

MALAYAN BANKING BERHAD
(3813-K)
(Incorporated in Malaysia)

CONDENSED FINANCIAL STATEMENTS
UNAUDITED INCOME STATEMENTS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2017

<u>Group</u>	Note	Third Quarter Ended		Cumulative 9 Months Ended	
		30 September 2017 RM'000	30 September 2016 RM'000	30 September 2017 RM'000	30 September 2016 RM'000
Interest income	A21	5,561,718	5,193,244	16,497,280	15,653,220
Interest expense	A22	(2,507,151)	(2,380,770)	(7,372,425)	(7,206,135)
Net interest income		3,054,567	2,812,474	9,124,855	8,447,085
Income from Islamic Banking Scheme operations	A39a	1,254,359	1,008,968	3,664,643	3,023,891
Net earned insurance premiums	A23	1,307,437	1,018,401	3,817,128	3,251,584
Other operating income	A25	1,523,961	1,730,846	4,506,220	4,985,326
Total operating income		7,140,324	6,570,689	21,112,846	19,707,886
Net insurance benefits and claims incurred, net fee and commission expenses, change in expense liabilities and taxation of life and takaful fund	A26	(1,215,295)	(1,113,124)	(3,823,898)	(3,512,600)
Net operating income		5,925,029	5,457,565	17,288,948	16,195,286
Overhead expenses	A27	(2,913,772)	(2,699,863)	(8,511,256)	(7,943,775)
Operating profit before impairment losses		3,011,257	2,757,702	8,777,692	8,251,511
Allowances for impairment losses on loans, advances, financing and other debts, net	A28	(386,488)	(370,254)	(1,759,253)	(2,217,005)
(Allowances for)/writeback of impairment losses on financial investments, net	A29	(23,095)	39,417	(28,825)	(173,484)
Operating profit		2,601,674	2,426,865	6,989,614	5,861,022
Share of profits in associates and joint ventures		76,713	29,246	182,334	110,423
Profit before taxation and zakat		2,678,387	2,456,111	7,171,948	5,971,445
Taxation and zakat	B5	(601,928)	(592,495)	(1,626,158)	(1,457,626)
Profit for the period		2,076,459	1,863,616	5,545,790	4,513,819
Attributable to:					
Equity holders of the Bank		2,027,206	1,795,702	5,388,443	4,382,394
Non-controlling interests		49,253	67,914	157,347	131,425
		2,076,459	1,863,616	5,545,790	4,513,819
Earnings per share attributable to equity holders of the Bank	B13				
Basic		19.86 sen	17.97 sen	52.05 sen	44.45 sen
Fully diluted		19.83 sen	17.95 sen	51.97 sen	44.39 sen

(These unaudited condensed interim financial statements should be read in conjunction with the audited annual financial statements for the financial year ended 31 December 2016 and the accompanying explanatory notes attached to these financial statements)

MALAYAN BANKING BERHAD
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CONDENSED FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2017

<u>Group</u>	Third Quarter Ended		Cumulative 9 Months Ended	
	30 September 2017 RM'000	30 September 2016 RM'000	30 September 2017 RM'000	30 September 2016 RM'000
Profit for the period	2,076,459	1,863,616	5,545,790	4,513,819
Other comprehensive (loss)/income:				
<i>Items that will not be reclassified subsequently to profit or loss:</i>				
Defined benefit plan actuarial gain/(loss)	2,145	(525)	2,612	(14,260)
Income tax effect	(7)	128	(42)	2,760
Share of change in associates' reserve	-	(114)	-	(58)
	2,138	(511)	2,570	(11,558)
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Net (loss)/gain on financial investments available-for-sale	(21,179)	573,285	607,156	1,874,210
Income tax effect	3,857	(139,513)	(147,100)	(462,927)
Net (loss)/gain on foreign exchange translation	(412,728)	799,742	(1,105,568)	12,222
Net (loss)/gain on cash flow hedge	(748)	85	(748)	(1,034)
Net gain/(loss) on net investment hedge	22,127	(28,172)	29,946	75,708
Net gain on revaluation reserve	-	15	-	43
Share of change in associates' reserve	(179,054)	140,118	(226,870)	(146,897)
	(587,725)	1,345,560	(843,184)	1,351,325
Other comprehensive (loss)/income for the period, net of tax	(585,587)	1,345,049	(840,614)	1,339,767
Total comprehensive income for the period	1,490,872	3,208,665	4,705,176	5,853,586
Other comprehensive (loss)/income for the period attributable to:				
Equity holders of the Bank	(581,128)	1,331,005	(821,502)	1,312,995
Non-controlling interests	(4,459)	14,044	(19,112)	26,772
	(585,587)	1,345,049	(840,614)	1,339,767
Total comprehensive income for the period attributable to:				
Equity holders of the Bank	1,446,078	3,126,707	4,566,941	5,695,389
Non-controlling interests	44,794	81,958	138,235	158,197
	1,490,872	3,208,665	4,705,176	5,853,586

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CONDENSED FINANCIAL STATEMENTS
UNAUDITED INCOME STATEMENTS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2017

<u>Bank</u>	Note	Third Quarter Ended		Cumulative 9 Months Ended	
		30 September 2017 RM'000	30 September 2016 RM'000	30 September 2017 RM'000	30 September 2016 RM'000
Interest income	A21	4,094,603	3,714,287	11,995,207	11,323,389
Interest expense	A22	(1,848,259)	(1,771,483)	(5,402,867)	(5,388,739)
Net interest income		2,246,344	1,942,804	6,592,340	5,934,650
Dividends from subsidiaries and associates	A24	773,156	611,236	1,888,754	2,345,067
Other operating income	A25	1,060,763	968,863	2,751,810	3,077,076
		1,833,919	1,580,099	4,640,564	5,422,143
Net operating income		4,080,263	3,522,903	11,232,904	11,356,793
Overhead expenses	A27	(1,546,032)	(1,394,171)	(4,309,976)	(4,060,869)
Operating profit before impairment losses (Allowances for)/writeback of impairment losses on loans, advances, financing and other debts, net	A28	(215,762)	28,114	(1,151,182)	(1,228,119)
Writeback of/(allowances for) impairment losses on financial investments, net	A29	1,528	42,500	2,215	(139,976)
Profit before taxation and zakat		2,319,997	2,199,346	5,773,961	5,927,829
Taxation and zakat	B5	(329,741)	(375,650)	(861,635)	(851,479)
Profit for the period		1,990,256	1,823,696	4,912,326	5,076,350

(These unaudited condensed interim financial statements should be read in conjunction with the audited annual financial statements for the financial year ended 31 December 2016 and the accompanying explanatory notes attached to these financial statements)

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FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2017

<u>Bank</u>	Third Quarter Ended		Cumulative 9 Months Ended	
	30 September 2017 RM'000	30 September 2016 RM'000	30 September 2017 RM'000	30 September 2016 RM'000
Profit for the period	1,990,256	1,823,696	4,912,326	5,076,350
Other comprehensive (loss)/income:				
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Net gain on financial investments available-for-sale	8,983	453,171	610,892	1,540,519
Income tax effect	(1,956)	(108,804)	(145,684)	(377,270)
Net (loss)/gain on foreign exchange translation	(72,175)	223,862	(104,185)	(60,635)
Other comprehensive (loss)/income for the period, net of tax	(65,148)	568,229	361,023	1,102,614
Total comprehensive income for the period	1,925,108	2,391,925	5,273,349	6,178,964

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MALAYAN BANKING BERHAD
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CONDENSED FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2017

	Note	Group		Bank	
		30 September 2017 RM'000	31 December 2016 RM'000	30 September 2017 RM'000	31 December 2016 RM'000
ASSETS					
Cash and short-term funds		54,348,951	58,140,545	35,503,138	38,350,931
Deposits and placements with financial institutions		14,265,544	13,444,630	18,381,767	19,339,287
Financial assets purchased under resale agreements		7,521,196	2,492,412	6,122,129	2,213,113
Financial assets at fair value through profit or loss	A10(i)	28,802,453	23,496,050	12,139,713	7,980,314
Financial investments available-for-sale	A10(ii)	113,775,796	92,384,834	91,625,795	74,904,201
Financial investments held-to-maturity	A10(iii)	17,644,977	15,021,597	14,282,542	12,582,311
Loans, advances and financing	A11	477,185,038	477,774,903	290,241,617	295,020,136
Derivative assets	A36	6,880,116	8,311,703	7,018,851	8,320,918
Reinsurance/retakaful assets and other insurance receivables	A12	3,830,954	4,139,596	-	-
Other assets	A13	13,130,138	10,525,560	8,273,890	5,603,512
Investment properties		803,816	758,488	-	-
Statutory deposits with central banks		14,590,007	15,384,134	7,085,722	7,530,325
Investment in subsidiaries		-	-	22,057,063	21,586,547
Interest in associates and joint ventures		3,064,410	3,210,436	472,016	451,518
Property, plant and equipment		2,429,526	2,595,497	1,210,044	1,290,761
Intangible assets		6,964,749	7,345,524	553,140	530,049
Deferred tax assets		768,582	930,344	223,626	358,687
TOTAL ASSETS		766,006,253	735,956,253	515,191,053	496,062,610
LIABILITIES					
Customers funding:					
- Deposits from customers	A14	490,371,971	485,523,920	325,337,364	331,878,295
- Investment accounts of customers ¹	A39g	26,804,988	31,544,587	-	-
Deposits and placements from financial institutions	A15	48,760,264	30,854,693	45,079,685	29,856,710
Obligations on financial assets sold under repurchase agreements		4,379,186	2,957,951	4,349,792	2,957,951
Derivative liabilities	A36	7,422,103	8,828,060	7,343,973	8,802,221
Financial liabilities at fair value through profit or loss	A16	6,483,748	3,587,230	5,581,860	2,685,139
Bills and acceptances payable		1,917,017	1,808,066	1,536,674	1,000,777
Insurance/takaful contract liabilities and other insurance payables	A18	24,771,360	23,948,719	-	-
Other liabilities	A19	23,025,001	17,288,306	17,702,414	12,498,698
Recourse obligation on loans and financing sold to Cagamas		1,533,928	974,588	1,533,928	974,588
Provision for taxation and zakat		466,991	419,729	210,548	47,374
Deferred tax liabilities		779,572	777,826	-	-
Borrowings	A17(i)	36,737,796	34,867,056	29,505,906	28,927,427
Subordinated obligations	A17(ii)	12,191,572	15,900,706	9,515,869	13,202,872
Capital securities	A17(iii)	6,229,914	6,199,993	6,229,914	6,225,926
TOTAL LIABILITIES		691,875,411	665,481,430	453,927,927	439,057,978

¹ Investment accounts of customers are used to fund financing and advances as disclosed in Note A39g.

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	Note	Group		Bank	
		30 September 2017 RM'000	31 December 2016 RM'000	30 September 2017 RM'000	31 December 2016 RM'000
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE BANK					
Share capital		42,519,223	10,193,200	42,519,223	10,193,200
Share premium		-	28,878,703	-	28,878,703
Shares held-in-trust		(179,570)	(125,309)	(179,570)	(125,309)
Retained profits		24,625,951	14,408,695	13,793,496	4,456,832
Reserves		5,102,213	15,160,442	5,129,977	13,601,206
		<u>72,067,817</u>	<u>68,515,731</u>	<u>61,263,126</u>	<u>57,004,632</u>
Non-controlling interests		2,063,025	1,959,092	-	-
		<u>74,130,842</u>	<u>70,474,823</u>	<u>61,263,126</u>	<u>57,004,632</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY					
		<u>766,006,253</u>	<u>735,956,253</u>	<u>515,191,053</u>	<u>496,062,610</u>
COMMITMENTS AND CONTINGENCIES	A34	<u>902,755,112</u>	<u>766,438,609</u>	<u>852,065,111</u>	<u>721,129,524</u>
<u>CAPITAL ADEQUACY</u>					
A35					
The capital adequacy ratios of the Group and of the Bank are as follows:					
CET1 Capital Ratio		13.447%	13.990%	14.207%	15.881%
Tier 1 Capital Ratio		15.080%	15.664%	16.538%	18.232%
Total Capital Ratio		<u>17.974%</u>	<u>19.293%</u>	<u>17.971%</u>	<u>19.432%</u>
Net assets per share attributable to equity holders of the Bank					
		<u>RM6.80</u>	<u>RM6.72</u>	<u>RM5.78</u>	<u>RM5.59</u>

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CONDENSED FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2017

<u>Group</u>	Attributable to equity holders of the Bank												
	Non-Distributable												
	Share Capital RM'000	Share Premium RM'000	Shares Held-in-trust RM'000	Statutory Reserve RM'000	Regulatory Reserve RM'000	Available- for-sale Reserve RM'000	Exchange Fluctuation Reserve RM'000	ESS Reserve RM'000	Other Reserves ¹ RM'000	Retained Profits ² RM'000	Total Shareholders' Equity RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
At 1 January 2017	10,193,200	28,878,703	(125,309)	10,934,947	1,057,997	(269,131)	3,592,057	320,912	(476,340)	14,408,695	68,515,731	1,959,092	70,474,823
Profit for the period	-	-	-	-	-	-	-	-	-	5,388,443	5,388,443	157,347	5,545,790
Other comprehensive income/(loss)	-	-	-	-	-	458,634	(1,311,719)	-	31,583	-	(821,502)	(19,112)	(840,614)
Defined benefit plan actuarial gain	-	-	-	-	-	-	-	-	2,385	-	2,385	185	2,570
Share of associates' reserve	-	-	-	-	-	(11,506)	(215,364)	-	-	-	(226,870)	-	(226,870)
Net loss on foreign exchange translation	-	-	-	-	-	-	(1,096,355)	-	-	-	(1,096,355)	(9,213)	(1,105,568)
Net gain/(loss) on financial investments available-for-sale	-	-	-	-	-	470,140	-	-	-	-	470,140	(10,084)	460,056
Net gain on net investment hedge	-	-	-	-	-	-	-	-	29,946	-	29,946	-	29,946
Net loss on cash flow hedge	-	-	-	-	-	-	-	-	(748)	-	(748)	-	(748)
Total comprehensive income/(loss) for the period	-	-	-	-	-	458,634	(1,311,719)	-	31,583	5,388,443	4,566,941	138,235	4,705,176
Carried forward	10,193,200	28,878,703	(125,309)	10,934,947	1,057,997	189,503	2,280,338	320,912	(444,757)	19,797,138	73,082,672	2,097,327	75,179,999

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UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2017

<-----> **Attributable to equity holders of the Bank** <----->
<-----> **Non-Distributable** <----->

Group (cont'd.)	Share Capital RM'000	Share Premium RM'000	Shares Held-in-trust RM'000	Statutory Reserve RM'000	Regulatory Reserve RM'000	Available-for-sale Reserve RM'000	Exchange Fluctuation Reserve RM'000	ESS Reserve RM'000	Other Reserves¹ RM'000	Retained Profits² RM'000	Total Shareholders' Equity RM'000	Non-Controlling Interests RM'000	Total Equity RM'000
Brought forward	10,193,200	28,878,703	(125,309)	10,934,947	1,057,997	189,503	2,280,338	320,912	(444,757)	19,797,138	73,082,672	2,097,327	75,179,999
Share-based payment under Employees' Share Scheme ("ESS")	-	-	-	-	-	-	-	14,053	-	-	14,053	-	14,053
Effect of changes in corporate structure within the Group	-	-	-	-	-	-	-	-	-	-	-	(1,353)	(1,353)
Effect of net acquisition from/disposal to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	67,692	67,692
Transfer to share capital (Note A8(i)(a)(A))	28,878,703	(28,878,703)	-	-	-	-	-	-	-	-	-	-	-
Transfer from statutory reserves	-	-	-	(10,732,291)	-	-	-	-	-	10,732,291	-	-	-
Transfer to regulatory reserve	-	-	-	-	1,595,587	-	-	-	-	(1,595,587)	-	-	-
Issue of shares pursuant to ESS (Note A8(i)(a)(B))	1,348,859	-	-	-	-	-	-	(80,074)	-	-	1,268,785	-	1,268,785
Issue of shares pursuant to Restricted Share Unit ("RSU") (Note A8(i)(a)(C))	38,118	-	(179)	-	-	-	-	(32,848)	-	(5,091)	-	-	-
Issue of shares pursuant to Supplemental Restricted Share Unit ("SRSU") (Note A8(i)(a)(D))	935	-	-	-	-	-	-	(920)	-	(15)	-	-	-
Issue of shares pursuant to ESOS Trust Fund ("ETF") Pool (Note A8(i)(a)(E))	49,999	-	(49,999)	-	-	-	-	-	-	-	-	-	-
Issue of shares pursuant to Dividend Reinvestment Plan ("DRP") (Note A8(i)(a)(F))	2,009,409	-	(4,083)	-	-	-	-	-	-	-	2,005,326	-	2,005,326
Dividends (Note A9(a) & (c))	-	-	-	-	-	-	-	-	-	(3,276,785)	(3,276,785)	(69,753)	(3,346,538)
Dividends payable (Note A9(b) & (c))	-	-	-	-	-	-	-	-	-	(1,026,234)	(1,026,234)	(30,888)	(1,057,122)
Disposal of investment properties	-	-	-	-	-	-	-	-	(234)	234	-	-	-
Total transactions with shareholders/ other equity movements	32,326,023	(28,878,703)	(54,261)	(10,732,291)	1,595,587	-	-	(99,789)	(234)	4,828,813	(1,014,855)	(34,302)	(1,049,157)
At 30 September 2017	42,519,223	-	(179,570)	202,656	2,653,584	189,503	2,280,338	221,123	(444,991)	24,625,951	72,067,817	2,063,025	74,130,842

¹ The further breakdown and movement of other reserves are disclosed in Note A20.

² The retained profits of the Group include the non-distributable non-par surplus from an insurance subsidiary amounted to RM1,298.6 million (net of tax). This non-distributable non-par surplus is only available for distribution to shareholder on the amount recommended by the Appointed Actuary in accordance with the Financial Services Act 2013.

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FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2017

<u>Group</u>	←===== Attributable to equity holders of the Bank =====→										Total Shareholders' Equity RM'000	Non-Controlling Interests RM'000	Total Equity RM'000
	←===== Non-Distributable =====→					Available-for-sale Reserve RM'000	Exchange Fluctuation Reserve RM'000	ESS Reserve RM'000	Other Reserves RM'000 ¹	Retained Profits RM'000 ²			
	Share Capital RM'000	Share Premium RM'000	Shares Held-in-trust RM'000	Statutory Reserve RM'000	Regulatory Reserve RM'000	Available-for-sale Reserve RM'000	Exchange Fluctuation Reserve RM'000	ESS Reserve RM'000	Other Reserves RM'000 ¹	Retained Profits RM'000 ²	Total Shareholders' Equity RM'000	Non-Controlling Interests RM'000	Total Equity RM'000
At 1 January 2016	9,761,751	25,900,476	(119,745)	10,456,462	1,247,509	(503,048)	2,245,044	329,523	(455,986)	12,833,004	61,694,990	1,818,467	63,513,457
Profit for the period	-	-	-	-	-	-	-	-	-	4,382,394	4,382,394	131,425	4,513,819
Other comprehensive income/(loss)	-	-	-	-	-	1,401,773	(152,691)	-	63,913	-	1,312,995	26,772	1,339,767
Defined benefit plan actuarial loss	-	-	-	-	-	-	-	-	(10,746)	-	(10,746)	(754)	(11,500)
Share of associates' reserve	-	-	-	-	-	18,563	(165,460)	-	(58)	-	(146,955)	-	(146,955)
Net gain/(loss) on foreign exchange translation	-	-	-	-	-	-	12,769	-	-	-	12,769	(547)	12,222
Net gain on financial investments available-for-sale	-	-	-	-	-	1,383,210	-	-	-	-	1,383,210	28,073	1,411,283
Net gain on net investment hedge	-	-	-	-	-	-	-	-	75,708	-	75,708	-	75,708
Net loss on cash flow hedge	-	-	-	-	-	-	-	-	(1,034)	-	(1,034)	-	(1,034)
Net gain on revaluation reserve	-	-	-	-	-	-	-	-	43	-	43	-	43
Total comprehensive income/(loss) for the period	-	-	-	-	-	1,401,773	(152,691)	-	63,913	4,382,394	5,695,389	158,197	5,853,586
Carried forward	9,761,751	25,900,476	(119,745)	10,456,462	1,247,509	898,725	2,092,353	329,523	(392,073)	17,215,398	67,390,379	1,976,664	69,367,043

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FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2017

<===== Attributable to equity holders of the Bank =====>
<===== Non-Distributable =====>

Group (cont'd.)	Share Capital RM'000	Share Premium RM'000	Shares Held-in-trust RM'000	Statutory Reserve RM'000	Regulatory Reserve RM'000	Available- for-sale Reserve RM'000	Exchange Fluctuation Reserve RM'000	ESS Reserve RM'000	Other Reserves RM'000 ¹	Retained Profits RM'000 ²	Total Shareholders' Equity RM'000	Non- Controlling Interests RM'000	Total Equity RM'000
Brought forward	9,761,751	25,900,476	(119,745)	10,456,462	1,247,509	898,725	2,092,353	329,523	(392,073)	17,215,398	67,390,379	1,976,664	69,367,043
Share-based payment under Employees' Share Scheme ("ESS")	-	-	-	-	-	-	-	16,149	-	13,060	29,209	-	29,209
Effect of changes in corporate structure within the Group	-	-	-	-	-	-	-	-	-	-	-	12,881	12,881
Transfer to statutory reserves	-	-	-	476,973	-	-	-	-	-	(476,973)	-	-	-
Transfer from regulatory reserve	-	-	-	-	(497,864)	-	-	-	-	497,864	-	-	-
Issue of shares pursuant to ESS	8,598	70,937	-	-	-	-	-	(4,707)	-	-	74,828	-	74,828
Issue of shares pursuant to Restricted Share Unit ("RSU")	3,156	25,687	(254)	-	-	-	-	(29,662)	-	1,073	-	-	-
Issue of shares pursuant to Supplemental Restricted Share Unit ("SRSU")	184	1,444	-	-	-	-	-	(1,613)	-	(15)	-	-	-
Issue of shares pursuant to Dividend Reinvestment Plan ("DRP")	235,139	1,728,273	(3,303)	-	-	-	-	-	-	-	1,960,109	-	1,960,109
Dividends paid	-	-	-	-	-	-	-	-	-	(2,927,948)	(2,927,948)	(94,582)	(3,022,530)
Dividends payable	-	-	-	-	-	-	-	-	-	(814,484)	(814,484)	-	(814,484)
Total transactions with shareholders/ other equity movements	247,077	1,826,341	(3,557)	476,973	(497,864)	-	-	(19,833)	-	(3,707,423)	(1,678,286)	(81,701)	(1,759,987)
At 30 September 2016	10,008,828	27,726,817	(123,302)	10,933,435	749,645	898,725	2,092,353	309,690	(392,073)	13,507,975	65,712,093	1,894,963	67,607,056

¹ The further breakdown and movement of other reserves are disclosed in Note A20.

² The retained profits of the Group include the non-distributable non-par surplus from an insurance subsidiary amounted to RM1,128.5 million (net of tax). This non-distributable non-par surplus is only available for distribution to shareholder on the amount recommended by the Appointed Actuary in accordance with the Financial Services Act 2013.

(These unaudited condensed interim financial statements should be read in conjunction with the audited annual financial statements for the financial year ended 31 December 2016 and the accompanying explanatory notes attached to these financial statements)

MALAYAN BANKING BERHAD
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Bank	<===== Attributable to equity holders of the Bank =====>									
	<===== Non-Distributable =====>									
	Share Capital RM'000	Share Premium RM'000	Shares Held-in-trust RM'000	Statutory Reserve RM'000	Regulatory Reserve RM'000	Available- for-sale Reserve RM'000	Exchange Fluctuation Reserve RM'000	ESS Reserve RM'000	Distributable Retained Profits RM'000	Total Equity RM'000
At 1 January 2017	10,193,200	28,878,703	(125,309)	10,325,216	660,800	(453,145)	2,747,423	320,912	4,456,832	57,004,632
Profit for the period	-	-	-	-	-	-	-	-	4,912,326	4,912,326
Other comprehensive income/(loss)	-	-	-	-	-	465,208	(104,185)	-	-	361,023
Net loss on foreign exchange translation	-	-	-	-	-	-	(104,185)	-	-	(104,185)
Net gain on financial investments available-for-sale	-	-	-	-	-	465,208	-	-	-	465,208
Total comprehensive income/(loss) for the period	-	-	-	-	-	465,208	(104,185)	-	4,912,326	5,273,349
Share-based payment under Employees' Share Scheme ("ESS")	-	-	-	-	-	-	-	14,053	-	14,053
Transfer from statutory reserve	-	-	-	(10,279,079)	-	-	-	-	10,279,079	-
Transfer to regulatory reserve	-	-	-	-	1,546,616	-	-	-	(1,546,616)	-
Transfer to share capital (Note A8(i)(a)(A))	28,878,703	(28,878,703)	-	-	-	-	-	-	-	-
Issue of shares pursuant to ESS (Note A8(i)(a)(B))	1,348,859	-	-	-	-	-	-	(80,074)	-	1,268,785
Issue of shares pursuant to Restricted Share Unit ("RSU") (Note A8(i)(a)(C))	38,118	-	(179)	-	-	-	-	(32,848)	(5,091)	-
Issue of shares pursuant to Supplemental Restricted Share Unit ("SRSU") (Note A8(i)(a)(D))	935	-	-	-	-	-	-	(920)	(15)	-
Issue of shares pursuant to ESOS Trust Fund ("ETF") Pool (Note A8(i)(a)(E))	49,999	-	(49,999)	-	-	-	-	-	-	-
Issue of shares pursuant to Dividend Reinvestment Plan ("DRP") (Note A8(i)(a)(F))	2,009,409	-	(4,083)	-	-	-	-	-	-	2,005,326
Dividends (Note A9(a))	-	-	-	-	-	-	-	-	(3,276,785)	(3,276,785)
Dividends payable (Note A9(b))	-	-	-	-	-	-	-	-	(1,026,234)	(1,026,234)
Total transactions with shareholders/ other equity movements	32,326,023	(28,878,703)	(54,261)	(10,279,079)	1,546,616	-	-	(99,789)	4,424,338	(1,014,855)
At 30 September 2017	42,519,223	-	(179,570)	46,137	2,207,416	12,063	2,643,238	221,123	13,793,496	61,263,126

(These unaudited condensed interim financial statements should be read in conjunction with the audited annual financial statements for the financial year ended 31 December 2016 and the accompanying explanatory notes attached to these financial statements)

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FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2017

	<===== Attributable to equity holders of the Bank =====>									
	<===== Non-Distributable =====>									
<u>Bank</u>	Share Capital RM'000	Share Premium RM'000	Shares Held-in-trust RM'000	Statutory Reserve RM'000	Regulatory Reserve RM'000	Available- for-sale Reserve RM'000	Exchange Fluctuation Reserve RM'000	ESS Reserve RM'000	Distributable Retained Profits RM'000	Total Equity RM'000
At 1 January 2016	9,761,751	25,900,476	(119,745)	9,866,550	813,800	(600,664)	2,414,054	329,523	3,252,638	51,618,383
Profit for the period	-	-	-	-	-	-	-	-	5,076,350	5,076,350
Other comprehensive income/(loss)	-	-	-	-	-	1,163,249	(60,635)	-	-	1,102,614
Net loss on foreign exchange translation	-	-	-	-	-	-	(60,635)	-	-	(60,635)
Net gain on financial investments available-for-sale	-	-	-	-	-	1,163,249	-	-	-	1,163,249
Total comprehensive income/(loss) for the period	-	-	-	-	-	1,163,249	(60,635)	-	5,076,350	6,178,964
Share-based payment under Employees' Share Scheme ("ESS")	-	-	-	-	-	-	-	16,149	13,060	29,209
Transfer to statutory reserve	-	-	-	458,590	-	-	-	-	(458,590)	-
Transfer from regulatory reserve	-	-	-	-	(292,000)	-	-	-	292,000	-
Issue of shares pursuant to ESS	8,598	70,937	-	-	-	-	-	(4,707)	-	74,828
Issue of shares pursuant to Restricted Share Unit ("RSU")	3,156	25,687	(254)	-	-	-	-	(29,662)	1,073	-
Issue of shares pursuant to Supplemental Restricted Share Unit ("SRSU")	184	1,444	-	-	-	-	-	(1,613)	(15)	-
Issue of shares pursuant to Dividend Reinvestment Plan ("DRP")	235,139	1,728,273	(3,303)	-	-	-	-	-	-	1,960,109
Dividends	-	-	-	-	-	-	-	-	(2,927,948)	(2,927,948)
Dividends payable	-	-	-	-	-	-	-	-	(814,484)	(814,484)
Total transactions with shareholders/ other equity movements	247,077	1,826,341	(3,557)	458,590	(292,000)	-	-	(19,833)	(3,894,904)	(1,678,286)
At 30 September 2016	10,008,828	27,726,817	(123,302)	10,325,140	521,800	562,585	2,353,419	309,690	4,434,084	56,119,061

(These unaudited condensed interim financial statements should be read in conjunction with the audited annual financial statements for the financial year ended 31 December 2016 and the accompanying explanatory notes attached to these financial statements)

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CONDENSED FINANCIAL STATEMENTS
UNAUDITED CASH FLOW STATEMENTS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2017

	Group		Bank	
	30 September 2017 RM'000	30 September 2016 RM'000	30 September 2017 RM'000	30 September 2016 RM'000
Cash flows from operating activities				
Profit before taxation and zakat	7,171,948	5,971,445	5,773,961	5,927,829
Adjustments for:				
Depreciation of property, plant and equipment	284,412	281,667	141,907	139,977
Share of profits in associates and joint ventures	(182,334)	(110,423)	-	-
Amortisation of intangible assets	208,769	216,324	76,643	98,112
Net loss on liquidation of subsidiary	1,997	378	-	-
Net gain on disposal of financial assets at fair value through profit or loss	(297,051)	(230,233)	(100,349)	(126,494)
Net gain on disposal of financial investments available-for-sale	(507,101)	(457,381)	(171,855)	(329,215)
Net gain on redemption of financial investments held-to-maturity	(170)	(11,397)	(170)	(11,397)
Unrealised gain on revaluation of financial assets at fair value through profit or loss and derivatives	(212,740)	(926,510)	(125,810)	(489,942)
Unrealised (gain)/loss on revaluation of financial liabilities at fair value through profit or loss	(13,498)	82,459	(29,507)	77,384
Allowances for impairment losses on loans, advances and financing, net	2,056,679	2,562,152	1,328,556	1,451,349
(Writeback of)/allowances for impairment losses on other debts	(4,805)	5,612	859	688
Dividend income	(75,617)	(67,722)	(1,892,480)	(2,354,942)
ESS expenses	12,464	28,776	8,556	20,156
Allowances for/(writeback of) impairment losses on financial investments, net	28,825	173,484	(2,215)	139,976
Other adjustments for non-operating and non-cash items	(75,391)	(150,308)	(64,726)	(59,026)
Operating profit before working capital changes	8,396,387	7,368,323	4,943,370	4,484,455
Change in deposits and placements with financial institutions with original maturity of more than three months	4,999,156	6,829,128	3,624,526	11,159,640
Change in cash and short-term funds with original maturity of more than three months	1,642,007	(1,003,952)	2,605,980	(1,180,631)
Change in financial investments portfolio	(27,737,149)	(12,829,365)	(21,600,168)	(6,846,337)
Change in loans, advances and financing	(8,162,098)	(4,319,741)	1,027,299	4,442,225
Change in statutory deposits with central banks	794,126	1,281,977	444,603	184,649
Change in deposits from customers	3,990,129	1,822,936	(9,312,319)	551,955
Change in investment accounts of customers	(4,739,599)	12,713,463	-	-
Change in deposits and placements from financial institutions	17,905,571	(8,953,072)	15,222,975	(8,641,451)
Change in financial liabilities at fair value through profit or loss	2,910,015	2,420,064	2,926,228	1,929,782
Change in reinsurance/retakaful assets and other insurance receivables	308,642	86,848	-	-
Change in insurance/takaful contract liabilities and other insurance payables	822,641	811,164	-	-
Change in other operating activities	3,048,820	2,140,149	4,487,108	2,181,840
Cash generated from operations	4,178,648	8,367,922	4,369,602	8,266,127
Taxes and zakat paid	(1,551,890)	(1,058,745)	(710,025)	(503,988)
Net cash generated from operating activities	2,626,758	7,309,177	3,659,577	7,762,139

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CONDENSED FINANCIAL STATEMENTS
UNAUDITED CASH FLOW STATEMENTS
FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2017

	Group		Bank	
	30 September 2017 RM'000	30 September 2016 RM'000	30 September 2017 RM'000	30 September 2016 RM'000
Cash flows from investing activities				
Dividends received from:				
- financial investments portfolio	75,617	67,722	3,726	9,875
- associates	-	-	9,865	8,179
- subsidiaries	-	-	1,114,688	2,336,888
Purchase of property, plant and equipment	(151,083)	(197,747)	(64,008)	(116,521)
Purchase of investment properties	(45,763)	(26,373)	-	-
Proceeds from disposal of property, plant and equipment	20,000	51,649	16,606	17,188
Purchase of intangible assets	(148,721)	(140,025)	(101,082)	(80,493)
Purchase of additional shares in existing subsidiary	-	-	(156,420)	(559,593)
Purchase of shares in deemed controlled entities from a subsidiary	-	-	(480,341)	-
Purchase of shares in associates from a subsidiary	-	-	(20,497)	-
Net effect arising from transaction with non-controlling interests	64,342	12,881	-	-
Net effect arising from capital reduction of subsidiaries	-	-	242,837	-
Net effect arising from disposal of subsidiaries	-	10,861	-	-
Liquidation of subsidiaries	-	-	149	-
Net cash (used in)/generated from investing activities	(185,608)	(221,032)	565,523	1,615,523
Cash flows from financing activities				
Proceeds from issuance of shares	3,274,111	2,034,937	3,274,111	2,034,937
Drawdown/(repayment) of borrowings, net	5,169,382	(498,255)	1,897,741	(844,282)
Redemption of subordinated obligations	(3,378,800)	(6,033,975)	(3,378,800)	(5,033,975)
Issuance of subordinated obligations	35,001	2,071,750	-	2,071,750
Recourse obligation on loans and financing sold to Cagamas, net	559,338	(70,173)	559,338	(70,173)
Dividends paid	(3,276,785)	(2,927,948)	(3,276,785)	(2,927,948)
Dividends paid to non-controlling interests	(69,753)	(94,582)	-	-
Net cash generated from/(used in) financing activities	2,312,494	(5,518,246)	(924,395)	(4,769,691)
Net increase in cash and cash equivalents	4,753,644	1,569,899	3,300,705	4,607,971
Cash and cash equivalents at beginning of period	50,875,740	53,049,192	38,217,233	38,619,148
Effects of foreign exchange rate changes	(1,083,155)	(864,108)	(875,512)	(847,561)
Cash and cash equivalents at end of period	54,546,229	53,754,983	40,642,426	42,379,558

Cash and cash equivalents included in the cash flow statements comprise the following amounts in Statements of Financial Position:

	Group		Bank	
	30 September 2017 RM'000	30 September 2016 RM'000	30 September 2017 RM'000	30 September 2016 RM'000
Cash and short-term funds	54,348,951	46,711,304	35,503,138	29,743,298
Deposits and placements with financial institutions	14,265,544	17,424,055	18,381,767	20,064,462
	68,614,495	64,135,359	53,884,905	49,807,760
Less:				
Cash and short-term funds and deposits and placements with financial institutions, with original maturity of more than three months	(14,068,266)	(10,380,376)	(13,242,479)	(7,428,202)
Cash and cash equivalents at end of period	54,546,229	53,754,983	40,642,426	42,379,558

(These unaudited condensed interim financial statements should be read in conjunction with the audited annual financial statements for the financial year ended 31 December 2016 and the accompanying explanatory notes attached to these 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 the Group and the Bank have been prepared under the historical cost convention except for the following assets and liabilities that are stated at fair values: financial investments available-for-sale, financial assets and liabilities at fair value through profit or loss, derivative financial instruments and investment properties.

The unaudited condensed interim financial statements have been prepared in accordance with the requirements of Chapter 9, part K of the Listing Requirements of Bursa Malaysia Securities Berhad, MFRS 134 *Interim Financial Reporting* and IAS 34 *Interim Financial Reporting*.

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 2016. These explanatory notes attached to the unaudited condensed interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group and of the Bank since the financial year ended 31 December 2016.

The unaudited condensed interim financial statements of the Group include Islamic banking and insurance business. Islamic banking refers generally to the acceptance of deposits, granting of financing and dealing in Islamic securities under the Shariah principles. Insurance business refers to the underwriting of general and life insurance business, the management of general and family takaful business and investment-linked business.

The significant accounting policies and methods of computation applied by the Group and the Bank are consistent with those adopted in the most recent audited annual financial statements for the financial year ended 31 December 2016 except for adoption of the following amendments to Malaysian Financial Reporting Standards (“MFRSs”) and annual improvements to MFRSs which are effective for annual periods beginning on or after 1 January 2017:

- MFRS 107 *Statement of Cash Flows* - Disclosure Initiative (Amendments to MFRS 107)
- MFRS 112 *Income Taxes* - Recognition of Deferred Tax Assets for Unrealised Losses (Amendments to MFRS 112)
- Annual Improvements to MFRSs 2014 - 2016 Cycle - *Disclosure of Interests in Other Entities* (Amendments to MFRS 12)

The adoption of the above amendments to MFRSs and annual improvements to MFRSs do not have any significant financial impact to the Group’s and the Bank’s financial statements, except for as disclosed below:

MFRS 107 *Statement of Cash Flows* - Disclosure Initiative (Amendments to MFRS 107)

The amendments require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (for example foreign exchange movements and fair value changes).

On initial application of these amendments, entities are not required to provide comparative information for preceding periods. The Group and the Bank are not required to provide additional disclosures in the condensed interim financial statements, but will disclose the additional information in the annual financial statements for the year ending 31 December 2017.

Companies Act 2016

The unaudited condensed interim financial statements of the Group and of the Bank are prepared in accordance with the requirements of the Companies Act 2016 (“New Act”), which replaced the Companies Act 1965. Amongst the key changes introduced in the New Act which affected the financial statements of the Group and of the Bank upon the commencement of the New Act on 31 January 2017 are as follows:

- (a) the removal of the authorised share capital;
- (b) the ordinary shares of the Bank will cease to have par or nominal value; and
- (c) the Bank’s share premium will become part of the share capital.

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A1. Basis of Preparation (cont'd.)

Companies Act 2016 (cont'd.)

During the financial period ended 30 September 2017, the Bank has transferred RM28.9 billion share premium to its share capital. Pursuant to Section 618 of the New Act, the Bank has twenty four (24) months to utilise the amount of share premium that has been transferred to share capital.

Revised Policy Documents on Capital Funds and Capital Funds for Islamic Banks issued by Bank Negara Malaysia ("BNM")

On 3 May 2017, BNM issued a Revised Policy Documents on Capital Funds and Capital Funds for Islamic Banks ("Revised Policy Document"). These Revised Policy Documents apply to banking institutions in Malaysia that covers licensed bank, licensed investment bank and licensed Islamic bank. The issuance of these Revised Policy Documents have superseded two guidelines issued by BNM previously, namely Capital Funds and Capital Funds for Islamic Banks dated 1 July 2013.

The key changes in the Revised Policy Documents are as follows:

- (a) the removal of the requirement on maintenance of a reserve fund; and
- (b) the revised component of capital funds shall exclude share premium and reserve fund.

Upon adoption of the Revised Policy Documents, the Group and the Bank have transferred RM10.7 billion and RM10.3 billion of statutory reserve to retained earnings respectively as at 30 September 2017.

Policy Document on Classification and Regulatory Treatment for Structured Products under the Financial Services Act 2013 and Islamic Financial Services Act 2013 issued by Bank Negara Malaysia ("BNM")

On 21 June 2017, BNM issued a Policy Document on Classification and Regulatory Treatment for Structured Products under the Financial Services Act 2013 ("FSA") and Islamic Financial Services Act 2013 ("IFSA"). This Policy Document applies to banking institutions in Malaysia that covers licensed commercial bank and licensed Islamic bank.

The Policy Document clarifies that structured products that do not guarantee full repayment of principal amount on demand do not fulfill the definition of deposits under Section 2 of the FSA and IFSA and hence must not be classified as deposits or Islamic deposits.

In terms of financial reporting, insofar that the structured product is bifurcated, the principal amount shall not be reported under the "deposit", "Islamic deposit" or "investment account" line items in the banking institutions' financial statements. Effective from June 2017 reporting date onwards, banking institutions shall report structured products (in accordance with the accounting treatment adopted) under either of these items:

- "Financial Liabilities Designated at Fair Value through Profit or Loss" if applying fair value options; or
- "Other Liabilities" if accounted for separately from the embedded derivative.

As at 30 September 2017, the Group and the Bank have presented the required disclosures in Note A14 and Note A19 respectively. Also, upon adoption of the Policy Document, the Group and the Bank have restated the deposits from customers and other liabilities balances as at 31 December 2016 by RM4.31 billion.

A2. Significant Accounting Policies

The audited annual financial statements of the Group and of the Bank for the financial year ended 31 December 2016 were prepared in accordance with MFRS and International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act, 1965 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 2016 except for the application of the requirements of the Companies Act 2016 and adoption of the requirements of the BNM's Policy Documents as disclosed in Note A1.

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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 Group'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 2016.

A4. Auditors' Report on Preceding Audited Annual Financial Statements

The auditors' report on the audited annual financial statements for the financial year ended 31 December 2016 was not qualified.

A5. Seasonal or Cyclical Factors

The operations of the Group and of the Bank were not materially affected by any seasonal or cyclical factors during the third quarter ended 30 September 2017.

A6. Unusual Items Due to Their Nature, Size or Incidence

During the third quarter ended 30 September 2017, save as disclosed in Note A8 below, there were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group and of the Bank.

A7. Changes in Estimates

There were no material changes in estimates during the third quarter ended 30 September 2017.

A8. Changes in Debt and Equity Securities

(i) The following are the changes in debt and equity securities for the Group and the Bank during the third quarter ended 30 September 2017:

(a) **Share capital**

The share capital of the Bank increased from RM10,193,199,917 as at 31 December 2016 to RM42,519,223,477 as at 30 September 2017 via:

- (A) transfer of share premium amounting to RM28,878,703,017 to share capital pursuant to Companies Act 2016;
- (B) issuance of 144,341,300 new ordinary shares amounting to RM1,348,859,015 to eligible employees who exercised their options under the current Maybank Group Employees' Share Scheme ("ESS") which commenced on 23 June 2011, for a period of 7 years;
- (C) issuance of 4,098,732 new ordinary shares amounting to RM38,118,208 to eligible employees under the Restricted Share Unit ("RSU") which is part of the current Maybank Group ESS;
- (D) issuance of 110,000 new ordinary shares amounting to RM935,000 to eligible employees under the Supplemental Restricted Share Unit ("SRSU") which is part of the current Maybank Group ESS;
- (E) issuance of 5,411,200 new ordinary shares amounting to RM49,999,488 to be held in the ESOS Trust Fund ("ETF") Pool; and
- (F) issuance of 243,599,777 new ordinary shares (including 494,763 new ordinary shares issued to ESOS Trust Fund ("ETF") Pool) amounting to RM2,009,408,832 arising from the Dividend Reinvestment Plan ("DRP") relating to electable portion of the final dividend of 22 sen in respect of the financial year ended 31 December 2016.

The issued ordinary shares of the Bank as at 30 September 2017 is 10,590,760,926 units (31 December 2016: 10,193,199,917 units).

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A8. Changes in Debt and Equity Securities (cont'd.)

- (i) The following are the changes in debt and equity securities for the Group and the Bank during the third quarter ended 30 September 2017 (cont'd.):

(b) **Issuance/Redemption of bonds by PT Bank Maybank Indonesia Tbk and its subsidiaries**

Issuance/ Redemption	Issuance/ Redemption Date	Nominal Value	Note Type	Tenor
Issuance	11 July 2017	IDR435.0 billion	Shelf Bonds II Bank Maybank Indonesia Tranche I Year 2017 Series A	5 years
Issuance	11 July 2017	IDR300.0 billion	Shelf Bonds II Bank Maybank Indonesia Tranche I Year 2017 Series B	7 years
Issuance	11 July 2017	IDR100.0 billion	Shelf Bonds II Bank Maybank Indonesia Tranche I Year 2017 Series C	10 years
Issuance	11 July 2017	IDR266.0 billion	Shelf Sukuk Mudharabah II Bank Maybank Indonesia Tranche I Year 2017	3 years
Issuance	22 Aug 2017	IDR400.0 billion	Shelf Bonds II WOM Finance Tranche II Year 2017 Series A	1 year
Issuance	22 Aug 2017	IDR320.5 billion	Shelf Bonds II WOM Finance Tranche II Year 2017 Series B	3 years
Redemption	25 June 2017	IDR203.0 billion	Shelf Bonds I WOM Finance Tranche I Year 2014 Series B	3 years
Redemption	4 July 2017	IDR442.0 billion	Shelf Bonds II WOM Finance Tranche I Year 2016 Series A	1 year
Redemption	8 July 2017	IDR300.0 billion	Shelf Sukuk Mudharabah I Bank BII Tranche I Year 2014	3 years

(c) **Issuance/Redemption of Medium Term Notes pursuant to the USD15.0 billion Multicurrency Medium Term Note Programme by Maybank**

Issuance/ Redemption	Issuance/ Redemption Date	Nominal Value	Note Type	Tenor
Issuance	31 March 2017	AUD12.0 million	Collared Floating Rate Notes	5 years
Issuance	18 April 2017	AUD12.0 million	Collared Floating Rate Notes	5 years
Issuance	5 May 2017	USD70.0 million	Floating Rate Notes	1.5 years
Issuance	17 May 2017	USD50.0 million	Fixed Rate Notes	5 years
Issuance	2 June 2017	HKD200.0 million	Fixed Rate Notes	3 years
Issuance	2 June 2017	HKD909.0 million	Fixed Rate Notes	5 years
Issuance	8 June 2017	JPY22.0 billion	Fixed Rate Notes	5 years
Issuance	5 July 2017	JPY2.0 billion	Fixed Rate Notes	5 years
Issuance	18 July 2017	AUD12.0 million	Collared Floating Rate Notes	5 years
Issuance	26 July 2017	USD203.0 million	Callable Zero Coupon Notes	30 years
Issuance	2 Aug 2017	CHF100.0 million	Zero Coupon Notes	4 years
Issuance	7 Aug 2017	JPY20.0 billion	Fixed Rate Notes	3 years
Issuance	19 Sep 2017	USD20.0 million	Floating Rate Notes	1.5 years
Issuance	25 Sep 2017	USD20.0 million	Floating Rate Notes	5 years
Redemption	10 April 2017	SGD50.0 million	Fixed Rate Notes	2 years
Redemption	12 May 2017	USD50.0 million	Floating Rate Notes	3 years
Redemption	22 May 2017	JPY31.1 billion	Fixed Rate Notes	3 years
Redemption	30 May 2017	JPY5.0 billion	Fixed Rate Notes	5 years
Redemption	1 Aug 2017	USD20.0 million	Floating Rate Notes	1 year

(d) **Redemption of Medium Term Notes pursuant to the USD2.0 billion Multicurrency Medium Term Note Programme by Maybank**

Redemption	Redemption Date	Nominal Value	Note Type	Tenor
Redemption	10 February 2017	USD400.0 million	Fixed Rate Notes	5 years
Redemption	1 March 2017	HKD700.0 million	Fixed Rate Notes	5 years

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A8. Changes in Debt and Equity Securities (cont'd.)

- (i) The following are the changes in debt and equity securities for the Group and the Bank during the third quarter ended 30 September 2017 (cont'd.):

- (e) **Establishment of Islamic Commercial Paper/Medium Term Note Programme of up to RM10.0 billion in nominal value by Maybank Islamic Berhad**

On 21 February 2017, Maybank Islamic Berhad, a wholly-owned subsidiary of Maybank, successfully established a RM10.0 billion Islamic commercial paper/medium term note programme in nominal value under the Shariah principle of Wakalah Bi Al-Istithmar.

- (f) **Issuance of Senior Sukuk Murabahah pursuant to the RM10.0 billion Sukuk Murabahah Programme by Maybank**

Issuance	Issuance Date	Nominal Value	Note Type	Tenor
Issuance	22 February 2017	RM60.0 million	Callable Fixed Rate Sukuk	15 years

- (g) **Issuance of Ringgit Commercial Papers/Medium Term Notes pursuant to the RM10.0 billion Commercial Paper/Medium Term Note Programme by Maybank**

Issuance	Issuance Date	Nominal Value	Note Type	Tenor
Issuance	7 March 2017	RM60.0 million	Zero Coupon Medium Term Notes	1 year
Issuance	22 March 2017	RM44.1 million	Zero Coupon Medium Term Notes	1 year
Issuance	7 June 2017	RM43.0 million	Zero Coupon Medium Term Notes	1 year
Issuance	14 June 2017	RM35.0 million	Zero Coupon Medium Term Notes	1 year
Issuance	25 July 2017	RM15.0 million	Zero Coupon Medium Term Notes	1 year
Issuance	1 Aug 2017	RM21.0 million	Zero Coupon Medium Term Notes	1 year
Issuance	8 Aug 2017	RM22.0 million	Zero Coupon Medium Term Notes	1 year
Issuance	17 Aug 2017	RM200.0 million	Zero Coupon Medium Term Notes	1 year

As at 30 September 2017, the aggregate nominal value of the outstanding Ringgit Commercial Papers is RM3,192.4 million (31 December 2016: RM517.0 million). The tenor for these Ringgit Commercial Papers range from 174 days to 365 days.

- (h) **Redemption of Ringgit Medium Term Notes pursuant to the RM10.0 billion Senior Medium Term Note Programme by Maybank**

Redemption	Redemption Date	Nominal Value	Note Type	Tenor
Redemption	20 July 2017	RM200.0 million	Zero Coupon Medium Term Notes	1 year
Redemption	31 July 2017	RM200.0 million	Zero Coupon Medium Term Notes	1 year
Redemption	4 August 2017	RM200.0 million	Zero Coupon Medium Term Notes	1 year
Redemption	11 August 2017	RM200.0 million	Zero Coupon Medium Term Notes	1 year

- (i) **Issuance of Euro-Commercial Papers pursuant to the USD5.0 billion Euro Commercial Paper Programme by Maybank**

As at 30 September 2017, the aggregate nominal value of the outstanding Euro Commercial Papers is RM199.4 million (31 December 2016: RM845.0 million). The tenor for these Euro Commercial Papers is 186 days.

- (j) **Issuance of U.S. Commercial Papers pursuant to the USD500.0 million U.S. Commercial Paper Programme by Maybank**

As at 30 September 2017, the aggregate nominal value of the outstanding U.S. Commercial Papers is RM2,101.8 million (31 December 2016: RM2,115.7 million). The tenor for these U.S. Commercial Papers range from 87 days to 278 days.

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A8. Changes in Debt and Equity Securities (cont'd.)

- (i) The following are the changes in debt and equity securities for the Group and the Bank during the third quarter ended 30 September 2017 (cont'd.):

(k) **Inaugural Issuance of RMB Bonds in the People's Republic of China Interbank Bond Market Amounting to RMB1.0 billion in Nominal Value**

On 24 July 2017, Maybank has completed its inaugural issuance of RMB bonds in the People's Republic of China ("PRC") interbank bond market, through a bookbuilding process, amounting to RMB1.0 billion in nominal value with a tenure of 3 years which bears a fixed interest rate of 4.60% per annum.

Approval from the People's Bank of China was obtained on 24 June 2017 for Maybank to issue RMB bonds of up to RMB6.0 billion in the PRC interbank bond market in multiple tranches within a period of 2 years from the date of approval.

(l) **Redemption of Subordinated Notes of USD800.0 million in nominal value under the USD15.0 billion Multicurrency Medium Term Note Programme by Maybank**

On 20 September 2017, Maybank fully redeemed the USD800.0 million Subordinated Notes. The Subordinated Notes were issued on 20 September 2012.

- (ii) The following are the changes in debt securities for the Group and the Bank subsequent to the third quarter ended 30 September 2017 and have not been reflected in the financial statements for the third quarter ended 30 September 2017:

(a) **Issuance of Medium Term Notes pursuant to the USD15.0 billion Multicurrency Medium Term Note Programme by Maybank**

Issuance	Issuance Date	Nominal Value	Note Type	Tenor
Issuance	3 Oct 2017	HKD624.0 million	Fixed Rate Notes	5 years
Issuance	19 Oct 2017	USD300.0 million	Callable Zero Coupon Notes	30 years
Issuance	2 Nov 2017	CNY500.0 million	Fixed Rate Notes	3 years
Issuance	30 Nov 2017	AUD12.0 million	Collared Floating Rate Notes	5 years

(b) **Issuance of Ringgit Medium Term Notes pursuant to the RM10.0 billion Commercial Paper/Medium Term Note Programme by Maybank**

Issuance	Issuance Date	Nominal Value	Note Type	Tenor
Issuance	3 Oct 2017	RM19.0 million	Zero Coupon Medium Term Notes	1 year
Issuance	4 Oct 2017	RM17.0 million	Zero Coupon Medium Term Notes	1 year

(c) **Issuance of Islamic Ringgit Medium Term Notes pursuant to the Islamic Commercial Paper/Medium Term Note Programme of up to RM10.0 billion in nominal value by Maybank Islamic Berhad**

Issuance	Issuance Date	Nominal Value	Note Type	Tenor
Issuance	16 Nov 2017	RM250.0 million	Zero Coupon Medium Term Notes	1 year

(d) **Issuance/Redemption of bonds by PT Bank Maybank Indonesia Tbk and its subsidiaries**

Issuance/Redemption	Issuance/Redemption Date	Nominal Value	Note Type	Tenor
Issuance	15 November 2017	IDR1,150.0 billion	Shelf Bonds I Maybank Finance Tranche IV Year 2017 Series A	3 years
Issuance	15 November 2017	IDR50.0 billion	Shelf Bonds I Maybank Finance Tranche IV Year 2017 Series B	5 years
Redemption	30 October 2017	IDR1,020.0 billion	Shelf Bonds I Bank BII Tranche II Year 2012 Series B	5 years

Save as disclosed above, there were no cancellations, share buy-backs, resale of shares bought back by the Group and by the Bank.

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A9. Dividends Paid/Payable

Dividends paid and payable during the third quarter ended 30 September 2017 are as follows:

- (a) During the Annual General Meeting held on 6 April 2017, a final dividend in respect of the financial year ended 31 December 2016 of 32 sen single-tier dividend per ordinary share was approved by the shareholders.

The dividend consists of cash portion of 10 sen per ordinary share amounting to RM1,025,850,715 and an electable portion of 22 sen per ordinary share amounting to RM2,256,871,573 where the electable portion could be elected to be reinvested in new Maybank shares in accordance with the Dividend Reinvestment Plan ("DRP").

The payment date for cash dividends and crediting of ordinary shares under the DRP was completed on 6 June 2017.

- (b) A single-tier interim dividend, in respect of the financial year ending 31 December 2017 of 23 sen per ordinary share, was declared by the Bank on 30 August 2017.

The dividend consists of 5 sen to be paid in cash amounting to RM529,538,046 and an electable portion of 18 sen amounting to RM1,906,336,967 which can be elected to be reinvested in new ordinary shares in accordance with the DRP.

The financial statements for the current financial quarter ended 30 September 2017 record 5 sen cash portion and a portion of an electable portion of the dividends assumed to be paid in cash.

The Book Closure date and the payment date for the single-tier interim dividend and DRP were fixed on 3 October 2017 and 1 November 2017 respectively.

- (c) Dividends paid and payable by Maybank's subsidiaries to non-controlling interest amounted to RM69,753,000 and RM30,888,000 respectively during the third quarter ended 30 September 2017.

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A10. Financial Investments Portfolio

	Note	Group		Bank	
		30 September 2017 RM'000	31 December 2016 RM'000	30 September 2017 RM'000	31 December 2016 RM'000
Financial assets at fair value through profit or loss	(i)	28,802,453	23,496,050	12,139,713	7,980,314
Financial investments available-for-sale	(ii)	113,775,796	92,384,834	91,625,795	74,904,201
Financial investments held-to-maturity	(iii)	17,644,977	15,021,597	14,282,542	12,582,311
		160,223,226	130,902,481	118,048,050	95,466,826

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

	Group		Bank	
	30 September 2017 RM'000	31 December 2016 RM'000	30 September 2017 RM'000	31 December 2016 RM'000
(a) Financial assets designated upon initial recognition	12,993,570	12,909,681	-	-
(b) Financial assets held-for-trading	15,808,883	10,586,369	12,139,713	7,980,314
	28,802,453	23,496,050	12,139,713	7,980,314

(a) Financial assets designated upon initial recognition are as follows:

	Group		Bank	
	30 September 2017 RM'000	31 December 2016 RM'000	30 September 2017 RM'000	31 December 2016 RM'000
At fair value				
Money market instruments:				
Malaysian Government Securities	142,527	225,385	-	-
Malaysian Government Investment Issues	142,364	197,483	-	-
Negotiable Islamic Certificates of Deposits	254,694	249,261	-	-
Foreign Government Securities	245,975	103,421	-	-
Foreign Government Treasury Bills	15,088	24,804	-	-
	800,648	800,354	-	-
Quoted securities:				
In Malaysia:				
Shares, warrants, trust units and loan stocks	50,656	54,503	-	-
Outside Malaysia:				
Shares, warrants, trust units and loan stocks	209,698	233,627	-	-
	260,354	288,130	-	-
Unquoted securities:				
Foreign Corporate Bonds and Sukuk	608,224	428,318	-	-
Corporate Bonds and Sukuk in Malaysia	10,883,381	11,057,416	-	-
Structured deposits	440,963	335,463	-	-
	11,932,568	11,821,197	-	-
Total financial assets designated upon initial recognition	12,993,570	12,909,681	-	-

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A10. Financial Investments Portfolio (cont'd.)

(i) Financial assets at fair value through profit or loss (cont'd.)

(b) Financial assets held-for-trading are as follows:

	Group		Bank	
	30 September 2017 RM'000	31 December 2016 RM'000	30 September 2017 RM'000	31 December 2016 RM'000
At fair value				
Money market instruments:				
Malaysian Government Securities	1,273,354	233,251	1,234,191	203,379
Malaysian Government Investment Issues	235,953	37,677	183,837	-
Cagamas Bonds	106,673	56,867	106,673	56,867
Negotiable instruments of deposits	302,106	-	302,106	-
Foreign Government Securities	4,358,552	2,931,845	3,054,238	2,313,978
Foreign Government Treasury Bills	136,528	655	136,528	655
	6,413,166	3,260,295	5,017,573	2,574,879
Quoted securities:				
In Malaysia:				
Shares, warrants, trust units and loan stocks	977,262	805,806	142,428	128,780
Corporate Bonds and Sukuk	-	4,571	-	4,571
Outside Malaysia:				
Shares, warrants, trust units and loan stocks	1,463,700	1,245,355	15,046	11,896
Foreign Corporate Bonds and Sukuk	-	451	-	-
Foreign Government Bonds	75,466	74,930	-	-
	2,516,428	2,131,113	157,474	145,247
Unquoted securities:				
Foreign Corporate Bonds and Sukuk	4,205,495	3,760,622	3,868,587	3,410,260
Corporate Bonds and Sukuk in Malaysia	1,590,802	982,324	2,023,897	1,399,841
Foreign Government Bonds	1,071,490	452,015	1,060,680	450,087
Malaysian Government Bonds	11,502	-	11,502	-
	6,879,289	5,194,961	6,964,666	5,260,188
Total financial assets held- for-trading	15,808,883	10,586,369	12,139,713	7,980,314

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A10. Financial Investments Portfolio (cont'd.)

(ii) Financial investments available-for-sale

	Group		Bank	
	30 September 2017 RM'000	31 December 2016 RM'000	30 September 2017 RM'000	31 December 2016 RM'000
At fair value				
Money market instruments:				
Malaysian Government Securities	13,223,683	10,004,488	13,218,892	9,955,613
Malaysian Government Investment Issues	19,706,063	12,621,577	12,101,000	7,426,545
Negotiable instruments of deposits	2,633,796	4,573,550	2,718,125	4,492,819
Foreign Government Securities	11,479,511	10,611,242	8,745,384	8,092,808
Foreign Government Treasury Bills	8,223,231	5,807,734	8,223,231	5,807,734
Khazanah Bonds	2,380,394	1,917,128	2,380,394	1,917,128
Cagamas Bonds	640,172	728,048	640,172	728,048
Foreign Certificates of Deposits	42,234	44,909	42,234	44,909
	58,329,084	46,308,676	48,069,432	38,465,604
Quoted securities:				
In Malaysia:				
Shares, warrants, trust units and loan stocks	2,444,454	2,188,387	194,769	141,507
Outside Malaysia:				
Shares, warrants, trust units and loan stocks	277,281	142,135	-	733
Foreign Corporate Bonds and Sukuk	73,397	97,007	-	-
Foreign Government Bonds	23,469	23,224	-	-
Foreign Government Treasury Bills	-	33,874	-	-
	2,818,601	2,484,627	194,769	142,240
At fair value, or at cost for certain unquoted equity instruments, less accumulated impairment losses				
Unquoted securities:				
Shares, trust units and loan stocks in Malaysia [#]	353,168	347,701	287,625	268,622
Shares, trust units and loan stocks outside Malaysia [#]	5,402	94,741	-	-
Foreign Corporate Bonds and Sukuk	22,635,717	18,714,932	21,766,196	17,794,222
Corporate Bonds and Sukuk in Malaysia	23,105,928	17,214,829	14,957,132	11,099,251
Foreign Government Bonds	6,101,611	6,641,416	6,052,069	6,606,641
Malaysian Government Bonds	344,582	576,547	298,572	527,621
Structured deposits	-	1,365	-	-
Others	81,703	-	-	-
	52,628,111	43,591,531	43,361,594	36,296,357
Total financial investments available-for-sale	113,775,796	92,384,834	91,625,795	74,904,201

[#] Securities that do not have quoted market price in an active market and whose fair value cannot be reliably measured are carried at cost, net of impairment losses.

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A10. Financial Investments Portfolio (cont'd.)

(ii) Financial investments available-for-sale (cont'd.)

(a) Movements in the allowances for impairment losses on financial investments available-for-sale are as follows:

	Group		Bank	
	30 September 2017 RM'000	31 December 2016 RM'000	30 September 2017 RM'000	31 December 2016 RM'000
At 1 January 2017/2016	560,730	641,405	409,141	365,495
Allowance made	33,376	265,440	1,075	213,464
Amount written back in respect of recoveries	(4,551)	(83,187)	(3,290)	(73,613)
Amount written-off/realised	(97,150)	(275,898)	(11,258)	(99,951)
Exchange differences	(4,140)	12,970	(5,827)	3,746
At 30 September 2017/31 December 2016	488,265	560,730	389,841	409,141

(iii) Financial investments held-to-maturity

	Group		Bank	
	30 September 2017 RM'000	31 December 2016 RM'000	30 September 2017 RM'000	31 December 2016 RM'000
At amortised cost less accumulated impairment losses				
Money market instruments:				
Malaysian Government Securities	2,019,528	2,017,799	2,019,424	2,017,695
Cagamas Bonds	50,801	50,259	50,801	50,259
Malaysian Government Investment Issues	2,512,445	2,522,557	2,512,445	2,522,557
Foreign Government Securities	1,578,738	1,275,579	-	-
Foreign Government Treasury Bills	20,072	67,403	-	-
Khazanah Bonds	852,030	827,825	852,030	827,825
Foreign Certificates of Deposits	67,378	92,935	-	-
	7,100,992	6,854,357	5,434,700	5,418,336
Unquoted securities:				
Foreign Corporate Bonds and Sukuk	2,942,631	1,373,041	2,537,248	911,100
Corporate Bonds and Sukuk in Malaysia	6,969,317	5,530,942	6,252,826	6,223,862
Foreign Government Bonds	634,240	1,285,495	59,500	30,745
Others	2,044	2,044	2,044	2,044
	10,548,232	8,191,522	8,851,618	7,167,751
Accumulated impairment losses	(4,247)	(24,282)	(3,776)	(3,776)
Total financial investments held-to-maturity	17,644,977	15,021,597	14,282,542	12,582,311

(a) Movements in the allowances for impairment losses on financial investments held-to-maturity are as follows:

	Group		Bank	
	30 September 2017 RM'000	31 December 2016 RM'000	30 September 2017 RM'000	31 December 2016 RM'000
At 1 January 2017/2016	24,282	24,248	3,776	3,776
Amount written-off	(20,312)	-	-	-
Exchange differences	277	34	-	-
At 30 September 2017/31 December 2016	4,247	24,282	3,776	3,776

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A11. Loans, Advances and Financing

	Group		Bank	
	30 September 2017 RM'000	31 December 2016 RM'000	30 September 2017 RM'000	31 December 2016 RM'000
Overdrafts/cashline	22,251,928	21,873,512	10,948,539	10,812,916
Term loans:				
- Housing loans/financing	148,760,896	144,805,122	59,612,478	56,290,758
- Syndicated loans/financing	37,768,437	38,015,281	34,868,153	35,060,528
- Hire purchase receivables	67,433,022	64,119,786	23,599,078	21,215,380
- Lease receivables	91,610	60,636	-	-
- Other loans/financing	212,354,872	223,604,109	98,709,091	107,314,937
Credit card receivables	8,516,294	8,359,305	6,853,157	6,713,601
Bills receivables	4,430,938	4,153,762	4,328,652	4,086,302
Trust receipts	4,332,407	4,420,182	3,631,993	3,722,796
Claims on customers under acceptance credits	11,225,563	11,575,723	5,636,857	5,953,148
Loans/financing to financial institutions (Note A11(x))	1,833,353	2,247,694	20,225,177	18,640,278
Revolving credits	54,116,402	55,041,314	28,847,597	31,285,172
Staff loans	3,463,146	3,525,502	829,457	888,331
Loans to:				
- Directors of the Bank	4,079	4,012	310	463
- Directors of subsidiaries	5,604	3,215	1,611	1,630
Others	3,948,957	3,372,116	-	-
	580,537,508	585,181,271	298,092,150	301,986,240
Unearned interest and income	(94,642,521)	(99,445,560)	(1,785,671)	(1,628,063)
Gross loans, advances and financing	485,894,987	485,735,711	296,306,479	300,358,177
Allowances for impaired loans, advances and financing:				
- Individual allowance	(4,285,404)	(3,764,929)	(3,034,302)	(2,493,534)
- Collective allowance	(4,424,545)	(4,195,879)	(3,030,560)	(2,844,507)
Net loans, advances and financing	477,185,038	477,774,903	290,241,617	295,020,136

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

	Group		Bank	
	30 September 2017 RM'000	31 December 2016 RM'000	30 September 2017 RM'000	31 December 2016 RM'000
Domestic banking institutions	57,880	75,797	19,583,683	17,776,082
Domestic non-banking financial institutions	24,797,764	24,995,761	19,551,703	20,110,549
Domestic business enterprises:				
- Small and medium enterprises	77,922,830	78,450,015	56,256,787	54,417,927
- Others	104,822,886	108,054,043	57,274,336	62,336,597
Government and statutory bodies	11,122,529	9,553,849	933,987	962,303
Individuals	225,003,941	219,007,962	110,126,095	107,355,810
Other domestic entities	7,829,403	6,632,911	1,331,017	536,924
Foreign entities	34,337,754	38,965,373	31,248,871	36,861,985
Gross loans, advances and financing	485,894,987	485,735,711	296,306,479	300,358,177

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A11. Loans, Advances and Financing (cont'd.)

(ii) Loans, advances and financing analysed by geographical location are as follows:

	Group		Bank	
	30 September 2017 RM'000	31 December 2016 RM'000	30 September 2017 RM'000	31 December 2016 RM'000
Malaysia	282,195,420	275,060,627	143,841,015	143,030,884
Singapore	123,032,071	121,561,911	121,640,236	120,583,331
Indonesia	39,727,864	42,213,162	-	-
Labuan Offshore	14,002,858	18,612,494	14,002,858	18,612,494
Hong Kong SAR	8,144,663	10,855,710	7,801,739	10,385,398
United States of America	896,584	835,785	895,988	835,152
People's Republic of China	4,644,187	3,553,392	4,644,187	3,553,392
Vietnam	884,770	834,027	689,201	686,796
United Kingdom	1,642,762	1,413,903	1,642,729	1,413,879
Brunei	665,304	638,659	665,304	638,659
Cambodia	2,385,143	2,515,045	-	-
Bahrain	177,427	449,529	177,427	449,529
Philippines	5,643,154	5,579,772	-	-
Thailand	1,505,956	1,399,415	-	-
Laos	142,577	125,437	142,577	125,437
Myanmar	163,218	43,226	163,218	43,226
Others	41,029	43,617	-	-
Gross loans, advances and financing	485,894,987	485,735,711	296,306,479	300,358,177

(iii) Loans, advances and financing analysed by interest/profit rate sensitivity are as follows:

	Group		Bank	
	30 September 2017 RM'000	31 December 2016 RM'000	30 September 2017 RM'000	31 December 2016 RM'000
Fixed rate:				
- Housing loans/financing	15,442,610	20,972,243	13,352,885	18,635,026
- Hire purchase receivables	60,889,792	58,229,799	22,764,064	21,011,268
- Other fixed rate loans/financing	65,414,956	65,839,818	50,010,594	49,935,496
Variable rate:				
- Base lending/financing rate/ base rate plus	180,193,337	176,999,015	86,497,572	88,766,345
- Cost plus	61,541,782	61,815,505	56,274,859	56,727,126
- Other variable rates	102,412,510	101,879,331	67,406,505	65,282,916
Gross loans, advances and financing	485,894,987	485,735,711	296,306,479	300,358,177

(iv) Loans, advances and financing analysed by economic purpose are as follows:

	Group		Bank	
	30 September 2017 RM'000	31 December 2016 RM'000	30 September 2017 RM'000	31 December 2016 RM'000
Purchase of securities	33,573,873	33,763,335	9,915,749	10,840,651
Purchase of transport vehicles	63,025,295	57,427,629	21,918,411	20,092,532
Purchase of landed properties:				
- Residential	104,893,597	97,122,826	65,715,272	61,316,702
- Non-residential	41,510,088	41,698,958	29,423,581	29,040,220
Purchase of fixed assets (excluding landed properties)	6,273,095	7,284,181	6,231,764	7,253,314
Personal use	10,573,987	10,720,712	6,605,099	6,751,692
Credit card	8,543,377	8,534,651	6,842,810	6,853,811
Purchase of consumer durables	5,634	4,482	5,320	4,189
Constructions	17,220,348	17,850,789	11,475,798	12,629,495
Mergers and acquisitions	926,619	411,826	882,775	365,022
Working capital	154,779,023	167,885,959	96,889,874	110,029,604
Others	44,570,051	43,030,363	40,400,026	35,180,945
Gross loans, advances and financing	485,894,987	485,735,711	296,306,479	300,358,177

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A11. Loans, Advances and Financing (cont'd.)

(v) The maturity profile of loans, advances and financing is as follows:

	Group		Bank	
	30 September 2017 RM'000	31 December 2016 RM'000	30 September 2017 RM'000	31 December 2016 RM'000
Within one year	127,239,846	134,071,165	83,173,861	94,290,760
One year to three years	59,445,604	56,347,584	43,307,514	43,872,159
Three years to five years	59,555,118	62,071,403	40,117,307	41,133,223
After five years	239,654,419	233,245,559	129,707,797	121,062,035
Gross loans, advances and financing	485,894,987	485,735,711	296,306,479	300,358,177

(vi) Movements in impaired loans, advances and financing ("impaired loans") are as follows:

	Group		Bank	
	30 September 2017 RM'000	31 December 2016 RM'000	30 September 2017 RM'000	31 December 2016 RM'000
Gross impaired loans at 1 January	11,055,380	8,555,007	7,180,389	5,398,626
Impaired during the financial period/year	5,463,855	9,291,509	2,962,222	5,597,011
Reclassified as non-impaired	(1,577,381)	(2,999,037)	(454,758)	(1,834,681)
Amount recovered	(1,531,249)	(2,292,629)	(873,492)	(1,362,096)
Amount written-off	(1,032,944)	(1,693,147)	(452,949)	(856,897)
Transferred from a subsidiary	-	-	-	179,286
Exchange differences	(222,921)	193,677	(89,133)	59,140
Gross impaired loans at 30 September 2017/ 31 December 2016	12,154,740	11,055,380	8,272,279	7,180,389
<u>Calculation of ratio of net impaired loans:</u>				
Gross impaired loans at 30 September 2017/ 31 December 2016 (excluding financing funded by Investment Account*)	12,077,695	10,973,689	8,272,279	7,180,389
Less: Individual allowance	(4,285,404)	(3,764,929)	(3,034,302)	(2,493,534)
Net impaired loans	7,792,291	7,208,760	5,237,977	4,686,855
Gross loans, advances and financing	485,894,987	485,735,711	296,306,479	300,358,177
Less: Individual allowance	(4,285,404)	(3,764,929)	(3,034,302)	(2,493,534)
Less: Funded by Investment Account*	(26,804,988)	(31,544,587)	-	-
Net loans, advances and financing	454,804,595	450,426,195	293,272,177	297,864,643
Ratio of net impaired loans	1.71%	1.60%	1.79%	1.57%

*In the books of Maybank Islamic Berhad, a wholly-owned subsidiary of the Bank.

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A11. Loans, Advances and Financing (cont'd.)

(vii) Impaired loans, advances and financing by economic purpose are as follows:

	Group		Bank	
	30 September 2017 RM'000	31 December 2016 RM'000	30 September 2017 RM'000	31 December 2016 RM'000
Purchase of securities	291,138	201,965	165,438	149,992
Purchase of transport vehicles	419,761	330,164	104,942	107,557
Purchase of landed properties:				
- Residential	756,777	617,185	375,288	324,843
- Non-residential	1,034,209	925,181	918,610	820,599
Purchase of fixed assets (excluding landed properties)	1,510,975	474,886	1,491,559	439,861
Personal use	158,693	150,544	125,286	111,840
Credit card	93,925	92,484	62,314	60,640
Purchase of consumer durables	104	32	96	18
Constructions	1,441,709	1,439,746	1,033,166	1,034,438
Working capital	6,060,961	6,094,034	3,738,359	3,896,560
Others	386,488	729,159	257,221	234,041
Gross impaired loans, advances and financing	12,154,740	11,055,380	8,272,279	7,180,389

(viii) Impaired loans, advances and financing by geographical distribution are as follows:

	Group		Bank	
	30 September 2017 RM'000	31 December 2016 RM'000	30 September 2017 RM'000	31 December 2016 RM'000
Malaysia	5,912,702	5,754,507	4,173,668	4,246,493
Singapore	2,852,730	1,587,853	2,813,625	1,570,036
Indonesia	1,813,917	1,993,758	-	-
Labuan Offshore	218,470	209,957	218,470	209,957
Hong Kong SAR	912,780	1,031,921	912,780	1,031,921
United States of America	596	633	-	-
People's Republic of China	1,256	5,878	1,256	5,878
Vietnam	78,062	82,976	75,717	80,394
Brunei	24,303	21,888	24,303	21,888
Cambodia	82,584	95,619	-	-
Bahrain	5,279	5,608	5,279	5,608
Philippines	129,172	185,823	-	-
Thailand	39,156	31,887	-	-
Laos	47,181	8,214	47,181	8,214
Others	36,552	38,858	-	-
Gross impaired loans, advances and financing	12,154,740	11,055,380	8,272,279	7,180,389

(ix) Movements in the allowances for impaired loans, advances and financing are as follows:

	Group		Bank	
	30 September 2017 RM'000	31 December 2016 RM'000	30 September 2017 RM'000	31 December 2016 RM'000
Individual Allowance				
At 1 January	3,764,929	2,259,910	2,493,534	1,422,090
Allowance made	1,378,195	2,390,222	983,250	1,592,007
Amount written back	(243,003)	(115,272)	(141,245)	(80,690)
Amount written-off	(461,410)	(858,279)	(210,060)	(510,376)
Transferred to collective allowance	(18,540)	(30,057)	(15,177)	(18,990)
Exchange differences	(134,767)	118,405	(76,000)	89,493
At 30 September 2017/31 December 2016	4,285,404	3,764,929	3,034,302	2,493,534

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A11. Loans, Advances and Financing (cont'd.)

(ix) Movements in the allowances for impaired loans, advances and financing are as follows (cont'd.):

	Group		Bank	
	30 September 2017 RM'000	31 December 2016 RM'000	30 September 2017 RM'000	31 December 2016 RM'000
Collective Allowance				
At 1 January	4,195,879	3,899,141	2,844,507	2,627,341
Allowance made	845,057	1,100,315	431,768	522,087
Amount written back	(152)	(30,762)	-	-
Amount written-off	(571,534)	(834,868)	(242,889)	(346,521)
Transferred from individual allowance	18,540	30,057	15,177	18,990
Exchange differences	(63,245)	31,996	(18,003)	22,610
At 30 September 2017/31 December 2016	<u>4,424,545</u>	<u>4,195,879</u>	<u>3,030,560</u>	<u>2,844,507</u>
As a percentage of total loans, less individual allowance (including regulatory reserve)	<u>1.60%</u>	<u>1.19%*</u>	<u>1.83%</u>	<u>1.20%*</u>

* The local banking institutions in the Group are in compliance with Revised Policy Document on Classification and Impairment Provisions for Loans/Financing issued by Bank Negara Malaysia ("BNM") on 6 April 2015.

(x) Included in the Bank's loans/financing to financial institutions is financing granted to Maybank Islamic Berhad ("MIB"), a subsidiary of the Bank, under Restricted Profit-Sharing Investment Account ("RPSIA") amounting to RM19,586.8 million (31 December 2016: RM17,767.7 million). The RPSIA is a contract based on the Mudharabah principle between two parties to finance a financing where the Bank acts as the investor who solely provides capital to MIB whereas the business venture is managed solely by MIB as an entrepreneur. The profit of the business venture is shared between both parties based on pre-agreed ratios. Losses, if any, are borne by the Bank.

A12. Reinsurance/Retakaful Assets and Other Insurance Receivables

	Note	Group	
		30 September 2017 RM'000	31 December 2016 RM'000
Reinsurance/retakaful assets	(i)	3,303,255	3,692,581
Other insurance receivables	(ii)	527,699	447,015
		<u>3,830,954</u>	<u>4,139,596</u>

	Group	
	30 September 2017 RM'000	31 December 2016 RM'000
(i) Reinsurance/retakaful assets		
Reinsurers' share of:	2,951,218	3,400,731
Life insurance contract liabilities	30,317	25,767
General insurance contract liabilities	2,920,901	3,374,964
Retakaful operators' share of:	352,037	291,850
Family takaful certificate liabilities	72,385	49,677
General takaful certificate liabilities	279,652	242,173
	<u>3,303,255</u>	<u>3,692,581</u>

	Group	
	30 September 2017 RM'000	31 December 2016 RM'000
(ii) Other insurance receivables		
Due premium including agents/brokers and co-insurers balances	379,115	330,061
Due from reinsurers and cedants/retakaful operators	166,191	135,981
	<u>545,306</u>	<u>466,042</u>
Allowance for impairment losses	(17,607)	(19,027)
	<u>527,699</u>	<u>447,015</u>

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A13. Other Assets

	Group		Bank	
	30 September 2017 RM'000	31 December 2016 RM'000	30 September 2017 RM'000	31 December 2016 RM'000
Other debtors	8,258,433	6,304,018	7,773,571	5,077,156
Amount due from brokers and clients	3,065,430	2,452,894	-	-
Prepayments and deposits	1,454,268	1,407,933	465,886	491,926
Tax recoverable	61,059	113,850	-	-
Foreclosed properties	290,948	246,865	34,433	34,430
	13,130,138	10,525,560	8,273,890	5,603,512

A14. Deposits from Customers

(i) By type of deposit

	Group		Bank	
	30 September 2017 RM'000	31 December 2016 RM'000	30 September 2017 RM'000	31 December 2016 RM'000
Fixed deposits and negotiable instruments of deposits				
- One year or less	280,079,738	280,377,560	165,619,486	178,035,292
- More than one year	9,714,534	11,231,648	8,622,143	10,029,739
	289,794,272	291,609,208	174,241,629	188,065,031
Money market deposits	19,432,254	15,200,225	19,432,254	15,200,225
Savings deposits	71,613,416	68,143,180	47,241,059	44,203,976
Demand deposits	109,532,029	110,571,307	84,422,422	84,409,063
	490,371,971	485,523,920	325,337,364	331,878,295

(ii) By type of customer

	Group		Bank	
	30 September 2017 RM'000	31 December 2016 RM'000	30 September 2017 RM'000	31 December 2016 RM'000
Business enterprises	228,994,047	226,074,468	164,719,440	163,000,362
Individuals	201,734,513	204,025,300	139,490,987	145,714,678
Government and statutory bodies	28,207,890	26,481,227	8,825,409	9,046,804
Others	31,435,521	28,942,925	12,301,528	14,116,451
	490,371,971	485,523,920	325,337,364	331,878,295

(iii) The maturity profile of fixed deposits and negotiable instruments of deposits are as follows:

	Group		Bank	
	30 September 2017 RM'000	31 December 2016 RM'000	30 September 2017 RM'000	31 December 2016 RM'000
Within six months	222,941,889	234,901,381	122,185,802	141,455,104
Six months to one year	57,137,849	45,476,179	43,433,684	36,580,188
One year to three years	8,791,802	10,183,159	8,548,884	9,963,861
Three years to five years	922,732	1,048,489	73,259	65,878
	289,794,272	291,609,208	174,241,629	188,065,031

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A15. Deposits and Placements from Financial Institutions

	Group		Bank	
	30 September 2017 RM'000	31 December 2016 RM'000	30 September 2017 RM'000	31 December 2016 RM'000
Licensed banks	45,074,631	27,340,841	43,361,204	28,044,586
Licensed finance companies	70,129	112,341	70,129	112,341
Licensed investment banks	87,657	42,146	87,657	42,146
Other financial institutions	3,527,847	3,359,365	1,560,695	1,657,637
	48,760,264	30,854,693	45,079,685	29,856,710

The maturity profile of deposits and placements from financial institutions are as follows:

	Group		Bank	
	30 September 2017 RM'000	31 December 2016 RM'000	30 September 2017 RM'000	31 December 2016 RM'000
One year or less	45,739,883	28,086,419	43,522,685	28,385,549
More than one year	3,020,381	2,768,274	1,557,000	1,471,161
	48,760,264	30,854,693	45,079,685	29,856,710

A16. Financial Liabilities at Fair Value Through Profit or Loss

	Group		Bank	
	30 September 2017 RM'000	31 December 2016 RM'000	30 September 2017 RM'000	31 December 2016 RM'000
Structured deposits	2,366,980	1,560,054	1,465,092	657,963
Borrowings				
Unsecured				
Medium Term Notes				
- More than one year				
Denominated in:				
- USD	3,467,097	1,444,465	3,467,097	1,444,465
- RM	649,671	582,711	649,671	582,711
	4,116,768	2,027,176	4,116,768	2,027,176
Total financial liabilities at fair value through profit or loss	6,483,748	3,587,230	5,581,860	2,685,139

The Group and the Bank have designated certain structured deposits and borrowings at fair value through profit or loss. This designation is permitted under MFRS 139 - *Financial Instruments: Recognition and Measurement* as it significantly reduces accounting mismatch. These instruments are managed by the Group and the Bank on the basis of its fair value and include terms that have substantive derivative characteristics.

The carrying amount of both structured deposits and borrowings designated at fair value through profit or loss of the Group and of the Bank as at 30 September 2017 were RM6,700,754,000 and RM5,799,807,000 respectively (31 December 2016: RM3,792,621,000 and RM2,875,461,000). The fair value changes of the financial liabilities that are attributable to the changes in own credit risk are not significant.

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A17. Borrowings, Subordinated Obligations and Capital Securities

	Group		Bank	
	30 September	31 December	30 September	31 December
	2017	2016	2017	2016
	RM'000	RM'000	RM'000	RM'000
(i) Borrowings				
Secured				
(a) Borrowings				
- Less than one year				
Denominated in:				
- SGD	669	-	-	-
- PHP	-	35	-	-
- IDR	1,301,621	741,714	-	-
	<u>1,302,290</u>	<u>741,749</u>	<u>-</u>	<u>-</u>
- More than one year				
Denominated in:				
- SGD	242,667	-	-	-
- PHP	102	171	-	-
- IDR	2,009,080	2,348,667	-	-
	<u>2,251,849</u>	<u>2,348,838</u>	<u>-</u>	<u>-</u>
(b) Medium Term Notes				
- More than one year				
Denominated in:				
- IDR	78,403	83,251	-	-
	<u>78,403</u>	<u>83,251</u>	<u>-</u>	<u>-</u>
Total secured borrowings	<u>3,632,542</u>	<u>3,173,838</u>	<u>-</u>	<u>-</u>
Unsecured				
(a) Borrowings				
- Less than one year				
Denominated in:				
- USD	4,781,089	5,380,539	4,594,398	5,148,693
- SGD	1,348,824	994,982	-	-
- THB	1,121,469	824,493	-	-
- HKD	34,331	285,567	-	216,923
- IDR	341,060	362,598	-	-
- PHP	-	33,536	-	-
- INR	16,193	13,240	-	-
- EURO	199,611	466	199,611	-
- RM	3,192,400	517,000	3,192,400	517,000
	<u>11,034,977</u>	<u>8,412,421</u>	<u>7,986,409</u>	<u>5,882,616</u>
- More than one year				
Denominated in:				
- USD	4,498,028	5,607,500	4,498,028	5,607,500
- JPY	2,056	2,424	-	-
- CNY	634,164	-	634,164	-
- IDR	548,724	233,562	-	-
	<u>5,682,972</u>	<u>5,843,486</u>	<u>5,132,192</u>	<u>5,607,500</u>
(b) Medium Term Notes				
- Less than one year				
Denominated in:				
- USD	691,464	2,361,664	691,464	2,361,664
- HKD	135,561	433,498	135,561	433,498
- SGD	169,327	156,039	169,327	156,039
- JPY	701,560	2,539,458	701,560	2,539,458
- AUD	2,282	808	2,282	808
- CNH	245,038	16,207	245,038	16,207
- RM	426,129	834,625	426,129	834,625
	<u>2,371,361</u>	<u>6,342,299</u>	<u>2,371,361</u>	<u>6,342,299</u>

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A17. Borrowings, Subordinated Obligations and Capital Securities (cont'd.)

	Group		Bank	
	30 September	31 December	30 September	31 December
	2017	2016	2017	2016
	RM'000	RM'000	RM'000	RM'000
(i) Borrowings (cont'd.)				
Unsecured (cont'd.)				
(b) Medium Term Notes (cont'd.)				
- More than one year				
Denominated in:				
- USD	5,006,981	4,957,030	5,006,981	4,957,030
- HKD	2,794,001	2,102,130	2,794,001	2,102,130
- JPY	4,388,442	2,352,871	4,388,442	2,352,871
- SGD	-	167,440	-	167,440
- AUD	304,846	181,466	304,846	181,466
- CNH	866,082	1,114,075	866,082	1,114,075
- CHF	435,592	-	435,592	-
- RM	220,000	220,000	220,000	220,000
	<u>14,015,944</u>	11,095,012	<u>14,015,944</u>	11,095,012
Total unsecured borrowings	<u>33,105,254</u>	31,693,218	<u>29,505,906</u>	28,927,427
Total borrowings	<u>36,737,796</u>	34,867,056	<u>29,505,906</u>	28,927,427
	Group		Bank	
	30 September	31 December	30 September	31 December
	2017	2016	2017	2016
	RM'000	RM'000	RM'000	RM'000
(ii) Subordinated Obligations				
Unsecured				
- More than one year				
Denominated in:				
- RM	8,990,577	8,902,248	7,372,800	7,327,573
- USD	2,143,069	5,875,299	2,143,069	5,875,299
- IDR	1,057,926	1,123,159	-	-
	<u>12,191,572</u>	15,900,706	<u>9,515,869</u>	13,202,872
	Group		Bank	
	30 September	31 December	30 September	31 December
	2017	2016	2017	2016
	RM'000	RM'000	RM'000	RM'000
(iii) Capital Securities				
Unsecured				
- More than one year				
Denominated in:				
- RM	4,599,436	4,551,493	4,599,436	4,577,426
- SGD	1,630,478	1,648,500	1,630,478	1,648,500
	<u>6,229,914</u>	6,199,993	<u>6,229,914</u>	6,225,926

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A18. Insurance/Takaful Contract Liabilities and Other Insurance Payables

Group	Note	30 September 2017 RM'000	31 December 2016 RM'000
Insurance/takaful contract liabilities	(i)	24,265,532	23,513,212
Other insurance payables	(ii)	505,828	435,507
		24,771,360	23,948,719

(i) Insurance/takaful contract liabilities

	Gross contract liabilities RM'000	Reinsurance/ retakaful assets RM'000	Net contract liabilities RM'000
At 30 September 2017			
Life insurance/family takaful	18,778,944	(102,702)	18,676,242
General insurance/general takaful	5,486,588	(3,200,553)	2,286,035
	24,265,532	(3,303,255)	20,962,277
At 31 December 2016			
Life insurance/family takaful	17,642,499	(75,444)	17,567,055
General insurance/general takaful	5,870,713	(3,617,137)	2,253,576
	23,513,212	(3,692,581)	19,820,631

(ii) Other insurance payables

	30 September 2017 RM'000	31 December 2016 RM'000
Due to agents and intermediaries	84,849	61,822
Due to reinsurers and cedants	363,226	313,648
Due to retakaful operators	57,753	60,037
	505,828	435,507

A19. Other Liabilities

	Group		Bank	
	30 September 2017 RM'000	31 December 2016 RM'000	30 September 2017 RM'000	31 December 2016 RM'000
Due to brokers and clients	3,991,778	4,044,200	-	-
Deposits, other creditors and accruals	12,969,967	8,336,837	12,224,559	8,154,734
Defined benefit pension plans	571,233	552,462	-	-
Provisions for commitments and contingencies	38,639	35,507	34,139	35,507
Finance lease liabilities	9,668	9,925	-	-
Structured deposits	5,443,716	4,309,375	5,443,716	4,308,457
	23,025,001	17,288,306	17,702,414	12,498,698

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A20. Other Reserves

The breakdown and movement of other reserves are as follows:

<===== Non-Distributable =====>						
<u>Group</u>	Capital Reserve RM'000	Revaluation Reserve RM'000	Defined Benefit Reserve RM'000	Net Investment Hedge and Cash Flow Hedge Reserve RM'000	Total Other Reserves RM'000	
At 1 January 2017	13,557	8,147	(54,360)	(443,684)	(476,340)	
Other comprehensive income	-	-	2,385	29,198	31,583	
Defined benefit plan actuarial gain	-	-	2,385	-	2,385	
Net gain on net investment hedge	-	-	-	29,946	29,946	
Net loss on cash flow hedge	-	-	-	(748)	(748)	
Total comprehensive income for the period	-	-	2,385	29,198	31,583	
Disposal of investment properties	-	(234)	-	-	(234)	
Total other equity movements	-	(234)	-	-	(234)	
At 30 September 2017	13,557	7,913	(51,975)	(414,486)	(444,991)	

<===== Non-Distributable =====>						
<u>Group</u>	Capital Reserve RM'000	Revaluation Reserve RM'000	Profit Equalisation Reserve RM'000	Defined Benefit Reserve RM'000	Net Investment Hedge and Cash Flow Hedge Reserve RM'000	Total Other Reserves RM'000
At 1 January 2016	13,557	11,836	34,456	(52,111)	(463,724)	(455,986)
Other comprehensive income/(loss)	-	43	-	(10,804)	74,674	63,913
Defined benefit plan actuarial loss	-	-	-	(10,746)	-	(10,746)
Net gain on net investment hedge	-	-	-	-	75,708	75,708
Net loss on cash flow hedge	-	-	-	-	(1,034)	(1,034)
Net gain on revaluation reserve	-	43	-	-	-	43
Share of associates' reserve	-	-	-	(58)	-	(58)
Total comprehensive income/(loss) for the period	-	43	-	(10,804)	74,674	63,913
At 30 September 2016	13,557	11,879	34,456	(62,915)	(389,050)	(392,073)

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A21. Interest Income

Group	Third Quarter Ended		Cumulative 9 Months Ended	
	30 September	30 September	30 September	30 September
	2017	2016	2017	2016
	RM'000	RM'000	RM'000	RM'000
Loans, advances and financing	4,111,845	3,963,135	12,378,706	11,992,012
Money at call and deposits and placements with financial institutions	196,069	157,906	572,743	561,343
Financial assets purchased under resale agreements	37,356	28,179	84,323	60,532
Financial assets at FVTPL	252,420	208,616	729,403	585,705
Financial investments available-for-sale	794,437	693,620	2,263,347	2,035,131
Financial investments held-to-maturity	156,466	137,962	454,960	407,626
	5,548,593	5,189,418	16,483,482	15,642,349
Accretion of discounts, net	13,125	3,826	13,798	10,871
	5,561,718	5,193,244	16,497,280	15,653,220

Bank	Third Quarter Ended		Cumulative 9 Months Ended	
	30 September	30 September	30 September	30 September
	2017	2016	2017	2016
	RM'000	RM'000	RM'000	RM'000
Loans, advances and financing	2,941,243	2,754,176	8,745,005	8,418,671
Money at call and deposits and placements with financial institutions	220,031	166,169	639,391	550,430
Financial assets purchased under resale agreements	17,219	765	35,412	2,708
Financial assets at FVTPL	81,296	53,971	218,985	152,433
Financial investments available-for-sale	670,167	594,752	1,894,737	1,757,809
Financial investments held-to-maturity	138,323	130,963	410,911	397,173
	4,068,279	3,700,796	11,944,441	11,279,224
Accretion of discounts, net	26,324	13,491	50,766	44,165
	4,094,603	3,714,287	11,995,207	11,323,389

Included in interest income for the nine-month financial period ended 30 September 2017 was interest on impaired assets amounting to approximately RM214,071,000 (30 September 2016: RM228,814,000) for the Group and RM170,301,000 (30 September 2016: RM158,549,000) for the Bank.

A22. Interest Expense

Group	Third Quarter Ended		Cumulative 9 Months Ended	
	30 September	30 September	30 September	30 September
	2017	2016	2017	2016
	RM'000	RM'000	RM'000	RM'000
Deposits and placements from financial institutions	177,311	100,731	466,478	351,128
Deposits from customers	1,655,549	1,685,178	4,964,150	5,128,492
Floating rate certificates of deposits	1,195	5,840	7,029	19,705
Loans sold to Cagamas	24,744	8,940	54,788	26,846
Obligations on financial assets sold under repurchase agreements	18,601	6,069	52,278	16,425
Borrowings	282,157	236,593	802,117	637,237
Subordinated notes	174,878	192,937	535,021	596,385
Subordinated bonds	8,620	8,605	25,589	25,571
Capital securities	99,805	98,102	295,336	289,876
Structured deposits	23,914	26,059	76,453	87,839
Financial liabilities at fair value through profit or loss	40,377	11,716	93,186	26,631
	2,507,151	2,380,770	7,372,425	7,206,135

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A22. Interest Expense (cont'd.)

	Third Quarter Ended		Cumulative 9 Months Ended	
	30 September 2017	30 September 2016	30 September 2017	30 September 2016
Bank	RM'000	RM'000	RM'000	RM'000
Deposits and placements from financial institutions	171,312	92,845	451,143	322,441
Deposits from customers	1,172,875	1,238,069	3,510,900	3,771,821
Floating rate certificates of deposits	1,195	5,840	7,029	19,705
Loans sold to Cagamas	24,744	8,940	54,788	26,846
Obligations on financial assets sold under repurchase agreements	18,601	6,069	52,278	16,425
Borrowings	164,313	132,982	461,230	344,876
Subordinated notes	131,135	150,325	400,212	479,729
Capital securities	99,793	98,638	295,648	292,426
Structured deposits	23,914	26,059	76,453	87,839
Financial liabilities at fair value through profit or loss	40,377	11,716	93,186	26,631
	1,848,259	1,771,483	5,402,867	5,388,739

A23. Net Earned Insurance Premiums

	Third Quarter Ended		Cumulative 9 Months Ended	
	30 September 2017	30 September 2016	30 September 2017	30 September 2016
Group	RM'000	RM'000	RM'000	RM'000
Gross earned premiums	1,545,283	1,288,104	4,524,382	4,188,585
Premiums ceded to reinsurers	(237,846)	(269,703)	(707,254)	(937,001)
	1,307,437	1,018,401	3,817,128	3,251,584

A24. Dividends from Subsidiaries and Associates

	Third Quarter Ended		Cumulative 9 Months Ended	
	30 September 2017	30 September 2016	30 September 2017	30 September 2016
Bank	RM'000	RM'000	RM'000	RM'000
Gross dividend income from:				
Subsidiaries	764,201	611,011	1,878,889	2,336,888
Associates	8,955	225	9,865	8,179
	773,156	611,236	1,888,754	2,345,067

A25. Other Operating Income

	Third Quarter Ended		Cumulative 9 Months Ended	
	30 September 2017	30 September 2016	30 September 2017	30 September 2016
Group	RM'000	RM'000	RM'000	RM'000
(a) Fee income:				
Commission	374,754	315,138	1,006,419	910,746
Service charges and fees	368,280	343,495	1,050,401	1,112,470
Underwriting fees	21,104	9,690	65,910	22,726
Brokerage income	130,488	158,877	425,878	438,201
Fees on loans, advances and financing	55,939	67,723	169,733	182,983
	950,565	894,923	2,718,341	2,667,126
(b) Investment income:				
Net gain on disposal of financial assets at FVTPL	188,295	109,467	295,003	227,407
Net gain on disposal of financial investments available-for-sale	122,626	121,529	498,059	432,084
Net gain on redemption of financial investments held-to-maturity	-	-	170	11,397
Net gain/(loss) on liquidation of subsidiary	2	(378)	(1,997)	(378)
Net loss on dilution of interest in associate	(21,402)	-	(21,402)	-
	289,521	230,618	769,833	670,510

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A25. Other Operating Income (cont'd.)

Group (cont'd.)	Third Quarter Ended		Cumulative 9 Months Ended	
	30 September 2017 RM'000	30 September 2016 RM'000	30 September 2017 RM'000	30 September 2016 RM'000
(c) Gross dividend income from:				
Financial investments portfolio	22,797	23,608	75,617	67,722
(d) Unrealised (loss)/gain on revaluation of:				
Financial assets at FVTPL				
- Designated upon initial recognition	(131,219)	200,144	(8,691)	434,182
- Held-for-trading	(47,501)	41,950	149,334	9,077
Financial liabilities at FVTPL	100,023	(26,436)	29,507	(77,384)
Derivatives	69,458	82,884	57,745	480,162
	<u>(9,239)</u>	<u>298,542</u>	<u>227,895</u>	<u>846,037</u>
(e) Other income:				
Foreign exchange gain, net	244,338	185,395	368,112	311,946
Realised gain on derivatives	20,489	18,480	194,925	201,422
Rental income	9,895	10,475	31,324	32,776
Gain on disposal of property, plant and equipment	1,581	17,163	15,490	45,449
Gain/(loss) on disposal of foreclosed properties	393	(474)	154	(747)
Others	(6,379)	52,116	104,529	143,085
	<u>270,317</u>	<u>283,155</u>	<u>714,534</u>	<u>733,931</u>
Total other operating income	<u>1,523,961</u>	<u>1,730,846</u>	<u>4,506,220</u>	<u>4,985,326</u>
Bank	30 September 2017 RM'000	30 September 2016 RM'000	30 September 2017 RM'000	30 September 2016 RM'000
(a) Fee income:				
Commission	306,352	257,131	856,240	730,004
Service charges and fees	283,766	277,927	820,398	775,206
Underwriting fees	5,451	5,588	21,354	17,322
Fees on loans, advances and financing	27,041	43,271	86,861	105,145
	<u>622,610</u>	<u>583,917</u>	<u>1,784,853</u>	<u>1,627,677</u>
(b) Investment income:				
Net gain on disposal of financial assets at FVTPL	36,560	57,866	100,349	126,494
Net gain on disposal of financial investments available-for-sale	86,437	96,955	171,855	329,215
Net gain on redemption of financial investments held-to-maturity	-	-	170	11,397
Net gain on liquidation of subsidiaries	101	-	101	-
	<u>123,098</u>	<u>154,821</u>	<u>272,475</u>	<u>467,106</u>
(c) Gross dividend income from:				
Financial investments portfolio	345	1,452	3,726	9,875
(d) Unrealised gain/(loss) on revaluation of:				
Financial assets at FVTPL				
- Held-for-trading	1,402	(15,761)	44,809	1,471
Financial liabilities at FVTPL	100,023	(26,436)	29,507	(77,384)
Derivatives	14,818	92,547	81,001	488,471
	<u>116,243</u>	<u>50,350</u>	<u>155,317</u>	<u>412,558</u>
(e) Other income:				
Foreign exchange gain, net	218,726	132,154	349,776	336,610
Realised gain on derivatives	25,004	15,801	188,160	163,268
Rental income	8,145	7,474	23,810	23,223
Gain on disposal of property, plant and equipment	1,591	16,192	14,401	15,107
Others	(54,999)	6,702	(40,708)	21,652
	<u>198,467</u>	<u>178,323</u>	<u>535,439</u>	<u>559,860</u>
Total other operating income	<u>1,060,763</u>	<u>968,863</u>	<u>2,751,810</u>	<u>3,077,076</u>

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A26. Net Insurance Benefits and Claims Incurred, Net Fee and Commission Expenses, Change in Expense Liabilities and Taxation of Life and Takaful Fund

Group	Third Quarter Ended		Cumulative 9 Months Ended	
	30 September 2017 RM'000	30 September 2016 RM'000	30 September 2017 RM'000	30 September 2016 RM'000
Gross benefits and claims paid	741,733	944,980	2,714,059	3,051,725
Claims ceded to reinsurers	(68,312)	(340,183)	(303,265)	(628,034)
Gross change to contract liabilities	153,177	(80,234)	775,623	733,388
Change in contract liabilities ceded to reinsurers	339,396	519,272	425,174	89,944
Net insurance benefits and claims incurred	1,165,994	1,043,835	3,611,591	3,247,023
Net fee and commission expenses	50,039	50,728	156,345	163,216
Change in expense liabilities	(7,124)	11,928	21,801	60,610
Taxation of life and takaful fund	6,386	6,633	34,161	41,751
Net fee and commission expenses, change in expense liabilities and taxation of life and takaful fund	49,301	69,289	212,307	265,577
Total net insurance benefits and claims incurred, net fee and commission expenses, change in expense liabilities and taxation of life and takaful fund	1,215,295	1,113,124	3,823,898	3,512,600

A27. Overhead Expenses

Group	Third Quarter Ended		Cumulative 9 Months Ended	
	30 September 2017 RM'000	30 September 2016 RM'000	30 September 2017 RM'000	30 September 2016 RM'000
(a) Personnel expenses				
Salaries, allowances and bonuses	1,165,071	1,116,316	3,490,168	3,250,885
Social security cost	11,213	9,902	33,229	29,177
Pension costs - defined contribution plan	135,213	125,755	396,633	363,158
ESS expenses	4,268	9,119	12,464	28,776
Other staff related expenses	215,992	199,784	650,198	621,379
	1,531,757	1,460,876	4,582,692	4,293,375
(b) Establishment costs				
Depreciation of property, plant and equipment	93,191	95,190	284,412	281,667
Amortisation of intangible assets	66,869	74,385	208,769	216,324
Rental of leasehold land and premises	89,945	88,109	283,302	266,096
Repairs and maintenance of property, plant and equipment	44,983	40,374	127,881	124,543
Information technology expenses	170,846	184,483	478,323	512,541
Fair value adjustments on investments properties	26	11	80	34
Others	13,749	12,928	38,725	35,509
	479,609	495,480	1,421,492	1,436,714
(c) Marketing expenses				
Advertisement and publicity	48,681	49,391	152,780	184,337
Others	67,997	66,823	209,017	207,029
	116,678	116,214	361,797	391,366

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A27. Overhead Expenses (cont'd.)

Group (cont'd.)	Third Quarter Ended		Cumulative 9 Months Ended	
	30 September 2017 RM'000	30 September 2016 RM'000	30 September 2017 RM'000	30 September 2016 RM'000
(d) Administration and general expenses				
Fees and brokerage	274,352	224,076	806,942	672,663
Administrative expenses	162,372	186,702	472,870	516,841
General expenses	215,109	205,514	723,122	601,770
Others	133,895	11,001	142,341	31,046
	785,728	627,293	2,145,275	1,822,320
Total overhead expenses	2,913,772	2,699,863	8,511,256	7,943,775
Cost to income ratio ("CIR")¹	49.1%	49.3%	49.1%	48.9%

¹ Cost to income ratio ("CIR") is computed using the total cost over the net operating income. Total cost of the Group is the total overhead expenses, excluding amortisation of intangible assets for PT Bank Maybank Indonesia Tbk and Maybank Kim Eng Holdings Limited. Income refers to net operating income amount as stated on the face of income statement.

Bank	Third Quarter Ended		Cumulative 9 Months Ended	
	30 September 2017 RM'000	30 September 2016 RM'000	30 September 2017 RM'000	30 September 2016 RM'000
(a) Personnel expenses				
Salaries, allowances and bonuses	712,860	700,774	2,140,178	1,981,068
Social security cost	5,231	4,643	15,067	12,925
Pension costs - defined contribution plan	104,980	97,079	309,700	276,618
ESS expenses	2,256	6,267	8,556	20,156
Other staff related expenses	115,833	107,320	347,169	357,909
	941,160	916,083	2,820,670	2,648,676
(b) Establishment costs				
Depreciation of property, plant and equipment	46,213	47,438	141,907	139,977
Amortisation of intangible assets	25,047	33,044	76,643	98,112
Rental of leasehold land and premises	36,672	35,847	115,169	110,740
Repairs and maintenance of property, plant and equipment	25,136	22,611	70,956	70,181
Information technology expenses	212,420	222,844	602,629	617,948
Others	2,101	2,604	5,856	6,780
	347,589	364,388	1,013,160	1,043,738
(c) Marketing expenses				
Advertisement and publicity	22,480	17,877	76,082	86,965
Others	50,963	58,798	156,083	184,123
	73,443	76,675	232,165	271,088
(d) Administration and general expenses				
Fees and brokerage	174,031	142,698	476,381	407,980
Administrative expenses	64,529	75,365	209,364	221,202
General expenses	93,409	74,936	256,459	225,857
Others	109,815	1,329	116,386	18,162
	441,784	294,328	1,058,590	873,201
(e) Overhead expenses allocated to subsidiaries	(257,944)	(257,303)	(814,609)	(775,834)
Total overhead expenses	1,546,032	1,394,171	4,309,976	4,060,869
Cost to income ratio ("CIR")²	37.9%	39.6%	38.4%	35.8%

² Cost to income ratio ("CIR") is computed using the total cost over the net operating income.

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A28. Allowances for/(writeback of) Impairment Losses on Loans, Advances, Financing and Other Debts, net

Group	Third Quarter Ended		Cumulative 9 Months Ended	
	30 September 2017 RM'000	30 September 2016 RM'000	30 September 2017 RM'000	30 September 2016 RM'000
Allowances for/(writeback of) impairment losses on loans, advances and financing:				
- collective allowance made	27,024	(43,909)	845,057	1,092,464
- collective allowance written back	333	(312)	(152)	(30,341)
- individual allowance made	534,089	547,859	1,378,195	1,560,120
- individual allowance written back	(80,691)	(33,058)	(243,003)	(135,788)
Bad debts and financing written-off	21,621	20,854	76,582	75,697
Bad debts and financing recovered	(115,702)	(122,500)	(292,621)	(350,759)
(Writeback of)/allowances for impairment losses on other debts	(186)	1,320	(4,805)	5,612
	386,488	370,254	1,759,253	2,217,005

Bank	Third Quarter Ended		Cumulative 9 Months Ended	
	30 September 2017 RM'000	30 September 2016 RM'000	30 September 2017 RM'000	30 September 2016 RM'000
(Writeback of)/allowances for impairment losses on loans, advances and financing:				
- collective allowance made, net	(73,048)	(174,409)	431,768	469,448
- individual allowance made	399,857	240,098	983,250	1,017,101
- individual allowance written back	(55,206)	(18,476)	(141,245)	(83,747)
Bad debts and financing written-off	14,754	13,517	54,783	48,547
Bad debts and financing recovered	(70,888)	(88,844)	(178,233)	(223,918)
Allowances for impairment losses on other debts	293	-	859	688
	215,762	(28,114)	1,151,182	1,228,119

A29. Allowances for/(writeback of) Impairment Losses on Financial Investments, net

Group	Third Quarter Ended		Cumulative 9 Months Ended	
	30 September 2017 RM'000	30 September 2016 RM'000	30 September 2017 RM'000	30 September 2016 RM'000
Financial investments AFS				
- Allowance made	25,686	13,752	33,376	251,153
- Amount written back in respect of recoveries	(2,591)	(53,169)	(4,551)	(77,669)
Net	23,095	(39,417)	28,825	173,484

Bank	Third Quarter Ended		Cumulative 9 Months Ended	
	30 September 2017 RM'000	30 September 2016 RM'000	30 September 2017 RM'000	30 September 2016 RM'000
Financial investments AFS				
- Allowance made	1,075	9,839	1,075	211,488
- Amount written back in respect of recoveries	(2,603)	(52,339)	(3,290)	(71,512)
Net	(1,528)	(42,500)	(2,215)	139,976

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A30. Segment Information

By business segments

The Group's operating segments are Group Community Financial Services, Group Global Banking and Group Insurance and Takaful. The Group determines and presents operating segments based on information provided to the Board and senior management of the Group.

The Group is organised into three (3) operating segments based on services and products available within the Group are as follows:

(a) Group Community Financial Services ("CFS")

(i) Consumer Banking

Consumer Banking comprises the full range of products and services offered to individuals in the region, which includes savings and fixed deposits, remittance services, current accounts, consumer loans such as housing loans and personal loans, hire purchases, unit trusts, bancassurance products and credit cards.

(ii) Small, Medium Enterprise ("SME") Banking

SME Banking comprises the full range of products and services offered to small and medium enterprises in the region. The products and services offered includes long-term loans such as project financing, short-term credit such as overdrafts and trade financing, and fee-based services such as cash management and custodian services.

(iii) Business Banking

Business Banking comprises the full range of products and services offered to commercial enterprises in the region. The products and services offered includes long-term loans such as project financing, short-term credit such as overdrafts and trade financing, and fee-based services such as cash management and custodian services.

(b) Group Global Banking ("GB")

(i) Group Corporate Banking and Global Markets

Group Corporate Banking and Global Markets comprise of Corporate Banking and Global Markets business.

Corporate Banking comprises the full range of products and services offered to business customers in the region, ranging from large corporate and the public sector. The products and services offered includes long-term loans such as project financing, short-term credit such as overdrafts and trade financing, and fee-based services such as cash management, trustee services and custodian services.

Global Markets comprise the full range of products and services relating to treasury activities and services, which includes foreign exchange, money market, derivatives and trading of capital market.

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A30. Segment Information (cont'd.)

By business segments (cont'd.)

(b) Group Global Banking ("GB") (cont'd.)

(ii) Group Investment Banking (Maybank IB and Maybank Kim Eng)

Investment Banking comprises the investment banking and securities broking business. This segment focuses on business needs of mainly large corporate customers and financial institutions. The products and services offered to customers include corporate advisory services, bond issuance, equity issuance, syndicated acquisition advisory services, debt restructuring advisory services, and share and futures dealings.

(iii) Group Asset Management

Asset Management comprises the asset and fund management services, providing a diverse range of Conventional and Islamic investment solutions to retail, corporate and institutional clients.

(c) Group Insurance and Takaful

Insurance and Takaful comprise the business of underwriting all classes of general and life insurance businesses, offshore investment life insurance business, general takaful and family takaful businesses.

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A30. Segment Information (cont'd.)

By business segments (cont'd.)

	<===== Business Segments =====>						Total RM'000
	<===== Group Global Banking =====>						
Nine Months Ended 30 September 2017	Group Community Financial Services RM'000	Group Corporate Banking & Global Markets RM'000	Group Investment Banking RM'000	Group Asset Management RM'000	Group Insurance and Takaful RM'000	Head Office and Others RM'000	
Net interest income and income from IBS operations							
- External	7,667,864	3,766,788	247,388	6,030	778,746	322,682	12,789,498
- Inter-segment	-	-	(17,952)	(10,185)	38,786	(10,649)	-
	7,667,864	3,766,788	229,436	(4,155)	817,532	312,033	12,789,498
Net interest income and income from IBS operations	7,667,864	3,766,788	229,436	(4,155)	817,532	312,033	12,789,498
Net earned insurance premiums	-	-	-	-	3,817,128	-	3,817,128
Other operating income	2,398,719	2,031,673	763,234	181,610	521,830	(1,390,846)	4,506,220
Total operating income	10,066,583	5,798,461	992,670	177,455	5,156,490	(1,078,813)	21,112,846
Net insurance benefits and claims incurred, net fee and commission expenses, change in expense liabilities and taxation of life and takaful fund	-	-	-	-	(3,978,510)	154,612	(3,823,898)
Net operating income	10,066,583	5,798,461	992,670	177,455	1,177,980	(924,201)	17,288,948
Overhead expenses	(5,447,254)	(1,518,307)	(891,168)	(104,698)	(549,829)	-	(8,511,256)
Operating profit/(loss) before impairment losses (Allowances for)/writeback of impairment losses on loans, advances, financing and other debts, net	4,619,329	4,280,154	101,502	72,757	628,151	(924,201)	8,777,692
	(761,703)	(1,000,917)	7,116	(540)	(3,209)	-	(1,759,253)
Writeback of/(allowances for) impairment losses on financial investments, net	-	3,475	-	-	(32,300)	-	(28,825)
Operating profit/(loss)	3,857,626	3,282,712	108,618	72,217	592,642	(924,201)	6,989,614
Share of profits in associates and joint ventures	-	182,184	150	-	-	-	182,334
Profit/(loss) before taxation and zakat	3,857,626	3,464,896	108,768	72,217	592,642	(924,201)	7,171,948
Taxation and zakat							(1,626,158)
Profit after taxation and zakat							5,545,790
Non-controlling interests							(157,347)
Profit for the period - attributable to equity holders of the Bank							5,388,443
Included in overhead expenses are:							
Depreciation of property, plant and equipment	(178,984)	(50,828)	(41,527)	(572)	(12,501)	-	(284,412)
Amortisation of intangible assets	(129,582)	(35,230)	(32,648)	(356)	(10,953)	-	(208,769)

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A30. Segment Information (cont'd.)

By business segments (cont'd.)

Nine Months Ended 30 September 2016	<===== Business Segments =====>							Total RM'000
	<===== Group Global Banking =====>						Head Office and Others RM'000	
	Group Community Financial Services RM'000	Group Corporate Banking & Global Markets RM'000	Group Investment Banking RM'000	Group Asset Management RM'000	Group Insurance and Takaful RM'000	RM'000		
Net interest income and income from IBS operations								
- External	7,049,967	3,555,343	229,710	6,182	692,615	(62,841)		11,470,976
- Inter-segment	-	-	(9,321)	(9,850)	51,128	(31,957)		-
	7,049,967	3,555,343	220,389	(3,668)	743,743	(94,798)		11,470,976
Net interest income and income from IBS operations	7,049,967	3,555,343	220,389	(3,668)	743,743	(94,798)		11,470,976
Net earned insurance premiums	-	-	-	-	3,251,584	-		3,251,584
Other operating income	2,222,191	2,169,135	844,911	120,800	798,878	(1,170,589)		4,985,326
Total operating income	9,272,158	5,724,478	1,065,300	117,132	4,794,205	(1,265,387)		19,707,886
Net insurance benefits and claims incurred, net fee and commission expenses, change in expense liabilities and taxation of life and takaful fund	-	-	-	-	(3,647,951)	135,351		(3,512,600)
Net operating income	9,272,158	5,724,478	1,065,300	117,132	1,146,254	(1,130,036)		16,195,286
Overhead expenses	(5,111,473)	(1,384,721)	(856,066)	(92,342)	(499,173)	-		(7,943,775)
Operating profit/(loss) before impairment losses (Allowances for)/writeback of impairment losses on loans, advances, financing and other debts, net	4,160,685	4,339,757	209,234	24,790	647,081	(1,130,036)		8,251,511
(Allowances for)/writeback of impairment losses on financial investments, net	(1,172,698)	(1,036,754)	(12,738)	(62)	5,247	-		(2,217,005)
Operating profit/(loss)	-	(139,453)	(1,945)	6,751	(38,837)	-		(173,484)
Operating profit/(loss)	2,987,987	3,163,550	194,551	31,479	613,491	(1,130,036)		5,861,022
Share of profits in associates and joint ventures	-	110,158	265	-	-	-		110,423
Profit/(loss) before taxation and zakat	2,987,987	3,273,708	194,816	31,479	613,491	(1,130,036)		5,971,445
Taxation and zakat								(1,457,626)
Profit after taxation and zakat								4,513,819
Non-controlling interests								(131,425)
Profit for the period - attributable to equity holders of the Bank								4,382,394
Included in overhead expenses are:								
Depreciation of property, plant and equipment	(179,096)	(48,482)	(41,891)	(638)	(11,560)	-		(281,667)
Amortisation of intangible assets	(140,810)	(34,954)	(32,963)	(160)	(7,437)	-		(216,324)

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A31. Carrying Amount of Revalued Assets

The Group's and the Bank's property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. There was no change in the valuation of property and equipment that were brought forward from the previous audited annual financial statements for the financial year ended 31 December 2016.

A32. Subsequent Events

There were no material events subsequent to the reporting date, other than as disclosed in Note A8(ii).

A33. Changes in the Composition of the Group

There were no significant changes to the composition of the Group during the third quarter ended 30 September 2017.

A34. Commitments and Contingencies

In the normal course of business, the Group and the Bank make various commitments and incur 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 Group and of the Bank as at the following reporting dates are as follows:

Group	As at 30 September 2017			As at 31 December 2016		
	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	11,386,762	10,592,271	6,461,940	12,656,766	11,637,132	6,773,719
Certain transaction-related contingent items	19,212,572	9,643,522	6,687,276	20,138,714	9,865,761	6,526,837
Short-term self-liquidating trade-related contingencies	7,495,982	1,234,688	929,593	6,332,853	1,206,287	806,417
Obligations under underwriting agreements	-	-	-	65,885	-	-
	38,095,316	21,470,481	14,078,809	39,194,218	22,709,180	14,106,973
<u>Commitments</u>						
Irrevocable commitments to extend credit:						
- Maturity within one year	106,464,943	15,444,315	9,485,440	104,587,826	17,427,734	9,875,783
- Maturity exceeding one year	37,527,412	32,639,581	16,008,635	40,215,328	29,185,348	14,299,675
	143,992,355	48,083,896	25,494,075	144,803,154	46,613,082	24,175,458
Miscellaneous commitments and contingencies	11,724,197	227,721	99,584	9,567,119	85,577	4,084
Total credit-related commitments and contingencies	193,811,868	69,782,098	39,672,468	193,564,491	69,407,839	38,286,515
<u>Derivative financial instruments</u>						
Foreign exchange related contracts:						
- Less than one year	359,602,485	4,610,466	1,585,439	225,896,876	4,022,354	1,714,681
- One year to less than five years	28,935,694	1,364,753	1,020,423	25,804,447	2,706,778	1,715,007
- Five years and above	4,775,906	95,382	38,313	5,914,955	1,045,414	680,700
	393,314,085	6,070,601	2,644,175	257,616,278	7,774,546	4,110,388
Interest rate related contracts:						
- Less than one year	88,892,552	518,623	198,935	98,606,680	446,302	235,998
- One year to less than five years	161,445,355	4,359,700	1,919,800	144,934,350	2,615,144	1,163,462
- Five years and above	55,404,677	2,128,607	1,781,432	60,944,220	1,371,891	1,008,054
	305,742,584	7,006,930	3,900,167	304,485,250	4,433,337	2,407,514

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A34. Commitments and Contingencies (cont'd.)

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

Group (cont'd.)	As at 30 September 2017			As at 31 December 2016		
	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> <u>(cont'd.)</u>						
Equity and commodity related contracts:						
- Less than one year	6,497,233	4,588	1,554	7,708,321	43,124	21,111
- One year to less than five years	3,355,679	15,032	4,546	3,030,606	-	-
- Five years and above	33,663	-	-	33,663	-	-
	9,886,575	19,620	6,100	10,772,590	43,124	21,111
Total treasury-related commitments and contingencies	708,943,244	13,097,151	6,550,442	572,874,118	12,251,007	6,539,013
Total commitments and contingencies	902,755,112	82,879,249	46,222,910	766,438,609	81,658,846	44,825,528
Bank						
	As at 30 September 2017			As at 31 December 2016		
	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	9,214,046	9,010,222	5,074,568	10,494,313	10,133,153	5,276,902
Certain transaction-related contingent items	15,617,902	8,363,607	5,531,858	17,336,804	8,226,900	5,175,883
Short-term self-liquidating trade-related contingencies	7,043,680	1,073,813	776,058	5,767,014	1,029,670	644,283
	31,875,628	18,447,642	11,382,484	33,598,131	19,389,723	11,097,068
<u>Commitments</u>						
Irrevocable commitments to extend credit:						
- Maturity within one year	81,957,940	9,492,553	5,587,810	80,959,286	11,248,739	6,198,408
- Maturity exceeding one year	29,991,211	28,390,805	13,659,604	31,500,386	25,583,666	12,464,323
	111,949,151	37,883,358	19,247,414	112,459,672	36,832,405	18,662,731
Miscellaneous commitments and contingencies	9,027,606	224,329	97,544	8,007,674	85,577	4,084
Total credit-related commitments and contingencies	152,852,385	56,555,329	30,727,442	154,065,477	56,307,705	29,763,883
<u>Derivative financial instruments</u>						
Foreign exchange related contracts:						
- Less than one year	351,101,489	4,426,837	1,507,749	221,711,497	3,860,533	1,657,761
- One year to less than five years	29,966,111	1,298,309	996,383	26,688,364	2,669,793	1,703,282
- Five years and above	4,775,906	328	168	5,914,955	944,436	639,275
	385,843,506	5,725,474	2,504,300	254,314,816	7,474,762	4,000,318

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A34. Commitments and Contingencies (cont'd.)

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

	As at 30 September 2017			As at 31 December 2016		
	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
Bank (cont'd.)						
<u>Derivative financial instruments</u>						
<u>(cont'd.)</u>						
Interest rate related contracts:						
- Less than one year	88,367,099	397,410	144,594	97,180,404	296,982	169,061
- One year to less than five years	160,140,375	3,846,262	1,630,630	145,209,928	2,279,530	931,515
- Five years and above	56,604,677	2,143,369	1,759,172	60,944,220	1,376,823	945,673
	305,112,151	6,387,041	3,534,396	303,334,552	3,953,335	2,046,249
Equity and commodity related contracts:						
- Less than one year	4,903,125	4,588	1,554	6,387,247	43,124	21,111
- One year to less than five years	3,353,944	15,032	4,546	3,027,432	-	-
	8,257,069	19,620	6,100	9,414,679	43,124	21,111
Total treasury-related commitments and contingencies	699,212,726	12,132,135	6,044,796	567,064,047	11,471,221	6,067,678
Total commitments and contingencies	852,065,111	68,687,464	36,772,238	721,129,524	67,778,926	35,831,561

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

(i) The Group's and the Bank's derivative financial instruments are subject to market, credit and liquidity risks, as follows:

Market Risk

Market risk on derivatives is the potential loss to the value of these contracts due to changes in price of the underlying items such as equities, interest rates, foreign exchange rates, credit spreads, commodities or other indices. The notional or contractual amounts provide only the volume of transactions outstanding at the reporting date and do not represent the amount at risk. Exposure to market risk may be reduced through offsetting items from on and off-balance sheet positions.

Credit Risk

Credit risk arises from the possibility that a counterparty may be unable to meet the terms of a contract in which the Bank and certain subsidiaries have a gain position. As at 30 September 2017, the amount of credit risk in the Group, measured in terms of the cost to replace the profitable contracts, was RM6,880.1 million (31 December 2016: RM8,311.7 million). This amount will increase or decrease over the life of the contracts, mainly as a function of maturity dates and market rates or prices.

Liquidity Risk

Liquidity risk on derivatives is the risk that the derivative position cannot be closed out promptly. Exposure to liquidity risk is reduced through contracting derivatives where the underlying items are widely traded.

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A34. Commitments and Contingencies (cont'd.)

- (ii) There have been no changes since the end of the previous financial year in respect of the following:
- (a) the types of derivative financial contracts entered into and the rationale for entering into such contracts, as well as the expected benefits accruing from these contracts;
 - (b) the risk management policies in place for mitigating and controlling the risks associated with these derivative financial contracts; and
 - (c) the related accounting policies.

A35. Capital Adequacy

(a) Capital Adequacy Framework

- (i) Bank Negara Malaysia ("BNM") had on 13 October 2015 issued Capital Adequacy Framework (Capital Components) and Capital Adequacy Framework for Islamic Banks (Capital Components) on the computation of capital and capital adequacy ratios for Conventional banks and Islamic banks respectively. The policy documents come into effect on 1 January 2016. All financial institutions shall hold and maintain at all times, the following minimum capital adequacy ratios:

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

* Excluding Capital Conservation Buffer of 2.5% of total risk-weighted assets ("RWA") which is subject to phase-in arrangement effective on 1 January 2016 as well as Countercyclical Capital Buffer ranging between 0% - 2.5% of total RWA and any other capital buffers which may be introduced by BNM.

- (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 the Capital Adequacy Framework (Basel II - Risk-Weighted Assets) and Capital Adequacy Framework for Islamic Banks (Risk-Weighted Assets) both issued by BNM on 2 March 2017 for Conventional banks and Islamic banks respectively.

The sum of the above is further adjusted to take into account any profit-sharing investment accounts ("PSIA") recognised as risk absorbent for capital adequacy purposes, in the manner stipulated under the Guidelines on Recognition and Measurement of PSIA as Risk Absorbent as updated by BNM on 26 July 2011.

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 ratios of the Group and of the Bank are computed in accordance with BNM's Capital Adequacy Framework (Capital Components) and Capital Adequacy Framework (Basel II - Risk-Weighted Assets) issued on 13 October 2015 and 2 March 2017 respectively. The total RWA are computed based on the following approaches:

- (A) Credit risk under Internal Ratings-Based Approach;
- (B) Market risk under Standardised Approach; and
- (C) Operational risk under Basic Indicator Approach.

On an entity level basis, the computation of capital adequacy ratios of the subsidiaries of the Group are as follows:

- (i) For Maybank Islamic Berhad, the computation of capital adequacy ratios are based on BNM's Capital Adequacy Framework for Islamic Banks (Capital Components) and Capital Adequacy Framework for Islamic Banks (Risk-Weighted Assets) issued on 13 October 2015 and 2 March 2017 respectively. The total RWA are computed based on the following approaches:

- (A) Credit risk under Internal Ratings-Based Approach;
- (B) Market risk under Standardised Approach; and
- (C) 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 2017.

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A35. Capital Adequacy (cont'd.)

(b) Compliance and application of capital adequacy ratios (cont'd.)

(ii) For Maybank Investment Bank Berhad, the computation of capital adequacy ratios are based on BNM's Capital Adequacy Framework (Capital Components) and Capital Adequacy Framework (Basel II - Risk-Weighted Assets) issued on 13 October 2015 and 2 March 2017 respectively. The total RWA are computed based on the following approaches:

- (A) Credit risk under Standardised Approach;
- (B) Market risk under Standardised Approach; and
- (C) 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 2017.

(iii) For PT Bank Maybank Indonesia Tbk, the computation of capital adequacy ratios are in accordance with local requirements, which is based on the Basel II capital accord. The total RWA are computed based on the following approaches:

- (A) Credit risk under Standardised Approach;
- (B) Market risk under Standardised Approach; and
- (C) Operational risk under Basic Indicator Approach.

The minimum regulatory capital adequacy requirement for PT Bank Maybank Indonesia Tbk is 10% - 11% of total RWA.

(c) The capital adequacy ratios of the Group and of the Bank

With effect from 30 June 2013, the amount of declared dividend to be deducted in the calculation of CET1 Capital under a DRP shall be determined in accordance with BNM's Implementation Guidance on Capital Adequacy Framework (Capital Components) ("Implementation Guidance") issued on 8 May 2013. Under the said Implementation Guidance, where a portion of the dividend may be reinvested under a DRP (the electable portion), the amount of declared dividend to be deducted in the calculation of CET1 Capital may be reduced as follows:

- (i) where an irrevocable written undertaking from shareholder has been obtained to reinvest the electable portion of the dividend; or
- (ii) where there is no irrevocable written undertaking provided, the average of the preceding 3-year take-up rates subject to the amount being not more than 50% of the total electable portion of the dividend.

Pursuant to Note A9(b), in arriving the capital adequacy ratios for the nine months financial period ended 30 September 2017, the cash portion and a portion of the electable portion of declared dividend which assumed to be paid in cash have been deducted from the calculation of CET1 Capital.

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

	Group		Bank	
	30 September 2017	31 December 2016	30 September 2017	31 December 2016
CET1 Capital Ratio	13.447%	13.990%	14.207%	15.881%
Tier 1 Capital Ratio	15.080%	15.664%	16.538%	18.232%
Total Capital Ratio	17.974%	19.293%	17.971%	19.432%

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A35. Capital Adequacy (cont'd.)

(d) Components of capital:

	Group		Bank	
	30 September 2017 RM'000	31 December 2016 RM'000	30 September 2017 RM'000	31 December 2016 RM'000
CET1 Capital				
Share capital	42,519,223	10,193,200	42,519,223	10,193,200
Share premium	-	28,878,703	-	28,878,703
Retained profits ¹	18,252,979	10,482,202	11,803,170	4,514,094
Other reserves ¹	5,006,891	15,048,174	5,129,925	13,605,920
Qualifying non-controlling interests	125,939	112,513	-	-
Less: Shares held-in-trust	(179,570)	(125,309)	(179,570)	(125,309)
CET1 Capital before regulatory adjustments	65,725,462	64,589,483	59,272,748	57,066,608
Less: Regulatory adjustments applied on CET1 Capital:				
Deferred tax assets	(13,363,800)	(11,482,463)	(20,965,579)	(14,648,641)
Goodwill	(686,283)	(874,988)	(223,626)	(358,687)
Other intangibles	(6,004,263)	(6,317,009)	(81,015)	(81,015)
Gains on financial instruments classified as 'available-for-sale'	(998,525)	(955,441)	(472,124)	(449,034)
Regulatory reserve	(101,929)	-	(6,635)	-
Investment in ordinary shares of unconsolidated financial and insurance/takaful entities ³	(2,653,584)	(1,057,997)	(2,207,416)	(660,800)
Total CET1 Capital	52,361,662	53,107,020	38,307,169	42,417,967
Additional Tier 1 Capital				
Capital securities	6,286,283	6,279,948	6,286,283	6,279,948
Qualifying CET1, Additional Tier 1 capital instruments held by third parties	76,372	73,556	-	-
Total Tier 1 Capital	58,724,317	59,460,524	44,593,452	48,697,915
Tier 2 Capital				
Subordinated obligations	9,358,156	13,077,127	9,358,156	13,077,127
Qualifying CET1, Additional Tier 1 and Tier 2 capital instruments held by third parties	560,485	473,100	-	-
Collective allowance ²	377,836	408,984	139,601	120,467
Surplus of total eligible provision over total expected loss	1,700,386	1,333,468	1,235,531	1,194,370
Less: Investment in capital instruments of unconsolidated financial and insurance/takaful entities ³	(729,804)	(1,518,018)	(6,870,234)	(11,186,221)
Total Tier 2 Capital	11,267,059	13,774,661	3,863,054	3,205,743
Total Capital	69,991,376	73,235,185	48,456,506	51,903,658

¹ For the Group, the amount excludes retained profits and other reserves from insurance and takaful business. For the Bank, the amount includes retained profits and other reserves of Maybank International (L) Ltd.

² Excludes collective allowance for impaired loans, advances and financing restricted from Tier 2 Capital of the Group and of the Bank.

³ For the Bank, the regulatory adjustment includes cost of investment in subsidiaries and associates, except for: (i) Myfin Berhad of RM18,994,000 as its business, assets and liabilities have been transferred to the Bank; (ii) Maybank International (L) Ltd. of RM10,289,000 and (iii) Maybank Agro Fund Sdn. Bhd. of RM10,845,000, as its assets are included in the Bank's RWA. For the Group, the regulatory adjustment includes carrying amount of associates and investment in insurance and takaful entities.

The capital adequacy ratios of the Group is derived from consolidated balances of the Bank and its subsidiaries, excluding the investments in insurance and takaful entities and associates.

The capital adequacy ratios of the Bank is derived from the Bank and its wholly-owned offshore banking subsidiary, Maybank International (L) Ltd., excluding the investments in subsidiaries and associates (except for Myfin Berhad, Maybank International (L) Ltd. and Maybank Agro Fund Sdn. Bhd. as disclosed above).

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A35. Capital Adequacy (cont'd.)

(e) The capital adequacy ratios of the banking subsidiaries of the Bank are as follows:

	Maybank Islamic Berhad	Maybank Investment Bank Berhad	PT Bank Maybank Indonesia Tbk
<u>At 30 September 2017</u>			
CET1 Capital Ratio	11.882%	30.402%	-
Tier 1 Capital Ratio	11.882%	30.402%	-
Total Capital Ratio	16.165%	30.514%	17.594%
<u>At 31 December 2016</u>			
CET1 Capital Ratio	13.992%	33.010%	-
Tier 1 Capital Ratio	13.992%	33.010%	-
Total Capital Ratio	18.553%	33.010%	16.772%

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A35. Capital Adequacy (cont'd.)

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

At 30 September 2017

	Group RM'000	Bank RM'000	Maybank Islamic Berhad RM'000	Maybank Investment Bank Berhad RM'000	PT Bank Maybank Indonesia Tbk RM'000
Standardised Approach exposure	50,301,306	28,210,496	7,406,593	876,496	34,211,262
Internal Ratings-Based Approach exposure after scaling factor	<u>283,397,653</u>	<u>205,921,840</u>	<u>68,364,623</u>	-	-
Total RWA for credit risk	333,698,959	234,132,336	75,771,216	876,496	34,211,262
Total RWA for credit risk absorbed by Malayan Banking Berhad and Investment Account*	-	-	(16,415,246)	-	-
Total RWA for market risk	16,144,090	12,674,802	916,456	200,681	768,787
Total RWA for operational risk	39,562,853	22,836,245	6,319,316	792,499	5,256,517
Total RWA	<u>389,405,902</u>	<u>269,643,383</u>	<u>66,591,742</u>	<u>1,869,676</u>	<u>40,236,566</u>

At 31 December 2016

	Group RM'000	Bank RM'000	Maybank Islamic Berhad RM'000	Maybank Investment Bank Berhad RM'000	PT Bank Maybank Indonesia Tbk RM'000
Standardised Approach exposure	52,450,074	28,712,714	7,151,955	519,660	37,487,141
Internal Ratings-Based Approach exposure after scaling factor	<u>277,055,512</u>	<u>205,446,192</u>	<u>64,702,050</u>	-	-
Total RWA for credit risk	329,505,586	234,158,906	71,854,005	519,660	37,487,141
Total RWA for credit risk absorbed by Malayan Banking Berhad and Investment Account*	-	-	(16,426,406)	-	-
Total RWA for market risk	12,875,985	11,148,492	882,544	162,713	562,342
Total RWA for operational risk	37,218,327	21,797,628	5,691,742	823,413	5,286,446
Total RWA	<u>379,599,898</u>	<u>267,105,026</u>	<u>62,001,885</u>	<u>1,505,786</u>	<u>43,335,929</u>

* In accordance with BNM's guideline on the recognition and measurement of Restricted Profit-Sharing Investment Account ("RPSIA") and Investment Accounts of Customers ("IA") as Risk Absorbent, the credit risk on the assets funded by the RPSIA and IA are excluded from the capital adequacy ratios calculation.

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A36. Derivative Financial Instruments

The following tables summarise the contractual or underlying principal amounts of trading derivatives and financial instruments held for hedging purposes. The principal or contractual amounts of these instruments reflect the volume of transactions outstanding at the reporting date, and do not represent amounts at risk.

Derivative financial instruments are revalued on a gross position basis and the unrealised gains or losses are reflected in "Derivative Financial Instruments" Assets and Liabilities respectively.

	Group			Bank				
	Principal Amount RM'000	<----- Fair Value -----> Assets RM'000		Liabilities RM'000	Principal Amount RM'000	<----- Fair Value -----> Assets RM'000		Liabilities RM'000
At 30 September 2017								
Trading derivatives								
<u>Foreign exchange related contracts</u>								
Currency forwards:								
- Less than one year	46,809,345	299,139	(530,368)	39,555,346	266,009	(392,964)		
- One year to three years	1,095,189	24,070	(47,476)	1,095,189	26,270	(47,476)		
- More than three years	66,662	1,474	(1,098)	66,662	1,474	(1,098)		
	<u>47,971,196</u>	<u>324,683</u>	<u>(578,942)</u>	<u>40,717,197</u>	<u>293,753</u>	<u>(441,538)</u>		
Currency swaps:								
- Less than one year	297,274,407	1,934,462	(1,826,642)	296,931,374	1,997,794	(1,903,343)		
- One year to three years	245,209	9,446	(988)	245,209	9,446	(988)		
- More than three years	7,222	-	(435)	7,222	-	(435)		
	<u>297,526,838</u>	<u>1,943,908</u>	<u>(1,828,065)</u>	<u>297,183,805</u>	<u>2,007,240</u>	<u>(1,904,766)</u>		
Currency spots:								
- Less than one year	3,981,450	3,291	(3,797)	4,098,560	3,381	(3,936)		
Currency options:								
- Less than one year	4,264,046	11,184	(12,256)	4,264,046	11,184	(12,256)		
- One year to three years	2,112	16	-	2,112	16	-		
	<u>4,266,158</u>	<u>11,200</u>	<u>(12,256)</u>	<u>4,266,158</u>	<u>11,200</u>	<u>(12,256)</u>		
Cross currency interest rate swaps:								
- Less than one year	6,578,150	284,202	(509,752)	5,557,076	280,174	(503,035)		
- One year to three years	12,846,942	536,545	(567,731)	14,131,670	692,821	(699,861)		
- More than three years	15,030,160	817,078	(753,955)	14,775,849	809,815	(739,607)		
	<u>34,455,252</u>	<u>1,637,825</u>	<u>(1,831,438)</u>	<u>34,464,595</u>	<u>1,782,810</u>	<u>(1,942,503)</u>		
<u>Interest rate related contracts</u>								
Interest rate swaps:								
- Less than one year	82,625,661	76,203	(99,739)	82,925,094	76,170	(100,414)		
- One year to three years	63,304,821	325,792	(279,800)	63,696,801	326,545	(277,138)		
- More than three years	138,566,764	1,885,398	(1,825,890)	138,860,233	1,878,161	(1,830,839)		
	<u>284,497,246</u>	<u>2,287,393</u>	<u>(2,205,429)</u>	<u>285,482,128</u>	<u>2,280,876</u>	<u>(2,208,391)</u>		
Interest rate futures:								
- Less than one year	5,225,773	1,100	(1,444)	4,400,887	1,032	(1,327)		
- One year to three years	3,443,924	322	(181)	2,322,925	132	(4)		
	<u>8,669,697</u>	<u>1,422</u>	<u>(1,625)</u>	<u>6,723,812</u>	<u>1,164</u>	<u>(1,331)</u>		
Interest rate options:								
- Less than one year	1,020,000	1,347	(18)	1,020,000	1,347	(18)		
- One year to three years	1,786,182	4,041	(2,690)	1,786,182	4,041	(2,690)		
- More than three years	8,301,976	31,700	(214,145)	9,191,976	37,136	(214,226)		
	<u>11,108,158</u>	<u>37,088</u>	<u>(216,853)</u>	<u>11,998,158</u>	<u>42,524</u>	<u>(216,934)</u>		

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A36. Derivative Financial Instruments (cont'd.)

	Group			Bank		
	Principal Amount RM'000	<---- Fair Value ---->		Principal Amount RM'000	<---- Fair Value ---->	
At 30 September 2017 (cont'd.)	Assets RM'000	Liabilities RM'000	RM'000	Assets RM'000	Liabilities RM'000	RM'000
Trading derivatives (cont'd.)						
<u>Equity related contracts</u>						
Index futures:						
- More than three years	33,663	2,616	-	-	-	-
Equity options:						
- Less than one year	252,343	22,015	(61,932)	37,500	1,078	(17)
- One year to three years	1,735	918	-	-	-	-
	<u>254,078</u>	<u>22,933</u>	<u>(61,932)</u>	<u>37,500</u>	<u>1,078</u>	<u>(17)</u>
Equity swaps:						
- Less than one year	1,528,922	18,925	(75,335)	149,657	6,492	(6,771)
<u>Commodity related contracts</u>						
Commodity options:						
- Less than one year	4,365,569	677,380	(676,797)	4,365,569	677,380	(676,797)
- One year to three years	2,513,430	240,000	(270,932)	2,513,430	240,000	(270,932)
	<u>6,878,999</u>	<u>917,380</u>	<u>(947,729)</u>	<u>6,878,999</u>	<u>917,380</u>	<u>(947,729)</u>
Commodity swaps:						
- Less than one year	350,399	27,503	(27,182)	350,399	27,503	(27,182)
- One year to three years	617,551	13,260	(12,863)	617,551	13,260	(12,863)
- More than three years	222,963	1,280	(789)	222,963	1,280	(789)
	<u>1,190,913</u>	<u>42,043</u>	<u>(40,834)</u>	<u>1,190,913</u>	<u>42,043</u>	<u>(40,834)</u>
Hedging derivatives						
<u>Foreign exchange related contracts</u>						
Cross currency interest rate swaps:						
- Less than one year	695,087	42,001	-	695,087	42,001	-
- One year to three years	2,829,115	107,549	(132,170)	2,829,115	107,549	(132,170)
- More than three years	1,588,989	-	(20,995)	1,588,989	-	(20,995)
	<u>5,113,191</u>	<u>149,550</u>	<u>(153,165)</u>	<u>5,113,191</u>	<u>149,550</u>	<u>(153,165)</u>
<u>Interest rate related contracts</u>						
Interest rate swaps:						
- Less than one year	21,118	1	(3,164)	21,118	1	(3,164)
- One year to three years	897,310	1,934	(1,041)	337,880	1,435	(140)
- More than three years	549,055	17,426	-	549,055	17,426	-
	<u>1,467,483</u>	<u>19,361</u>	<u>(4,205)</u>	<u>908,053</u>	<u>18,862</u>	<u>(3,304)</u>
Netting effects under MFRS 132 Amendments						
	-	(539,502)	539,502	-	(539,502)	539,502
Total	<u>708,943,244</u>	<u>6,880,116</u>	<u>(7,422,103)</u>	<u>699,212,726</u>	<u>7,018,851</u>	<u>(7,343,973)</u>

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A36. Derivative Financial Instruments (cont'd.)

At 31 December 2016	Principal Amount RM'000	Group <---- Fair Value ---->		Principal Amount RM'000	Bank <---- Fair Value ---->	
		Assets RM'000	Liabilities RM'000		Assets RM'000	Liabilities RM'000
Trading derivatives						
<u>Foreign exchange related contracts</u>						
Currency forwards:						
- Less than one year	36,297,307	1,041,107	(390,038)	30,177,674	740,114	(340,842)
- One year to three years	1,614,408	43,098	(61,139)	1,614,408	43,098	(61,139)
- More than three years	109,540	2,533	(2,388)	109,540	2,533	(2,388)
	<u>38,021,255</u>	<u>1,086,738</u>	<u>(453,565)</u>	<u>31,901,622</u>	<u>785,745</u>	<u>(404,369)</u>
Currency swaps:						
- Less than one year	170,207,992	2,498,234	(2,492,608)	172,616,102	2,743,381	(2,483,234)
- One year to three years	548,551	38,012	(342)	548,551	38,012	(342)
	<u>170,756,543</u>	<u>2,536,246</u>	<u>(2,492,950)</u>	<u>173,164,653</u>	<u>2,781,393</u>	<u>(2,483,576)</u>
Currency spots:						
- Less than one year	2,154,112	2,058	(1,017)	2,186,968	2,081	(1,022)
Currency options:						
- Less than one year	6,409,635	85,298	(63,946)	6,409,635	85,298	(63,946)
- One year to three years	13,808	73	(1,043)	13,808	73	(1,043)
	<u>6,423,443</u>	<u>85,371</u>	<u>(64,989)</u>	<u>6,423,443</u>	<u>85,371</u>	<u>(64,989)</u>
Cross currency interest rate swaps:						
- Less than one year	9,037,284	395,630	(778,333)	8,530,572	378,013	(746,253)
- One year to three years	13,831,249	970,326	(1,315,263)	14,958,939	1,122,190	(1,438,413)
- More than three years	13,349,911	1,073,245	(1,007,515)	13,106,138	1,068,280	(996,509)
	<u>36,218,444</u>	<u>2,439,201</u>	<u>(3,101,111)</u>	<u>36,595,649</u>	<u>2,568,483</u>	<u>(3,181,175)</u>
<u>Interest rate related contracts</u>						
Interest rate swaps:						
- Less than one year	93,180,752	87,030	(87,075)	93,310,856	86,231	(86,044)
- One year to three years	63,070,554	214,879	(206,497)	63,833,150	214,775	(205,977)
- More than three years	128,356,609	1,873,499	(1,912,682)	128,644,612	1,868,107	(1,912,702)
	<u>284,607,915</u>	<u>2,175,408</u>	<u>(2,206,254)</u>	<u>285,788,618</u>	<u>2,169,113</u>	<u>(2,204,723)</u>
Interest rate futures:						
- Less than one year	4,658,638	938	(876)	3,602,258	882	(811)
- One year to three years	3,905,590	1,925	(1,755)	2,557,020	1,786	(1,620)
	<u>8,564,228</u>	<u>2,863</u>	<u>(2,631)</u>	<u>6,159,278</u>	<u>2,668</u>	<u>(2,431)</u>
Interest rate options:						
- Less than one year	200,000	121	-	200,000	121	-
- One year to three years	1,450,906	1,063	(1,756)	1,450,906	1,063	(1,756)
- More than three years	8,332,291	93,015	(233,144)	9,242,290	115,325	(233,144)
	<u>9,983,197</u>	<u>94,199</u>	<u>(234,900)</u>	<u>10,893,196</u>	<u>116,509</u>	<u>(234,900)</u>

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A36. Derivative Financial Instruments (cont'd.)

At 31 December 2016 (cont'd.)	Group			Bank		
	Principal Amount RM'000	<---- Fair Value ---->		Principal Amount RM'000	<---- Fair Value ---->	
	Assets RM'000	Liabilities RM'000		Assets RM'000	Liabilities RM'000	
Trading derivatives (cont'd.)						
<u>Equity related contracts</u>						
Index futures:						
- Less than one year	119,070	-	(69)	-	-	-
- More than three years	33,663	1,636	-	-	-	-
	<u>152,733</u>	<u>1,636</u>	<u>(69)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Equity options:						
- Less than one year	622,453	33,908	(36,471)	92,332	1,234	(1,234)
- One year to three years	19,274	2,081	(112)	16,100	1,173	(112)
	<u>641,727</u>	<u>35,989</u>	<u>(36,583)</u>	<u>108,432</u>	<u>2,407</u>	<u>(1,346)</u>
Equity swaps:						
- Less than one year	817,228	55,596	(13,305)	145,345	11,456	(3,372)
<u>Commodity related contracts</u>						
Commodity options:						
- Less than one year	5,449,862	343,678	(356,263)	5,449,862	343,678	(356,263)
- One year to three years	2,417,900	139,392	(139,392)	2,417,900	139,392	(139,392)
	<u>7,867,762</u>	<u>483,070</u>	<u>(495,655)</u>	<u>7,867,762</u>	<u>483,070</u>	<u>(495,655)</u>
Commodity swaps:						
- Less than one year	699,708	67,338	(67,075)	699,708	67,338	(67,075)
- One year to three years	330,200	15,903	(15,430)	330,200	15,903	(15,430)
- More than three years	263,232	6,056	(5,479)	263,232	6,056	(5,479)
	<u>1,293,140</u>	<u>89,297</u>	<u>(87,984)</u>	<u>1,293,140</u>	<u>89,297</u>	<u>(87,984)</u>
Hedging derivatives						
<u>Foreign exchange related contracts</u>						
Cross currency interest rate swaps:						
- Less than one year	1,790,546	8,803	(267,187)	1,790,546	8,803	(267,187)
- One year to three years	1,659,207	19,513	(179,446)	1,659,207	19,513	(179,446)
- More than three years	592,728	8,440	(12,918)	592,728	8,440	(12,918)
	<u>4,042,481</u>	<u>36,756</u>	<u>(459,551)</u>	<u>4,042,481</u>	<u>36,756</u>	<u>(459,551)</u>
<u>Interest rate related contracts</u>						
Interest rate swaps:						
- Less than one year	567,290	453	(1,814)	67,290	453	(1,446)
- One year to three years	560,750	3,204	(962)	224,300	2,498	(962)
- More than three years	201,870	13,902	(5,004)	201,870	13,902	(5,004)
	<u>1,329,910</u>	<u>17,559</u>	<u>(7,780)</u>	<u>493,460</u>	<u>16,853</u>	<u>(7,412)</u>
Netting effects under MFRS 132 Amendments						
	-	(830,284)	830,284	-	(830,284)	830,284
Total	<u>572,874,118</u>	<u>8,311,703</u>	<u>(8,828,060)</u>	<u>567,064,047</u>	<u>8,320,918</u>	<u>(8,802,221)</u>

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A37. Fair Value Measurements of Financial Instruments

Fair value hierarchy

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

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

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

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

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

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

Refers to financial instruments where fair value is measured using significant unobservable inputs. The valuation techniques used are consistent with the Level 2 but incorporates the Group's and the Bank's own assumptions and data. Examples of Level 3 instruments include corporate bonds in illiquid markets and private equity investments.

The following tables show the Group's and the Bank's financial assets and financial liabilities that are measured at fair value analysed by level within the fair value hierarchy as at 30 September 2017 and 31 December 2016.

Group	<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	
At 30 September 2017				
Financial assets measured at fair value:				
Financial assets held-for-trading	2,516,428	13,292,455	-	15,808,883
Money market instruments	-	6,413,166	-	6,413,166
Quoted securities	2,516,428	-	-	2,516,428
Unquoted securities	-	6,879,289	-	6,879,289
Financial assets designated at fair value through profit or loss	260,354	12,733,216	-	12,993,570
Money market instruments	-	800,648	-	800,648
Quoted securities	260,354	-	-	260,354
Unquoted securities	-	11,932,568	-	11,932,568
Financial investments available-for-sale	2,818,601	110,424,761	532,434	113,775,796
Money market instruments	-	58,329,084	-	58,329,084
Quoted securities	2,818,601	-	-	2,818,601
Unquoted securities	-	52,095,677	532,434	52,628,111
Derivative assets	26	5,958,725	921,365	6,880,116
Foreign exchange related contracts	-	4,070,457	-	4,070,457
Interest rate related contracts	-	2,345,264	-	2,345,264
Equity and commodity related contracts	26	82,506	921,365	1,003,897
Netting effects under MFRS 132 Amendments	-	(539,502)	-	(539,502)
	5,595,409	142,409,157	1,453,799	149,458,365

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A37. Fair Value Measurements of Financial Instruments (cont'd.)

Group (cont'd.) At 30 September 2017	Quoted Market Price (Level 1) RM'000	Valuation technique using		Total RM'000
		Observable Inputs (Level 2) RM'000	Unobservable Inputs (Level 3) RM'000	
Financial liabilities measured at fair value:				
Financial liabilities designated at fair value through profit or loss	-	6,483,748	-	6,483,748
Structured deposits	-	2,366,980	-	2,366,980
Borrowings	-	4,116,768	-	4,116,768
Derivative liabilities	2,554	6,468,895	950,654	7,422,103
Foreign exchange related contracts	-	4,407,663	-	4,407,663
Interest rate related contracts	-	2,428,112	-	2,428,112
Equity and commodity related contracts	2,554	172,622	950,654	1,125,830
Netting effects under MFRS 132 Amendments	-	(539,502)	-	(539,502)
	2,554	12,952,643	950,654	13,905,851
Financial assets measured at fair value:				
Group At 31 December 2016	Quoted Market Price (Level 1) RM'000	Observable Inputs (Level 2) RM'000	Unobservable Inputs (Level 3) RM'000	Total RM'000
Financial assets measured at fair value:				
Financial assets held-for-trading	2,131,113	8,455,256	-	10,586,369
Money market instruments	-	3,260,295	-	3,260,295
Quoted securities	2,131,113	-	-	2,131,113
Unquoted securities	-	5,194,961	-	5,194,961
Financial assets designated at fair value through profit or loss	288,130	12,540,737	80,814	12,909,681
Money market instruments	-	800,354	-	800,354
Quoted securities	288,130	-	-	288,130
Unquoted securities	-	11,740,383	80,814	11,821,197
Financial investments available-for-sale	2,484,627	89,132,601	767,606	92,384,834
Money market instruments	-	46,308,676	-	46,308,676
Quoted securities	2,484,627	-	-	2,484,627
Unquoted securities	-	42,823,925	767,606	43,591,531
Derivative assets	-	7,826,227	485,476	8,311,703
Foreign exchange related contracts	-	6,186,370	-	6,186,370
Interest rate related contracts	-	2,290,029	-	2,290,029
Equity and commodity related contracts	-	180,112	485,476	665,588
Netting effects under MFRS 132 Amendments	-	(830,284)	-	(830,284)
	4,903,870	117,954,821	1,333,896	124,192,587

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A37. Fair Value Measurements of Financial Instruments (cont'd.)

Group (cont'd.) At 31 December 2016	Valuation technique using			Total RM'000
	Quoted Market Price (Level 1) RM'000	Observable Inputs (Level 2) RM'000	Unobservable Inputs (Level 3) RM'000	
Financial liabilities measured at fair value:				
Financial liabilities designated at fair value through profit or loss				
Structured deposits	-	3,587,230	-	3,587,230
Borrowings	-	1,560,054	-	1,560,054
	-	2,027,176	-	2,027,176
Derivative liabilities				
Foreign exchange related contracts	5,041	8,326,018	497,001	8,828,060
Interest rate related contracts	-	6,573,183	-	6,573,183
Equity and commodity related contracts	-	2,451,565	-	2,451,565
Netting effects under MFRS 132 Amendments	5,041	131,554	497,001	633,596
	-	(830,284)	-	(830,284)
	<u>5,041</u>	<u>11,913,248</u>	<u>497,001</u>	<u>12,415,290</u>

Bank At 30 September 2017	Valuation technique using			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 assets held-for-trading				
Money market instruments	157,474	11,982,239	-	12,139,713
Quoted securities	-	5,017,573	-	5,017,573
Unquoted securities	157,474	-	-	157,474
	-	6,964,666	-	6,964,666
Financial investments available-for-sale				
Money market instruments	194,769	91,060,869	370,157	91,625,795
Quoted securities	-	48,069,432	-	48,069,432
Unquoted securities	194,769	-	-	194,769
	-	42,991,437	370,157	43,361,594
Derivative assets				
Foreign exchange related contracts	-	6,097,486	921,365	7,018,851
Interest rate related contracts	-	4,247,934	-	4,247,934
Equity and commodity related contracts	-	2,343,426	-	2,343,426
Netting effects under MFRS 132 Amendments	-	45,628	921,365	966,993
	-	(539,502)	-	(539,502)
	<u>352,243</u>	<u>109,140,594</u>	<u>1,291,522</u>	<u>110,784,359</u>

Financial liabilities measured at fair value:

Financial liabilities designated at fair value through profit or loss				
Structured deposits	-	5,581,860	-	5,581,860
Borrowings	-	1,465,092	-	1,465,092
	-	4,116,768	-	4,116,768
Derivative liabilities				
Foreign exchange related contracts	-	6,393,319	950,654	7,343,973
Interest rate related contracts	-	4,458,164	-	4,458,164
Equity and commodity related contracts	-	2,429,960	-	2,429,960
Netting effects under MFRS 132 Amendments	-	44,697	950,654	995,351
	-	(539,502)	-	(539,502)
	<u>-</u>	<u>11,975,179</u>	<u>950,654</u>	<u>12,925,833</u>

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A37. Fair Value Measurements of Financial Instruments (cont'd.)

Bank At 31 December 2016	<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 assets held-for-trading	145,247	7,835,067	-	7,980,314
Money market instruments	-	2,574,879	-	2,574,879
Quoted securities	145,247	-	-	145,247
Unquoted securities	-	5,260,188	-	5,260,188
Financial investments available-for-sale	142,240	74,266,457	495,504	74,904,201
Money market instruments	-	38,465,604	-	38,465,604
Quoted securities	142,240	-	-	142,240
Unquoted securities	-	35,800,853	495,504	36,296,357
Derivative assets	-	7,835,442	485,476	8,320,918
Foreign exchange related contracts	-	6,259,829	-	6,259,829
Interest rate related contracts	-	2,305,143	-	2,305,143
Equity and commodity related contracts	-	100,754	485,476	586,230
Netting effects under MFRS132 Amendments	-	(830,284)	-	(830,284)
	287,487	89,936,966	980,980	91,205,433
Financial liabilities measured at fair value:				
Financial liabilities designated at fair value through profit or loss	-	2,685,139	-	2,685,139
Structured deposits	-	657,963	-	657,963
Borrowings	-	2,027,176	-	2,027,176
Derivative liabilities	-	8,305,220	497,001	8,802,221
Foreign exchange related contracts	-	6,594,682	-	6,594,682
Interest rate related contracts	-	2,449,466	-	2,449,466
Equity and commodity related contracts	-	91,356	497,001	588,357
Netting effects under MFRS132 Amendments	-	(830,284)	-	(830,284)
	-	10,990,359	497,001	11,487,360

Valuation techniques

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

Derivatives

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

Financial assets designated at fair value through profit or loss, financial assets held-for-trading and financial investments available-for-sale

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

Financial liabilities designated at fair value through profit or loss

The fair values of financial liabilities designated at fair value through profit or loss are derived using discounted cash flows.

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A37. Fair Value Measurements of Financial Instruments (cont'd.)

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

Group	At 1 January 2017 RM'000	Other gains/(losses) recognised in income statements* RM'000	Unrealised gains/(losses) recognised in income statements# RM'000	Unrealised gains/(losses) recognised in other comprehensive income RM'000	Purchases/ Issuances RM'000	Sales RM'000	Settlements RM'000	Exchange differences RM'000	Transfer into Level 3 RM'000	Transfer out from Level 3 RM'000	At 30 September 2017 RM'000
Financial assets held-for-trading											
Unquoted securities	-	(19)	-	-	551	(532)	-	-	-	-	-
	-	(19)	-	-	551	(532)	-	-	-	-	-
Financial assets designated at fair value through profit or loss											
Unquoted securities	80,814	(1,551)	(16,663)	-	-	(62,600)	-	-	-	-	-
	80,814	(1,551)	(16,663)	-	-	(62,600)	-	-	-	-	-
Financial investments available-for-sale											
Unquoted securities	767,606	(4,967)	-	(141,606)	2,925	(84,250)	-	(7,244)	-	(30)	532,434
	767,606	(4,967)	-	(141,606)	2,925	(84,250)	-	(7,244)	-	(30)	532,434
Derivative assets											
Equity and commodity related contracts	485,476	159,181	99,146	-	623,907	-	(446,345)	-	-	-	921,365
	485,476	159,181	99,146	-	623,907	-	(446,345)	-	-	-	921,365
Total Level 3 financial assets	1,333,896	152,644	82,483	(141,606)	627,383	(147,382)	(446,345)	(7,244)	-	(30)	1,453,799
Derivative liabilities											
Equity and commodity related contracts	(497,001)	180,137	(98,594)	-	(650,048)	-	114,852	-	-	-	(950,654)
	(497,001)	180,137	(98,594)	-	(650,048)	-	114,852	-	-	-	(950,654)
Total Level 3 financial liabilities	(497,001)	180,137	(98,594)	-	(650,048)	-	114,852	-	-	-	(950,654)
Total net Level 3 financial assets/ (liabilities)	836,895	332,781	(16,111)	(141,606)	(22,665)	(147,382)	(331,493)	(7,244)	-	(30)	503,145

* Included within 'Other operating income', 'Allowances for/(writeback of) Impairment Losses on Financial Investments' and 'Income from Islamic Banking Scheme operations'.

Included within 'Other operating income' and 'Income from Islamic Banking Scheme operations'.

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A37. Fair Value Measurements of Financial Instruments (cont'd.)

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

Group	At 1 January	Other	Unrealised	Unrealised	Purchases/	Sales	Settlements[^]	Exchange	Transfer into	Transfer	At
At 31 December 2016	2016	gains/(losses)	gains/(losses)	gains/(losses)	Issuances	RM'000	RM'000	differences	Level 3	out from	31 December
	RM'000	recognised in	recognised in	comprehensive	RM'000	RM'000	RM'000	RM'000	RM'000	Level 3	2016
		income	income	income						RM'000	RM'000
		statements[*]	statements[#]	statements[#]							
		RM'000	RM'000	RM'000							
Financial assets designated at fair value through profit or loss											
Unquoted securities	81,454	373	425	-	-	(1,438)	-	-	-	-	80,814
	81,454	373	425	-	-	(1,438)	-	-	-	-	80,814
Financial investments available-for-sale											
Unquoted securities	576,527	655,862	-	7,189	15,869	(11,126)	(668,492)	(55,260)	251,336	(4,299)	767,606
	576,527	655,862	-	7,189	15,869	(11,126)	(668,492)	(55,260)	251,336	(4,299)	767,606
Derivative assets											
Interest rate related contracts	-	(1,073)	1,073	-	653	(653)	-	-	-	-	-
Equity and commodity related contracts	8,304	(7,364)	273,153	-	211,383	-	-	-	-	-	485,476
	8,304	(8,437)	274,226	-	212,036	(653)	-	-	-	-	485,476
Total Level 3 financial assets	666,285	647,798	274,651	7,189	227,905	(13,217)	(668,492)	(55,260)	251,336	(4,299)	1,333,896
Derivative liabilities											
Interest rate related contracts	(61,943)	(59,178)	1,787	-	-	54,454	64,880	-	-	-	-
Equity and commodity related contracts	(8,016)	4,896	(269,912)	-	(223,969)	-	-	-	-	-	(497,001)
	(69,959)	(54,282)	(268,125)	-	(223,969)	54,454	64,880	-	-	-	(497,001)
Total Level 3 financial liabilities	(69,959)	(54,282)	(268,125)	-	(223,969)	54,454	64,880	-	-	-	(497,001)
Total net Level 3 financial assets/ (liabilities)	596,326	593,516	6,526	7,189	3,936	41,237	(603,612)	(55,260)	251,336	(4,299)	836,895

* Included within 'Other operating income', 'Allowances for/(writeback of) Impairment Losses on Financial Investments' and 'Income from Islamic Banking Scheme operations'.

Included within 'Other operating income' and 'Income from Islamic Banking Scheme operations'.

[^] The settlement amount of financial investments available-for-sale for the financial year ended 31 December 2016 was mainly comprised of disposal of unquoted shares of RM625.2 million.

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A37. Fair Value Measurements of Financial Instruments (cont'd.)

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

Bank	At 1 January	Other	Unrealised	Unrealised	Purchases/	Sales	Settlements	Exchange	Transfer into	Transfer	At
At 30 September 2017	2017	gains/(losses)	gains/(losses)	gains/(losses)	Issuances	RM'000	RM'000	differences	Level 3	out from	30 September
	RM'000	recognised in	recognised in	recognised in	RM'000	RM'000	RM'000	RM'000	RM'000	Level 3	2017
		income	income	other						RM'000	RM'000
		statements*	statements#	comprehensive							
		RM'000	RM'000	income							RM'000
Financial investments available-for-sale											
Unquoted securities	495,503	-	-	(122,045)	-	-	-	(3,301)	-	-	370,157
	495,503	-	-	(122,045)	-	-	-	(3,301)	-	-	370,157
Derivative assets											
Equity and commodity related contracts	485,476	159,181	99,146	-	623,907	-	(446,345)	-	-	-	921,365
	485,476	159,181	99,146	-	623,907	-	(446,345)	-	-	-	921,365
Total Level 3 financial assets	980,979	159,181	99,146	(122,045)	623,907	-	(446,345)	(3,301)	-	-	1,291,522
Derivative liabilities											
Equity and commodity related contracts	(497,001)	180,137	(98,594)	-	(650,048)	-	114,852	-	-	-	(950,654)
	(497,001)	180,137	(98,594)	-	(650,048)	-	114,852	-	-	-	(950,654)
Total Level 3 financial liabilities	(497,001)	180,137	(98,594)	-	(650,048)	-	114,852	-	-	-	(950,654)
Total net Level 3 financial assets/											
(liabilities)	483,978	339,318	552	(122,045)	(26,141)	-	(331,493)	(3,301)	-	-	340,868

* Included within 'Other operating income' and 'Allowances for/(writeback of) Impairment Losses on Financial Investments'.

Included within 'Other operating income'.

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A37. Fair Value Measurements of Financial Instruments (cont'd.)

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

Bank	At 1 January	Other	Unrealised	Unrealised	Purchases/	Sales	Settlements[^]	Exchange	Transfer into	Transfer	At
At 31 December 2016	2016	gains/(losses)	gains/(losses)	gains/(losses)	Issuances	RM'000	RM'000	differences	Level 3	out from	31 December
	RM'000	recognised in	recognised in	recognised in	RM'000	RM'000	RM'000	RM'000	RM'000	Level 3	2016
		income	income	other						RM'000	RM'000
		statements*	statements#	comprehensive							
		RM'000	RM'000	income							RM'000
Financial investments available-for-sale											
Unquoted securities	363,677	655,361	-	6,612	-	(9,190)	(668,492)	(59,975)	211,809	(4,299)	495,503
	363,677	655,361	-	6,612	-	(9,190)	(668,492)	(59,975)	211,809	(4,299)	495,503
Derivative assets											
Interest rate related contracts	-	(1,073)	1,073	-	-	-	-	-	-	-	-
Equity and commodity related contracts	8,304	(7,364)	273,153	-	211,383	-	-	-	-	-	485,476
	8,304	(8,437)	274,226	-	211,383	-	-	-	-	-	485,476
Total Level 3 financial assets	371,981	646,924	274,226	6,612	211,383	(9,190)	(668,492)	(59,975)	211,809	(4,299)	980,979
Derivative liabilities											
Interest rate related contracts	(18,548)	2,303	1,787	-	-	-	14,458	-	-	-	-
Equity and commodity related contracts	(8,016)	4,896	(269,912)	-	(223,969)	-	-	-	-	-	(497,001)
	(26,564)	7,199	(268,125)	-	(223,969)	-	14,458	-	-	-	(497,001)
Total Level 3 financial liabilities	(26,564)	7,199	(268,125)	-	(223,969)	-	14,458	-	-	-	(497,001)
Total net Level 3 financial assets/ (liabilities)	345,417	654,123	6,101	6,612	(12,586)	(9,190)	(654,034)	(59,975)	211,809	(4,299)	483,978

* Included within 'Other operating income' and 'Allowances for/(writeback of) Impairment Losses on Financial Investments'.

Included within 'Other operating income'.

[^] The settlement amount of financial investments available-for-sale for the financial year ended 31 December 2016 was mainly comprised of disposal of unquoted shares of RM625.2 million.

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as of the end of the reporting period.

There were no transfers between Level 1 and Level 2 for the Group and the Bank during the third quarter ended 30 September 2017.

Movements in Level 3 financial instruments measured at fair value

During the third quarter ended 30 September 2017, the Group has transferred certain financial investments available-for-sale out from Level 3 due to the market for some instruments became more liquid, which led to a change in the method used to determine its fair value. Prior to the transfer, the fair value of the financial instruments was determined using unobservable market transactions or binding broker quotes for the same or similar instruments. Since the transfer, these financial instruments have been valued using quoted price in the exchange.

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A38. Unaudited Income Statements and Statements of Financial Position of Insurance and Takaful Business

Pursuant to Paragraph 10.5(iv) of Bank Negara Malaysia's Financial Reporting Policy issued on 28 January 2015, the breakdown of Unaudited Income Statements and Statements of Financial Position of Insurance and Takaful Business into Life Fund, Family Takaful Fund, General Takaful Fund, Shareholders' and General Fund are disclosed as follows:

(a) Unaudited Income Statements for the Third Quarter Ended 30 September 2017

Group Nine-Month Ended	Life Fund		Family Takaful Fund		General Takaful Fund		Shareholders' and General Fund		Total	
	30 September 2017	30 September 2016	30 September 2017	30 September 2016	30 September 2017	30 September 2016	30 September 2017	30 September 2016	30 September 2017	30 September 2016
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Interest income	302,923	285,412	309,807	280,739	54,366	51,633	169,323	140,940	836,419	758,724
Interest expense	-	-	-	-	-	-	(25,600)	(25,571)	(25,600)	(25,571)
Net interest income	302,923	285,412	309,807	280,739	54,366	51,633	143,723	115,369	810,819	733,153
Net earned insurance premiums	1,310,359	935,532	909,805	829,354	783,134	729,733	813,830	756,965	3,817,128	3,251,584
Other operating income	295,513	328,860	109,915	249,475	5,872	14,042	105,149	96,388	516,449	688,765
Total operating income	1,908,795	1,549,804	1,329,527	1,359,568	843,372	795,408	1,062,702	968,722	5,144,396	4,673,502
Net insurance benefits and claims incurred, net fee and commission expenses, change in expense liabilities and taxation of life and takaful fund	(1,758,533)	(1,413,856)	(1,298,613)	(1,328,163)	(844,065)	(793,997)	(77,299)	(111,935)	(3,978,510)	(3,647,951)
Net operating income	150,262	135,948	30,914	31,405	(693)	1,411	985,403	856,787	1,165,886	1,025,551
Overhead expenses	(134,481)	(120,373)	(20,335)	(22,248)	(17)	(757)	(387,629)	(347,191)	(542,462)	(490,569)
Operating profit before impairment losses (Allowances for)/writeback of impairment losses on loans, advances, financing and other debts, net	15,781	15,575	10,579	9,157	(710)	654	597,774	509,596	623,424	534,982
Allowances for impairment losses on financial investments, net	(769)	(425)	170	933	862	(612)	(3,471)	5,351	(3,208)	5,247
Operating profit	(15,012)	(15,150)	(10,749)	(10,090)	(152)	(42)	(6,387)	(13,555)	(32,300)	(38,837)
Share of profits in associates	-	-	-	-	-	-	587,916	501,392	587,916	501,392
Profit before taxation and zakat	-	-	-	-	-	-	587,916	501,392	587,916	501,392
Taxation and zakat	-	-	-	-	-	-	(171,225)	(119,437)	(171,225)	(119,437)
Profit for the period	-	-	-	-	-	-	416,691	381,955	416,691	381,955

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A38. Unaudited Income Statements and Statements of Financial Position of Insurance and Takaful Business (cont'd.)

Pursuant to Paragraph 10.5(iv) of Bank Negara Malaysia's Financial Reporting Policy issued on 28 January 2015, the breakdown of Unaudited Income Statements and Statements of Financial Position of Insurance and Takaful Business into Life Fund, Family Takaful Fund, General Takaful Fund, Shareholders' and General Fund are disclosed as follows (cont'd.):

(b) Unaudited Statements of Financial Position as at 30 September 2017

Group	Life Fund		Family Takaful Fund		General Takaful Fund		Shareholders' and General Fund		Total	
	30 September 2017	31 December 2016	30 September 2017	31 December 2016	30 September 2017	31 December 2016	30 September 2017	31 December 2016	30 September 2017	31 December 2016
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
ASSETS										
Cash and short-term funds	139,358	146,731	68,710	71,062	32,109	70,496	214,149	171,474	454,326	459,763
Deposits and placements with financial institutions	774,161	1,018,841	625,987	582,234	103,567	370,618	701,256	714,028	2,204,971	2,685,721
Financial assets at fair value through profit or loss	8,770,579	7,973,163	5,205,958	5,760,444	-	-	95,220	-	14,071,757	13,733,607
Financial investments available-for-sale	1,063,146	859,714	3,825,403	2,966,503	1,634,368	1,404,077	4,466,454	4,226,756	10,989,371	9,457,050
Loans, advances and financing	229,800	234,497	-	-	-	-	60,920	95,231	290,720	329,728
Derivative assets	19,143	1,636	-	-	-	-	2,054	-	21,197	1,636
Reinsurance/retakaful assets and other insurance receivables	77,463	63,130	189,541	158,155	338,971	283,102	3,224,979	3,635,209	3,830,954	4,139,596
Other assets	108,453	77,845	37,609	23,592	4,021	2,445	209,223	195,115	359,306	298,997
Investment properties	704,576	658,541	-	-	-	-	95,381	96,329	799,957	754,870
Interest in associates	-	-	-	-	-	-	152	152	152	152
Property, plant and equipment	87,330	87,736	-	-	-	-	61,286	67,950	148,616	155,686
Intangible assets	28,677	24,090	-	-	-	-	46,393	43,390	75,070	67,480
Deferred tax assets	5,850	8,130	3,406	3,302	5,052	7,948	20,297	15,659	34,605	35,039
TOTAL ASSETS	12,008,536	11,154,054	9,956,614	9,565,292	2,118,088	2,138,686	9,197,764	9,261,293	33,281,002	32,119,325
LIABILITIES										
Derivative liabilities	31,201	57,014	-	-	-	-	-	208	31,201	57,222
Insurance/takaful contract liabilities and other insurance payables	9,056,649	8,461,829	9,739,020	9,226,725	1,851,834	1,752,648	4,123,857	4,507,517	24,771,360	23,948,719
Other liabilities #	2,900,049	2,596,402	217,225	334,616	265,465	384,876	(1,670,252)	(1,763,681)	1,712,487	1,552,213
Provision for taxation and zakat	(11,869)	2,506	(875)	134	-	-	1,144	42,270	(11,600)	44,910
Deferred tax liabilities	32,506	36,303	1,244	3,817	789	1,162	606,896	564,633	641,435	605,915
Subordinated obligations	-	-	-	-	-	-	809,523	811,309	809,523	811,309
TOTAL LIABILITIES	12,008,536	11,154,054	9,956,614	9,565,292	2,118,088	2,138,686	3,871,168	4,162,256	27,954,406	27,020,288
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE SUBSIDIARIES										
Share capital	-	-	-	-	-	-	660,865	252,005	660,865	252,005
Other reserves	-	-	-	-	-	-	4,665,731	4,847,032	4,665,731	4,847,032
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	12,008,536	11,154,054	9,956,614	9,565,292	2,118,088	2,138,686	9,197,764	9,261,293	33,281,002	32,119,325

Included in other liabilities are the amounts due to/(from) life, general and investment-linked funds which are unsecured, not subject to any interest elements and are repayable on demand.

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A39. The Operations of Islamic Banking Scheme

A39a. Unaudited Income Statements for the Third Quarter Ended 30 September 2017

Group	Third Quarter Ended		Cumulative 9 Months Ended	
	30 September	30 September	30 September	30 September
	2017	2016	2017	2016
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds	1,799,079	1,502,170	5,112,526	4,562,508
Income derived from investment of investment account funds	365,902	455,779	1,173,115	1,167,548
Income derived from investment of Islamic Banking Funds	94,711	103,012	314,289	266,740
Allowances for impairment losses on financing and advances	(7,042)	(156,807)	(167,589)	(453,012)
Total distributable income	2,252,650	1,904,154	6,432,341	5,543,784
Profit distributed to depositors	(1,025,035)	(892,828)	(2,860,532)	(2,635,246)
Profit distributed to investment account holders	(201,147)	(307,260)	(710,489)	(775,192)
Total net income	1,026,468	704,066	2,861,320	2,133,346
Finance cost	(29,680)	(29,679)	(88,483)	(92,978)
Overhead expenses	(344,826)	(315,589)	(1,060,665)	(961,320)
Profit before taxation and zakat	651,962	358,798	1,712,172	1,079,048
Taxation	(142,478)	(94,768)	(354,002)	(269,651)
Zakat	(5,249)	(1,371)	(12,459)	(10,544)
Profit for the period	504,235	262,659	1,345,711	798,853

For consolidation and amalgamation with the conventional operations, net income from Islamic Banking Scheme comprises the following items:

Group	Third Quarter Ended		Cumulative 9 Months Ended	
	30 September	30 September	30 September	30 September
	2017	2016	2017	2016
	RM'000	RM'000	RM'000	RM'000
Income derived from investment of depositors' funds	1,799,079	1,502,170	5,112,526	4,562,508
Income derived from investment of investment account funds	365,902	455,779	1,173,115	1,167,548
Income derived from investment of Islamic Banking Funds	94,711	103,012	314,289	266,740
Total income before allowances for impairment losses on financing and advances and overhead expenses	2,259,692	2,060,961	6,599,930	5,996,796
Profit distributed to depositors	(1,025,035)	(892,828)	(2,860,532)	(2,635,246)
Profit distributed to investment account holders	(201,147)	(307,260)	(710,489)	(775,192)
	1,033,510	860,873	3,028,909	2,586,358
Finance cost	(29,680)	(29,679)	(88,483)	(92,978)
Net of intercompany income and expenses	250,529	177,774	724,217	530,511
Income from Islamic Banking Scheme	1,254,359	1,008,968	3,664,643	3,023,891

A39b. Unaudited Statements of Comprehensive Income for the Third Quarter Ended 30 September 2017

Group	Third Quarter Ended		Cumulative 9 Months Ended	
	30 September	30 September	30 September	30 September
	2017	2016	2017	2016
	RM'000	RM'000	RM'000	RM'000
Profit for the period	504,235	262,659	1,345,711	798,853
Other comprehensive (loss)/income:				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Defined benefit plan actuarial (loss)/gain	(14)	15	521	363
Income tax effect	4	(4)	(130)	(91)
	(10)	11	391	272
<i>Items that may be reclassified subsequently to profit or loss</i>				
Net (loss)/gain on foreign exchange translation	(4,210)	27,081	(57,775)	(203,027)
Net (loss)/gain on financial investments available-for-sale	(8,658)	68,616	46,714	226,249
Income tax effect	2,078	(16,468)	(11,206)	(55,693)
	(10,790)	79,229	(22,267)	(32,471)
Other comprehensive (loss)/income for the period, net of tax	(10,800)	79,240	(21,876)	(32,199)
Total comprehensive income for the period	493,435	341,899	1,323,835	766,654

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A39. The Operations of Islamic Banking Scheme (cont'd.)

A39c. Unaudited Statement of Financial Position as at 30 September 2017

<u>Group</u>	Note	30 September 2017 RM'000	31 December 2016 RM'000
ASSETS			
Cash and short-term funds		15,845,780	15,552,945
Deposits and placements with financial institutions		704,973	654,194
Financial investments portfolio		12,297,219	9,181,991
Financing and advances	A39e	155,890,328	148,710,892
Derivative assets		371,986	515,554
Other assets		5,104,236	4,959,989
Statutory deposit with central banks		3,013,000	3,070,000
Property, plant and equipment		1,219	2,566
Intangible assets		2,383	614
Deferred tax assets		35,306	21,012
Total Assets		193,266,430	182,669,757
LIABILITIES			
Customers funding:			
- Deposits from customers	A39f	120,042,350	106,842,961
- Investment accounts of customers ¹	A39g	26,804,988	31,544,587
Deposits and placements from financial institutions		31,720,409	30,346,297
Financial liabilities at fair value through profit or loss	A39h	901,888	902,091
Bills and acceptances payable		3,790	53,220
Derivatives liabilities		467,798	535,161
Other liabilities		1,346,705	388,615
Provision for taxation and zakat		172,326	98,561
Subordinated sukuk	A39i	2,540,539	2,534,496
Total Liabilities		184,000,793	173,245,989
ISLAMIC BANKING CAPITAL FUNDS			
Islamic Banking Funds		5,783,271	595,076
Share premium		-	5,200,228
Retained profits		3,059,705	2,881,471
Other reserves		422,661	746,993
		9,265,637	9,423,768
Total Liabilities and Islamic Banking Capital Funds		193,266,430	182,669,757
COMMITMENTS AND CONTINGENCIES			
		55,627,573	52,097,394

¹ Investment accounts of customers are used to fund financing and advances as disclosed in Note A39g.

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A39. The Operations of Islamic Banking Scheme (cont'd.)

A39d. Unaudited Statements of Changes in Islamic Banking Capital Funds for the Third Quarter Ended 30 September 2017

<u>Group</u>	----- Non-distributable ----->									
	Islamic Banking Funds RM'000	Share Premium RM'000	Statutory Reserve RM'000	Regulatory Reserve RM'000	Available-for-sale Reserve RM'000	Exchange Fluctuation Reserve RM'000	Equity contribution from the holding company* RM'000	Defined Benefit Reserve RM'000	Distributable Retained Profits RM'000	Total RM'000
At 1 January 2017	595,076	5,200,228	409,672	393,700	(55,264)	(2,897)	1,697	85	2,881,471	9,423,768
Profit for the period	-	-	-	-	-	-	-	-	1,345,711	1,345,711
Other comprehensive income/(loss)	-	-	-	-	35,508	(57,775)	-	391	-	(21,876)
Net loss on foreign exchange translation	-	-	-	-	-	(57,775)	-	-	-	(57,775)
Net gain on financial investments available-for-sale	-	-	-	-	35,508	-	-	-	-	35,508
Defined benefit plan actuarial gain	-	-	-	-	-	-	-	391	-	391
Total comprehensive income/ (loss) for the period	-	-	-	-	35,508	(57,775)	-	391	1,345,711	1,323,835
Transfer (to)/from conventional banking operations	(12,033)	-	-	-	-	59,222	-	(6)	8,147	55,330
Transfer to regulatory reserve	-	-	-	48,000	-	-	-	-	(48,000)	-
Transfer from statutory reserve	-	-	(409,672)	-	-	-	-	-	409,672	-
Dividends paid	-	-	-	-	-	-	-	-	(777,095)	(777,095)
Dividends payable	-	-	-	-	-	-	-	-	(760,201)	(760,201)
Transfer to share capital [#]	5,200,228	(5,200,228)	-	-	-	-	-	-	-	-
At 30 September 2017	5,783,271	-	-	441,700	(19,756)	(1,450)	1,697	470	3,059,705	9,265,637

* This equity contribution reserve from holding company is pertaining to waiver of intercompany balance between respective subsidiaries and its holding company.

[#] Transfer of share premium to share capital pursuant to Companies Act 2016.

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A39. The Operations of Islamic Banking Scheme (cont'd.)

A39d. Unaudited Statements of Changes in Islamic Banking Capital Funds for the Third Quarter Ended 30 September 2017 (cont'd.)

<u>Group</u>	←----- Non-distributable -----→										
	Islamic Banking Funds RM'000	Share Premium RM'000	Statutory Reserve RM'000	Regulatory Reserve RM'000	Available- for-sale Reserve RM'000	Exchange Fluctuation Reserve RM'000	Equity contribution from the holding company* RM'000	Profit Equalisation Reserve RM'000	Defined Benefit Reserve RM'000	Distributable Retained Profits RM'000	Total RM'000
At 1 January 2016	1,194,821	4,658,233	409,672	430,249	(104,493)	(3,719)	1,697	34,456	(190)	2,728,172	9,348,898
Profit for the period	-	-	-	-	-	-	-	-	-	798,853	798,853
Other comprehensive income/(loss)	-	-	-	-	170,556	(203,027)	-	-	272	-	(32,199)
Net loss on foreign exchange translation	-	-	-	-	-	(203,027)	-	-	-	-	(203,027)
Net gain on financial investments available-for-sale	-	-	-	-	170,556	-	-	-	-	-	170,556
Defined benefit plan actuarial gain	-	-	-	-	-	-	-	-	272	-	272
Total comprehensive income/ (loss) for the period	-	-	-	-	170,556	(203,027)	-	-	272	798,853	766,654
Transfer (to)/from conventional banking operations	(629,479)	-	-	-	-	205,396	-	-	(1)	(76,496)	(500,580)
Transfer from regulatory reserve	-	-	-	(206,049)	-	-	-	-	-	206,049	-
Issue of ordinary shares	17,597	541,995	-	-	-	-	-	-	-	-	559,592
Dividends paid	-	-	-	-	-	-	-	-	-	(1,124,464)	(1,124,464)
At 30 September 2016	582,939	5,200,228	409,672	224,200	66,063	(1,350)	1,697	34,456	81	2,532,114	9,050,100

* This equity contribution reserve from holding company is pertaining to waiver of intercompany balance between respective subsidiaries and its holding company.

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A39. The Operations of Islamic Banking Scheme (cont'd.)

A39e. Financing and Advances

Group	Bai'^	Murabahah	Musyarakah	Al-Ijarah Thumma	Ijarah	Istisna'	Others	Total Financing and Advances
As at 30 September 2017	RM'000	RM'000	RM'000	Al-Bai (AITAB) RM'000	RM'000	RM'000	RM'000	RM'000
Cashline	-	5,246,076	-	-	-	87	-	5,246,163
Term financing								
- Housing financing	18,013,423	62,369,090	2,429,854	-	-	-	-	82,812,367
- Syndicated financing	-	765,627	-	-	-	-	-	765,627
- Hire purchase receivables	-	-	-	36,957,223	-	-	-	36,957,223
- Other term financing	22,639,832	73,703,492	1,228,722	-	123,119	146,835	57,605	97,899,605
Bills receivables	-	183	-	-	-	-	-	183
Trust receipts	-	159,893	-	-	-	-	-	159,893
Claims on customers under acceptance credits	-	4,827,288	-	-	-	-	-	4,827,288
Staff financing	672,709	1,460,622	10,106	153,669	-	-	47,233	2,344,339
Credit card receivables	-	-	-	-	-	-	904,681	904,681
Revolving credit	-	17,519,344	-	-	-	-	-	17,519,344
Financing to:								
- Executive directors of Maybank Islamic Bhd	2,281	995	-	492	-	-	-	3,768
- Executive directors of subsidiaries	-	2,906	-	208	-	-	8	3,122
	41,328,245	166,055,516	3,668,682	37,111,592	123,119	146,922	1,009,527	249,443,603
Unearned income								(92,050,313)
Gross financing and advances^^								157,393,290
Allowances for impaired financing and advances:								
- Individual allowance								(667,251)
- Collective allowance								(835,711)
Net financing and advances								155,890,328

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

^^ Included in financing and advances are the underlying assets under the Restricted Profit Sharing Investment Account ("RPSIA") and Investment Accounts of Customers ("IA").

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A39. The Operations of Islamic Banking Scheme (cont'd.)

A39e. Financing and Advances (cont'd.)

Group	Bai'^	Murabahah	Musyarakah	Al-Ijarah	Ijarah	Istisna'	Others	Total
As at 31 December 2016	RM'000	RM'000	RM'000	Al-Bai (AITAB)	RM'000	RM'000	RM'000	Financing
				RM'000				and
								Advances
								RM'000
Cashline	-	4,844,236	-	-	-	157	-	4,844,393
Term financing								
- Housing financing	19,101,421	59,662,500	2,563,623	-	-	-	-	81,327,544
- Syndicated financing	-	824,763	-	-	-	-	-	824,763
- Hire purchase receivables	-	-	-	36,148,172	-	-	-	36,148,172
- Other term financing	27,852,633	69,777,874	1,339,766	-	118,178	148,079	54,879	99,291,409
Bills receivables	-	793	-	-	-	-	379	1,172
Trust receipts	-	153,310	-	-	-	-	-	153,310
Claims on customers under acceptance credits	-	4,838,297	-	-	-	-	-	4,838,297
Staff financing	737,605	1,369,618	10,546	150,097	-	-	47,785	2,315,651
Credit card receivables	-	-	-	-	-	-	825,661	825,661
Revolving credit	-	16,596,086	-	-	-	-	-	16,596,086
Financing to:								
- Executive directors of Maybank Islamic Bhd	391	2,932	-	226	-	-	-	3,549
- Executive directors of subsidiaries	-	-	-	-	-	-	3	3
	<u>47,692,050</u>	<u>158,070,409</u>	<u>3,913,935</u>	<u>36,298,495</u>	<u>118,178</u>	<u>148,236</u>	<u>928,707</u>	<u>247,170,010</u>
Unearned income								(96,954,485)
Gross financing and advances^^								<u>150,215,525</u>
Allowances for impaired financing and advances:								
- Individual allowance								(746,215)
- Collective allowance								(758,418)
Net financing and advances								<u><u>148,710,892</u></u>

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

^^ Included in financing and advances are the underlying assets under the Restricted Profit Sharing Investment Account ("RPSIA") and Investment Accounts of Customers ("IA").

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A39. The Operations of Islamic Banking Scheme (cont'd.)

A39e. Financing and Advances (cont'd.)

(i) Movements in the impaired financing and advances ("impaired financing") are as follows:

<u>Group</u>	30 September 2017 RM'000	31 December 2016 RM'000
Gross impaired financing at 1 January	1,667,994	1,065,972
Newly impaired	1,029,588	1,470,216
Reclassified as non-impaired	(403,449)	(415,007)
Amount recovered	(311,604)	(237,721)
Amount written-off	(198,575)	(215,466)
Gross impaired financing at 30 September 2017/31 December 2016	<u>1,783,954</u>	<u>1,667,994</u>
<u>Calculation of ratio of net impaired financing:</u>		
Gross impaired financing at 30 September 2017/31 December 2016 (excluding financing funded by RPSIA and IA)	1,706,909	1,586,303
Less: Individual allowance	(667,251)	(746,215)
Net impaired financing at 30 September 2017/31 December 2016	<u>1,039,658</u>	<u>840,088</u>
Gross financing and advances (excluding financing funded by RPSIA and IA)	111,003,941	100,940,476
Less: Individual allowance	(667,251)	(746,215)
Net financing and advances	<u>110,336,690</u>	<u>100,194,261</u>
Net impaired financing as a percentage of net financing and advances	<u>0.94%</u>	<u>0.84%</u>

(ii) Movements in the allowances for impaired financing are as follows:

<u>Group</u>	30 September 2017 RM'000	31 December 2016 RM'000
<u>Individual allowance</u>		
At 1 January	746,215	356,555
Allowance made*	136,915	522,127
Amount written back in respect of recoveries	(90,816)	(22,583)
Amount written-off	(114,603)	(121,604)
Transferred to collective allowance	(3,334)	(3,406)
Exchange differences	(7,126)	15,126
At 30 September 2017/31 December 2016	<u>667,251</u>	<u>746,215</u>
<u>Collective allowance</u>		
At 1 January	758,418	755,997
Allowance made*	158,575	104,376
Amount written-off	(83,971)	(105,591)
Transferred from individual allowance	3,334	3,406
Exchange differences	(645)	230
At 30 September 2017/31 December 2016	<u>835,711</u>	<u>758,418</u>
As a percentage of gross financing and advances (excluding financing funded by RPSIA and IA) less individual allowance (including Regulatory Reserve)	<u>1.21%</u>	<u>1.20%</u>

* As at 30 September 2017, the gross exposure of the financing funded by RPSIA was RM19,584.3 million (31 December 2016: RM17,730.5 million). The individual allowance and collective allowance relating to these financing amounting to RM152.0 million and RM49.2 million respectively (31 December 2016: RM126.7 million and RM52.0 million respectively) are recognised in the Group's conventional banking operations.

The gross exposure of the financing funded by IA as at 30 September 2017 was RM26,805.0 million (31 December 2016: RM31,544.6 million). The individual allowance and collective allowance relating to financing funded by IA are not recognised in the financial statements of the Group, but is charged to and borne by the investors.

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A39. The Operations of Islamic Banking Scheme (cont'd.)

A39f. Deposits from Customers

<u>Group</u>	30 September 2017 RM'000	31 December 2016 RM'000
Savings deposit		
Wadiah	14,739,493	13,498,387
Demand deposit		
Wadiah	16,395,998	17,403,516
Term deposit		
Murabahah	87,841,965	73,653,740
Qard	1,064,894	2,287,318
	<u>88,906,859</u>	<u>75,941,058</u>
Total deposits from customers	<u>120,042,350</u>	<u>106,842,961</u>

A39g. Investment Accounts of Customers

(i) Unrestricted investment account are sourced from the following customers:

<u>Group</u>	30 September 2017 RM'000	31 December 2016 RM'000
Business enterprises	9,272,897	13,040,863
Individuals	15,728,122	16,197,049
Government and statutory bodies	273,362	460,216
Others	1,530,607	1,846,459
	<u>26,804,988</u>	<u>31,544,587</u>

(ii) Maturity structure of unrestricted investment account are as follows:

<u>Group</u>	30 September 2017 RM'000	31 December 2016 RM'000
Unrestricted investment account		
<u>Mudharabah</u>		
- without maturity	8,991,603	7,564,114
- with maturity		
Due within six months	16,027,113	15,045,407
Six months to one year	1,751,280	8,929,760
One year to three years	4,001	3,513
Three years to five years	30,991	1,793
	<u>17,813,385</u>	<u>23,980,473</u>
Total investment accounts of customers	<u>26,804,988</u>	<u>31,544,587</u>

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A39. The Operations of Islamic Banking Scheme (cont'd.)

A39g. Investment Accounts of Customers (cont'd.)

(iii) The allocations of investment asset are as follows:

<u>Group</u>	30 September 2017 RM'000	31 December 2016 RM'000
Unrestricted Investment		
Retail financing	26,804,186	27,913,126
Non-retail financing	802	3,631,461
Total Investment	<u>26,804,988</u>	<u>31,544,587</u>

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

	<u>Investment account holder</u>	
	Average profit sharing ratio (%)	Average rate of return (%)
As at 30 September 2017		
Investment accounts of customers	<u>58</u>	<u>3.13</u>
As at 31 December 2016		
Investment accounts of customers	<u>63</u>	<u>3.17</u>

(v) Investment accounts of customers are used to fund financing and advances.

A39h. Financial Liabilities at Fair Value Through Profit or Loss

<u>Group</u>	30 September 2017 RM'000	31 December 2016 RM'000
Structured deposits	<u>901,888</u>	<u>902,091</u>

The Group has designated certain structured deposits at fair value through profit or loss. This designation is permitted under MFRS 139 - *Financial Instruments: Recognition and Measurement* as it significantly reduces accounting mismatch. This instrument is managed by the Group on the basis of its fair value and include terms that have substantive derivative characteristics.

The carrying amount of structured deposits designated at fair value through profit or loss of the Group as at 30 September 2017 was RM900,947,000 (31 December 2016: RM917,160,000). The fair value changes of the financial liabilities that are attributable to the changes in own credit risk are not significant.

A39i. Subordinated Sukuk

<u>Group</u>	30 September 2017 RM'000	31 December 2016 RM'000
RM1.5 billion Islamic subordinated Sukuk Murabahah due in 2024	1,534,551	1,516,788
RM1.0 billion Islamic subordinated Sukuk Murabahah due in 2026	<u>1,005,988</u>	<u>1,017,708</u>
	<u>2,540,539</u>	<u>2,534,496</u>

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Part B: Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad

B1. Performance Review

(i) Current Period-to-Date vs Previous Corresponding Period-to-Date

The Group posted profit after tax attributable to equity holders of RM5,388.4 million for the nine-month financial period ended 30 September 2017, an increase of RM1,006.0 million or 23.0% compared to the previous corresponding nine-month financial period ended 30 September 2016.

The Group's net interest income and Islamic Banking income for the nine-month financial period ended 30 September 2017 increased by RM1,318.5 million or 11.5% to RM12,789.5 million compared to the previous corresponding nine-month financial period ended 30 September 2016.

The Group's net earned insurance premiums from the Insurance and Takaful subsidiaries increased by RM565.5 million to RM3,817.1 million for the nine-month financial period ended 30 September 2017 compared to the previous corresponding nine-month financial period ended 30 September 2016.

Other operating income of the Group for the nine-month financial period ended 30 September 2017 was RM4,506.2 million, a decrease of RM479.1 million or 9.6% from RM4,985.3 million in the previous corresponding nine-month financial period ended 30 September 2016. The decrease was due to lower unrealised mark-to-market gain on revaluation of financial assets at FVTPL and derivatives of RM198.4 million compared to RM923.4 million in the previous corresponding nine-month financial period ended 30 September 2016. The decrease was, however, mitigated by unrealised mark-to-market gain on revaluation of financial liabilities at FVTPL of RM29.5 million, net gain on disposal of financial asset at FVTPL of RM295.0 million and net gain on disposal of financial investments available-for-sale of RM498.1 million compared to unrealised mark-to-market loss on revaluation of financial liabilities at FVTPL of RM77.4 million, net gain on disposal of financial asset at FVTPL of RM227.4 million and net gain on disposal of financial investments available-for-sale of RM432.1 million in the previous corresponding nine-month financial period ended 30 September 2016.

The Group's overhead expenses for the nine-month financial period ended 30 September 2017 recorded an increase of RM567.5 million or 7.1% to RM8,511.3 million compared to the previous corresponding nine-month financial period ended 30 September 2016. The increase in overhead expenses was mainly due to higher administration and general expenses of RM323.0 million and personnel expenses of RM289.3 million. The increase was, however, mitigated by lower marketing expenses of RM29.6 million.

The Group's allowances for impairment losses on loans, advances, financing and other debts decreased by RM457.8 million to RM1,759.3 million for the nine-month financial period ended 30 September 2017. The decrease was mainly due to lower collective allowance ("CA") and individual allowance made during the nine-month financial period ended 30 September 2017. The Group's CA ratio (including Regulatory Reserve) was 1.60% as at 30 September 2017 compared to 1.19% as at 31 December 2016.

The Group posted an allowance for impairment losses on financial investments of RM28.8 million for the nine-month financial period ended 30 September 2017 compared to RM173.5 million in the previous corresponding nine-month financial period ended 30 September 2016.

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B1. Performance Review (cont'd.)

(i) Current Period-to-Date vs Previous Corresponding Period-to-Date (cont'd.)

The Group's profit before taxation for the nine-month financial period ended 30 September 2017 compared to the previous corresponding nine-month financial period ended 30 September 2016 is further segmented based on the operating segments of the Group as follows:

Group Community Financial Services ("Group CFS")

Group CFS's profit before taxation increased by RM869.6 million or 29.1% to RM3,857.6 million for the nine-month financial period ended 30 September 2017 from RM2,988.0 million for the previous corresponding nine-month financial period ended 30 September 2016. The increase was mainly due to higher net interest income and income from IBS operations of RM617.9 million, lower allowances for impairment losses on loans, advances, financing and other debts of RM411.0 million and higher other operating income of RM176.5 million. The increase was, however, offset by higher overhead expenses of RM335.8 million.

Group Global Banking

a) Group Corporate Banking & Global Markets

Group Corporate Banking & Global Markets' profit before taxation increased by RM191.2 million or 5.8% to RM3,464.9 million for the nine-month financial period ended 30 September 2017 from RM3,273.7 million for the previous corresponding nine-month financial period ended 30 September 2016. The increase was mainly due to higher net interest income and income from IBS operations of RM211.4 million, net writeback of impairment losses on financial investments of RM142.9 million, higher share of profits in associates and joint ventures of RM72.0 million and lower allowances for impairment losses on loans, advances, financing and other debts of RM35.8 million. The increase was, however, offset by lower other operating income of RM137.5 million and higher overhead expenses of RM133.6 million.

b) Group Investment Banking (Maybank IB and Maybank Kim Eng)

Group Investment Banking's profit before taxation decreased by RM86.0 million or 44.2% to RM108.8 million for the nine-month financial period ended 30 September 2017 from RM194.8 million for the previous corresponding nine-month financial period ended 30 September 2016. The decrease was mainly driven by lower other operating income of RM81.7 million and higher overhead expenses of RM35.1 million. It was mitigated by net writeback of impairment losses on loans, advances, financing and other debts of RM19.9 million, higher net interest income and income from IBS operations of RM9.0 million, net writeback of impairment losses on financial investments of RM1.9 million.

c) Group Asset Management

Group Asset Management's profit before taxation increased by RM40.7 million to RM72.2 million for the nine-month financial period ended 30 September 2017 from RM31.5 million for the previous corresponding nine-month financial period ended 30 September 2016. The increase was mainly due to higher other operating income of RM60.8 million. The increase was, however, offset by higher overhead expenses of RM12.4 million, lower writeback of impairment losses on financial investments of RM6.8 million and higher allowances for impairment losses on loans, advances, financing and other debts of RM0.5 million.

Group Insurance and Takaful

Group Insurance and Takaful's profit before taxation decreased by RM20.8 million or 3.4% to RM592.6 million for the nine-month financial period ended 30 September 2017 from RM613.5 million for the previous corresponding nine-month financial period ended 30 September 2016. The decrease was contributed mainly by higher net insurance benefits and claims incurred, net fee and commission expenses, change in expense liabilities and taxation of life and takaful fund of RM330.6 million, lower other operating income of RM277.0 million, higher overhead expenses of RM50.6 million and higher allowances for impairment losses on loans, advances, financing and other debts of RM8.5 million. The decrease was, however, offset by higher net earned insurance premiums of RM565.5 million, higher net interest income of RM73.8 million, and lower allowances for impairment losses on financial investments of RM6.5 million.

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B1. Performance Review (cont'd.)

(ii) Current Quarter vs Previous Period Corresponding Quarter

The Group posted profit after tax attributable to equity holders of RM2,027.2 million for the quarter ended 30 September 2017, an increase of RM231.5 million or 12.9% compared to the previous period corresponding quarter ended 30 September 2016.

The Group's net interest income and Islamic Banking income for the quarter ended 30 September 2017 increased by RM487.5 million or 12.8% compared to the previous period corresponding quarter ended 30 September 2016.

The Group's net earned insurance premiums from the Insurance and Takaful subsidiaries increased by RM289.0 million to RM1,307.4 million compared to the previous period corresponding quarter ended 30 September 2016.

The Group's other operating income decreased by RM206.9 million to RM1,524.0 million for the quarter ended 30 September 2017 compared to the previous period corresponding quarter ended 30 September 2016. The decrease was mainly contributed by unrealised mark-to-market loss on revaluation of financial assets at FVTPL of RM420.8 million. The decrease was, however, offset by higher unrealised mark-to-market gain on revaluation of financial liabilities at FVTPL of RM126.5 million and fee income of RM55.6 million.

The Group's net insurance benefits and claims incurred, net fee and commission expenses, change in expense liabilities and taxation of life and takaful fund increased by RM102.2 million to RM1,215.3 million compared to the previous period corresponding quarter ended 30 September 2016. The increase was mainly attributable to higher net insurance benefits and claims incurred by the Insurance and Takaful subsidiaries of RM122.2 million.

The Group's overhead expenses for the quarter ended 30 September 2017 increased by RM213.9 million or 7.9% compared to the previous period corresponding quarter ended 30 September 2016. The increase was mainly contributed by the increase in administration and general expenses of RM158.4 million and personnel expenses of RM70.9 million. The increase was, however, mitigated by lower establishment expenses of RM15.9 million.

The Group's allowances for impairment losses on loans, advances, financing and other debts increased by RM16.2 million to RM386.5 million for the quarter ended 30 September 2017 compared to the previous period corresponding quarter ended 30 September 2016. The increase was mainly due to higher net collective allowance made of RM71.6 million. The increase was, however, mitigated by lower net individual allowance made of RM61.4 million and lower bad debts and financing recovered of RM6.8 million.

The Group reported an allowance for impairment losses on financial investments of RM23.1 million for the quarter ended 30 September 2017 compared to a writeback of RM39.4 million in the previous period corresponding quarter ended 30 September 2016.

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B1. Performance Review (cont'd.)

(ii) Current Quarter vs Previous Period Corresponding Quarter (cont'd.)

The Group's profit before taxation for the quarter ended 30 September 2017 compared to the previous period corresponding quarter ended 30 September 2016 is further segmented based on the operating segments of the Group as follows:

Group Community Financial Services ("Group CFS")

Group CFS's profit before taxation increased by RM481.8 million or 46.8% to RM1,510.4 million for the quarter ended 30 September 2017 from RM1,028.6 million for the previous period corresponding quarter ended 30 September 2016. The increase was mainly due to lower allowances for impairment losses on loans, advances, financing and other debts of RM321.1 million, higher net interest income and income from IBS operations of RM217.3 million and higher other operating income of RM86.5 million. The increase was, however, mitigated by higher overhead expenses of RM143.0 million.

Group Global Banking

a) Group Corporate Banking & Global Markets

Group Corporate Banking & Global Markets' profit before taxation decreased by RM222.4 million or 14.7% to RM1,292.7 million for the quarter ended 30 September 2017 from RM1,515.1 million for the previous period corresponding quarter ended 30 September 2016. The decrease was mainly due to higher allowances for impairment losses on loans, advances, financing and other debts of RM345.8 million, higher overhead expenses of RM52.1 million and lower writeback of impairment losses on financial investments of RM41.1 million. The decrease was, however, offset by higher other operating income of RM114.6 million, higher net interest income and income from IBS operations of RM45.9 million and higher share of profits in associates and joint ventures of RM56.1 million.

b) Group Investment Banking (Maybank IB and Maybank Kim Eng)

Group Investment Banking's profit before taxation decreased by RM19.3 million to RM12.7 million for the quarter ended 30 September 2017 from RM32.0 million for the previous period corresponding quarter ended 30 September 2016. The decrease was mainly due to lower other operating income of RM24.9 million and lower share of profits in associates and joint ventures of RM8.5 million. The decrease was, however, mitigated by net writeback of impairment losses on loans, advances, financing and other debts of RM11.0 million, higher net interest income and income from IBS operations of RM3.5 million.

c) Group Asset Management

Group Asset Management's profit before taxation decreased by RM21.5 million to RM8.9 million for the quarter ended 30 September 2017 from RM30.4 million for the previous period corresponding quarter ended 30 September 2016. The decrease was mainly due to lower other operating income of RM32.1 million. The decrease was, however, mitigated by lower overhead expenses of RM10.6 million.

Group Insurance and Takaful

Group Insurance and Takaful's profit before taxation decreased by RM186.3 million or 56.4% to RM143.8 million for the quarter ended 30 September 2017 from RM330.1 million for the previous period corresponding quarter ended 30 September 2016. The decrease was mainly contributed by lower other operating income of RM316.2 million, higher net insurance benefits and claims incurred, net fee and commission expenses, changes in expenses liabilities and taxation of life and takaful fund of RM115.6 million, higher overhead expenses of RM28.8 million, higher allowances for impairment losses on financial investments of RM21.0 million. The decrease was, however, offset by higher net earned insurance premium of RM289.0 million and higher net interest income of RM9.0 million.

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B2. Variation of Current Quarter Results Against Preceding Quarter

The Group's profit after tax attributable to equity holders in this quarter ended 30 September 2017 increased by RM368.8 million or 22.2% to RM2,027.2 million against the preceding quarter ended 30 June 2017.

The Group's net interest income for the quarter ended 30 September 2017 increased by RM18.9 million to RM3,054.6 million against the preceding quarter of RM3,035.7 million. Income from Islamic Banking Scheme operations increased by RM58.6 million to RM1,254.4 million for the quarter ended 30 September 2017 compared to RM1,195.8 million in the preceding quarter ended 30 June 2017.

The Group's net earned insurance premiums for the quarter ended 30 September 2017 increased by RM51.6 million to RM1,307.4 million compared to RM1,255.8 million in the preceding quarter ended 30 June 2017.

Other operating income of the Group for the quarter ended 30 September 2017 decreased by RM28.1 million to RM1,524.0 million compared to RM1,552.1 million in the preceding quarter ended 30 June 2017. The decrease was mainly due to higher unrealised mark-to-market loss on revaluation of financial assets at FVTPL of RM291.8 million, lower realised gain on derivatives of RM96.4 million and lower net gain on disposal of financial investments available-for-sale of RM69.9 million. The decrease was, however, offset by higher net gain on foreign exchange of RM196.8 million, higher unrealised mark-to-market gain on revaluation of financial liabilities at FVTPL of RM178.4 million and higher net gain on disposal of financial assets at FVTPL of RM112.9 million.

The Group's net insurance benefits and claims incurred, net fee and commission expenses, change in expense liabilities and taxation of life and takaful fund decreased by RM14.9 million to RM1,215.3 million for the quarter ended 30 September 2017 compared to RM1,230.2 million in the preceding quarter ended 30 June 2017. The decrease was mainly due to lower net fee and commission expenses, change in expense liabilities and taxation of life and takaful fund of RM28.7 million.

The Group posted an increase of RM120.4 million in overhead expenses to RM2,913.8 million for the quarter ended 30 September 2017 compared to RM2,793.4 million in the preceding quarter ended 30 June 2017. The increase was mainly due to higher administration and general expenses of RM105.6 million.

The Group's allowance for impairment losses on loans, advances, financing and other debts decreased by RM443.8 million to RM386.5 million in the quarter ended 30 September 2017 compared to RM830.3 million in the preceding quarter ended 30 June 2017. The decrease was mainly due to lower collective allowance made of RM404.1 million.

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B3. Prospects

Global real GDP growth is forecasted to expand at +3.6% in 2017 (2016: +3.2%), on improved growth in the US (2017E: +2.2%; 2016: +1.5%), Eurozone (2017E: +2.1%, 2016: +1.8%), Japan (2017E: +1.5%, 2016: +1.0%) and China (2017E: +6.8%, 2016: +6.7%).

Meanwhile, the ASEAN-6 countries could chart relatively faster growth in 2017 at 5.1% (2016: +4.6%) supported by the recovery in external demand coupled with sustained momentum in domestic demand. Maybank Group's home markets are expected to perform better in 2017, with Singapore forecasted to grow at +3.4% (2016: +2.0%), Malaysia expected to expand by +5.8% (2016: +4.2%) and Indonesia to remain resilient at +5.1% (2016: +5.0%).

Malaysia's real GDP 2017 growth is supported by improvement in the manufacturing, services and mining sectors amid stronger exports growth, pick up in consumer spending and investment growth. Investment growth for 2017 and 2018 are expected to be underpinned by progress in on-going and rollout of major infrastructure projects in-the-pipeline. The OPR is unchanged at 3.00% in 2017. Maybank Malaysia's loan growth is expected to be in-line with industry growth, as it focuses on pockets of opportunities within the consumer, retail SME and corporate lending segments.

Singapore's GDP growth is expected to improve to +3.4% in 2017 on the back of firmer manufacturing and external-oriented services growth which has broadened into the domestic economy, such as the information & communications and business services. As such, Maybank Singapore's loan growth will mainly be driven by retail SME, consumer financing and corporate lending. Maybank Singapore will also look to build on its wealth management services, expand on its Islamic offerings by providing alternative financing solutions to customers and deepen cross-sell across key customer segments. Another area of focus will be the expansion of internet and mobile banking solutions in an effort to enhance customers' digital experiences.

Indonesia's economy is expected to remain resilient with GDP growth to be sustained at 5.1% for 2017, driven by business and government spending from accelerated capital expenditure and infrastructure projects. Bank Indonesia's seven-day reverse repurchase rate was lowered to 4.25% in September given the moderate inflation and aimed at boosting domestic demand, especially consumer spending. A key growth driver for Maybank Indonesia in 2017 would be to expand its fee income streams through structured products and e-channel transactions. Maybank Indonesia will also focus on improving its cross sell of products and services, sharpen margins for higher yielding net interest margin products within its retail and business banking segments while targeting corporate lending growth among top-tier clients.

At Maybank Group, key strategic priorities for 2017 would be to strengthen our revenue drivers by focusing on pockets of opportunities across the various segments in consumer and corporate lending and capturing regional opportunities through our Maybank Kim Eng, Etiqa and Maybank Islamic franchises. We will leverage on our multi-channel digital capabilities, expand product segments, increase productivity, and drive regional cross-selling synergies, while keeping customer needs at the forefront.

Against the backdrop of selective growth in the market, Maybank Group will maintain its approach of proactively managing asset quality. The Group will continue to emphasise on its capital strength, ahead of accounting changes that will be adopted on 1st January 2018.

Barring any unforeseen circumstances, the Group expects its financial performance for 2017 to be satisfactory given the ongoing challenging global environment. The Group Key Performance Indicator for Return on Equity is 10%-11% and loans growth for the Group is expected to be around 3%, with growth in Maybank Malaysia to be in line with industry.

B4. Profit Forecast or Profit Guarantee

Neither the Group nor the Bank has made any profit forecast or issued any profit guarantee for the third quarter ended 30 September 2017.

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B5. Taxation and Zakat

The analysis of the tax expense for the third quarter ended 30 September 2017 are as follows:

Group	Third Quarter Ended		Cumulative 9 Months Ended	
	30 September 2017	30 September 2016	30 September 2017	30 September 2016
	RM'000	RM'000	RM'000	RM'000
Malaysian income tax	608,924	586,443	1,471,936	1,175,335
Foreign income tax	89,333	84,622	215,371	173,703
	698,257	671,065	1,687,307	1,349,038
Over provision in respect of prior period:				
Malaysian income tax	(15,215)	(29,954)	(15,215)	(32,686)
Foreign income tax	(30,433)	(11)	(37,399)	(3,778)
	652,609	641,100	1,634,693	1,312,574
Deferred tax				
- Relating to origination and reversal of temporary differences	(55,866)	(52,900)	(25,786)	128,295
	(55,866)	(52,900)	(25,786)	128,295
Tax expense for the financial period	596,743	588,200	1,608,907	1,440,869
Zakat	5,185	4,295	17,251	16,757
	601,928	592,495	1,626,158	1,457,626

The Group's effective tax rate for the third quarter ended 30 September 2017 was lower than the statutory tax rate due to certain income not subject to tax.

Bank	Third Quarter Ended		Cumulative 9 Months Ended	
	30 September 2017	30 September 2016	30 September 2017	30 September 2016
	RM'000	RM'000	RM'000	RM'000
Malaysian income tax	404,174	418,015	909,490	788,081
Foreign income tax	512	402	1,565	1,618
	404,686	418,417	911,055	789,699
Under/(over) provision in respect of prior period:				
Malaysian income tax	1,272	-	1,272	-
Foreign income tax	(32,879)	-	(39,129)	26
	373,079	418,417	873,198	789,725
Deferred tax				
- Relating to origination and reversal of temporary differences	(43,338)	(42,767)	(11,563)	61,754
	(43,338)	(42,767)	(11,563)	61,754
Tax expense for the financial period	329,741	375,650	861,635	851,479

The Bank's effective tax rate for the third quarter ended 30 September 2017 was lower than the statutory tax rate due to certain income not subject to tax.

Domestic income tax for the Bank is calculated at the Malaysian statutory tax rate of 24% of the estimated chargeable profit for the financial year. Taxation for foreign subsidiaries in other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

B6. Status of Corporate Proposals Announced but Not Completed

There are no corporate proposals announced but not completed during the third quarter ended 30 September 2017.

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B7. Status of Utilisation of Proceeds Raised from Corporate Proposal

The proceeds raised from the borrowings, issuance of subordinated obligations and capital securities have been used for working capital, general banking and other corporate purposes, as intended.

B8. Deposits from Customers, Investment Accounts of Customers, Deposits and Placements from Financial Institutions and Debt Securities

Please refer to Note A14, A15, A16, A17 and A39g.

B9. Derivative Financial Instruments

Please refer to Note A36.

B10. Changes in Material Litigation

There is no material litigation during the third quarter ended 30 September 2017.

B11. Disclosure of Realised and Unrealised Retained Profits

The breakdown of the retained profits of the Group as at the statements of financial position date into realised and unrealised profits is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and prepared in accordance with Guidance on Special Matter No. 1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, as issued by the Malaysian Institute of Accountants.

	30 September 2017 RM'000	31 December 2016 RM'000
Retained profits of the Group:		
- Realised	22,640,634	14,411,665
- Unrealised	1,538,608	(430,569)
- in respect of deferred tax recognised in the income statement	(19,776)	(3,369)
- in respect of other items of income and expense	1,558,384	(427,200)
	24,179,242	13,981,096
Share of retained profits from associates and joint ventures:		
- Realised	725,649	553,180
Consolidation adjustments	(278,940)	(125,581)
Total Group's retained profits	24,625,951	14,408,695

B12. Dividend

No interim dividend has been recommended during the third quarter ended 30 September 2017.

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B13. Earnings Per Share ("EPS")

Basic EPS

The basic EPS of the Group is calculated by dividing the net profit for the quarter/period attributable to equity holders of the Bank by the weighted average number of ordinary shares in issue during the period.

	Third Quarter Ended		Cumulative 9 Months Ended	
	30 September	30 September	30 September	30 September
	2017	2016	2017	2016
Net profit for the quarter/period attributable to equity holders of the Bank (RM'000)	2,027,206	1,795,702	5,388,443	4,382,394
Weighted average number of ordinary shares in issue ('000)	10,208,481	9,994,697	10,352,989	9,860,256
Basic earnings per share	19.86 sen	17.97 sen	52.05 sen	44.45 sen

Diluted EPS

The diluted EPS of the Group is calculated by dividing the net profit for the quarter/period attributable to equity holders of the Bank by the weighted average number of ordinary shares in issue, which has been adjusted for the number of ordinary shares that could have been issued under the Maybank Group Employee Share Scheme ("ESS") and the Dividend Reinvestment Plan ("DRP").

In the diluted EPS calculation, it was assumed that certain number of ordinary shares under the ESS relating to the RSU were vested and awarded to employees through issuance of additional ordinary shares and the electable portion of the dividends issued under the DRP were exercised into ordinary shares. A calculation is done to determine the number of ordinary shares that could have been issued at fair value (determined as the average price of the Bank's ordinary shares during the quarter/period) based on the monetary value of the ESS entitlement attached to the outstanding RSU granted and the number of ordinary shares that could have been issued at an assumed price (determined as the 5-day average price of the Bank's ordinary shares as at 30 September 2017 and 30 September 2016) based on the electable portion of the dividends issued under the DRP. These calculations serve to determine the number of dilutive shares to be added to the weighted average ordinary shares in issue for the purpose of computing the dilution. No adjustment was made to the net profit for the quarter/period.

	Third Quarter Ended		Cumulative 9 Months Ended	
	30 September	30 September	30 September	30 September
	2017	2016	2017	2016
Net profit for the quarter/period attributable to equity holders of the Bank (RM'000)	2,027,206	1,795,702	5,388,443	4,382,394
Weighted average number of ordinary shares in issue ('000)	10,208,481	9,994,697	10,352,989	9,860,256
Effects of dilution ('000)	14,401	11,853	14,947	11,992
Adjusted weighted average number of ordinary shares in issue ('000)	10,222,882	10,006,550	10,367,936	9,872,248
Diluted earnings per share	19.83 sen	17.95 sen	51.97 sen	44.39 sen

By Order of the Board

Wan Marzimin Wan Muhammad
LS0009924
Company Secretary
30 November 2017