>

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**CONDENSED FINANCIAL STATEMENTS**  
**UNAUDITED CASH FLOW STATEMENT**  
**FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2023**

	<b>30 September 2023 RM'000</b>	<b>30 September 2022 RM'000</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	-	(27)
<b>Net cash used in investing activities</b>	-	(27)
<b>Cash flows from financing activities</b>		
Proceeds from issuance of shares	646,955	707,581
Dividend paid on ordinary shares	(2,798,490)	(2,841,125)
Dividend paid for capital securities	(23,735)	(24,682)
Dividend paid for subordinated sukuk	(51,438)	(51,359)
Drawdown of term funding	1,500,000	(190,108)
Dividend paid for term funding	(302,200)	-
Repayment of lease liabilities	(2,193)	(2,529)
<b>Net cash used in financing activities</b>	(1,031,101)	(2,402,222)
<b>Net decrease in cash and cash equivalents</b>	(2,216,852)	(1,443,385)
Cash and cash equivalents at beginning of the financial period	15,092,586	12,123,992
<b>Cash and cash equivalents at end of the financial period</b>	12,875,734	10,680,607

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

	<b>30 September 2023 RM'000</b>	<b>30 September 2022 RM'000</b>
<b>Cash and cash equivalents comprise:</b>		
Cash and short-term funds	10,675,110	10,680,607
Deposits and placements with banks and other financial institutions	2,200,624	-
Cash and cash equivalents at end of the financial period	12,875,734	10,680,607

**(These unaudited condensed interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2022 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 2022. 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 2022.

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 2022 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 2023:

- Amendments to MFRS 101 *Presentation of Financial Statements - Disclosure of Accounting Policies*
- Amendments to MFRS 101 *Classification of Liabilities as Current or Non-current*
- Amendments to MFRS 108 *Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates*
- Amendments to MFRS 112 *Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

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

**Amendments to MFRS 101 *Presentation of Financial Statements - Disclosure of Accounting Policies***

The amendments require companies to disclose material accounting policies rather than significant accounting policies. Entities are expected to make disclosure of accounting policies specific to the entity and not generic disclosure on MFRS applications.

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

**Amendments to MFRS 101 *Presentation of Financial Statements - Disclosure of Accounting Policies* (cont'd.)**

The amendments explain that an accounting policy is material if, without it the users of the financial statements would be unable to understand other material information in the financial statements or/and when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decision that the primary users of general purpose financial statements make on the basis of those financial statements. Immaterial accounting policy information need not be disclosed. However, if it is disclosed, it should not obscure material accounting information.

The amendments are to be applied prospectively in annual periods beginning on or after 1 January 2023, earlier application is permitted. These amendments do not have significant impact on the preparation of the Bank's financial statements.

**Amendments to MFRS 101 *Classification of Liabilities as Current or Non-current***

The amendments clarify the followings:

- What is meant by a right to defer settlement;
- That a right to defer must exist at the end of the reporting period;
- That classification is unaffected by the likelihood that an entity will exercise its deferral right; and
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

The amendments are to be applied retrospectively in annual periods beginning on or after 1 January 2023, earlier application is permitted. The amendments do not have any impact on the Bank's financial statements.

**Amendments to MFRS 108 *Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates***

The amendments redefined accounting estimates as "monetary amounts in financial statements that are subject to measurement uncertainty". These amendments provide clarity on how to distinguish changes in accounting policies from changes in accounting estimates. The amendments clarify that the effects of a change in an input or measurement technique used to develop an accounting estimate is a change in accounting estimate if the changes do not arise from prior period errors.

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

***Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates (cont'd.)***

The distinction is important because changes in accounting estimates are applied prospectively but changes in accounting policies are applied retrospectively. The amendments are to be applied prospectively in annual periods beginning on or after 1 January 2023, earlier application is permitted. These amendments do not have significant impact to the financial statements of the Bank.

***Amendments to MFRS 112 Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction***

The amendments specify the treatment for deferred tax on transactions related to leases and decommissioning obligation. The amendments clarify that the initial recognition exemption set out in MFRS 112 does not apply to transactions that give rise to equal amounts of taxable and deductible temporary difference. The aim of the amendments is to reduce diversity in the reporting of deferred tax on leases and decommissioning obligations.

The amendments are to be applied to transactions that occur on or after the beginning of the earliest comparative period presented. These amendments do not have significant impact on the preparation of the Bank's financial statements.

**A2. Significant accounting policies**

The audited annual financial statements of the Bank for the financial year ended 31 December 2022 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 2022 except for the adoption of the amendments to MFRSs which are effective for annual periods beginning on or after 1 January 2023 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 2022.

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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 2022 was not qualified.

**A5. Seasonal or cyclical factors**

The operations of the Bank were not materially affected by any seasonal or cyclical factors during the financial period ended 30 September 2023.

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

During the financial period ended 30 September 2023, save as disclosed in Note A8 below, there were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Bank.

**A7. Changes in estimates**

There were no material changes in estimates during the financial period ended 30 September 2023.

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

(i) The following are the changes in debt and equity securities for the Bank during the financial period ended 30 September 2023:

(a) **Share capital**

The share capital of the Bank increased from RM11,029,954,534 as at 31 December 2022 to RM11,676,910,001 as at 30 September 2023 via the issuance of 24,006,125 new ordinary shares at RM26.9496 per share to Maybank on the basis of one new share for every nineteen existing ordinary shares held at 22 March 2023.

(b) **Term funding**

**Issuance/redemption of term funding by the Bank**

The aggregate nominal value of the Islamic commercial papers issued by the Bank and outstanding as at 30 September 2023 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 period ended 30 September 2023 are as follows:

- (a) On 27 February 2023, the Board of Directors had declared a single-tier second interim dividend in respect of the financial year ended 31 December 2022 of RM3.546 per ordinary share on 456,116,375 ordinary shares, amounting to a dividend payable of RM1,617,388,666. The payment of dividend was completed on 22 March 2023.
- (b) On 24 August 2023, the Board of Directors have declared a single-tier first interim dividend in respect of the financial year ending 31 December 2023 of RM2.46 per share on 480,122,500 ordinary shares, amounting to RM1,181,101,350. The payment of dividend was completed on 26 September 2023.
- (c) No interim dividend has been recommended during the financial period ended 30 September 2023.

**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 September 2023 RM'000	31 December 2022 RM'000
Financial investments at fair value through profit or loss	(i)	679,855	309,504
Financial investments at fair value through other comprehensive income	(ii)	24,300,986	15,645,983
Financial investments at amortised cost	(iii)	14,000,416	27,461,699
		<b>38,981,257</b>	<b>43,417,186</b>

Included in notes (ii) and (iii) are the impact of Maybank Group Investment Management Framework ("GIMF") implementation during the financial period ended 30 September 2023 which constitutes a change in business model for managing financial assets under MFRS 9 *Financial Instruments*.

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

	30 September 2023 RM'000	31 December 2022 RM'000
<b>At fair value</b>		
<b>Money market instruments:</b>		
Bank Negara Malaysia Monetary Notes	429,740	-
Cagamas Sukuk	40,132	-
	<b>469,872</b>	<b>-</b>
<b>Unquoted securities:</b>		
<b>In Malaysia:</b>		
Corporate Sukuk	35,643	-
<b>Outside Malaysia:</b>		
Islamic Corporate Sukuk	174,340	309,504
	<b>209,983</b>	<b>309,504</b>
<b>Total financial investments at FVTPL</b>	<b>679,855</b>	<b>309,504</b>

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

	Note	30 September 2023 RM'000	31 December 2022 RM'000
<b>At fair value</b>			
<b>Money market instruments:</b>			
Malaysian Government Investment Issues		16,985,661	12,457,878

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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 September 2023 RM'000	31 December 2022 RM'000
<b>Unquoted securities:</b>			
<b>In Malaysia:</b>			
Corporate Sukuk	(a)	7,314,075	3,186,855
Equity		1,250	1,250
		<u>7,315,325</u>	<u>3,188,105</u>
<b>Total financial investments at FVOCI</b>		<u><b>24,300,986</b></u>	<u><b>15,645,983</b></u>

(a) As at 30 September 2023, the Corporate Sukuk funded by RPSIA amounting to RM613.5 million (31 December 2022: RM537.8 million) was recorded off-balance sheet.

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

	Stage 1	Stage 2	Stage 3	
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
<b>As at 30 September 2023</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
At 1 January 2023	607	1,414	-	2,021
New financial assets purchased	343	-	-	343
Financial assets derecognised	(565)	(1,414)	-	(1,979)
Changes in models/risk parameters	(6)	-	-	(6)
At 30 September 2023	<u>379</u>	<u>-</u>	<u>-</u>	<u>379</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.):

	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 December 2022				
At 1 January 2022	3,632	-	-	3,632
Transferred to Stage 2	(579)	579	-	-
Net remeasurement of allowances	(337)	835	-	498
New financial assets purchased	22	-	-	22
Financial assets derecognised	(2,400)	-	-	(2,400)
Exchange differences	269	-	-	269
At 31 December 2022	607	1,414	-	2,021

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

	Note	30 September 2023 RM'000	31 December 2022 RM'000
<b>Money market instruments:</b>			
Malaysian Government Investment Issues		9,439,128	15,437,414
Khazanah Sukuk		557,890	545,883
Cagamas Sukuk		-	125,468
		9,997,018	16,108,765
<b>Unquoted securities:</b>			
<b>In Malaysia:</b>			
Corporate Sukuk	(a)	4,022,996	11,384,050
Allowances for impairment losses	(b)	(19,598)	(31,116)
<b>Total financial investments at amortised cost</b>		<b>14,000,416</b>	<b>27,461,699</b>

(a) As at 30 September 2023, the Corporate Sukuk funded by RPSIA amounting to RM6,607.5 million (31 December 2022: RM4,164.2 million) was recorded off-balance sheet.



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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:

	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>Total</b>
	<b>12-month ECL RM'000</b>	<b>Lifetime ECL not credit impaired RM'000</b>	<b>Lifetime ECL credit impaired RM'000</b>	
<b>As at 30 September 2023</b>				
At 1 January 2023	30,266	850	-	31,116
Transferred to Stage 2	-	(850)	850	-
Net remeasurement of allowances	(24,408)	-	17,570	(6,838)
New financial assets purchased	23	-	-	23
Financial assets derecognised	(493)	-	-	(493)
Changes in models/risk parameters	(4,210)	-	-	(4,210)
<b>At 30 September 2023</b>	<b>1,178</b>	<b>-</b>	<b>18,420</b>	<b>19,598</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>	
<b>As at 31 December 2022</b>				
At 1 January 2022	28,355	-	-	28,355
Transferred to Stage 2	(386)	386	-	-
Net remeasurement of allowances	2,786	464	-	3,250
New financial assets purchased	1,005	-	-	1,005
Financial assets derecognised	(1,470)	-	-	(1,470)
Changes in models/risk parameters	(24)	-	-	(24)
<b>At 31 December 2022</b>	<b>30,266</b>	<b>850</b>	<b>-</b>	<b>31,116</b>

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**A12. Financing and advances**

	<b>30 September 2023 RM'000</b>	<b>31 December 2022 RM'000</b>
Financing and advances*:		
(A) Financing and advances at FVOCI	<b>1,509,290</b>	3,141,460
(B) Financing and advances at amortised cost	<b>279,419,464</b>	280,573,323
	<b>280,928,754</b>	283,714,783
Unearned income	<b>(57,867,253)</b>	(66,345,579)
Gross financing and advances	<b>223,061,501</b>	217,369,204
Allowances for ECL and impairment losses:		
- Stage 1 - 12-month ECL	<b>(352,373)</b>	(442,735)
- Stage 2 - Lifetime ECL not credit impaired	<b>(1,275,094)</b>	(1,309,534)
- Stage 3 - Lifetime ECL credit impaired	<b>(1,384,572)</b>	(1,237,312)
Net financing and advances	<b>220,049,462</b>	214,379,623

\* As at 30 September 2023, the financing and advances funded by RPSIA amounting to RM28,739.6 million (31 December 2022: RM25,882.8 million) was recorded off-balance sheet.

The gross exposure of the financing and advances funded by investment accounts of customers ("IA") as at 30 September 2023 was RM25,876.7 million (31 December 2022: RM25,637.7 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 September 2023</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	-	6,836,932	-	-	-	-	6,836,932
Term financing							
- House financing	11,037,066	94,096,534	1,433,306	-	-	591	106,567,497
- Syndicated financing	-	4,232,855	-	-	-	-	4,232,855
- Hire purchase receivables	-	14,129,426	-	45,826,259	-	-	59,955,685
- Lease receivables	-	-	-	-	2,332,931	-	2,332,931
- Other term financing	4,839,174	78,582,521	424,144	-	-	21,970	83,867,809
Trust receipts	-	230,570	-	-	-	-	230,570
Claims on customers under acceptance credits	-	7,327,194	-	-	-	-	7,327,194
Staff financing	242,913	2,755,756	5,745	139,127	-	44,853	3,188,394
Credit card receivables	-	-	-	-	-	2,018,228	2,018,228
Revolving credit	-	4,326,927	-	-	-	-	4,326,927
Share margin financing	-	41,187	-	-	-	-	41,187
Financing to:							
- Directors of the Bank	-	1,845	-	23	-	1	1,869
- Directors of related companies	-	425	-	251	-	-	676
	<b>16,119,153</b>	<b>212,562,172</b>	<b>1,863,195</b>	<b>45,965,660</b>	<b>2,332,931</b>	<b>2,085,643</b>	<b>280,928,754</b>
Unearned income							<b>(57,867,253)</b>
Gross financing and advances <sup>4</sup>							<b>223,061,501</b>
Allowances for ECL and impairment losses:							
- Stage 1 - 12-month ECL							<b>(352,373)</b>
- Stage 2 - Lifetime ECL not credit impaired							<b>(1,275,094)</b>
- Stage 3 - Lifetime ECL credit impaired							<b>(1,384,572)</b>
Net financing and advances							<b>220,049,462</b>

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

<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 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	-	6,837,168	-	-	-	-	6,837,168
Term financing							
- House financing	11,752,044	87,570,087	1,552,014	-	-	599	100,874,744
- Syndicated financing	-	7,229,950	-	-	-	-	7,229,950
- Hire purchase receivables	-	13,349,586	-	41,455,457	-	-	54,805,043
- Lease receivables	-	-	-	-	1,735,870	-	1,735,870
- Other term financing	6,507,592	87,128,112	483,889	-	-	150,491	94,270,084
Trust receipts	-	175,810	-	-	-	-	175,810
Claims on customers under acceptance credits	-	6,024,358	-	-	-	-	6,024,358
Staff financing	282,744	2,548,232	6,488	137,263	-	43,715	3,018,442
Credit card receivables	-	-	-	-	-	1,779,342	1,779,342
Revolving credit	-	6,909,108	-	-	-	-	6,909,108
Share margin financing	-	49,724	-	-	-	-	49,724
Financing to:							
- Directors of the Bank	-	2,032	-	-	-	37	2,069
- Directors of related companies	-	2,899	-	137	-	35	3,071
	<u>18,542,380</u>	<u>217,827,066</u>	<u>2,042,391</u>	<u>41,592,857</u>	<u>1,735,870</u>	<u>1,974,219</u>	<u>283,714,783</u>
Unearned income							(66,345,579)
Gross financing and advances <sup>4</sup>							<u>217,369,204</u>
Allowances for ECL and impairment losses:							
- Stage 1 - 12-month ECL							(442,735)
- Stage 2 - Lifetime ECL not credit impaired							(1,309,534)
- Stage 3 - Lifetime ECL credit impaired							(1,237,312)
Net financing and advances							<u>214,379,623</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 September 2023 RM'000</b>	<b>31 December 2022 RM'000</b>
Domestic non-banking financial institutions	4,770,889	5,070,402
Domestic business enterprises:		
- Small and medium enterprises	41,198,485	36,949,925
- Others	15,736,645	19,948,088
Government and statutory bodies	115,819	3,024,602
Individuals	158,727,591	150,215,905
Other domestic entities	125,912	112,416
Foreign entities	2,386,160	2,047,866
Gross financing and advances	<u>223,061,501</u>	<u>217,369,204</u>

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

	<b>30 September 2023 RM'000</b>	<b>31 December 2022 RM'000</b>
Fixed rate:		
- House financing	1,581,506	1,678,831
- Hire purchase receivables	40,999,686	37,177,565
- Other financing	10,545,381	16,285,363
Floating rate:		
- House financing	74,331,047	66,675,784
- Other financing	95,603,881	95,551,661
Gross financing and advances	<u>223,061,501</u>	<u>217,369,204</u>

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

	<b>30 September 2023 RM'000</b>	<b>31 December 2022 RM'000</b>
Purchase of securities	22,699,122	26,491,247
Purchase of transport vehicles	53,812,969	49,567,413
Purchase of landed properties:		
- Residential	78,084,717	69,603,629
- Non-residential	19,651,805	18,016,280
Purchase of fixed assets (excluding landed properties)	292,169	267,159
Personal use	3,474,622	3,198,911
Purchase of consumer durables	493	475
Constructions	2,390,586	2,379,126
Mergers and acquisitions	-	460,000
Working capital	40,588,675	45,556,016
Credit cards	2,066,343	1,828,948
Gross financing and advances	<u>223,061,501</u>	<u>217,369,204</u>

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

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

	<b>30 September 2023 RM'000</b>	<b>31 December 2022 RM'000</b>
Within one year	22,332,876	24,619,767
One year to three years	9,166,562	7,994,328
Three years to five years	18,594,115	19,579,563
After five years	172,967,948	165,175,546
Gross financing and advances	<b>223,061,501</b>	<b>217,369,204</b>

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

	<b>30 September 2023 RM'000</b>	<b>31 December 2022 RM'000</b>
Gross impaired financing and advances at 1 January	2,061,080	1,492,756
Impaired during the financial period	1,087,750	1,237,425
Reclassified as non-impaired	(59,552)	(65,139)
Amount recovered	(70,261)	(223,830)
Amount written-off	(499,555)	(380,132)
Gross impaired financing and advances at 30 September 2023/ 31 December 2022	<b>2,519,462</b>	<b>2,061,080</b>
Less: Stage 3 - Lifetime ECL credit impaired	<b>(1,384,572)</b>	<b>(1,237,312)</b>
Net impaired financing and advances at 30 September 2023/ 31 December 2022	<b>1,134,890</b>	<b>823,768</b>

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

Gross impaired financing and advances	2,391,358	2,001,463
Less: Stage 3 - Lifetime ECL credit impaired	<b>(1,384,572)</b>	<b>(1,237,312)</b>
Net impaired financing and advances	<b>1,006,786</b>	<b>764,151</b>
Gross financing and advances	<b>197,184,787</b>	191,731,502
Less: Allowances for financing and advances at amortised cost and at fair value through other comprehensive income	<b>(3,037,517)</b>	<b>(2,996,850)</b>
Net financing and advances	<b>194,147,270</b>	<b>188,734,652</b>
Ratio of net impaired financing and advances	<b>0.52%</b>	0.40%

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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 September 2023 RM'000</b>	<b>31 December 2022 RM'000</b>
Purchase of securities	35,763	7,462
Purchase of transport vehicles	202,150	129,899
Purchase of landed properties:		
- Residential	328,436	256,992
- Non-residential	294,242	187,865
Purchase of fixed assets (excluding landed properties)	1,894	2,720
Personal use	161,483	32,286
Purchase of consumer durables	1	2
Constructions	224,196	204,506
Working capital	1,258,325	1,228,537
Credit cards	12,972	10,811
Gross credit impaired financing and advances	<b>2,519,462</b>	<b>2,061,080</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>Total</b>
	<b>12-month ECL RM'000</b>	<b>Lifetime ECL not credit impaired RM'000</b>	<b>Lifetime ECL credit impaired RM'000</b>	
<b>As at 30 September 2023</b>				<b>RM'000</b>
At 1 January 2023	7,269	-	-	7,269
Transferred to Stage 2	(2,872)	2,872	-	-
New financial assets originated or purchased	3,557	-	-	3,557
Financial assets derecognised	(2,070)	-	-	(2,070)
Changes in models/risk parameters	690	16,012	-	16,702
Exchange differences	20	-	-	20
At 30 September 2023	<b>6,594</b>	<b>18,884</b>	<b>-</b>	<b>25,478</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 2022</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
At 1 January 2022	2,302	-	-	2,302
Net remeasurement of allowances	2,885	-	-	2,885
New financial assets originated or purchased	2,550	-	-	2,550
Financial assets derecognised	(494)	-	-	(494)
Exchange differences	26	-	-	26
At 31 December 2022	<u>7,269</u>	<u>-</u>	<u>-</u>	<u>7,269</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 September 2023</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
At 1 January 2023	442,735	1,309,534	1,237,312	2,989,581
Transferred to Stage 1	110,439	(105,053)	(5,386)	-
Transferred to Stage 2	(29,573)	44,812	(15,239)	-
Transferred to Stage 3	(6,005)	(79,514)	85,519	-
Net remeasurement of allowances	(130,129)	141,066	561,645	572,582
New financial assets originated or purchased	97,431	46,574	-	144,005
Financial assets derecognised	(63,861)	(43,868)	(10,380)	(118,109)
Changes in models/risk parameters	(69,235)	(38,631)	(4,545)	(112,411)
Amount written-off	-	-	(499,555)	(499,555)
Exchange differences	571	174	35,201	35,946
At 30 September 2023	<u>352,373</u>	<u>1,275,094</u>	<u>1,384,572</u>	<u>3,012,039</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 2022</b>				
At 1 January 2022	556,209	1,678,410	709,435	2,944,054
Transferred to Stage 1	167,116	(162,063)	(5,053)	-
Transferred to Stage 2	(32,756)	47,143	(14,387)	-
Transferred to Stage 3	(8,797)	(250,227)	259,024	-
Net remeasurement of allowances	(342,559)	1,080	684,326	342,847
New financial assets originated or purchased	140,955	64,426	-	205,381
Financial assets derecognised	(56,107)	(69,495)	(22,596)	(148,198)
Changes in models/risk parameters	(1,738)	(210)	(9,655)	(11,603)
Amount written-off	-	-	(380,132)	(380,132)
Exchange differences	20,412	470	16,350	37,232
<b>At 31 December 2022</b>	<b>442,735</b>	<b>1,309,534</b>	<b>1,237,312</b>	<b>2,989,581</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. Derivative financial instruments that are entered into for hedging purpose but which the Bank have not used to apply hedge accounting or which relate to customers' transactions are classified as trading derivatives.

	30 September 2023			31 December 2022		
	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	8,557,744	186,773	(23,574)	7,169,578	16,622	(220,596)
- One year to three years	1,176,425	20,653	(20,653)	735,487	1,847	(1,847)
- More than three years	2,396,901	16,598	(16,598)	2,396,107	31,628	(31,628)
	<b>12,131,070</b>	<b>224,024</b>	<b>(60,825)</b>	<b>10,301,172</b>	<b>50,097</b>	<b>(254,071)</b>
Currency swaps:						
- Less than one year	14,997,774	97,770	(202,236)	9,208,639	185,047	(83,280)
Currency spots:						
- Less than one year	276,568	61	(13,685)	193,731	4,446	(257)
Currency options:						
- Less than one year	38,311	17	(17)	4,348	10	(10)

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A13. Derivative financial instruments (cont'd.)

	30 September 2023			31 December 2022		
	Principal Amount RM'000	Fair value Assets RM'000	Fair value Liabilities RM'000	Principal Amount RM'000	Fair value Assets RM'000	Fair value Liabilities RM'000
<b>Trading derivatives (cont'd.)</b>						
<u>Foreign exchange related contracts (cont'd.)</u>						
Cross currency profit rate swaps:						
- Less than one year	-	-	-	5,064	225	(225)
- One year to three years	-	-	-	7,225	283	(283)
- More than three years	430,369	12,636	(12,636)	416,486	2,790	(2,790)
	<b>430,369</b>	<b>12,636</b>	<b>(12,636)</b>	<b>428,775</b>	<b>3,298</b>	<b>(3,298)</b>
<u>Profit rate related contracts</u>						
Profit rate swaps:						
- Less than one year	3,410,720	2,634	(4,052)	3,012,000	18,501	(18,501)
- One year to three years	44,469	239	(239)	65,437	494	(494)
- More than three years	220,000	2,473	(2,397)	220,000	1,870	(1,780)
	<b>3,675,189</b>	<b>5,346</b>	<b>(6,688)</b>	<b>3,297,437</b>	<b>20,865</b>	<b>(20,775)</b>
<b>Hedging derivatives</b>						
<u>Profit rate related contracts</u>						
Profit rate swaps:						
- More than three years	-	-	-	1,635,000	-	(22,983)
<b>Total</b>	<b>31,549,281</b>	<b>339,854</b>	<b>(296,087)</b>	<b>25,069,102</b>	<b>263,763</b>	<b>(384,674)</b>

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**A14. Other assets**

	<b>30 September 2023 RM'000</b>	<b>31 December 2022 RM'000</b>
Amount due from holding company	3,885,275	4,170,395
Handling fees	235,855	218,146
Prepayments and deposits	23,359	15,006
Tax recoverable	442,810	-
Margin account with holding company	143,230	-
Other debtors	542,348	747,218
	<b>5,272,877</b>	<b>5,150,765</b>

**A15. Deposits from customers**

(i) By type of deposits

	<b>30 September 2023 RM'000</b>	<b>31 December 2022 RM'000</b>
<b>Savings deposits</b>		
Murabahah	27,656,586	27,711,469
Qard	615,192	601,896
	<b>28,271,778</b>	<b>28,313,365</b>
<b>Demand deposits</b>		
Murabahah	40,011,748	37,422,903
Qard	495,770	1,381,375
	<b>40,507,518</b>	<b>38,804,278</b>
<b>Term deposits</b>		
Murabahah	130,607,407	142,073,732
Qard	656,659	592,088
	<b>131,264,066</b>	<b>142,665,820</b>
	<b>200,043,362</b>	<b>209,783,463</b>

(ii) By type of customers

	<b>30 September 2023 RM'000</b>	<b>31 December 2022 RM'000</b>
Business enterprises	67,170,291	76,896,558
Individuals	59,051,290	59,602,414
Government and statutory bodies	38,238,912	38,164,258
Others	35,582,869	35,120,233
	<b>200,043,362</b>	<b>209,783,463</b>

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**A16. Investment accounts**

	<b>30 September 2023 RM'000</b>	<b>31 December 2022 RM'000</b>
Investment accounts of customers		
- Unrestricted investment accounts <sup>1</sup>	<b>25,876,714</b>	25,637,702
Restricted investment accounts managed by the Bank <sup>2</sup>	<b>35,913,175</b>	30,552,966

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

	<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 September 2023</b>		
Business enterprises	13,569,861	-
Individuals	10,257,486	-
Government and statutory bodies	328,104	-
Licensed banks	-	35,421,316
Others	1,721,263	491,859
	<b>25,876,714</b>	<b>35,913,175</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 2022</b>		
Business enterprises	13,389,602	-
Individuals	10,342,032	-
Government and statutory bodies	246,938	-
Licensed banks	-	30,123,166
Others	1,659,130	429,800
	<b>25,637,702</b>	<b>30,552,966</b>

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

(ii) Maturity profile of investment accounts 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 September 2023</b>		
- without maturity	22,077,555	-
- with maturity	3,799,159	35,913,175
Within six months	3,223,507	9,330,771
Six months to one year	560,017	169,393
One year to three years	12,012	5,298,564
Three years to five years	3,623	21,114,447
	<b>25,876,714</b>	<b>35,913,175</b>
<b>As at 31 December 2022</b>		
- without maturity	21,160,119	-
- with maturity	4,477,583	30,552,966
Within six months	3,055,394	10,280,098
Six months to one year	1,403,496	30,109
One year to three years	13,924	3,995,512
Three years to five years	4,769	16,247,247
	<b>25,637,702</b>	<b>30,552,966</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 September 2023</b>		
Retail financing	24,876,714	-
Non-retail financing	1,000,000	28,801,355
Corporate Sukuk	-	7,111,820
	<b>25,876,714</b>	<b>35,913,175</b>
<b>As at 31 December 2022</b>		
Retail financing	23,987,702	-
Non-retail financing	1,650,000	25,955,010
Corporate Sukuk	-	4,597,956
	<b>25,637,702</b>	<b>30,552,966</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 September 2023</b>		
Investment accounts of customers		
- Unrestricted investment accounts <sup>1</sup>	<b>38.57</b>	<b>1.60</b>
Restricted investment accounts managed by the Bank <sup>2</sup>	<b>78.36</b>	<b>4.20</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 2022</b>		
Investment accounts of customers		
- Unrestricted investment accounts <sup>1</sup>	32.04	2.58
Restricted investment accounts managed by the Bank <sup>2</sup>	76.29	4.60

<sup>1</sup> The total funds invested in Multi-Asset Investment Account-i ("MAIA") product was RM121.8 million (31 December 2022: RM122.7 million) of which RM1.5 million (31 December 2022: RM59.6 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 RM120.3 million as at 30 September 2023 (31 December 2022: RM63.1 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 RM35,421.3 million and RM491.9 million (31 December 2022: RM30,123.2 million and RM429.8 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 September 2023 RM'000	31 December 2022 RM'000
<u>Non-Mudharabah Fund</u>		
Licensed banks	23,681,098	22,046,315
Licensed Islamic banks	349,787	99,226
Licensed investment banks	316,119	304,736
Other financial institutions	716,775	1,147,229
	25,063,779	23,597,506



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**A18. Other liabilities**

	Note	30 September 2023 RM'000	31 December 2022 RM'000
Sundry creditors		1,226,210	2,228,273
Deposit on trade financing		64,701	55,786
Provisions and accruals		75,488	86,692
Margin deposits from holding company		-	117,100
Allowances for impairment losses on financing commitments and financial guarantee contracts	(i)	122,848	137,937
Lease liabilities		4,718	6,622
Structured deposits		24,952	14,448
Amount due to related company		5,733	8,090
		<b>1,524,650</b>	<b>2,654,948</b>

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

	Stage 1	Stage 2	Stage 3	Total
	12-month ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	
<b>As at 30 September 2023</b>				<b>RM'000</b>
At 1 January 2023	33,241	11,552	93,144	137,937
Transferred to Stage 1	825	(825)	-	-
Transferred to Stage 2	(924)	924	-	-
Transferred to Stage 3	(32)	(1)	33	-
Net remeasurement of allowances	(2,699)	(861)	85,631	82,071
New credit exposures originated or purchased	18,293	4,206	-	22,499
Credit exposures derecognised	(21,218)	(6,131)	(91,587)	(118,936)
Changes in models/risk parameters	(816)	-	-	(816)
Exchange differences	75	18	-	93
At 30 September 2023	<b>26,745</b>	<b>8,882</b>	<b>87,221</b>	<b>122,848</b>
	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	
<b>As at 31 December 2022</b>				<b>RM'000</b>
At 1 January 2022	31,665	17,433	1,622	50,720
Transferred to Stage 1	1,450	(1,447)	(3)	-
Transferred to Stage 2	(547)	547	-	-
Transferred to Stage 3	(2)	(6,652)	6,654	-
Net remeasurement of allowances	(77)	234	86,120	86,277
New credit exposures originated or purchased	25,654	12,435	-	38,089
Credit exposures derecognised	(25,235)	(11,004)	(1,249)	(37,488)
Changes in models/risk parameters	(2)	-	-	(2)
Exchange differences	335	6	-	341
At 31 December 2022	<b>33,241</b>	<b>11,552</b>	<b>93,144</b>	<b>137,937</b>

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

	<b>30 September 2023 RM'000</b>	<b>31 December 2022 RM'000</b>
<b>Sources of charity funds</b>		
Shariah non-compliant/prohibited income	-	272
<b>Total sources of charity funds during the period/year</b>	-	272
<b>Uses of charity funds</b>		
Contribution to non-profit organisation <sup>1</sup>	-	272
<b>Total uses of charity funds during the period/year</b>	-	272
<b>Undistributed charity funds at 30 September 2023/ 31 December 2022</b>	-	-

<sup>1</sup> Does not include fund refunded to customers of RM360,656 made during the financial year ended 31 December 2022.

**A20. Term Funding**

	<b>30 September 2023 RM'000</b>	<b>31 December 2022 RM'000</b>
Unsecured term funding:		
(a) Commercial Paper - Less than one year	7,896,707	6,413,953
(b) Medium Term Notes - More than one year	2,025,387	2,003,796
(c) Term funding - More than one year (note(a))	1,026,684	1,003,453
<b>Total term funding</b>	<b>10,948,778</b>	<b>9,421,202</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 September 2023 RM'000</b>	<b>31 December 2022 RM'000</b>
RM1,000 million subordinated sukuk due in 2029	1,022,069	1,010,849
RM1,000 million subordinated sukuk due in 2031	1,003,734	1,011,044
	<b><u>2,025,803</u></b>	<b><u>2,021,893</u></b>

**A22. Capital Securities**

	<b>30 September 2023 RM'000</b>	<b>31 December 2022 RM'000</b>
RM1,000 million 4.76% Additional Tier 1 Sukuk Wakalah	<b><u>1,014,215</u></b>	<b><u>1,002,347</u></b>

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

	<b>Third Quarter Ended</b>		<b>Cumulative 9 Months Ended</b>	
	<b>30 September 2023 RM'000</b>	<b>30 September 2022 RM'000</b>	<b>30 September 2023 RM'000</b>	<b>30 September 2022 RM'000</b>
Income derived from investment of:				
i) General investment deposits	2,002,996	1,793,522	5,930,635	4,346,724
ii) Other deposits	924,049	747,758	2,735,996	2,369,785
	<b><u>2,927,045</u></b>	<b><u>2,541,280</u></b>	<b><u>8,666,631</u></b>	<b><u>6,716,509</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**

	Third Quarter Ended		Cumulative 9 Months Ended	
	30 September 2023 RM'000	30 September 2022 RM'000	30 September 2023 RM'000	30 September 2022 RM'000
<b>Finance income and hibah</b>				
Financing and advances	1,518,093	1,334,889	4,428,824	3,231,267
Money at call and deposits with financial institutions	59,742	34,926	191,802	85,876
Financial assets purchased under resale agreements	11,484	26,777	33,337	72,058
Financial investments at fair value through other comprehensive income	102,376	109,623	322,176	278,814
Financial investments at amortised cost	154,701	182,123	513,491	468,299
Financial investments at fair value through profit or loss	1,057	789	3,639	1,318
	<u>1,847,453</u>	<u>1,689,127</u>	<u>5,493,269</u>	<u>4,137,632</u>
Amortisation of premiums, net	(7,259)	(13,669)	(29,250)	(36,765)
<b>Total finance income and hibah</b>	<b>1,840,194</b>	<b>1,675,458</b>	<b>5,464,019</b>	<b>4,100,867</b>
<b>Other operating income :</b>				
Fee income:				
- Processing fees	8,995	6,151	17,413	20,589
- Commissions	39,846	37,579	114,003	102,473
- Service charges and other fees	40,420	35,431	124,118	94,270
Gains on disposal of financial investments at fair value through other comprehensive income	20,015	5,809	46,429	10,462
Gains on disposal of financial investments at fair value through profit or loss	6,062	126	7,170	639
Unrealised (losses)/gains on revaluation of:				
- Financial investments at fair value through profit or loss	(1,105)	497	484	(174)
- Derivatives	16,926	939	26,412	3,496
Gains/(losses) on foreign exchange:				
- Realised	65,875	135,861	177,691	422,545
- Unrealised	(17,433)	(104,963)	(31,031)	(410,532)
Realised (losses)/gains on derivatives	(17,222)	37	(17,385)	678
Others	423	597	1,312	1,411
<b>Total other operating income</b>	<b>162,802</b>	<b>118,064</b>	<b>466,616</b>	<b>245,857</b>
<b>Total</b>	<b>2,002,996</b>	<b>1,793,522</b>	<b>5,930,635</b>	<b>4,346,724</b>

Included in finance income are income on impaired assets amounting to RM38.4 million (30 September 2022: RM28.3 million).

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

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

	Third Quarter Ended		Cumulative 9 Months Ended	
	30 September 2023	30 September 2022	30 September 2023	30 September 2022
	RM'000	RM'000	RM'000	RM'000
<b>Finance income and hibah</b>				
Financing and advances	700,347	556,897	2,043,161	1,761,651
Money at call and deposits with financial institutions	27,561	14,450	88,484	46,818
Financial assets purchased under resale agreements	5,298	10,518	15,380	39,285
Financial investments at fair value through other comprehensive income	47,229	44,520	148,630	152,006
Financial investments at amortised cost	71,368	73,507	236,890	255,312
Financial investments at fair value through profit or loss	488	383	1,679	719
	<u>852,291</u>	<u>700,275</u>	<u>2,534,224</u>	<u>2,255,791</u>
Amortisation of premiums, net	(3,349)	(5,371)	(13,494)	(20,044)
<b>Total finance income and hibah</b>	<b>848,942</b>	<b>694,904</b>	<b>2,520,730</b>	<b>2,235,747</b>
<b>Other operating income :</b>				
Fee income:				
- Processing fees	4,150	2,053	8,033	11,225
- Commissions	18,382	14,641	52,593	55,867
- Service charges and other fees	18,648	14,015	57,261	51,395
Gains on disposal of financial investments at fair value through other comprehensive income	9,233	2,748	21,419	5,704
Gains on disposal of financial investments at fair value through profit or loss	2,797	22	3,308	348
Unrealised (losses)/gains on revaluation of:				
- Financial investments at fair value through profit or loss	(510)	331	223	(95)
- Derivatives	7,809	282	12,185	1,906
Gains/(losses) on foreign exchange:				
- Realised	30,391	48,239	81,975	230,367
- Unrealised	(8,043)	(29,692)	(14,316)	(223,818)
Realised (losses)/gains on derivatives	(7,945)	(37)	(8,020)	370
Others	195	252	605	769
<b>Total other operating income</b>	<b>75,107</b>	<b>52,854</b>	<b>215,266</b>	<b>134,038</b>
<b>Total</b>	<b>924,049</b>	<b>747,758</b>	<b>2,735,996</b>	<b>2,369,785</b>

Included in finance income are income on impaired assets amounting to RM17.7 million (30 September 2022: RM15.4 million).

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

	Third Quarter Ended		Cumulative 9 Months Ended	
	30 September 2023 RM'000	30 September 2022 RM'000	30 September 2023 RM'000	30 September 2022 RM'000
Financing and advances	300,597	274,548	862,438	814,041
<b>Total finance income and hibah</b>	<b>300,597</b>	<b>274,548</b>	<b>862,438</b>	<b>814,041</b>
<b>Other operating income :</b>				
Fee income:				
- Commissions	564	594	3,131	1,521
- Service charges and other fees	106	96	521	256
<b>Total other operating income</b>	<b>670</b>	<b>690</b>	<b>3,652</b>	<b>1,777</b>
<b>Total</b>	<b>301,267</b>	<b>275,238</b>	<b>866,090</b>	<b>815,818</b>

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

	Third Quarter Ended		Cumulative 9 Months Ended	
	30 September 2023 RM'000	30 September 2022 RM'000	30 September 2023 RM'000	30 September 2022 RM'000
<b>Finance income and hibah</b>				
Financing and advances	132,547	102,271	386,686	271,156
Money at call and deposits with financial institutions	5,216	2,669	16,746	7,206
Financial assets purchased under resale agreements	1,003	2,014	2,911	6,047
Financial investments at fair value through other comprehensive income	8,939	8,329	28,130	23,397
Financial investments at amortised cost	13,507	13,812	44,833	39,298
Financial investments at fair value through profit or loss	93	64	318	111
	<b>161,305</b>	129,159	<b>479,624</b>	347,215
Amortisation of premiums, net	<b>(634)</b>	(1,028)	<b>(2,554)</b>	(3,085)
<b>Total finance income and hibah</b>	<b>160,671</b>	<b>128,131</b>	<b>477,070</b>	<b>344,130</b>

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

	Third Quarter Ended		Cumulative 9 Months Ended	
	30 September 2023 RM'000	30 September 2022 RM'000	30 September 2023 RM'000	30 September 2022 RM'000
<b>Other operating income :</b>				
Fee income:				
- Processing fees	785	442	1,520	1,728
- Commissions	3,479	2,820	9,954	8,599
- Service charges and other fees	3,530	2,671	10,838	7,911
Gains on disposal of financial investments at fair value through other comprehensive income	1,748	464	4,054	878
Gains on disposal of financial investments at fair value through profit or loss	529	8	626	54
Unrealised (losses)/gains on revaluation of:				
- Financial investments at fair value through profit or loss	(97)	45	42	(15)
- Derivatives	1,478	65	2,306	293
Gains/(losses) on foreign exchange:				
- Realised	5,751	9,927	15,514	35,458
- Unrealised	(1,522)	(7,237)	(2,709)	(34,450)
Realised (losses)/gains on derivatives	(1,504)	-	(1,518)	57
Others	37	45	115	118
<b>Total other operating income</b>	<b>14,214</b>	<b>9,250</b>	<b>40,742</b>	<b>20,631</b>
<b>Total</b>	<b>174,885</b>	<b>137,381</b>	<b>517,812</b>	<b>364,761</b>

Included in finance income are income on impaired assets amounting to RM3.3 million (30 September 2022: RM2.4 million).

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

	Third Quarter Ended		Cumulative 9 Months Ended	
	30 September 2023 RM'000	30 September 2022 RM'000	30 September 2023 RM'000	30 September 2022 RM'000
(Writeback of)/allowances for impairment losses on financing and advances:				
- Stage 1 - 12-month ECL, net	(39,171)	14,499	(170,057)	(112,607)
- Stage 2 - Lifetime ECL not credit impaired, net	(141,252)	2,423	118,367	(63,148)
- Stage 3 - Lifetime ECL credit impaired, net	221,970	159,588	540,764	587,639
Impaired financing and advances				
- Written-off	(6,531)	3,729	6,009	10,579
- Recovered	(30,595)	(31,489)	(85,512)	(82,435)
Allowances for/(writeback of) impairment losses on other debts	224	53	278	(121)
	<b>4,645</b>	<b>148,803</b>	<b>409,849</b>	<b>339,907</b>

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

	Third Quarter Ended		Cumulative 9 Months Ended	
	30 September 2023 RM'000	30 September 2022 RM'000	30 September 2023 RM'000	30 September 2022 RM'000
Financial investments at fair value through other comprehensive income				
- Stage 1 - 12-month ECL, net	342	(2,195)	(228)	(2,180)
- Stage 2 - Lifetime ECL not credit impaired, net	(1,414)	(272)	(1,414)	843
- Stage 3 - Lifetime ECL credit impaired	1,414	-	-	-
	<b>342</b>	<b>(2,467)</b>	<b>(1,642)</b>	<b>(1,337)</b>
Financial investments at amortised cost				
- Stage 1 - 12-month ECL, net	(346)	4,242	(29,088)	4,288
- Stage 2 - Lifetime ECL not credit impaired, net	(5,725)	190	-	852
- Stage 3 - Lifetime ECL credit impaired	1,700	-	17,570	-
	<b>(4,371)</b>	<b>4,432</b>	<b>(11,518)</b>	<b>5,140</b>
	<b>(4,029)</b>	<b>1,965</b>	<b>(13,160)</b>	<b>3,803</b>



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**A28. Writeback of impairment losses on other financial assets, net**

	Third Quarter Ended		Cumulative 9 Months Ended	
	30 September 2023 RM'000	30 September 2022 RM'000	30 September 2023 RM'000	30 September 2022 RM'000
Financial assets purchased under resale agreements				
- Stage 1 - 12-month ECL, net	(8)	(2,375)	(101)	(3,879)
	<u>(8)</u>	<u>(2,375)</u>	<u>(101)</u>	<u>(3,879)</u>

**A29. Profit distributed to depositors**

	Third Quarter Ended		Cumulative 9 Months Ended	
	30 September 2023 RM'000	30 September 2022 RM'000	30 September 2023 RM'000	30 September 2022 RM'000
Deposits from customers				
- Non-mudharabah fund	1,316,755	784,095	3,933,638	1,997,125
Deposits and placements of banks and other financial institutions				
- Non-mudharabah fund	204,394	119,307	598,953	311,911
Structured deposits				
- Non-mudharabah fund	87	156	354	418
<b>Total</b>	<u>1,521,236</u>	<u>903,558</u>	<u>4,532,945</u>	<u>2,309,454</u>

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**A30. Overhead expenses**

	Third Quarter Ended		Cumulative 9 Months Ended	
	30 September 2023 RM'000	30 September 2022 RM'000	30 September 2023 RM'000	30 September 2022 RM'000
Personnel expenses	<b>15,943</b>	15,568	<b>45,959</b>	45,613
- Salaries, allowances and bonuses	<b>11,927</b>	11,441	<b>33,834</b>	34,124
- Retirement cost	<b>1,672</b>	1,696	<b>5,057</b>	5,242
- ESGP expenses	<b>611</b>	514	<b>2,061</b>	1,836
- Other staff related expenses	<b>1,733</b>	1,917	<b>5,007</b>	4,411
Establishment costs	<b>2,109</b>	2,100	<b>5,756</b>	4,675
- Depreciation of right-of-use assets	<b>818</b>	820	<b>2,430</b>	2,294
- Depreciation of property, plant and equipment	<b>37</b>	67	<b>109</b>	226
- Repairs, servicing and maintenance	<b>12</b>	32	<b>149</b>	(448)
- Information technology expenses	<b>1,187</b>	1,134	<b>2,940</b>	2,426
- Finance cost on lease liabilities	<b>55</b>	47	<b>128</b>	177
Marketing costs	<b>5,573</b>	2,030	<b>11,355</b>	4,471
- Advertisement and publicity	<b>4,870</b>	1,302	<b>9,363</b>	2,314
- Others	<b>703</b>	728	<b>1,992</b>	2,157
Administration and general expenses	<b>660,950</b>	531,832	<b>1,872,749</b>	1,429,633
- Fees and brokerage	<b>41,197</b>	24,996	<b>94,196</b>	59,598
- Administrative expenses	<b>4,684</b>	4,732	<b>13,996</b>	13,834
- General expenses	<b>8,396</b>	6,942	<b>20,049</b>	18,639
- Shared service cost paid/payable to Maybank and related company	<b>606,673</b>	495,162	<b>1,744,508</b>	1,337,562
<b>Total</b>	<b>684,575</b>	551,530	<b>1,935,819</b>	1,484,392

**A31. Finance costs**

	Third Quarter Ended		Cumulative 9 Months Ended	
	30 September 2023 RM'000	30 September 2022 RM'000	30 September 2023 RM'000	30 September 2022 RM'000
Subordinated sukuk	<b>18,652</b>	18,652	<b>55,348</b>	55,348
Capital securities	<b>11,998</b>	12,476	<b>35,602</b>	37,023
Term funding	<b>110,943</b>	78,003	<b>329,776</b>	218,125
	<b>141,593</b>	109,131	<b>420,726</b>	310,496

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**A32. Taxation and zakat**

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

	Third Quarter Ended		Cumulative 9 Months Ended	
	30 September 2023 RM'000	30 September 2022 RM'000	30 September 2023 RM'000	30 September 2022 RM'000
Malaysian income tax	216,395	402,350	588,820	1,103,911
Over provision in prior period:				
Malaysian income tax	(11,987)	(16,425)	(11,987)	(2,240)
Deferred tax				
- Relating to origination and reversal of temporary differences	<u>16,896</u>	<u>(11,002)</u>	<u>9,528</u>	<u>(9,946)</u>
Tax expense for the financial period	<u>221,304</u>	374,923	<u>586,361</u>	1,091,725
Zakat	<u>12,669</u>	4,363	<u>42,355</u>	33,501
	<u><b>233,973</b></u>	<u>379,286</u>	<u><b>628,716</b></u>	<u>1,125,226</u>

Domestic current income tax is calculated at the statutory tax rate of 24% of the estimated chargeable profit for the financial year.

**A33. Subsequent events to the balance sheet**

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

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**A34. Commitments and contingencies**

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

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

	30 September 2023			31 December 2022		
	Full commitment RM'000	Credit Equivalent Amount* RM'000	Risk Weighted Amount* RM'000	Full commitment RM'000	Credit Equivalent Amount* RM'000	Risk Weighted Amount* RM'000
<b><u>Contingent liabilities</u></b>						
Direct credit substitutes	3,293,487	3,152,131	2,446,246	3,051,481	2,801,221	1,964,993
Certain transaction-related contingent items	4,085,331	2,015,190	1,253,485	3,626,371	1,773,332	1,077,872
Short-term self-liquidating trade-related contingencies	558,242	108,927	36,412	460,706	94,078	28,023
	<b>7,937,060</b>	<b>5,276,248</b>	<b>3,736,143</b>	<b>7,138,558</b>	<b>4,668,631</b>	<b>3,070,888</b>
<b><u>Commitments</u></b>						
Irrevocable commitments to extend credit:						
- maturity within one year	41,859,519	1,966,694	373,460	35,592,554	1,819,903	356,347
- maturity exceeding one year	13,905,843	26,764,922	8,809,935	11,097,267	21,934,391	7,719,692
	<b>55,765,362</b>	<b>28,731,616</b>	<b>9,183,395</b>	<b>46,689,821</b>	<b>23,754,294</b>	<b>8,076,039</b>
Miscellaneous commitments and contingencies	78,535	81,498	-	1,599,299	42,903	-
Total credit-related commitments and contingencies	<b>63,780,957</b>	<b>34,089,362</b>	<b>12,919,538</b>	<b>55,427,678</b>	<b>28,465,828</b>	<b>11,146,927</b>

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**A34. Commitments and contingencies (cont'd.)**

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

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

	<b>30 September 2023</b>			<b>31 December 2022</b>		
	<b>Full commitment RM'000</b>	<b>Credit Equivalent Amount* RM'000</b>	<b>Risk Weighted Amount* RM'000</b>	<b>Full commitment RM'000</b>	<b>Credit Equivalent Amount* RM'000</b>	<b>Risk Weighted Amount* RM'000</b>
<b><u>Derivative financial instruments</u></b>						
Foreign exchange related contracts:						
- less than one year	23,870,398	361,426	112,668	16,581,360	258,326	70,977
- one year to less than five years	3,246,012	229,884	118,255	3,013,711	242,332	96,492
- more than five years	757,682	57,246	20,981	541,594	54,166	15,526
Profit rate related contracts:						
- less than one year	3,410,720	2,388	1,383	3,012,000	16,109	5,270
- one year to less than five years	44,469	311	107	1,700,437	48,024	10,057
- more than five years	220,000	12,320	4,461	220,000	17,937	5,949
Total treasury-related commitments and contingencies	<b>31,549,281</b>	<b>663,575</b>	<b>257,855</b>	25,069,102	636,894	204,271
<b>Total commitments and contingencies</b>	<b>95,330,238</b>	<b>34,752,937</b>	<b>13,177,393</b>	80,496,780	29,102,722	11,351,198

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

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**A35. Capital Adequacy**

**(a) Capital Adequacy Framework**

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

<b>Common Equity Tier I ("CET1") Ratio</b>	<b>Tier 1 Capital Ratio</b>	<b>Total Capital Ratio</b>
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 2023 (2022: 4.5%, 6.0% and 8.0% of total RWA).

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**A35. Capital Adequacy (cont'd.)**

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

The capital adequacy ratios of the Bank are as follows:

	30 September 2023	31 December 2022
<b>Capital ratios</b>		
CET1 capital ratio	13.440%	14.100%
Tier 1 capital ratio	14.495%	15.171%
Total capital ratio	<u>17.135%</u>	<u>17.844%</u>

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

	30 September 2023 RM'000	31 December 2022 RM'000
<b>CET1 capital</b>		
Share capital	11,676,910	11,029,955
Retained profits	1,055,748	2,655,423
Other reserves	1,240,492	727,027
<b>CET1 capital before regulatory adjustments</b>	<u>13,973,150</u>	<u>14,412,405</u>
Less: Regulatory adjustment applied in CET1 capital	(1,233,827)	(1,244,216)
Deferred tax assets	(110,143)	(288,433)
Gain of financial instruments classified as 'fair value through other comprehensive income'	(236,605)	(51,129)
Regulatory reserve	(887,079)	(904,654)
<b>Total CET1 Capital</b>	<u>12,739,323</u>	<u>13,168,189</u>
<b>Additional Tier 1 Capital</b>		
Capital securities	1,000,000	1,000,000
<b>Total Tier 1 capital</b>	<u>13,739,323</u>	<u>14,168,189</u>
<b>Tier 2 capital</b>		
Subordinated sukuk	2,000,000	2,000,000
General provision <sup>1</sup>	23,927	23,001
Surplus of eligible provision over expected loss	478,378	473,343
<b>Total Tier 2 capital</b>	<u>2,502,305</u>	<u>2,496,344</u>
<b>Total Capital</b>	<u>16,241,628</u>	<u>16,664,533</u>

<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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**A35. Capital Adequacy (cont'd.)**

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

	<b>30 September 2023 RM'000</b>	<b>31 December 2022 RM'000</b>
Standardised Approach exposure	<b>2,369,842</b>	2,721,390
Internal Ratings-Based Approach exposure after scaling factor	<b>95,116,640</b>	89,387,080
Total RWA for credit risk	<b>97,486,482</b>	92,108,470
Total RWA for credit risk absorbed by the holding company and Investment Account Holders ("IAH") <sup>^</sup>	<b>(15,387,032)</b>	(10,496,635)
Total RWA for market risk	<b>768,331</b>	781,233
Total RWA for operational risk	<b>11,916,546</b>	10,996,646
<b>Total RWA</b>	<b>94,784,327</b>	93,389,714

<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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**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 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 at 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 price included 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 illiquid equities and consumer financing and advances with homogeneous or similar features in the market.

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

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

**(b) Valuation techniques**

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

*Derivatives*

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

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

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

*Financing and advances at fair value through other comprehensive income*

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

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

The classification in the fair value hierarchy of the Bank's financial assets and financial liabilities measured at fair value as at 30 September 2023 and 31 December 2022 is summarised in the table:

As at 30 September 2023	<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>	-	679,855	-	679,855
<i>Money market instruments</i>	-	469,872	-	469,872
<i>Unquoted Securities</i>	-	209,983	-	209,983
<b>Financial investments at fair value through other comprehensive income</b>	-	24,299,736	1,250	24,300,986
<i>Money market instruments</i>	-	16,985,661	-	16,985,661
<i>Unquoted securities</i>	-	7,314,075	1,250	7,315,325
<b>Financing and advances at fair value through other comprehensive income</b>	-	-	1,509,290	1,509,290
<b>Derivative assets</b>	-	339,854	-	339,854
<i>Foreign exchange related contracts</i>	-	334,508	-	334,508
<i>Profit rate related contracts</i>	-	5,346	-	5,346
	-	25,319,445	1,510,540	26,829,985
Financial liabilities measured at fair value:				
<b>Derivative liabilities</b>	-	296,087	-	296,087
<i>Foreign exchange related contracts</i>	-	289,399	-	289,399
<i>Profit rate related contracts</i>	-	6,688	-	6,688
	-	296,087	-	296,087

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

The classification in the fair value hierarchy of the Bank's financial assets and financial liabilities measured at fair value as at 30 September 2023 and 31 December 2022 is summarised in the table (cont'd.):

As at 31 December 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>	-	309,504	-	309,504
<i>Unquoted securities</i>	-	309,504	-	309,504
<b>Financial investments at fair value through other comprehensive income</b>	-	15,644,733	1,250	15,645,983
<i>Money market instruments</i>	-	12,457,878	-	12,457,878
<i>Unquoted securities</i>	-	3,186,855	1,250	3,188,105
<b>Financing and advances at fair value through other comprehensive income</b>	-	-	3,141,460	3,141,460
<b>Derivative assets</b>	-	263,763	-	263,763
<i>Foreign exchange related contracts</i>	-	242,898	-	242,898
<i>Profit rate related contracts</i>	-	20,865	-	20,865
	-	16,218,000	3,142,710	19,360,710
Financial liabilities measured at fair value:				
<b>Derivative liabilities</b>	-	384,674	-	384,674
<i>Foreign exchange related contracts</i>	-	340,916	-	340,916
<i>Profit rate related contracts</i>	-	43,758	-	43,758
	-	384,674	-	384,674

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

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

	At 1 January 2023 RM'000	Unrealised losses recognised in other comprehensive income RM'000	Purchases/ Issuances/ Additions RM'000	Settlements RM'000	Exchange differences RM'000	At 30 September 2023 RM'000
<b>As at 30 September 2023</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>	3,141,460	(982)	611,446	(2,250,457)	7,823	1,509,290
<b>Total Level 3 financial assets</b>	<b>3,142,710</b>	<b>(982)</b>	<b>611,446</b>	<b>(2,250,457)</b>	<b>7,823</b>	<b>1,510,540</b>

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

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

	At 1 January 2022 RM'000	Unrealised gains 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 2022 RM'000
<b>As at 31 December 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	42,999	1,048,672	(132,868)	7,042	3,141,460
<b>Total Level 3 financial assets</b>	<u>2,176,865</u>	<u>42,999</u>	<u>1,048,672</u>	<u>(132,868)</u>	<u>7,042</u>	<u>3,142,710</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 9 months financial period ended 30 September 2023.

**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 9 months financial period ended 30 September 2023.

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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 RM2,579.3 million for the third quarter ended 30 September 2023, a decrease of 22.9% or RM768.2 million compared to the previous corresponding period.

Total income grew by RM2,152.4 million or 26.8% to RM10,192.5 million from RM8,040.1 million in the previous corresponding period. Total income represents income derived from investment of depositors' funds, income derived from investment account funds, income derived from investment of shareholder's funds and profit share income from investment accounts of RM8,666.6 million, RM866.1 million, RM517.8 million and RM142.0 million respectively.

Profit distributed to depositors increased by 96.3% to RM4,532.9 million as compared to RM2,309.5 in the previous corresponding period. Meanwhile, profit distributed to investment accounts increased by 31.7% to RM327.1 million.

Allowance for impairment of assets for the Bank increased by RM56.8 million or 16.7% from RM339.8 million in last year corresponding period to RM396.6 million for the third quarter ended 30 September 2023.

As at 30 September 2023, the Bank's gross financing and advances for the year grew by 2.6% to RM223.1 billion as compared to RM217.4 billion recorded as at 31 December 2022. Total Islamic banking assets owned and managed by the Bank slightly dropped by 0.2% to RM319.3 billion as compared to RM320.1 billion recorded as at last financial year end.

Total customer funding decreased by 4.0% to RM225.9 billion, contributed by negative growth in customer deposits of 4.6% at RM200.0 billion against RM209.8 billion as at 31 December 2022. Investment account of customers increased by 0.9% to RM25.9 billion from RM25.6 billion as at last financial year end.

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 at 13.440%, 14.495% and 17.135% respectively.

### **B2. Prospects**

Global economic growth is expected to moderate to 3.3% in 2023 (2022: 3.5%) reflecting the impact of the interest rate hikes by central banks globally and China's modest reopening amid its volatile economic condition. However, ASEAN economic growth is expected to be strong in 2024 as interest rates are expected to be more accommodative by mid-2024 as inflationary pressures ease.

Malaysia's economy is expected to grow at 3.9% in 2023 after a strong rebound of 8.7% in 2022. This is underpinned by tourism recovery, private sector investment particularly in green and technology, trade diversions and FDI relocations on the back of US-China geopolitical risk. However, exports are anticipated to underperform in tandem with the weaker external demand and soft Global economic growth. Bank Negara Malaysia (BNM) monetary policy remains accommodative and supportive for sustained economic growth and price stability with the 3.00% Overnight Policy Rate anticipated to be maintained for the rest of 2023 after the cumulative +125bps increase between May 2022 to May 2023.

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

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

Against the prevailing Global economic backdrop, the Bank will continue to intensify its domestic and international businesses across its consumer and business segments. The Bank will focus on strengthening its income drivers through its Strategic Key Focus Areas and prioritise customer centricity across its business operations to enhance its end-to-end customer journey. This includes deepening its Islamic wealth management capabilities to cater for onshore and offshore demand for Shariah compliant solutions and strengthening its Halal economy proposition as part of its aspiration to become a Global Islamic Finance leader.

Concurrently, the Bank will strive to maintain an optimal liquidity position to support healthy asset growth. Capital and liquidity conservation are an equal key priority to ensure stable long-term growth against external headwinds and uncertainties. The Bank will remain vigilant and continue to proactively engage customers that require assistance by offering support on a targeted basis, as part of its efforts to ensure strong asset quality management.

The Bank together with its Group counterparts remains committed towards creating a positive impact to the community, including promoting greater financial inclusion, sustainable financing and solutions, as well as supporting the transition to a low-carbon economy. Additionally, the Bank is formulating its Ethical Banking framework and proposition to infuse responsible principles into its day-to-day business activities.