

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

CONDENSED FINANCIAL STATEMENTS
UNAUDITED INCOME STATEMENTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2019

<u>Group</u>	Note	First Quarter Ended		Cumulative 3 Months Ended	
		31 March 2019 RM'000	31 March 2018 RM'000	31 March 2019 RM'000	31 March 2018 RM'000
Interest income	A21	6,034,471	5,518,452	6,034,471	5,518,452
Interest expense	A22	(3,080,931)	(2,498,513)	(3,080,931)	(2,498,513)
Net interest income		2,953,540	3,019,939	2,953,540	3,019,939
Income from Islamic Banking Scheme operations	A39a	1,496,618	1,348,014	1,496,618	1,348,014
Net earned insurance premiums	A23	1,626,546	1,511,381	1,626,546	1,511,381
Other operating income	A24	1,677,898	1,301,576	1,677,898	1,301,576
Total operating income		7,754,602	7,180,910	7,754,602	7,180,910
Net insurance benefits and claims incurred, net fee and commission expenses, change in expense liabilities and taxation of life and takaful fund	A25	(1,894,525)	(1,364,437)	(1,894,525)	(1,364,437)
Net operating income		5,860,077	5,816,473	5,860,077	5,816,473
Overhead expenses	A26	(2,807,608)	(2,767,544)	(2,807,608)	(2,767,544)
Operating profit before impairment losses		3,052,469	3,048,929	3,052,469	3,048,929
Allowances for impairment losses on loans, advances, financing and other debts, net	A27	(603,994)	(509,310)	(603,994)	(509,310)
(Allowances for)/writeback of impairment losses on financial investments, net	A28	(24,609)	14,868	(24,609)	14,868
Allowances for impairment losses on other financial assets, net	A29	(8,720)	(6,367)	(8,720)	(6,367)
Operating profit		2,415,146	2,548,120	2,415,146	2,548,120
Share of profits in associates and joint ventures		35,285	8,548	35,285	8,548
Profit before taxation and zakat		2,450,431	2,556,668	2,450,431	2,556,668
Taxation and zakat	B5	(575,614)	(657,180)	(575,614)	(657,180)
Profit for the period		1,874,817	1,899,488	1,874,817	1,899,488
Attributable to:					
Equity holders of the Bank		1,809,264	1,871,036	1,809,264	1,871,036
Non-controlling interests		65,553	28,452	65,553	28,452
		1,874,817	1,899,488	1,874,817	1,899,488
Earnings per share attributable to equity holders of the Bank	B12				
Basic		16.37 sen	17.26 sen	16.37 sen	17.26 sen
Fully diluted		16.37 sen	17.25 sen	16.37 sen	17.25 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 2018 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 FIRST QUARTER ENDED 31 MARCH 2019

<u>Group</u>	First Quarter Ended		Cumulative 3 Months Ended	
	31 March 2019 RM'000	31 March 2018 RM'000	31 March 2019 RM'000	31 March 2018 RM'000
Profit for the period	1,874,817	1,899,488	1,874,817	1,899,488
Other comprehensive income/(loss):				
<i>Items that will not be reclassified subsequently to profit or loss:</i>				
Defined benefit plan actuarial (loss)/gain	(352)	2,437	(352)	2,437
Income tax effect	144	(363)	144	(363)
	(208)	2,074	(208)	2,074
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Net gain/(loss) on financial assets at fair value through other comprehensive income	1,274,795	(212,576)	1,274,795	(212,576)
- Net gain/(loss) from change in fair value	1,365,712	(258,912)	1,365,712	(258,912)
- Changes in expected credit losses	232,159	2,193	232,159	2,193
- Income tax effect	(323,076)	44,143	(323,076)	44,143
Net loss on foreign exchange translation	(132,169)	(1,370,428)	(132,169)	(1,370,428)
Net gain on cash flow hedge	260	1,216	260	1,216
Net gain on net investment hedge	1,841	39,877	1,841	39,877
Share of change in associates' reserve	(78,510)	(235,915)	(78,510)	(235,915)
	1,066,217	(1,777,826)	1,066,217	(1,777,826)
Other comprehensive income/(loss) for the period, net of tax	1,066,009	(1,775,752)	1,066,009	(1,775,752)
Total comprehensive income for the period	2,940,826	123,736	2,940,826	123,736
Other comprehensive income/(loss) for the period attributable to:				
Equity holders of the Bank	1,053,851	(1,767,664)	1,053,851	(1,767,664)
Non-controlling interests	12,158	(8,088)	12,158	(8,088)
	1,066,009	(1,775,752)	1,066,009	(1,775,752)
Total comprehensive income for the period attributable to:				
Equity holders of the Bank	2,863,115	103,372	2,863,115	103,372
Non-controlling interests	77,711	20,364	77,711	20,364
	2,940,826	123,736	2,940,826	123,736

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CONDENSED FINANCIAL STATEMENTS
UNAUDITED INCOME STATEMENTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2019

<u>Bank</u>	Note	First Quarter Ended		Cumulative 3 Months Ended	
		31 March 2019 RM'000	31 March 2018 RM'000	31 March 2019 RM'000	31 March 2018 RM'000
Interest income	A21	4,089,063	4,184,110	4,089,063	4,184,110
Interest expense	A22	(2,196,778)	(1,912,336)	(2,196,778)	(1,912,336)
Net interest income		1,892,285	2,271,774	1,892,285	2,271,774
Other operating income	A24	753,428	1,157,572	753,428	1,157,572
Net operating income		2,645,713	3,429,346	2,645,713	3,429,346
Overhead expenses	A26	(1,114,796)	(1,449,631)	(1,114,796)	(1,449,631)
Operating profit before impairment losses		1,530,917	1,979,715	1,530,917	1,979,715
Allowances for impairment losses on loans, advances, financing and other debts, net (Allowances for)/writeback of impairment losses on financial investments, net	A27	(546,819)	(51,852)	(546,819)	(51,852)
Writeback of/(allowances for) impairment losses on other financial assets, net	A28	(32,816)	33,593	(32,816)	33,593
	A29	12,345	(9,794)	12,345	(9,794)
Profit before taxation and zakat		963,627	1,951,662	963,627	1,951,662
Taxation and zakat	B5	(235,710)	(457,487)	(235,710)	(457,487)
Profit for the period		727,917	1,494,175	727,917	1,494,175

(These unaudited condensed interim financial statements should be read in conjunction with the audited annual financial statements for the financial year ended 31 December 2018 and the accompanying explanatory notes attached to these financial statements)

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CONDENSED FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FIRST QUARTER ENDED 31 MARCH 2019

<u>Bank</u>	First Quarter Ended		Cumulative 3 Months Ended	
	31 March 2019 RM'000	31 March 2018 RM'000	31 March 2019 RM'000	31 March 2018 RM'000
Profit for the period	727,917	1,494,175	727,917	1,494,175
Other comprehensive income/(loss):				
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Net gain/(loss) on financial assets at fair value through other comprehensive income	1,072,426	(226,131)	1,072,426	(226,131)
- Net gain/(loss) from change in fair value	1,094,518	(267,046)	1,094,518	(267,046)
- Changes in expected credit losses	240,853	(4,950)	240,853	(4,950)
- Income tax effect	(262,945)	45,865	(262,945)	45,865
Net loss on foreign exchange translation	(68,352)	(421,269)	(68,352)	(421,269)
	1,004,074	(647,400)	1,004,074	(647,400)
Other comprehensive income/(loss) for the period, net of tax	1,004,074	(647,400)	1,004,074	(647,400)
Total comprehensive income for the period	1,731,991	846,775	1,731,991	846,775

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MALAYAN BANKING BERHAD
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CONDENSED FINANCIAL STATEMENTS
UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2019

	Note	Group		Bank	
		31 March 2019 RM'000	31 December 2018 RM'000	31 March 2019 RM'000	31 December 2018 RM'000
ASSETS					
Cash and short-term funds		49,289,779	55,025,127	23,154,691	26,945,152
Deposits and placements with financial institutions		9,102,755	12,502,877	24,069,506	23,410,133
Financial assets purchased under resale agreements		7,784,377	4,030,245	6,303,462	3,763,284
Financial assets designated upon initial recognition at fair value through profit or loss	A10(i)	16,507,054	15,716,038	-	-
Financial investments at fair value through profit or loss	A10(ii)	15,904,073	14,252,900	11,907,573	8,914,167
Financial investments at fair value through other comprehensive income	A10(iii)	125,386,758	120,913,888	90,498,485	89,582,837
Financial investments at amortised cost	A10(iv)	28,654,452	27,069,261	23,478,179	22,857,070
Loans, advances and financing to financial institutions	A11(i)	1,612,256	1,576,199	17,562,079	17,052,024
Loans, advances and financing to customers	A11(ii)	505,120,846	505,507,620	208,337,835	213,314,768
Derivative assets	A36	7,087,723	6,963,521	6,899,825	6,799,063
Reinsurance/retakaful assets and other insurance receivables	A12	3,826,166	3,800,047	-	-
Other assets	A13	11,392,928	9,873,340	5,153,884	5,267,285
Investment properties		897,065	895,769	-	-
Statutory deposits with central banks		16,948,862	16,264,849	5,606,227	5,041,560
Investment in subsidiaries		-	-	31,640,526	31,446,456
Interest in associates and joint ventures		2,596,920	2,300,299	451,518	472,016
Property, plant and equipment		2,170,761	2,495,825	1,014,664	1,041,432
Right-of-use assets		1,554,547	-	429,558	-
Intangible assets		6,704,643	6,718,327	357,352	360,865
Deferred tax assets		690,578	1,085,549	-	345,186
TOTAL ASSETS		813,232,543	806,991,681	456,865,364	456,613,298
LIABILITIES					
Customers' funding:					
- Deposits from customers	A14	534,763,618	532,732,623	252,262,626	255,160,315
- Investment accounts of customers ¹	A39g	22,800,306	23,565,061	-	-
Deposits and placements from financial institutions	A15	43,386,003	43,850,577	52,437,979	52,940,747
Obligations on financial assets sold under repurchase agreements		10,616,776	13,797,993	17,602,762	21,266,302
Derivative liabilities	A36	7,436,189	7,975,784	7,108,835	7,439,049
Financial liabilities at fair value through profit or loss	A16	8,288,159	8,892,691	8,138,572	8,507,004
Bills and acceptances payable		1,434,872	1,508,658	653,380	612,967
Insurance/takaful contract liabilities and other insurance payables	A18	27,799,014	26,853,102	-	-
Other liabilities	A19	24,382,269	21,788,671	9,903,933	7,341,061
Recourse obligation on loans and financing sold to Cagamas		1,543,501	1,547,272	1,543,501	1,547,272
Provision for taxation and zakat		302,097	395,792	-	79,815
Deferred tax liabilities		614,169	497,966	24,555	-
Borrowings	A17(i)	33,624,705	31,600,197	25,064,534	23,441,160
Subordinated obligations	A17(ii)	12,057,068	10,717,005	11,301,558	9,157,310
Capital securities	A17(iii)	3,494,173	3,531,029	3,494,173	3,531,029
TOTAL LIABILITIES		732,542,919	729,254,421	389,536,408	391,024,031

¹ Investment accounts of customers are used to fund financing and advances as disclosed in Note A39e(ii).

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UNAUDITED STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2019

	Note	Group		Bank	
		31 March 2019 RM'000	31 December 2018 RM'000	31 March 2019 RM'000	31 December 2018 RM'000
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE BANK					
Share capital		46,747,442	46,747,442	46,747,442	46,747,442
Retained profits		27,514,950	25,985,583	15,063,122	14,401,762
Reserves		3,938,548	2,597,102	5,518,392	4,440,063
		78,200,940	75,330,127	67,328,956	65,589,267
Non-controlling interests		2,488,684	2,407,133	-	-
		80,689,624	77,737,260	67,328,956	65,589,267
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		813,232,543	806,991,681	456,865,364	456,613,298
COMMITMENTS AND CONTINGENCIES	A34	1,070,811,153	872,955,128	969,186,549	780,160,779
<u>CAPITAL ADEQUACY</u>	A35				
The capital adequacy ratios of the Group and of the Bank are as follows:					
CET1 Capital Ratio		15.071%	15.029%	14.307%	13.757%
Tier 1 Capital Ratio		16.026%	15.983%	15.448%	14.871%
Total Capital Ratio		19.520%	19.024%	19.732%	18.266%
Net assets per share attributable to equity holders of the Bank		RM7.08	RM6.82	RM6.09	RM5.94

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MALAYAN BANKING BERHAD
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CONDENSED FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED 31 MARCH 2019

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

Group	Share Capital RM'000	Statutory Reserve RM'000	Regulatory Reserve RM'000	Fair Value Through Other Comprehensive Income			ESGP 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
				Reserve RM'000	Exchange Fluctuation Reserve RM'000	Reserve RM'000						
At 1 January 2019	46,747,442	239,009	2,127,290	457,045	113,510	-	(339,752)	25,985,583	75,330,127	2,407,133	77,737,260	
Profit for the period	-	-	-	-	-	-	-	1,809,264	1,809,264	65,553	1,874,817	
Other comprehensive income/(loss)	-	-	-	1,251,267	(199,309)	-	1,893	-	1,053,851	12,158	1,066,009	
Defined benefit plan actuarial loss	-	-	-	-	-	-	(208)	-	(208)	-	(208)	
Share of associates' reserve	-	-	-	(13,226)	(65,284)	-	-	-	(78,510)	-	(78,510)	
Net (loss)/gain on foreign exchange translation	-	-	-	-	(134,025)	-	-	-	(134,025)	1,856	(132,169)	
Net gain on financial investments at fair value through other comprehensive income	-	-	-	1,264,493	-	-	-	-	1,264,493	10,302	1,274,795	
Net gain on net investment hedge	-	-	-	-	-	-	1,841	-	1,841	-	1,841	
Net gain on cash flow hedge	-	-	-	-	-	-	260	-	260	-	260	
Total comprehensive income/(loss) for the period	-	-	-	1,251,267	(199,309)	-	1,893	1,809,264	2,863,115	77,711	2,940,826	
Carried forward	46,747,442	239,009	2,127,290	1,708,312	(85,799)	-	(337,859)	27,794,847	78,193,242	2,484,844	80,678,086	

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CONDENSED FINANCIAL STATEMENTS
UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED 31 MARCH 2019

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

<u>Group (cont'd.)</u>	Share Capital RM'000	Statutory Reserve RM'000	Regulatory Reserve RM'000	Fair Value Through Other Comprehensive Income Reserve RM'000	Exchange Fluctuation Reserve RM'000	ESGP 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	46,747,442	239,009	2,127,290	1,708,312	(85,799)	-	(337,859)	27,794,847	78,193,242	2,484,844	80,678,086
Effect of changes in corporate structure within the Group	-	-	-	-	-	-	-	-	-	3,840	3,840
Transfer to statutory reserve	-	31,779	-	-	-	-	-	(31,779)	-	-	-
Transfer to regulatory reserve	-	-	248,118	-	-	-	-	(248,118)	-	-	-
Share-based payment under Maybank Group Employees' Share Grant Plan ("ESGP")	-	-	-	-	-	7,698	-	-	7,698	-	7,698
Total transactions with shareholders/ other equity movements	-	31,779	248,118	-	-	7,698	-	(279,897)	7,698	3,840	11,538
At 31 March 2019	46,747,442	270,788	2,375,408	1,708,312	(85,799)	7,698	(337,859)	27,514,950	78,200,940	2,488,684	80,689,624

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 RM680.1 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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<===== Attributable to equity holders of the Bank =====>
<===== Non-Distributable =====>

<u>Group</u>	Fair Value Through Other Comprehensive Income Reserve											
	Share Capital RM'000	Shares Held-in-trust RM'000	Statutory Reserve RM'000	Regulatory 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 2018												
- as previously stated	44,250,380	(183,438)	203,058	2,747,285	29,616	858,752	219,387	(405,169)	25,268,743	72,988,614	2,194,991	75,183,605
- effect of adopting MFRS 9	-	-	-	(760,278)	459,319	-	-	-	(1,097,608)	(1,398,567)	11,202	(1,387,365)
At 1 January 2018, as restated	44,250,380	(183,438)	203,058	1,987,007	488,935	858,752	219,387	(405,169)	24,171,135	71,590,047	2,206,193	73,796,240
Profit for the period	-	-	-	-	-	-	-	-	1,871,036	1,871,036	28,452	1,899,488
Other comprehensive (loss)/income	-	-	-	-	(220,166)	(1,590,665)	-	43,167	-	(1,767,664)	(8,088)	(1,775,752)
Defined benefit plan actuarial gain	-	-	-	-	-	-	-	2,074	-	2,074	-	2,074
Share of associates reserve	-	-	-	-	(6,993)	(228,922)	-	-	-	(235,915)	-	(235,915)
Net loss on foreign exchange translation	-	-	-	-	-	(1,361,743)	-	-	-	(1,361,743)	(8,685)	(1,370,428)
Net (loss)/gain on financial assets at fair value through other comprehensive income	-	-	-	-	(213,173)	-	-	-	-	(213,173)	597	(212,576)
Net gain on net investment hedge	-	-	-	-	-	-	-	39,877	-	39,877	-	39,877
Net gain on cash flow hedge	-	-	-	-	-	-	-	1,216	-	1,216	-	1,216
Total comprehensive (loss)/income for the period	-	-	-	-	(220,166)	(1,590,665)	-	43,167	1,871,036	103,372	20,364	123,736
Carried forward	44,250,380	(183,438)	203,058	1,987,007	268,769	(731,913)	219,387	(362,002)	26,042,171	71,693,419	2,226,557	73,919,976

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FOR THE FIRST QUARTER ENDED 31 MARCH 2019

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

<u>Group (cont'd.)</u>	Share Capital RM'000	Shares Held-in-trust RM'000	Statutory Reserve RM'000	Regulatory Reserve RM'000	Fair Value Through Other Comprehensive Income 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	44,250,380	(183,438)	203,058	1,987,007	268,769	(731,913)	219,387	(362,002)	26,042,171	71,693,419	2,226,557	73,919,976
Share-based payment under Employees' Share Scheme ("ESS")	-	-	-	-	-	-	1,458	-	-	1,458	-	1,458
Effect of net acquisition from/disposal to non-controlling interests	-	-	-	-	-	-	-	-	-	-	8,475	8,475
Transfer to statutory reserves	-	-	313	-	-	-	-	-	(313)	-	-	-
Transfer to regulatory reserve	-	-	-	239,288	-	-	-	-	(239,288)	-	-	-
Issue of shares pursuant to ESS	1,155,264	-	-	-	-	-	(66,152)	-	-	1,089,112	-	1,089,112
Issue of shares pursuant to Restricted Share Unit ("RSU")	45,940	(2,095)	-	-	-	-	(30,801)	-	(13,044)	-	-	-
Total transactions with shareholders/other equity movements	1,201,204	(2,095)	313	239,288	-	-	(95,495)	-	(252,645)	1,090,570	8,475	1,099,045
At 31 March 2018	45,451,584	(185,533)	203,371	2,226,295	268,769	(731,913)	123,892	(362,002)	25,789,526	72,783,989	2,235,032	75,019,021

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 RM1,238.7 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 2018 and the accompanying explanatory notes attached to these financial statements)

MALAYAN BANKING BERHAD
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CONDENSED FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED 31 MARCH 2019

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

Bank	Share Capital RM'000	Statutory Reserve RM'000	Regulatory Reserve RM'000	Fair Value Through Other Comprehensive Income Reserve RM'000	Exchange Fluctuation Reserve RM'000	ESGP Reserve RM'000	Distributable Retained Profits RM'000	Total Equity RM'000
At 1 January 2019	46,747,442	53,032	1,778,997	279,332	2,328,702	-	14,401,762	65,589,267
Profit for the period	-	-	-	-	-	-	727,917	727,917
Other comprehensive income/(loss)	-	-	-	1,072,426	(68,352)	-	-	1,004,074
Net loss on foreign exchange translation	-	-	-	-	(68,352)	-	-	(68,352)
Net gain on financial investments at fair value through other comprehensive income	-	-	-	1,072,426	-	-	-	1,072,426
Total comprehensive income/(loss) for the period	-	-	-	1,072,426	(68,352)	-	727,917	1,731,991
Transfer to statutory reserve	-	14	-	-	-	-	(14)	-
Transfer to regulatory reserve	-	-	66,543	-	-	-	(66,543)	-
Share-based payment under Maybank Group Employees' Share Grant Plan ("ESGP")	-	-	-	-	-	7,698	-	7,698
Total transactions with shareholders/ other equity movements	-	14	66,543	-	-	7,698	(66,557)	7,698
At 31 March 2019	46,747,442	53,046	1,845,540	1,351,758	2,260,350	7,698	15,063,122	67,328,956

(These unaudited condensed interim financial statements should be read in conjunction with the audited annual financial statements for the financial year ended 31 December 2018 and the accompanying explanatory notes attached to these financial statements)

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CONDENSED FINANCIAL STATEMENTS
UNAUDITED STATEMENT OF CHANGES IN EQUITY
FOR THE FIRST QUARTER ENDED 31 MARCH 2019

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

<u>Bank</u>	Share Capital RM'000	Shares Held-in-trust RM'000	Statutory Reserve RM'000	Regulatory Reserve RM'000	Fair Value Through Other Comprehensive Income Reserve RM'000	Exchange Fluctuation Reserve RM'000	ESS Reserve RM'000	Distributable Retained Profits RM'000	Total Equity RM'000
At 1 January 2018									
- as previously stated	44,250,380	(183,438)	46,255	2,233,563	(114,149)	2,228,315	219,387	13,572,235	62,252,548
- effect of adopting MFRS 9	-	-	-	(295,155)	420,838	-	-	(497,675)	(371,992)
At 1 January 2018, as restated	44,250,380	(183,438)	46,255	1,938,408	306,689	2,228,315	219,387	13,074,560	61,880,556
Profit for the period	-	-	-	-	-	-	-	1,494,175	1,494,175
Other comprehensive loss	-	-	-	-	(226,131)	(421,269)	-	-	(647,400)
Net loss on foreign exchange translation	-	-	-	-	-	(421,269)	-	-	(421,269)
Net loss on financial assets at fair value through other comprehensive income	-	-	-	-	(226,131)	-	-	-	(226,131)
Total comprehensive (loss)/income for the period	-	-	-	-	(226,131)	(421,269)	-	1,494,175	846,775
Share-based payment under Employees' Share Scheme ("ESS")	-	-	-	-	-	-	1,458	-	1,458
Transfer to regulatory reserve	-	-	-	176,699	-	-	-	(176,699)	-
Issue of shares pursuant to ESS	1,155,264	-	-	-	-	-	(66,152)	-	1,089,112
Issue of shares pursuant to Restricted Share Unit ("RSU")	45,940	(2,095)	-	-	-	-	(30,801)	(13,044)	-
Total transactions with shareholders/ other equity movements	1,201,204	(2,095)	-	176,699	-	-	(95,495)	(189,743)	1,090,570
At 31 March 2018	45,451,584	(185,533)	46,255	2,115,107	80,558	1,807,046	123,892	14,378,992	63,817,901

(These unaudited condensed interim financial statements should be read in conjunction with the audited annual financial statements for the financial year ended 31 December 2018 and the accompanying explanatory notes attached to these financial statements)

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CONDENSED FINANCIAL STATEMENTS
UNAUDITED CASH FLOW STATEMENTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2019

	Group		Bank	
	31 March 2019 RM'000	31 March 2018 RM'000	31 March 2019 RM'000	31 March 2018 RM'000
Cash flows from operating activities				
Profit before taxation and zakat	2,450,431	2,556,668	963,627	1,951,662
Adjustments for:				
Depreciation of property, plant and equipment	75,566	102,352	31,860	42,324
Depreciation of right-of-use assets	88,498	-	27,483	-
Gain on disposal of property, plant and equipment	(2,484)	(59,963)	(395)	(55,290)
Share of profits in associates and joint ventures	(35,285)	(8,548)	-	-
Amortisation of intangible assets	56,606	59,703	11,396	20,289
Net gain on dilution of interest in associates	(1,836)	(1,276)	(1,696)	-
Net gain on disposal of financial assets at fair value through profit or loss	(38,539)	(32,296)	(60,940)	(55,259)
Net gain on disposal of financial investments at fair value through other comprehensive income	(171,548)	(57,558)	(138,451)	(51,881)
Net gain on redemption of financial investments at amortised cost	-	(599)	-	(599)
Unrealised (gain)/loss on revaluation of financial investments at fair value through profit or loss and derivatives	(729,709)	281,152	(192,966)	117,161
Unrealised loss/(gain) on revaluation of financial liabilities at fair value through profit or loss	456,164	(277,069)	455,252	(275,659)
Unrealised loss on revaluation of loans, advances and financing at fair value through profit or loss	1,876	-	1,876	-
Allowances for impairment losses on loans, advances and financing, net	708,319	572,137	581,438	95,947
Allowances for impairment losses on other debts	2,240	6,725	13,068	731
Allowances for/(writeback of) impairment losses on financial investments, net	24,609	(14,868)	32,816	(33,593)
Allowances for/(writeback of) impairment losses on other financial assets, net	8,720	6,367	(12,345)	9,794
Dividend income	(17,764)	(20,173)	-	(25)
ESGP/ESS expenses	9,288	3,281	5,390	2,401
Other adjustments for non-operating and non-cash items	(53,373)	(104,043)	(102,619)	(119,159)
Operating profit before working capital changes	2,831,779	3,011,992	1,614,794	1,648,844
Change in deposits and placements with financial institutions with original maturity of more than three months	(699,534)	8,499,012	4,406,064	8,521,777
Change in cash and short-term funds with original maturity of more than three months	(780,008)	(484,661)	(1,204,461)	(679,876)
Change in financial investments portfolio	(6,297,425)	873,574	(3,134,907)	3,140,320
Change in loans, advances and financing	(1,511,651)	(9,447,470)	3,282,586	(6,612,230)
Change in statutory deposits with central banks	(684,013)	(741,225)	(564,667)	425,276
Change in deposits from customers	3,293,159	15,531,854	(2,317,411)	1,874,051
Change in investment accounts of customers	(764,755)	(2,713,496)	-	-
Change in deposits and placements from financial institutions	(464,574)	(3,412,312)	(502,768)	(291,843)
Change in financial liabilities at fair value through profit or loss	(1,035,365)	58,947	(798,352)	56,302
Change in reinsurance/retakaful assets and other insurance receivables	(27,791)	(199,923)	-	-
Change in insurance/takaful contract liabilities and other insurance payables	945,912	744,529	-	-
Change in other operating activities	(7,530,119)	(498,103)	(3,797,564)	(2,574,873)
Cash (used in)/generated from operations	(12,724,385)	11,222,718	(3,016,686)	5,507,748
Taxes and zakat paid	(734,692)	(719,680)	(415,204)	(303,734)
Net cash (used in)/generated from operating activities	(13,459,077)	10,503,038	(3,431,890)	5,204,014

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CONDENSED FINANCIAL STATEMENTS
UNAUDITED CASH FLOW STATEMENTS
FOR THE FIRST QUARTER ENDED 31 MARCH 2019

	Group		Bank	
	31 March 2019 RM'000	31 March 2018 RM'000	31 March 2019 RM'000	31 March 2018 RM'000
Cash flows from investing activities				
Dividends received from financial investments portfolio	17,764	20,173	-	25
Purchase of property, plant and equipment	(42,027)	(36,124)	(6,409)	(26,890)
Purchase of investment properties	(1,416)	(46,277)	-	-
Purchase of intangible assets	(36,426)	(122,937)	(7,941)	(28,922)
Purchase of additional ordinary shares in existing subsidiary	-	-	(194,070)	-
Proceeds from disposal of property, plant and equipment	12,157	61,740	395	56,672
Net effect arising from transaction with non-controlling interests	3,840	8,475	-	-
Net effect arising from acquisition of associate	(194,070)	-	-	-
Net cash generated from/(used in) investing activities	(240,178)	(114,950)	(208,025)	885
Cash flows from financing activities				
Proceeds from issuance of shares	-	1,089,112	-	1,089,112
Drawdown/(repayment) of borrowings, net	2,113,083	431,805	1,812,041	(785,561)
Issuance of subordinated obligations	3,700,000	-	3,700,000	-
Redemption of subordinated obligations	(2,426,002)	-	(1,600,000)	-
Repayment of lease liabilities	(90,674)	-	(33,409)	-
Recourse obligations on loans and financing sold to Cagamas, net	(3,772)	-	(3,772)	-
Net cash generated from financing activities	3,292,635	1,520,917	3,874,860	303,551
Net (decrease)/increase in cash and cash equivalents	(10,406,620)	11,909,005	234,945	5,508,450
Cash and cash equivalents at beginning of period	57,058,138	53,933,844	40,660,229	39,306,384
Effects of foreign exchange rate changes	(208,392)	(767,693)	(164,430)	(660,567)
Cash and cash equivalents at end of period	46,443,126	65,075,156	40,730,744	44,154,267

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

	Group		Bank	
	31 March 2019 RM'000	31 March 2018 RM'000	31 March 2019 RM'000	31 March 2018 RM'000
Cash and short-term funds	49,289,779	53,810,551	23,154,691	29,614,509
Deposits and placements with financial institutions	9,102,755	16,639,091	24,069,506	19,488,493
	58,392,534	70,449,642	47,224,197	49,103,002
Less:				
Cash and short-term funds and deposits and placements with financial institutions, with original maturity of more than three months	(11,949,408)	(5,374,486)	(6,493,453)	(4,948,735)
Cash and cash equivalents at end of period	46,443,126	65,075,156	40,730,744	44,154,267

(These unaudited condensed interim financial statements should be read in conjunction with the audited annual financial statements for the financial year ended 31 December 2018 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 assets at fair value through other comprehensive income, 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 2018. 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 2018.

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 2018 except for adoption of the following new Malaysian Financial Reporting Standards (“MFRSs”), amendments to MFRSs, annual improvements to MFRSs and IC Interpretations which are effective for annual periods beginning on or after 1 January 2019:

- MFRS 9 *Prepayment Features with Negative Compensation* (Amendments to MFRS 9)
- MFRS 16 *Leases*
- MFRS 128 *Long-term Interests in Associates and Joint Ventures* (Amendments to MFRS 128)
- Annual Improvements to MFRSs 2015-2017 Cycle
 - (i) MFRS 3 *Business Combinations*
 - (ii) MFRS 11 *Joint Arrangements*
 - (iii) MFRS 112 *Income Taxes*
 - (iv) MFRS 123 *Borrowing Costs*
- MFRS 119 *Plan Amendment, Curtailment or Settlement* (Amendments to MFRS 119)
- IC Interpretation 23 *Uncertainty over Income Tax Treatments*

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

MFRS 16 Leases

Before the adoption of MFRS 16, the Group and the Bank classified each of its leases such as premises for branches, data centres and IT and office equipments at the inception date as either a finance lease or an operating lease in accordance with MFRS 117 *Leases*. A lease was classified as a finance lease if it transferred substantially all of the risks and rewards incidental to ownership of the leased asset to the Group or the Bank; otherwise, it was classified as an operating lease. Finance leases were capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments were apportioned between interest (recognised as finance costs) and reduction of the lease liability. In an operating lease, the leased assets were not capitalised and the lease payments were recognised as rental expense in the statements of comprehensive income on a straight-line basis over the lease term. Any prepaid and accrued rent were recognised under other assets:prepayments and other liabilities:accruals, respectively.

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A1. Basis of Preparation (cont'd.)

MFRS 16 Leases (cont'd.)

MFRS 16 is mandatorily applicable initially for annual periods beginning on or after 1 January 2019 and replaces MFRS 117, IC Interpretation 4 *Determining whether an Arrangement contains a Lease*, IC Interpretation 115 *Operating Lease — Incentives* and IC Interpretation 127 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. MFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under MFRS 117. Lessor accounting under MFRS 16 is substantially unchanged from MFRS 117. Lessors will continue to classify leases as either operating or finance leases using similar principles as in MFRS 17. Therefore, MFRS 16 did not have an impact for leases where the Group or the Bank is the lessor.

Maybank has analysed the impact of the first-time application of MFRS 16 in a Group-wide project, including existing processes, systems and policies. The Group and the Bank have developed its approach for assessing the different types of leases including applying the recognition exemptions in the standard that allows the Group and the Bank not to recognise right-of-use assets and lease liabilities for short-term leases and leases of low-value assets; and incorporating forward-looking assumptions in making certain decisions such as extension and termination options on lease contracts of which management have assessed on a case by case basis.

Leases previously classified as operating leases - The Group and the Bank as lessee

On 1 January 2019, the Group and the Bank have applied MFRS 16 for the first time using the modified retrospective approach, which requires the recognition of the cumulative effect of initially applying MFRS 16, to the retained earnings brought forward and not restate prior year/period comparatives information which remain as previously reported under MFRS 117 and related interpretations. The Group and the Bank also made use of the transition practical expedient in the standard to not recognise lease arrangements for which the lease term ends within 12 months of the date of initial application. The Group and the Bank have elected, on a lease-by-lease basis, to recognise the right-of-use assets at the amount equal to the lease liabilities, hence there were no impact to the retained earnings brought forward as at 1 January 2019.

The Group and the Bank elected the following transition practical expedients on a lease-by-lease basis for measurement purposes at first-time application of the standard:

- (1) A single discount rate was applied for those portfolio of leases with reasonably similar characteristics such as leases with a similar remaining lease term for a similar class of underlying asset in a similar economic environment;
- (2) Short-term lease contracts with a term not exceeding 12 months at the date of initial application are not recognised under MFRS 16;
- (3) Initial direct costs are excluded from the measurement of the right-of-use asset at the date of initial application; and
- (4) The Group and the Bank used hindsight, such as in determining the lease term if the contract contains options to extend or terminate the lease.

The detailed financial impact of the adoption of MFRS 16 on the financial statements of the Group and of the Bank are disclosed in Note A40.

Summary of new accounting policies

Right-of-Use Assets

At inception of a contract, the Group and the Bank assesses whether a contract is, or contains, a lease arrangement based on whether the contract that conveys to the user (the lessee) the right to control the use of an identified asset for a period of time in exchange for consideration. If a contract contains more than one lease component, or a combination of leasing and services transactions, the consideration is allocated to each of these lease and non-lease components on conclusion and on each subsequent re-measurement of the contract on the basis of their relative stand-alone selling prices. The Group and the Bank combines lease and non-lease components, in cases where splitting the non-lease component is not possible.

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A1. Basis of Preparation (cont'd.)

MFRS 16 Leases (cont'd.)

Summary of new accounting policies (cont'd.)

Right-of-Use Assets (cont'd.)

The Group and the Bank recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The lease term includes periods covered by an option to extend if the Group is reasonably certain to exercise that option. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment assessment.

Lease Liabilities

At the commencement date of the lease, the Group and the Bank recognise lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and the Bank and payments of penalties for terminating a lease, if the lease term reflects the Group and the Bank exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group and the Bank use the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-Term Leases and Leases of Low-Value Assets

The Group and the Bank apply the short-term lease recognition exemption to its short-term leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the lease of low-value assets recognition exemption to leases of assets that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Significant Judgement in Determining the Lease Term of Contracts with Renewal Options

The Group and the Bank determine the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group and the Bank have the option, under some of its leases to lease the assets for additional terms of three to five years. The Group and the Bank apply judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group and the Bank reassess the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy). The Group included the renewal period as part of the lease term for leases of premises and IT equipments due to the significance of these assets to its operations.

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A2. Significant Accounting Policies

The audited annual financial statements of the Group and of the Bank for the financial year ended 31 December 2018 were prepared in accordance with MFRS and International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act 2016 in Malaysia. The significant accounting policies adopted in preparing these unaudited condensed interim financial statements are consistent with those of the audited annual financial statements for the financial year ended 31 December 2018 except for the adoption of the new MFRSs, amendments to MFRSs, annual improvements to MFRSs and IC Interpretations which are effective for annual periods beginning on or after 1 January 2019 as disclosed in Note A1.

A3. Significant Accounting Estimates and Judgements

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

In preparing these unaudited condensed interim financial statements, the significant judgements made by management in applying the Group's and the Bank's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the audited annual financial statements for the financial year ended 31 December 2018 except for the measurement of right-of-use assets and lease liabilities under MFRS 16 which involves increased complexity and judgement as disclosed in Note A1.

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 2018 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 first quarter ended 31 March 2019.

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

During the first quarter ended 31 March 2019, 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 first quarter ended 31 March 2019.

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A8. Changes in Debt and Equity Securities

- (i) Save as disclosed below, there were no new shares issuance, cancellations, share buy-backs, resale of shares bought back by the Group and by the Bank during the first quarter ended 31 March 2019.

(a) **Borrowings**

Issuance/redemption of medium term notes by Maybank

Currency	Description	Aggregate Nominal Value (in Million)
Issuance of medium term notes		
USD	Floating Rate Notes	146.0
USD	Fixed Rate Notes	75.0
HKD	Fixed Rate Notes	700.0
Redemption of medium term notes		
JPY	Fixed Rate Notes	30,000.0
USD	Floating Rate Notes	20.0

Issuance of commercial papers by Maybank

The aggregate nominal value of the commercial papers issued by Maybank and outstanding as at 31 March 2019 are as follows:

Currency	Description	Aggregate Nominal Value (in Million)
USD	Zero Coupon Notes	684.8
HKD	Fixed Rate Notes	200.0
RM	Zero Coupon Notes	58.8

Issuance of bonds by PT Bank Maybank Indonesia Tbk and its subsidiaries

Currency	Description	Aggregate Nominal Value (in Million)
IDR	Fixed Rate Notes	640,500.0

Issuance of commercial papers by Maybank Islamic Berhad

The aggregate nominal value of the commercial papers issued by Maybank Islamic Berhad and outstanding as at 31 March 2019 are as follows:

Currency	Description	Aggregate Nominal Value (in Million)
RM	Zero Coupon Notes	3,000.0

(b) **Subordinated Obligations**

Issuance of Tier 2 Subordinated Sukuk Murabahah pursuant to the RM10.0 billion Sukuk Programme by Maybank

Issuance	Issue Date	Maturity Date	Nominal Value	Description	Tenor
Issuance	31 January 2019	31 January 2029	RM2.0 billion	Tier 2 Subordinated Sukuk Murabahah (10 non-call 5)	10 years
Issuance	31 January 2019	31 January 2031	RM1.7 billion	Tier 2 Subordinated Sukuk Murabahah (12 non-call 7)	12 years

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

- (i) Save as disclosed below, there were no new shares issuance, cancellations, share buy-backs, resale of shares bought back by the Group and by the Bank during the first quarter ended 31 March 2019 (cont'd.).

(b) **Subordinated Obligations (cont'd.)**

Redemption of Tier 2 Subordinated Notes pursuant to the RM20.0 billion Subordinated Note Programme by Maybank

Redemption	First Call	Maturity Date	Nominal Value	Description	Tenor
Redemption	29 January 2019	29 January 2024	RM1.6 billion	Tier 2 Subordinated Notes (10 non-call 5) ¹	10 years

¹ These subordinated notes were fully redeemed on 29 January 2019.

- (ii) The following are the changes in debt securities for the Group and the Bank subsequent to the first quarter ended 31 March 2019 and have not been reflected in the financial statements for the first quarter ended 31 March 2019:

(a) **Borrowings**

Issuance/redemption of medium term notes by Maybank

Currency	Description	Aggregate Nominal Value (in Million)
Issuance of medium term notes		
HKD	Fixed Rate Notes	1,500.0
CNY	Fixed Rate Notes	330.0
USD	Floating Rate Notes	65.0
JPY	Fixed Rate Notes (Samurai Bonds)	54,800.0
Redemption of medium term notes		
AUD	Floating Rate Notes	56.0
USD	Fixed Rate Notes	50.0
USD	Floating Rate Notes	30.0

Issuance/redemption of bonds by PT Bank Maybank Indonesia Tbk and its subsidiaries

Currency	Description	Aggregate Nominal Value (in Million)
Issuance of bonds		
IDR	Fixed Rate Notes	1,000,000.0
Redemption of bonds		
IDR	Fixed Rate Notes	626,000.0

(b) **Subordinated Obligations**

Redemption of Tier 2 Subordinated Notes pursuant to the RM20.0 billion Subordinated Note Programme by Maybank

Redemption	First Call Date	Maturity Date	Nominal Value	Description	Tenor
Redemption	10 May 2019	10 May 2024	RM2.1 billion	Tier 2 Subordinated Notes (12 non-call 7) ²	12 years

² These subordinated notes were fully redeemed on 10 May 2019.

Issuance of Subordinated Sukuk Murabahah pursuant to the RM10.0 billion Subordinated Sukuk Programme by Maybank Islamic Berhad

Issuance	Issue Date	Maturity Date	Nominal Value	Description	Tenor
Issuance	5 April 2019	5 April 2029	RM1.0 billion	Tier 2 Subordinated Sukuk Murabahah (10 non-call 5)	10 years

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

(ii) The following are the changes in debt securities for the Group and the Bank subsequent to the first quarter ended 31 March 2019 and have not been reflected in the financial statements for the first quarter ended 31 March 2019 (cont'd.):

(b) **Subordinated Obligations (cont'd.)**

Redemption of Subordinated Sukuk Murabahah pursuant to the RM10.0 billion Subordinated Sukuk Programme by Maybank Islamic Berhad

Redemption	First Call Date	Maturity Date	Nominal Value	Description	Tenor
Redemption	5 April 2019	5 April 2024	RM1.5 billion	Tier 2 Subordinated Sukuk Murabahah (10 non-call 5) ³	10 years

³ These subordinated notes were fully redeemed on 5 April 2019.

A9. Dividends Payable

Dividends payable during the first quarter ended 31 March 2019 are as follows:

(a) During the Annual General Meeting held on 11 April 2019, a final dividend in respect of the financial year ended 31 December 2018 of 32 sen single-tier dividend per ordinary share, amounting to a net dividend payable of RM3,535,898,553 (based on 11,049,682,979 ordinary shares in issue as at 31 December 2018) was approved by the shareholders.

The dividend consists of cash portion of 15 sen per ordinary share amounting to RM1,657,452,447 and an electable portion of 17 sen per ordinary share amounting to RM1,878,446,106 where the electable portion could be elected to be reinvested in new Maybank shares in accordance with the Dividend Reinvestment Plan ("DRP").

The financial statements for the current quarter do not reflect the final dividend as approval from shareholders have yet been obtained as at 31 March 2019.

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A10. Financial Investments Portfolio

	Note	Group		Bank	
		31 March 2019 RM'000	31 December 2018 RM'000	31 March 2019 RM'000	31 December 2018 RM'000
Financial assets designated upon initial recognition at fair value through profit or loss	(i)	16,507,054	15,716,038	-	-
Financial investments at fair value through profit or loss	(ii)	15,904,073	14,252,900	11,907,573	8,914,167
Financial investments at fair value through other comprehensive income	(iii)	125,386,758	120,913,888	90,498,485	89,582,837
Financial investments at amortised cost	(iv)	28,654,452	27,069,261	23,478,179	22,857,070
		186,452,337	177,952,087	125,884,237	121,354,074

(i) Financial assets designated upon initial recognition at fair value through profit or loss

	Group		Bank	
	31 March 2019 RM'000	31 December 2018 RM'000	31 March 2019 RM'000	31 December 2018 RM'000
At fair value				
Money market instruments:				
Malaysian Government Securities	156,928	167,484	-	-
Malaysian Government Investment Issues	155,809	409,107	-	-
Foreign Government Securities	43,351	19,435	-	-
Foreign Government Treasury Bills	5,121	25,749	-	-
	361,209	621,775	-	-
Quoted securities:				
In Malaysia:				
Shares, warrants and loan stocks	30,467	24,252	-	-
Unit trusts	25,564	24,932	-	-
Outside Malaysia:				
Shares, warrants and loan stocks	46,269	65,701	-	-
	102,300	114,885	-	-
Unquoted securities:				
In Malaysia:				
Corporate Bonds and Sukuk	14,987,260	14,012,802	-	-
Structured deposits	235,498	272,111	-	-
Outside Malaysia:				
Corporate Bonds and Sukuk	820,787	694,465	-	-
	16,043,545	14,979,378	-	-
Total financial assets designated upon initial recognition at fair value through profit or loss	16,507,054	15,716,038	-	-

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A10. Financial Investments Portfolio (cont'd.)

(ii) Financial investments at fair value through profit or loss

	Group		Bank	
	31 March 2019 RM'000	31 December 2018 RM'000	31 March 2019 RM'000	31 December 2018 RM'000
At fair value				
Money market instruments:				
Malaysian Government Securities	1,381,698	172,592	1,376,386	152,263
Malaysian Government Investment Issues	840,753	932,630	448,520	176,720
Cagamas Bonds	-	254,290	-	254,290
Negotiable instruments of deposits	210,573	176,621	210,573	176,621
Foreign Government Securities	2,079,648	1,793,844	1,909,180	1,738,814
Malaysian Government Treasury Bills	438,434	291,106	438,434	291,106
Bank Negara Malaysia Bills and Notes	569,381	75,896	569,381	75,896
Foreign Government Treasury Bills	150,754	13,965	150,754	13,965
	5,671,241	3,710,944	5,103,228	2,879,675
Quoted securities:				
In Malaysia:				
Shares, warrants and loan stocks	4,115,274	3,709,009	84,632	87,898
Unit trusts	357,082	69,185	95,085	69,185
Outside Malaysia:				
Shares, warrants, mutual funds and loan stocks	543,125	554,123	550	13,286
Unit trusts	141,562	124,960	47,329	43,839
Corporate Bonds and Sukuk	-	14,163	-	-
Government Bonds	10,736	54,915	-	-
	5,167,779	4,526,355	227,596	214,208
Unquoted securities:				
In Malaysia:				
Shares	730,781	770,229	600,549	600,549
Unit trusts	379	260,633	-	-
Corporate Bonds and Sukuk	955,159	1,376,170	2,278,848	1,778,334
Outside Malaysia:				
Shares	682	667	-	-
Unit trusts	6,231	3,393	-	-
Mutual funds	2,940	42,021	-	-
Corporate Bonds and Sukuk	2,387,918	2,869,421	2,741,375	2,971,641
Government Bonds	980,963	477,466	955,977	469,760
Structured deposits	-	215,601	-	-
	5,065,053	6,015,601	6,576,749	5,820,284
Total financial investments at fair value through profit or loss	15,904,073	14,252,900	11,907,573	8,914,167

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A10. Financial Investments Portfolio (cont'd.)

(iii) Financial investments at fair value through other comprehensive income

	Group		Bank	
	31 March 2019 RM'000	31 December 2018 RM'000	31 March 2019 RM'000	31 December 2018 RM'000
At fair value				
Money market instruments:				
Malaysian Government Securities	13,540,407	13,016,540	13,527,739	12,994,902
Malaysian Government Investment Issues	24,995,626	26,548,415	14,323,064	16,453,295
Negotiable instruments of deposits	-	101,710	-	699,011
Foreign Government Securities	9,384,145	9,027,030	6,932,147	7,046,826
Foreign Government Treasury Bills	15,904,723	15,413,937	4,933,806	5,089,308
Khazanah Bonds	2,346,361	2,475,788	2,311,864	2,322,544
Cagamas Bonds	788,913	889,251	788,913	889,251
	<u>66,960,175</u>	<u>67,472,671</u>	<u>42,817,533</u>	<u>45,495,137</u>
Quoted securities:				
In Malaysia:				
Shares, warrants and loan stocks	9,103	7,660	20,391	19,677
Outside Malaysia:				
Shares, warrants and loan stocks	31	2,748	-	-
Corporate Bonds and Sukuk	63,345	64,056	-	-
Government Bonds	116,927	114,702	-	-
	<u>189,406</u>	<u>189,166</u>	<u>20,391</u>	<u>19,677</u>
Unquoted securities:				
In Malaysia:				
Shares and loan stocks	334,768	335,393	280,276	280,744
Government Bonds	452,122	564,361	409,201	520,595
Corporate Bonds and Sukuk	25,610,560	24,976,821	18,174,469	18,096,677
Outside Malaysia:				
Shares	3,489	3,501	-	-
Government Bonds	13,965,979	11,273,252	13,065,311	10,567,929
Corporate Bonds and Sukuk	17,870,259	16,098,723	15,731,304	14,602,078
	<u>58,237,177</u>	<u>53,252,051</u>	<u>47,660,561</u>	<u>44,068,023</u>
Total financial investments at fair value through other comprehensive income	<u>125,386,758</u>	<u>120,913,888</u>	<u>90,498,485</u>	<u>89,582,837</u>

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A10. Financial Investments Portfolio (cont'd.)

(iii) Financial investments at fair value through other comprehensive income (cont'd.)

(a) Movements in the allowances for impairment losses on financial investments at fair value through other comprehensive income are as follows:

Group	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
At 31 March 2019	RM'000	RM'000	RM'000	RM'000
At 1 January 2019	28,066	1,579	183,330	212,975
Transferred to Stage 1	422	(422)	-	-
Transferred to Stage 2	(26)	26	-	-
Net remeasurement of allowances	(516)	137	5,983	5,604
New financial assets originated or purchased	8,197	-	-	8,197
Financial assets derecognised	(7,310)	(28)	(13,787)	(21,125)
Changes due to change in risk parameters/models	(1,248)	(227)	-	(1,475)
Exchange differences	(486)	85	(755)	(1,156)
At 31 March 2019	27,099	1,150	174,771	203,020

Group	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
At 31 December 2018	RM'000	RM'000	RM'000	RM'000
At 1 January 2018				
- effect of adopting MFRS 9	37,885	20,938	314,057	372,880
At 1 January 2018, as restated	37,885	20,938	314,057	372,880
Transferred to Stage 1	1,305	(1,305)	-	-
Transferred to Stage 2	(92)	92	-	-
Transferred to Stage 3	(177)	-	177	-
Net remeasurement of allowances	(9,814)	(260)	81,601	71,527
New financial assets originated or purchased	14,436	895	-	15,331
Financial assets derecognised	(23,408)	(18,380)	(8,314)	(50,102)
Amount written-off/realised	-	-	(203,457)	(203,457)
Exchange differences	7,931	(401)	(734)	6,796
At 31 December 2018	28,066	1,579	183,330	212,975

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A10. Financial Investments Portfolio (cont'd.)

(iii) Financial investments at fair value through other comprehensive income (cont'd.)

(a) Movements in the allowances for impairment losses on financial investments at fair value through other comprehensive income are as follows (cont'd.):

	Stage 1	Stage 2	Stage 3	Total
	12-month ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	
Bank				
At 31 March 2019				RM'000
At 1 January 2019	21,652	1,828	125,518	148,998
Transferred to Stage 1	378	(378)	-	-
Transferred to Stage 2	(26)	26	-	-
Net remeasurement of allowances	(353)	(39)	(590)	(982)
New financial assets originated or purchased	6,641	-	-	6,641
Financial assets derecognised	(6,686)	-	-	(6,686)
Changes due to change in risk parameters/models	(1,224)	(227)	-	(1,451)
Exchange differences	(92)	1	-	(91)
At 31 March 2019	<u>20,290</u>	<u>1,211</u>	<u>124,928</u>	<u>146,429</u>
	Stage 1	Stage 2	Stage 3	
	12-month ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	Total RM'000
At 1 January 2018	29,297	20,607	300,335	350,239
- effect of adopting MFRS 9	29,297	20,607	300,335	350,239
At 1 January 2018, as restated	29,297	20,607	300,335	350,239
Transferred to Stage 1	1,305	(1,305)	-	-
Transferred to Stage 2	(78)	78	-	-
Transferred to Stage 3	(155)	-	155	-
Net remeasurement of allowances	(5,841)	(246)	38,575	32,488
New financial assets originated or purchased	11,131	860	-	11,991
Financial assets derecognised	(18,970)	(17,896)	(8,314)	(45,180)
Amount written-off/realised	-	-	(203,457)	(203,457)
Exchange differences	4,963	(270)	(1,776)	2,917
At 31 December 2018	<u>21,652</u>	<u>1,828</u>	<u>125,518</u>	<u>148,998</u>

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A10. Financial Investments Portfolio (cont'd.)

(iv) Financial investments at amortised cost

	Group		Bank	
	31 March 2019 RM'000	31 December 2018 RM'000	31 March 2019 RM'000	31 December 2018 RM'000
Money market instruments:				
Malaysian Government Securities	3,354,190	3,343,923	3,354,086	3,343,819
Cagamas Bonds	50,783	50,253	50,783	50,253
Malaysian Government Investment Issues	5,997,163	5,974,162	4,441,052	4,433,186
Foreign Government Securities	2,557,156	1,902,111	-	-
Khazanah Bonds	239,106	236,635	239,106	236,635
Foreign Certificates of Deposits	157,181	154,150	-	-
	12,355,579	11,661,234	8,085,027	8,063,893
Unquoted securities:				
In Malaysia:				
Corporate Bonds and Sukuk	13,097,809	12,203,579	13,024,080	12,353,936
Others	2,044	2,044	2,044	2,044
Outside Malaysia:				
Corporate Bonds and Sukuk	2,901,143	2,952,669	2,455,056	2,505,578
Government Bonds	448,226	366,633	46,612	30,909
	16,449,222	15,524,925	15,527,792	14,892,467
Accumulated impairment losses	(150,349)	(116,898)	(134,640)	(99,290)
Total financial investments at amortised cost	28,654,452	27,069,261	23,478,179	22,857,070

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

Group	Stage 1	Stage 2	Stage 3	Total
	12-month ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	
At 31 March 2019				RM'000
At 1 January 2019	19,469	42,189	55,240	116,898
Net remeasurement of allowances	(392)	(49)	40,424	39,983
New financial assets originated or purchased	3,242	-	-	3,242
Financial assets derecognised	(957)	(32)	-	(989)
Changes due to change in risk parameters/models	(1,808)	(7,020)	-	(8,828)
Exchange differences	33	10	-	43
At 31 March 2019	19,587	35,098	95,664	150,349

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A10. Financial Investments Portfolio (cont'd.)

(iv) Financial investments at amortised cost (cont'd.)

(a) Movements in the allowances for impairment losses on financial investments at amortised cost are as follows (cont'd.):

Group	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
At 31 December 2018	RM'000	RM'000	RM'000	RM'000
At 1 January 2018				
- as previously stated - MFRS 139				4,224
- effect of adopting MFRS 9				101,739
At 1 January 2018, as restated	20,113	82,074	3,776	105,963
Transferred to Stage 1	20,370	(20,370)	-	-
Transferred to Stage 2	(113)	113	-	-
Transferred to Stage 3	(294)	-	294	-
Net remeasurement of allowances	(24,143)	(18,812)	51,170	8,215
New financial assets originated or purchased	8,728	-	-	8,728
Financial assets derecognised	(5,198)	(816)	-	(6,014)
Exchange differences	6	-	-	6
At 31 December 2018	19,469	42,189	55,240	116,898
Bank	Stage 1	Stage 2	Stage 3	Total
At 31 March 2019	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
At 31 March 2019	RM'000	RM'000	RM'000	RM'000
At 1 January 2019	11,316	32,734	55,240	99,290
Net remeasurement of allowances	(205)	(36)	40,424	40,183
New financial assets originated or purchased	2,140	-	-	2,140
Financial assets derecognised	(957)	(32)	-	(989)
Changes due to change in risk parameters/models	(1,049)	(4,991)	-	(6,040)
Exchange differences	44	12	-	56
At 31 March 2019	11,289	27,687	95,664	134,640
Bank	Stage 1	Stage 2	Stage 3	Total
At 31 December 2018	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
At 31 December 2018	RM'000	RM'000	RM'000	RM'000
At 1 January 2018				
- as previously stated - MFRS 139				3,776
- effect of adopting MFRS 9				76,190
At 1 January 2018, as restated	7,780	68,410	3,776	79,966
Transferred to Stage 1	20,370	(20,370)	-	-
Transferred to Stage 2	(69)	69	-	-
Transferred to Stage 3	(294)	-	294	-
Net remeasurement of allowances	(17,527)	(14,559)	51,170	19,084
New financial assets originated or purchased	2,844	-	-	2,844
Financial assets derecognised	(1,937)	(816)	-	(2,753)
Exchange differences	149	-	-	149
At 31 December 2018	11,316	32,734	55,240	99,290

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A11. Loans, Advances and Financing

	Note	Group		Bank	
		31 March 2019 RM'000	31 December 2018 RM'000	31 March 2019 RM'000	31 December 2018 RM'000
Loans, advances and financing to financial institutions	(i)	1,612,256	1,576,199	17,562,079	17,052,024
Loans, advances and financing to customers	(ii)	505,120,846	505,507,620	208,337,835	213,314,768
		506,733,102	507,083,819	225,899,914	230,366,792
(i) Loans, advances and financing to financial institutions[^]:					
Gross loans, advances and financing to financial institutions at amortised cost		1,623,686	1,586,487	17,673,221	17,329,554
Allowances for impaired loans, advances and financing:					
- Stage 1 - 12-month ECL		(11,430)	(10,288)	(26,901)	(24,693)
- Stage 2 - Lifetime ECL not credit impaired		-	-	(37,602)	(50,130)
- Stage 3 - Lifetime ECL credit impaired		-	-	(46,639)	(202,707)
Net loans, advances and financing to financial institutions		1,612,256	1,576,199	17,562,079	17,052,024
(ii) Loans, advances and financing to customers:					
(A) Loans, advances and financing to customers at fair value through profit or loss		361,667	396,950	361,667	396,950
(B) Loans, advances and financing to customers at fair value through other comprehensive income		7,990,680	8,968,438	7,693,976	8,680,217
(C) Loans, advances and financing to customers at amortised cost		603,738,038	603,897,146	207,900,569	211,710,171
		612,090,385	613,262,534	215,956,212	220,787,338
Unearned interest and income		(96,826,207)	(97,515,284)	(1,857,407)	(1,946,903)
Gross loans, advances and financing to customers		515,264,178	515,747,250	214,098,805	218,840,435
Allowances for impaired loans, advances and financing:					
- Stage 1 - 12-month ECL		(1,653,823)	(1,644,653)	(642,377)	(632,504)
- Stage 2 - Lifetime ECL not credit impaired		(2,222,564)	(2,518,274)	(1,057,592)	(1,174,896)
- Stage 3 - Lifetime ECL credit impaired		(6,266,945)	(6,076,703)	(4,061,001)	(3,718,267)
Net loans, advances and financing to customers		505,120,846	505,507,620	208,337,835	213,314,768
Net loans, advances and financing	(i) & (ii)	506,733,102	507,083,819	225,899,914	230,366,792

[^] 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 RM17,415.7 million (31 December 2018: RM17,223.2 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.

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

	Group		Bank	
	31 March 2019 RM'000	31 December 2018 RM'000	31 March 2019 RM'000	31 December 2018 RM'000
(iii) Loans, advances and financing to financial institutions and customers				
Loans/financing to financial institutions	1,623,686	1,586,487	17,673,221	17,329,554
Overdrafts/cashline	20,919,491	21,299,471	7,939,832	8,106,770
Term loans:				
- Housing loans/financing	160,542,379	159,088,775	37,000,463	36,356,772
- Syndicated loans/financing	46,998,510	46,222,426	42,028,177	41,244,555
- Hire purchase receivables	75,839,815	75,934,569	16,079,928	16,408,151
- Lease receivables	353,650	242,882	-	-
- Other loans/financing	213,862,694	214,424,843	65,540,598	68,553,882
Credit card receivables	9,097,647	9,343,455	5,966,246	6,146,551
Bills receivables	3,118,640	3,789,648	2,477,972	3,110,604
Trust receipts	4,790,026	5,200,001	3,696,980	3,936,289
Claims on customers under acceptance credits	11,416,882	11,528,371	5,621,994	5,835,521
Revolving credits	55,524,551	56,468,421	27,175,516	28,623,423
Share margin financing	6,028,388	5,997,054	1,848,295	1,821,367
Staff loans	3,365,891	3,484,282	511,973	643,079
Loans to:				
- Directors of the Bank	2,335	3,007	171	302
- Directors of subsidiaries	7,037	4,439	949	72
Others	222,449	230,890	67,118	-
	613,714,071	614,849,021	233,629,433	238,116,892
Unearned interest and income	(96,826,207)	(97,515,284)	(1,857,407)	(1,946,903)
Gross loans, advances and financing	516,887,864	517,333,737	231,772,026	236,169,989
Allowances for impaired loans, advances and financing:				
- Stage 1 - 12-month ECL	(1,665,253)	(1,654,941)	(669,278)	(657,197)
- Stage 2 - Lifetime ECL not credit impaired	(2,222,564)	(2,518,274)	(1,095,194)	(1,225,026)
- Stage 3 - Lifetime ECL credit impaired	(6,266,945)	(6,076,703)	(4,107,640)	(3,920,974)
Net loans, advances and financing	506,733,102	507,083,819	225,899,914	230,366,792

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

	Group		Bank	
	31 March 2019 RM'000	31 December 2018 RM'000	31 March 2019 RM'000	31 December 2018 RM'000
Domestic banking institutions	14,683	6,908	17,427,711	17,220,465
Domestic non-banking financial institutions	26,531,715	26,193,612	18,950,237	18,552,066
Domestic business enterprises:				
- Small and medium enterprises	97,817,089	99,533,072	57,437,452	58,697,124
- Others	88,891,472	93,524,665	39,721,174	44,183,640
Government and statutory bodies	14,510,794	13,656,700	91,441	139,377
Individuals	241,439,252	237,263,494	62,779,228	61,001,130
Other domestic entities	11,711,369	9,795,754	2,047,258	1,836,429
Foreign entities	35,971,490	37,359,532	33,317,525	34,539,758
Gross loans, advances and financing	516,887,864	517,333,737	231,772,026	236,169,989

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

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

	Group		Bank	
	31 March 2019 RM'000	31 December 2018 RM'000	31 March 2019 RM'000	31 December 2018 RM'000
Malaysia	302,052,895	301,734,794	138,827,286	141,519,718
Singapore	130,206,873	130,263,205	59,354,370	59,760,535
Indonesia	40,554,373	39,792,918	-	-
Labuan Offshore	17,058,524	17,829,128	17,058,524	17,829,128
Hong Kong SAR	8,760,628	8,824,183	8,460,568	8,583,851
United States of America	904,960	888,894	904,384	888,310
People's Republic of China	4,122,148	4,050,027	4,122,147	4,050,027
Vietnam	1,334,753	1,075,504	1,048,093	839,577
United Kingdom	991,066	1,627,168	991,035	1,627,123
Brunei	613,429	624,809	613,429	624,809
Cambodia	2,513,670	2,436,379	-	-
Philippines	5,808,586	6,143,148	-	-
Thailand	1,569,845	1,592,704	-	-
Laos	148,480	149,387	148,480	149,387
Myanmar	243,710	297,524	243,710	297,524
Others	3,924	3,965	-	-
Gross loans, advances and financing	516,887,864	517,333,737	231,772,026	236,169,989

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

	Group		Bank	
	31 March 2019 RM'000	31 December 2018 RM'000	31 March 2019 RM'000	31 December 2018 RM'000
Fixed rate:				
- Housing loans/financing	17,367,020	16,663,446	443,231	435,889
- Hire purchase receivables	65,772,517	65,297,909	14,317,959	14,531,517
- Other fixed rate loans/financing	62,674,597	64,927,250	41,238,446	42,800,462
Variable rate:				
- Base lending/financing rate/ base rate plus	200,904,997	198,416,862	81,856,274	82,756,689
- Cost plus	65,406,701	65,968,105	50,888,692	51,651,165
- Other variable rates	104,762,032	106,060,165	43,027,424	43,994,267
Gross loans, advances and financing	516,887,864	517,333,737	231,772,026	236,169,989

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

	Group		Bank	
	31 March 2019 RM'000	31 December 2018 RM'000	31 March 2019 RM'000	31 December 2018 RM'000
Purchase of securities	36,168,584	35,527,786	8,292,117	8,286,409
Purchase of transport vehicles	66,848,031	66,604,915	13,150,183	13,483,796
Purchase of landed properties:				
- Residential	115,915,744	114,371,528	35,513,018	35,594,858
- Non-residential	39,561,662	39,220,906	18,775,378	18,948,128
Purchase of fixed assets (excluding landed properties)	4,710,812	4,818,811	4,214,371	4,308,283
Personal use	10,650,149	10,820,029	4,436,166	4,548,602
Credit card	9,249,677	9,534,058	6,091,803	6,287,421
Purchase of consumer durables	10,631	10,882	10,351	10,580
Constructions	15,733,328	16,078,361	9,611,240	10,481,392
Mergers and acquisitions	1,807,036	1,542,456	1,771,132	1,504,698
Working capital	167,884,596	170,484,232	90,717,623	93,428,944
Others	48,347,614	48,319,773	39,188,643	39,286,878
Gross loans, advances and financing	516,887,864	517,333,737	231,772,026	236,169,989

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

(viii) The maturity profile of loans, advances and financing are as follows:

	Group		Bank	
	31 March 2019 RM'000	31 December 2018 RM'000	31 March 2019 RM'000	31 December 2018 RM'000
Within one year	131,698,870	135,610,572	72,606,525	76,164,888
One year to three years	59,979,730	59,706,901	42,803,177	43,006,884
Three years to five years	58,950,665	59,767,404	32,835,241	34,936,137
After five years	266,258,599	262,248,860	83,527,083	82,062,080
Gross loans, advances and financing	516,887,864	517,333,737	231,772,026	236,169,989

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

	Group		Bank	
	31 March 2019 RM'000	31 December 2018 RM'000	31 March 2019 RM'000	31 December 2018 RM'000
At 1 January				
- as previously stated	12,486,421	11,549,903	8,054,989	8,070,841
- effect of adopting MFRS 9	-	551,347	-	183,360
At 1 January, as restated	12,486,421	12,101,250	8,054,989	8,254,201
Impaired during the financial year	1,398,272	6,162,782	659,530	3,721,057
Reclassified as non-impaired	(259,228)	(797,493)	(113,426)	(434,523)
Amount recovered	(302,493)	(2,524,215)	(163,173)	(1,619,357)
Amount written-off	(451,020)	(2,553,154)	(202,800)	(1,671,973)
Transferred to subsidiaries, net	-	-	-	(526,697)
Exchange differences	(53,380)	97,251	21,318	332,281
Gross impaired loans at 31 March 2019/ 31 December 2018	12,818,572	12,486,421	8,256,438	8,054,989
Less: Stage 3 - Lifetime ECL credit impaired	(6,668,960)	(6,229,987)	(4,509,655)	(4,074,258)
Net impaired loans at 31 December	6,149,612	6,256,434	3,746,783	3,980,731

Calculation of ratio of net impaired loans:

	Group		Bank	
	31 March 2019 RM'000	31 December 2018 RM'000	31 March 2019 RM'000	31 December 2018 RM'000
Gross impaired loans at 31 December (excluding financing funded by Investment Account*)	12,720,967	12,423,002	8,256,438	8,054,989
Less: Stage 3 - Lifetime ECL credit impaired	(6,668,960)	(6,229,987)	(4,509,655)	(4,074,258)
Net impaired loans	6,052,007	6,193,015	3,746,783	3,980,731
Gross loans, advances and financing	516,887,864	517,333,737	231,772,026	236,169,989
Less: Funded by Investment Account*	(22,800,306)	(23,565,061)	-	-
Less: Allowances for impaired loans, advances and financing at fair value through other comprehensive income and at amortised cost	(10,581,970)	(10,435,012)	(6,295,428)	(5,983,091)
Net loans, advances and financing	483,505,588	483,333,664	225,476,598	230,186,898
Ratio of net impaired loans	1.25%	1.28%	1.66%	1.73%

*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.)

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

	Group		Bank	
	31 March 2019 RM'000	31 December 2018 RM'000	31 March 2019 RM'000	31 December 2018 RM'000
Purchase of securities	171,222	171,949	124,586	125,050
Purchase of transport vehicles	491,635	423,797	87,636	90,792
Purchase of landed properties:				
- Residential	1,066,964	963,061	332,024	320,823
- Non-residential	1,083,921	1,059,724	892,808	874,210
Purchase of fixed assets (excluding landed properties)	1,301,520	1,292,213	1,234,858	1,275,586
Personal use	221,124	208,488	136,020	135,469
Credit card	78,674	77,281	34,184	35,826
Purchase of consumer durables	6,186	6,068	6,183	6,060
Constructions	1,738,682	1,720,827	1,469,329	1,301,329
Working capital	4,677,303	4,660,840	2,222,364	2,246,575
Others	1,981,341	1,902,173	1,716,446	1,643,269
Gross impaired loans, advances and financing	12,818,572	12,486,421	8,256,438	8,054,989

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

	Group		Bank	
	31 March 2019 RM'000	31 December 2018 RM'000	31 March 2019 RM'000	31 December 2018 RM'000
Malaysia	5,706,233	5,756,439	3,614,903	3,652,980
Singapore	4,496,829	4,425,988	3,903,928	3,842,394
Indonesia	1,614,073	1,472,115	-	-
Labuan Offshore	291,833	306,498	291,833	306,498
Hong Kong SAR	6,598	7,296	5,869	6,384
United States of America	194,054	583	193,477	-
People's Republic of China	54,876	56,929	54,876	56,929
Vietnam	57,232	58,073	56,535	57,336
Brunei	72,363	69,737	72,363	69,737
Cambodia	75,835	97,093	-	-
Philippines	148,715	135,879	-	-
Thailand	33,350	33,093	-	-
Laos	62,657	62,731	62,654	62,731
Others	3,924	3,967	-	-
Gross impaired loans, advances and financing	12,818,572	12,486,421	8,256,438	8,054,989

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

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

At fair value through other comprehensive income

Group	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
At 31 March 2019	RM'000	RM'000	RM'000	RM'000
At 1 January 2019	27,160	4,650	153,284	185,094
Transferred to Stage 1	84	(84)	-	-
Net remeasurement of allowances	(11,741)	3	249,753	238,015
New financial assets originated or purchased	4,051	-	-	4,051
Financial assets derecognised	(7,630)	(765)	-	(8,395)
Changes in models/risk parameters	10,095	(522)	-	9,573
Exchange differences	(105)	(3)	(1,022)	(1,130)
At 31 March 2019	21,914	3,279	402,015	427,208

Group	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
At 31 December 2018	RM'000	RM'000	RM'000	RM'000
At 1 January 2018				
- effect of adopting MFRS 9	12,822	1,503	-	14,325
At 1 January 2018, as restated	12,822	1,503	-	14,325
Transferred to Stage 1	1,503	(1,503)	-	-
Transferred to Stage 2	(179)	179	-	-
Transferred to Stage 3	(3,416)	-	3,416	-
Net remeasurement of allowances	(3,845)	586	147,611	144,352
New financial assets originated or purchased	20,864	3,885	-	24,749
Financial assets derecognised	(1,056)	-	-	(1,056)
Changes in models/risk parameters	(2,475)	-	-	(2,475)
Exchange differences	2,942	-	2,257	5,199
At 31 December 2018	27,160	4,650	153,284	185,094

Bank	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
At 31 March 2019	RM'000	RM'000	RM'000	RM'000
At 1 January 2019	25,761	849	153,284	179,894
Transferred to Stage 1	84	(84)	-	-
Net remeasurement of allowances	(11,741)	3	249,753	238,015
New financial assets originated or purchased	4,051	-	-	4,051
Financial assets derecognised	(7,630)	(765)	-	(8,395)
Changes in models/risk parameters	10,882	-	-	10,882
Exchange differences	(106)	(3)	(1,022)	(1,131)
At 31 March 2019	21,301	-	402,015	423,316

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

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

At fair value through other comprehensive income (cont'd.)

Bank	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
At 31 December 2018	RM'000	RM'000	RM'000	RM'000
At 1 January 2018				
- effect of adopting MFRS 9	12,300	1,503	-	13,803
At 1 January 2018, as restated	12,300	1,503	-	13,803
Transferred to Stage 1	1,503	(1,503)	-	-
Transferred to Stage 2	(179)	179	-	-
Transferred to Stage 3	(3,416)	-	3,416	-
Net remeasurement of allowances	(1,191)	586	147,611	147,006
New financial assets originated or purchased	19,510	84	-	19,594
Financial assets derecognised	(534)	-	-	(534)
Changes in models/risk parameters	(2,475)	-	-	(2,475)
Exchange differences	243	-	2,257	2,500
At 31 December 2018	25,761	849	153,284	179,894

At amortised cost

Group	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
At 31 March 2019	RM'000	RM'000	RM'000	RM'000
At 1 January 2019	1,654,941	2,518,274	6,076,703	10,249,918
Transferred to Stage 1	654,414	(385,401)	(269,013)	-
Transferred to Stage 2	(2,712)	185,203	(182,491)	-
Transferred to Stage 3	(5,657)	(81,867)	87,524	-
Net remeasurement of allowances	(620,796)	53,037	1,036,057	468,298
New financial assets originated or purchased	364,159	131,966	-	496,125
Financial assets derecognised	(257,005)	(164,619)	(46,465)	(468,089)
Changes in models/risk parameters	(116,538)	(29,742)	44,513	(101,767)
Amount related to Restricted Investment Account	-	-	(569)	(569)
Amount written-off	-	-	(451,020)	(451,020)
Exchange differences	(5,553)	(4,287)	(28,294)	(38,134)
At 31 March 2019	1,665,253	2,222,564	6,266,945	10,154,762

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

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

At amortised cost (cont'd.)

Group	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
At 31 December 2018	RM'000	RM'000	RM'000	RM'000
At 1 January 2018				
- as previously stated - MFRS 139				8,260,724
- effect of adopting MFRS 9				2,829,359
At 1 January 2018, as restated	1,543,575	2,938,959	6,607,549	11,090,083
Transferred to Stage 1	945,849	(707,258)	(238,591)	-
Transferred to Stage 2	(90,441)	293,774	(203,333)	-
Transferred to Stage 3	(33,896)	(183,954)	217,850	-
Net remeasurement of allowances	(812,424)	328,459	3,375,978	2,892,013
New financial assets originated or purchased	763,810	491,892	-	1,255,702
Financial assets derecognised	(431,843)	(425,141)	(1,434,518)	(2,291,502)
Changes in models/risk parameters	(124,517)	(67,123)	(724)	(192,364)
Amount related to Restricted Investment Account	-	-	50,553	50,553
Amount written-off	-	-	(2,553,152)	(2,553,152)
Exchange differences	(105,172)	(151,334)	255,091	(1,415)
At 31 December 2018	1,654,941	2,518,274	6,076,703	10,249,918

Bank	Stage 1	Stage 2	Stage 3	Total
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
At 31 March 2019	RM'000	RM'000	RM'000	RM'000
At 1 January 2019	657,197	1,225,026	3,920,974	5,803,197
Transferred to Stage 1	300,840	(146,530)	(154,310)	-
Transferred to Stage 2	21,257	7,708	(28,965)	-
Transferred to Stage 3	(2,940)	(35,119)	38,059	-
Net remeasurement of allowances	(287,996)	76,550	544,292	332,846
New financial assets originated or purchased	205,485	58,703	-	264,188
Financial assets derecognised	(172,574)	(82,946)	(12,938)	(268,458)
Changes in models/risk parameters	(49,425)	(6,849)	16,129	(40,145)
Amount written-off	-	-	(202,800)	(202,800)
Exchange differences	(2,566)	(1,349)	(12,801)	(16,716)
At 31 March 2019	669,278	1,095,194	4,107,640	5,872,112

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

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

At amortised cost (cont'd.)

	Stage 1	Stage 2	Stage 3	Total RM'000
	12-month ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	
Bank				
At 31 December 2018				
At 1 January 2018				
- as previously stated - MFRS 139				5,837,290
- effect of adopting MFRS 9				1,392,447
At 1 January 2018, as restated	733,695	1,741,729	4,754,313	7,229,737
Transferred to Stage 1	492,559	(411,492)	(81,067)	-
Transferred to Stage 2	(36,211)	185,718	(149,507)	-
Transferred to Stage 3	(27,407)	(78,165)	105,572	-
Net remeasurement of allowances	(398,402)	102,185	2,091,616	1,795,399
New financial assets originated or purchased	273,210	161,544	-	434,754
Financial assets derecognised	(257,135)	(265,438)	(919,985)	(1,442,558)
Changes in models/risk parameters	(43,673)	(78,064)	-	(121,737)
Transferred to subsidiaries, net	(80,972)	(135,982)	(245,789)	(462,743)
Amount written-off	-	-	(1,671,973)	(1,671,973)
Exchange differences	1,533	2,991	37,794	42,318
At 31 December 2018	657,197	1,225,026	3,920,974	5,803,197

A12. Reinsurance/Retakaful Assets and Other Insurance Receivables

	Note	Group	
		31 March 2019 RM'000	31 December 2018 RM'000
Reinsurance/retakaful assets	(i)	3,210,005	3,285,269
Other insurance receivables	(ii)	616,161	514,778
		3,826,166	3,800,047

		Group	
		31 March 2019 RM'000	31 December 2018 RM'000
(i) Reinsurance/retakaful assets			
Reinsurers' share of:		2,960,395	2,983,564
Life insurance contract liabilities		54,499	49,111
General insurance contract liabilities		2,905,896	2,934,453
Retakaful operators' share of:		253,885	305,975
Family takaful certificate liabilities		9,284	73,802
General takaful certificate liabilities		244,601	232,173
Stage 1 - 12-month ECL	(iii)	(4,275)	(4,270)
		3,210,005	3,285,269

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A12. Reinsurance/Retakaful Assets and Other Insurance Receivables (cont'd.)

	Group	
	31 March 2019 RM'000	31 December 2018 RM'000
(ii) Other insurance receivables		
Due premium including agents/brokers and co-insurers balances	549,131	262,391
Due from reinsurers and cedants/retakaful operators	86,796	268,559
	<u>635,927</u>	<u>530,950</u>
Allowance for impairment losses	(iii) (19,766)	(16,172)
	<u>616,161</u>	<u>514,778</u>

(iii) Movements in the allowances for impairment losses on reinsurance/retakaful assets and other insurance receivables:

	Stage 1	Stage 2	Stage 3	Total
	12-month ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	
Group				
At 31 March 2019				RM'000
At 1 January 2019	20,442	-	-	20,442
Net remeasurement of allowances	1,671	-	-	1,671
Exchange differences	1,928	-	-	1,928
At 31 March 2019	<u>24,041</u>	<u>-</u>	<u>-</u>	<u>24,041</u>

	Stage 1	Stage 2	Stage 3	Total
	12-month ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	
Group				
At 31 December 2018				RM'000
At 1 January 2018				16,748
- as previously stated				13,093
- effect of adopting MFRS 9				<u>29,841</u>
At 1 January 2018, as restated	29,841	-	-	29,841
Net remeasurement of allowances	(5,985)	-	-	(5,985)
Exchange differences	(3,414)	-	-	(3,414)
At 31 December 2018	<u>20,442</u>	<u>-</u>	<u>-</u>	<u>20,442</u>

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A13. Other Assets

	Group		Bank	
	31 March 2019 RM'000	31 December 2018 RM'000	31 March 2019 RM'000	31 December 2018 RM'000
Other debtors, net of expected credit losses	6,323,756	6,426,560	4,731,239	5,041,129
Amount due from brokers and clients	3,076,344	1,679,116	-	-
Prepayments and deposits	1,359,789	1,343,267	186,393	196,746
Tax recoverable	349,613	136,131	206,847	-
Foreclosed properties	283,426	288,266	29,405	29,410
	11,392,928	9,873,340	5,153,884	5,267,285

A14. Deposits from Customers

(i) By type of deposit

	Group		Bank	
	31 March 2019 RM'000	31 December 2018 RM'000	31 March 2019 RM'000	31 December 2018 RM'000
Fixed deposits and negotiable instruments of deposits				
- One year or less	320,058,732	312,630,907	124,361,868	123,641,231
- More than one year	6,719,807	6,262,601	2,118,713	1,049,608
	326,778,539	318,893,508	126,480,581	124,690,839
Money market deposits	27,281,803	26,939,821	27,281,803	26,939,821
Savings deposits	73,112,361	72,552,819	27,688,803	27,308,716
Demand deposits	107,590,915	114,346,475	70,811,439	76,220,939
	534,763,618	532,732,623	252,262,626	255,160,315

(ii) By type of customer

	Group		Bank	
	31 March 2019 RM'000	31 December 2018 RM'000	31 March 2019 RM'000	31 December 2018 RM'000
Business enterprises	244,778,986	243,864,537	152,179,882	156,302,192
Individuals	208,681,288	208,707,696	74,520,531	75,316,213
Government and statutory bodies	38,799,182	35,291,078	11,706,049	8,806,390
Others	42,504,162	44,869,312	13,856,164	14,735,520
	534,763,618	532,732,623	252,262,626	255,160,315

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

	Group		Bank	
	31 March 2019 RM'000	31 December 2018 RM'000	31 March 2019 RM'000	31 December 2018 RM'000
Within six months	251,948,729	257,314,133	103,534,613	103,502,412
Six months to one year	68,110,003	55,316,775	20,827,255	20,138,819
One year to three years	6,312,626	5,821,123	2,055,807	984,301
Three years to five years	407,181	441,477	62,906	65,307
	326,778,539	318,893,508	126,480,581	124,690,839

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A15. Deposits and Placements from Financial Institutions

	Group		Bank	
	31 March 2019 RM'000	31 December 2018 RM'000	31 March 2019 RM'000	31 December 2018 RM'000
Licensed banks	39,109,231	39,504,617	50,709,600	51,341,923
Licensed finance companies	62,348	64,257	62,348	64,257
Licensed investment banks	69,965	98,277	69,965	98,277
Other financial institutions	4,144,459	4,183,426	1,596,066	1,436,290
	43,386,003	43,850,577	52,437,979	52,940,747

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

	Group		Bank	
	31 March 2019 RM'000	31 December 2018 RM'000	31 March 2019 RM'000	31 December 2018 RM'000
One year or less	40,625,773	41,092,831	51,818,303	52,405,495
More than one year	2,760,230	2,757,746	619,676	535,252
	43,386,003	43,850,577	52,437,979	52,940,747

A16. Financial Liabilities at Fair Value Through Profit or Loss ("FVTPL")

	Group		Bank	
	31 March 2019 RM'000	31 December 2018 RM'000	31 March 2019 RM'000	31 December 2018 RM'000
Structured deposits	611,708	1,640,430	462,121	1,254,743
Borrowings				
Unsecured				
Medium Term Notes				
- More than one year				
Denominated in:				
- USD	7,015,514	6,598,010	7,015,514	6,598,010
- RM	660,937	654,251	660,937	654,251
	7,676,451	7,252,261	7,676,451	7,252,261
Total financial liabilities at fair value through profit or loss	8,288,159	8,892,691	8,138,572	8,507,004

The carrying amount of both structured deposits and borrowings designated at FVTPL of the Group and of the Bank as at 31 March 2019 were RM8,556,279,000 and RM8,408,306,000 (31 December 2018: RM9,616,975,000 and RM9,231,989,000) respectively. The fair value changes of the financial liabilities at FVTPL 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	
	31 March 2019 RM'000	31 December 2018 RM'000	31 March 2019 RM'000	31 December 2018 RM'000
(i) Borrowings				
Secured				
(a) Borrowings				
- Less than one year				
Denominated in:				
- SGD	649	684	-	-
- IDR	1,331,784	1,123,402	-	-
- VND	17,655	12,493	-	-
	<u>1,350,088</u>	<u>1,136,579</u>	<u>-</u>	<u>-</u>
- More than one year				
Denominated in:				
- SGD	235,177	236,572	-	-
- IDR	1,982,737	1,628,153	-	-
	<u>2,217,914</u>	<u>1,864,725</u>	<u>-</u>	<u>-</u>
(b) Medium Term Notes				
- Less than one year				
Denominated in:				
- IDR	71,734	-	-	-
	<u>71,734</u>	<u>-</u>	<u>-</u>	<u>-</u>
- More than one year				
Denominated in:				
- IDR	-	71,515	-	-
	<u>-</u>	<u>71,515</u>	<u>-</u>	<u>-</u>
Total secured borrowings	<u>3,639,736</u>	<u>3,072,819</u>	<u>-</u>	<u>-</u>
Unsecured				
(a) Borrowings				
- Less than one year				
Denominated in:				
- USD	3,569,336	3,159,728	3,174,571	2,346,972
- SGD	1,776,837	1,390,760	-	-
- THB	1,275,320	1,249,281	-	-
- HKD	583,127	77,913	468,525	-
- IDR	358,879	994,104	-	-
- INR	4	11,801	-	-
- JPY	6,326	1,733	-	-
- RM	259,814	411,361	259,814	411,361
	<u>7,829,643</u>	<u>7,296,681</u>	<u>3,902,910</u>	<u>2,758,333</u>
- More than one year				
Denominated in:				
- USD	5,911,814	4,862,217	5,605,277	4,862,217
- HKD	780,875	-	780,875	-
- JPY	1,553	-	-	-
- CNY	121,521	-	121,521	-
- IDR	685,612	547,870	-	-
	<u>7,501,375</u>	<u>5,410,087</u>	<u>6,507,673</u>	<u>4,862,217</u>

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

	Group		Bank	
	31 March 2019 RM'000	31 December 2018 RM'000	31 March 2019 RM'000	31 December 2018 RM'000
	(iii) Capital Securities			
Unsecured				
- More than one year				
Denominated in:				
- RM	3,494,173	3,531,029	3,494,173	3,531,029
	<u>3,494,173</u>	<u>3,531,029</u>	<u>3,494,173</u>	<u>3,531,029</u>

A18. Insurance/Takaful Contract Liabilities and Other Insurance Payables

Group	Note	31 March 2019 RM'000	31 December 2018 RM'000
		Insurance/takaful contract liabilities	(i)
Other insurance payables	(ii)	641,363	676,442
		<u>27,799,014</u>	<u>26,853,102</u>

(i) Insurance/takaful contract liabilities

	Gross contract liabilities RM'000	Reinsurance/ retakaful assets RM'000	Net contract liabilities RM'000
At 31 March 2019			
Life insurance/family takaful	21,722,504	(63,783)	21,658,721
General insurance/general takaful	5,435,147	(3,146,222)	2,288,925
	<u>27,157,651</u>	<u>(3,210,005)</u>	<u>23,947,646</u>
At 31 December 2018			
Life insurance/family takaful	20,779,777	(122,913)	20,656,864
General insurance/general takaful	5,396,883	(3,162,356)	2,234,527
	<u>26,176,660</u>	<u>(3,285,269)</u>	<u>22,891,391</u>

(ii) Other insurance payables

	31 March 2019 RM'000	31 December 2018 RM'000
Due to agents and intermediaries	128,869	136,397
Due to reinsurers and cedants	469,611	492,310
Due to retakaful operators	42,883	47,735
	<u>641,363</u>	<u>676,442</u>

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A19. Other Liabilities

	Note	Group		Bank	
		31 March 2019 RM'000	31 December 2018 RM'000	31 March 2019 RM'000	31 December 2018 RM'000
Amount due to brokers and clients		4,120,134	3,038,388	-	-
Deposits, other creditors and accruals		11,346,888	11,383,153	8,846,634	6,775,654
Defined benefit pension plans		484,141	474,018	-	-
Provisions for commitments and contingencies		31,403	32,003	26,870	27,416
Allowances for impairment losses on loan commitments and financial guarantee contracts	(i)	327,510	287,436	257,317	229,103
Lease liabilities		1,482,772	272,311	401,892	-
Structured deposits		6,589,421	6,301,362	371,220	308,888
		24,382,269	21,788,671	9,903,933	7,341,061

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

Group	Stage 1	Stage 2	Stage 3	Total
	12-month ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	
At 31 March 2019				RM'000
At 1 January 2019	84,477	52,676	150,283	287,436
Transferred to Stage 1	6,932	(6,359)	(573)	-
Transferred to Stage 2	(269)	796	(527)	-
Transferred to Stage 3	(6)	(72)	78	-
Net remeasurement of allowances	(7,985)	(18,672)	55,204	28,547
New financial assets originated or purchased	13,155	3,263	-	16,418
Financial assets derecognised	(8,995)	(6,295)	(309)	(15,599)
Changes in models/risk parameters	95	(114)	-	(19)
Exchange differences	13,098	(546)	(1,825)	10,727
At 31 March 2019	100,502	24,677	202,331	327,510
Group	Stage 1	Stage 2	Stage 3	Total
At 31 December 2018	12-month ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	
At 1 January 2018				
- effect of adopting MFRS 9	90,574	75,163	74,027	239,764
At 1 January 2018, as restated	90,574	75,163	74,027	239,764
Transferred to Stage 1	8,664	(8,383)	(281)	-
Transferred to Stage 2	(594)	24,579	(23,985)	-
Transferred to Stage 3	(117)	(33)	150	-
Net remeasurement of allowances	12,188	(21,314)	(3,158)	(12,284)
New financial assets originated or purchased	29,707	23,756	118,811	172,274
Financial assets derecognised	(53,040)	(40,669)	(18,453)	(112,162)
Changes in models/risk parameters	(1,489)	(779)	-	(2,268)
Exchange differences	(1,416)	356	3,172	2,112
At 31 December 2018	84,477	52,676	150,283	287,436

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A19. Other Liabilities (cont'd.)

(i) **Movements in the allowances for impairment losses on loan commitments and financial guarantee contracts are as follows (cont'd.):**

	Stage 1	Stage 2	Stage 3	Total
	12-month ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	
Bank				
At 31 March 2019				RM'000
At 1 January 2019	40,038	43,868	145,197	229,103
Transferred to Stage 1	4,990	(4,418)	(572)	-
Transferred to Stage 2	(162)	219	(57)	-
Transferred to Stage 3	(6)	(72)	78	-
Net remeasurement of allowances	6,848	(18,991)	38,238	26,095
New financial assets originated or purchased	10,978	2,413	-	13,391
Financial assets derecognised	(5,759)	(4,904)	(303)	(10,966)
Changes in models/risk parameters	164	2	-	166
Exchange differences	(152)	(40)	(280)	(472)
At 31 March 2019	56,939	18,077	182,301	257,317
	Stage 1	Stage 2	Stage 3	
	12-month ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	Total RM'000
Bank				
At 31 December 2018				RM'000
At 1 January 2018				
- effect of adopting MFRS 9	53,498	66,506	67,083	187,087
At 1 January 2018, as restated	53,498	66,506	67,083	187,087
Transferred to Stage 1	7,798	(7,654)	(144)	-
Transferred to Stage 2	(517)	24,053	(23,536)	-
Transferred to Stage 3	(117)	(33)	150	-
Net remeasurement of allowances	(1,596)	(21,633)	(1,847)	(25,076)
New financial assets originated or purchased	23,059	19,868	118,542	161,469
Financial assets derecognised	(41,625)	(36,315)	(16,110)	(94,050)
Changes in models/risk parameters	24	-	-	24
Transfer to subsidiary	(1,522)	(654)	-	(2,176)
Exchange differences	1,036	(270)	1,059	1,825
At 31 December 2018	40,038	43,868	145,197	229,103

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A20. Other Reserves

The breakdown and movement of other reserves are as follows:

<u>Group</u>	<===== Non-Distributable =====>				
	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 2019	13,557	(2,712)	16,503	(367,100)	(339,752)
Other comprehensive (loss)/income	-	-	(208)	2,101	1,893
Defined benefit plan actuarial loss	-	-	(208)	-	(208)
Net gain on net investment hedge	-	-	-	1,841	1,841
Net gain on cash flow hedge	-	-	-	260	260
Total comprehensive (loss)/income for the period	-	-	(208)	2,101	1,893
At 31 March 2019	13,557	(2,712)	16,295	(364,999)	(337,859)

<u>Group</u>	<===== Non-Distributable =====>				
	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 2018	13,557	(2,428)	(41,302)	(374,996)	(405,169)
Other comprehensive income	-	-	2,074	41,093	43,167
Defined benefit plan actuarial gain	-	-	2,074	-	2,074
Net gain on net investment hedge	-	-	-	39,877	39,877
Net gain on cash flow hedge	-	-	-	1,216	1,216
Total comprehensive income for the period	-	-	2,074	41,093	43,167
At 31 March 2018	13,557	(2,428)	(39,228)	(333,903)	(362,002)

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A21. Interest Income

Group	First Quarter Ended		Cumulative 3 Months Ended	
	31 March 2019 RM'000	31 March 2018 RM'000	31 March 2019 RM'000	31 March 2018 RM'000
Loans, advances and financing	4,392,975	4,039,362	4,392,975	4,039,362
Money at call and deposits and placements with financial institutions	197,210	181,288	197,210	181,288
Financial assets purchased under resale agreements	42,608	47,784	42,608	47,784
Financial assets at FVTPL	270,971	263,249	270,971	263,249
Financial investments at fair value through other comprehensive income	854,853	731,594	854,853	731,594
Financial investments at amortised cost	225,038	162,258	225,038	162,258
	5,983,655	5,425,535	5,983,655	5,425,535
Accretion of discounts, net	50,816	92,917	50,816	92,917
	6,034,471	5,518,452	6,034,471	5,518,452

Bank	First Quarter Ended		Cumulative 3 Months Ended	
	31 March 2019 RM'000	31 March 2018 RM'000	31 March 2019 RM'000	31 March 2018 RM'000
Loans, advances and financing	2,673,508	2,980,270	2,673,508	2,980,270
Money at call and deposits and placements with financial institutions	327,351	188,073	327,351	188,073
Financial assets purchased under resale agreements	21,348	19,879	21,348	19,879
Financial assets at FVTPL	63,583	64,253	63,583	64,253
Financial investments at fair value through other comprehensive income	690,501	630,737	690,501	630,737
Financial investments at amortised cost	222,972	181,739	222,972	181,739
	3,999,263	4,064,951	3,999,263	4,064,951
Accretion of discounts, net	89,800	119,159	89,800	119,159
	4,089,063	4,184,110	4,089,063	4,184,110

Included in interest income for the three-month financial period ended 31 March 2019 was interest on impaired assets amounting to approximately RM110,818,000 (31 March 2018: RM110,984,000) for the Group and RM79,346,000 (31 March 2018: RM84,401,000) for the Bank.

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A22. Interest Expense

Group	First Quarter Ended		Cumulative 3 Months Ended	
	31 March	31 March	31 March	31 March
	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000
Deposits and placements from financial institutions	305,149	224,593	305,149	224,593
Deposits from customers	2,051,123	1,647,401	2,051,123	1,647,401
Loans sold to Cagamas	15,966	15,966	15,966	15,966
Obligations on financial assets sold under repurchase agreements	87,976	25,124	87,976	25,124
Borrowings	304,504	238,634	304,504	238,634
Subordinated notes	141,258	143,188	141,258	143,188
Subordinated bonds	3,344	8,441	3,344	8,441
Capital securities	54,623	97,112	54,623	97,112
Structured deposits	35,713	33,171	35,713	33,171
Financial liabilities at fair value through profit or loss	81,275	64,883	81,275	64,883
	3,080,931	2,498,513	3,080,931	2,498,513

Bank	First Quarter Ended		Cumulative 3 Months Ended	
	31 March	31 March	31 March	31 March
	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000
Deposits and placements from financial institutions	356,504	210,203	356,504	210,203
Deposits from customers	1,284,603	1,237,426	1,284,603	1,237,426
Loans sold to Cagamas	15,966	15,966	15,966	15,966
Obligations on financial assets sold under repurchase agreements	114,504	25,124	114,504	25,124
Borrowings	170,669	125,300	170,669	125,300
Subordinated notes	116,798	103,159	116,798	103,159
Capital securities	54,623	97,104	54,623	97,104
Structured deposits	1,836	33,171	1,836	33,171
Financial liabilities at fair value through profit or loss	81,275	64,883	81,275	64,883
	2,196,778	1,912,336	2,196,778	1,912,336

A23. Net Earned Insurance Premiums

Group	First Quarter Ended		Cumulative 3 Months Ended	
	31 March	31 March	31 March	31 March
	2019	2018	2019	2018
	RM'000	RM'000	RM'000	RM'000
Gross earned premiums	1,885,556	1,832,165	1,885,556	1,832,165
Premiums ceded to reinsurers	(259,010)	(320,784)	(259,010)	(320,784)
	1,626,546	1,511,381	1,626,546	1,511,381

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A24. Other Operating Income

Group	First Quarter Ended		Cumulative 3 Months Ended	
	31 March 2019 RM'000	31 March 2018 RM'000	31 March 2019 RM'000	31 March 2018 RM'000
(a) Fee income:				
Commission	301,014	329,057	301,014	329,057
Service charges and fees	332,366	309,367	332,366	309,367
Underwriting fees	20,113	17,063	20,113	17,063
Brokerage income	81,085	125,469	81,085	125,469
Fees on loans, advances and financing	38,725	55,265	38,725	55,265
	773,303	836,221	773,303	836,221
(b) Investment income:				
Net gain on disposal of financial assets at FVTPL	37,716	32,406	37,716	32,406
Net gain on disposal of financial investments at fair value through other comprehensive income	149,052	54,924	149,052	54,924
Net gain on redemption of financial investments at amortised cost	-	599	-	599
Net gain on dilution of interest in associates	1,836	1,276	1,836	1,276
	188,604	89,205	188,604	89,205
(c) Gross dividend income from:				
Financial investments portfolio	17,764	20,173	17,764	20,173
(d) Unrealised gain/(loss) on revaluation of:				
Financial assets designated upon initial recognition at FVTPL	438,977	(93,509)	438,977	(93,509)
Financial investments at FVTPL	127,776	(41,459)	127,776	(41,459)
Financial liabilities at FVTPL	(455,252)	275,659	(455,252)	275,659
Derivatives	161,019	(146,226)	161,019	(146,226)
Loans, advances and financing at FVTPL	(1,876)	-	(1,876)	-
	270,644	(5,535)	270,644	(5,535)
(e) Other income:				
Foreign exchange gain, net	211,413	131,110	211,413	131,110
Realised gain on derivatives	137,804	86,772	137,804	86,772
Rental income	9,176	10,921	9,176	10,921
Gain on disposal of property, plant and equipment	2,484	59,963	2,484	59,963
Gain/(loss) on disposal of foreclosed properties	2,143	(1,171)	2,143	(1,171)
Others	64,563	73,917	64,563	73,917
	427,583	361,512	427,583	361,512
Total other operating income	1,677,898	1,301,576	1,677,898	1,301,576

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A24. Other Operating Income (cont'd.)

	First Quarter Ended		Cumulative 3 Months Ended	
	31 March 2019 RM'000	31 March 2018 RM'000	31 March 2019 RM'000	31 March 2018 RM'000
Bank				
(a) Fee income:				
Commission	214,407	300,087	214,407	300,087
Service charges and fees	215,596	256,855	215,596	256,855
Underwriting fees	2,368	7,208	2,368	7,208
Fees on loans, advances and financing	14,761	31,378	14,761	31,378
	447,132	595,528	447,132	595,528
(b) Investment income:				
Net gain on disposal of financial assets at FVTPL	60,940	55,259	60,940	55,259
Net gain on disposal of financial investments at fair value through other comprehensive income	138,451	51,881	138,451	51,881
Net gain on redemption of financial investments at amortised cost	-	599	-	599
Net gain on dilution of interest in associates	1,696	-	1,696	-
	201,087	107,739	201,087	107,739
(c) Gross dividend income from:				
Financial investments portfolio	-	25	-	25
(d) Unrealised gain/(loss) on revaluation of:				
Financial investments at FVTPL	1,801	72,087	1,801	72,087
Financial liabilities at FVTPL	(455,252)	275,659	(455,252)	275,659
Derivatives	191,165	(189,248)	191,165	(189,248)
Loans, advances and financing at FVTPL	(1,876)	-	(1,876)	-
	(264,162)	158,498	(264,162)	158,498
(e) Other income:				
Foreign exchange gain, net	227,820	164,791	227,820	164,791
Realised gain on derivatives	120,311	63,798	120,311	63,798
Rental income	7,263	8,204	7,263	8,204
Gain on disposal of property, plant and equipment	395	55,290	395	55,290
Others	13,582	3,699	13,582	3,699
	369,371	295,782	369,371	295,782
Total other operating income	753,428	1,157,572	753,428	1,157,572

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A25. Net Insurance Benefits and Claims Incurred, Net Fee and Commission Expenses, Change in Expense Liabilities and Taxation of Life and Takaful Fund

Group	First Quarter Ended		Cumulative 3 Months Ended	
	31 March 2019 RM'000	31 March 2018 RM'000	31 March 2019 RM'000	31 March 2018 RM'000
Gross benefits and claims paid	984,661	936,520	984,661	936,520
Claims ceded to reinsurers	(121,461)	(146,728)	(121,461)	(146,728)
Gross change to contract liabilities	920,234	463,415	920,234	463,415
Change in contract liabilities ceded to reinsurers	34,219	20,105	34,219	20,105
Net insurance benefits and claims incurred	1,817,653	1,273,312	1,817,653	1,273,312
Net fee and commission expenses	64,963	63,849	64,963	63,849
Change in expense liabilities	(26,476)	23,298	(26,476)	23,298
Taxation of life and takaful fund	38,385	3,978	38,385	3,978
Net fee and commission expenses, change in expense liabilities and taxation of life and takaful fund	76,872	91,125	76,872	91,125
Total net insurance benefits and claims incurred, net fee and commission expenses, change in expense liabilities and taxation of life and takaful fund	1,894,525	1,364,437	1,894,525	1,364,437

A26. Overhead Expenses

Group	First Quarter Ended		Cumulative 3 Months Ended	
	31 March 2019 RM'000	31 March 2018 RM'000	31 March 2019 RM'000	31 March 2018 RM'000
(a) Personnel expenses				
Salaries, allowances and bonuses	1,297,853	1,203,578	1,297,853	1,203,578
Social security cost	10,971	11,098	10,971	11,098
Pension costs - defined contribution plan	150,724	144,051	150,724	144,051
ESGP/ESS expenses	9,288	3,281	9,288	3,281
Other staff related expenses	218,101	228,640	218,101	228,640
	1,686,937	1,590,648	1,686,937	1,590,648
(b) Establishment costs				
Depreciation of property, plant and equipment	75,566	102,352	75,566	102,352
Depreciation of right-of-use assets	88,498	-	88,498	-
Amortisation of intangible assets	56,606	59,703	56,606	59,703
Rental of leasehold land and premises	20,664	87,706	20,664	87,706
Repairs and maintenance of property, plant and equipment	44,160	38,718	44,160	38,718
Information technology expenses	128,747	158,880	128,747	158,880
Finance cost on lease liabilities	15,997	-	15,997	-
Fair value adjustments on investments properties	34	(406)	34	(406)
Others	11,087	10,290	11,087	10,290
	441,359	457,243	441,359	457,243
(c) Marketing expenses				
Advertisement and publicity	58,551	65,307	58,551	65,307
Others	82,194	77,512	82,194	77,512
	140,745	142,819	140,745	142,819

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A26. Overhead Expenses (cont'd.)

Group (cont'd.)	First Quarter Ended		Cumulative 3 Months Ended	
	31 March 2019 RM'000	31 March 2018 RM'000	31 March 2019 RM'000	31 March 2018 RM'000
(d) Administration and general expenses				
Fees and brokerage	239,908	240,152	239,908	240,152
Administrative expenses	141,708	133,544	141,708	133,544
General expenses	154,338	201,377	154,338	201,377
Others	2,613	1,761	2,613	1,761
	538,567	576,834	538,567	576,834
Total overhead expenses	2,807,608	2,767,544	2,807,608	2,767,544
Cost to income ratio ("CIR")¹	47.9%	47.5%	47.9%	47.5%

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	First Quarter Ended		Cumulative 3 Months Ended	
	31 March 2019 RM'000	31 March 2018 RM'000	31 March 2019 RM'000	31 March 2018 RM'000
(a) Personnel expenses				
Salaries, allowances and bonuses	657,548	752,220	657,548	752,220
Social security cost	5,968	5,545	5,968	5,545
Pension costs - defined contribution plan	98,593	114,121	98,593	114,121
ESGP/ESS expenses	5,390	2,401	5,390	2,401
Other staff related expenses	103,616	134,236	103,616	134,236
	871,115	1,008,523	871,115	1,008,523
(b) Establishment costs				
Depreciation of property, plant and equipment	31,860	42,324	31,860	42,324
Depreciation of right-of-use assets	27,483	-	27,483	-
Amortisation of intangible assets	11,396	20,289	11,396	20,289
Rental of leasehold land and premises	2,861	35,530	2,861	35,530
Repairs and maintenance of property, plant and equipment	25,065	23,818	25,065	23,818
Information technology expenses	186,472	202,044	186,472	202,044
Finance cost on lease liabilities	3,835	-	3,835	-
Others	863	1,617	863	1,617
	289,835	325,622	289,835	325,622
(c) Marketing expenses				
Advertisement and publicity	29,928	40,434	29,928	40,434
Others	46,882	52,725	46,882	52,725
	76,810	93,159	76,810	93,159
(d) Administration and general expenses				
Fees and brokerage	138,522	166,159	138,522	166,159
Administrative expenses	51,545	59,997	51,545	59,997
General expenses	49,892	92,556	49,892	92,556
Others	368	1,716	368	1,716
	240,327	320,428	240,327	320,428
(e) Overhead expenses allocated to subsidiaries	(363,291)	(298,101)	(363,291)	(298,101)
Total overhead expenses	1,114,796	1,449,631	1,114,796	1,449,631
Cost to income ratio ("CIR")²	42.1%	42.3%	42.1%	42.3%

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

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A27. Allowances for Impairment Losses on Loans, Advances, Financing and Other Debts, net

Group	First Quarter Ended		Cumulative 3 Months Ended	
	31 March 2019 RM'000	31 March 2018 RM'000	31 March 2019 RM'000	31 March 2018 RM'000
(Writeback of)/allowances for impairment losses on loans, advances and financing:				
- Stage 1 - 12-month ECL, net	(639,135)	(75,235)	(639,135)	(75,235)
- Stage 2 - Lifetime ECL not credit impaired, net	(32,460)	136,468	(32,460)	136,468
- Stage 3 - Lifetime ECL credit impaired, net	1,338,753	489,386	1,338,753	489,386
Bad debts and financing written-off	41,161	21,518	41,161	21,518
Bad debts and financing recovered	(106,565)	(69,552)	(106,565)	(69,552)
Allowances for impairment losses on other debts	2,240	6,725	2,240	6,725
	603,994	509,310	603,994	509,310

Bank	First Quarter Ended		Cumulative 3 Months Ended	
	31 March 2019 RM'000	31 March 2018 RM'000	31 March 2019 RM'000	31 March 2018 RM'000
(Writeback of)/allowances for impairment losses on loans, advances and financing:				
- Stage 1 - 12-month ECL, net	(296,717)	(136,175)	(296,717)	(136,175)
- Stage 2 - Lifetime ECL not credit impaired, net	23,216	124,126	23,216	124,126
- Stage 3 - Lifetime ECL credit impaired, net	835,171	91,857	835,171	91,857
Bad debts and financing written-off	19,768	16,140	19,768	16,140
Bad debts and financing recovered	(47,687)	(44,827)	(47,687)	(44,827)
Allowances for impairment losses on other debts	13,068	731	13,068	731
	546,819	51,852	546,819	51,852

A28. Allowances for/(writeback of) Impairment Losses on Financial Investments, net

Group	First Quarter Ended		Cumulative 3 Months Ended	
	31 March 2019 RM'000	31 March 2018 RM'000	31 March 2019 RM'000	31 March 2018 RM'000
Financial investments at fair value through other comprehensive income				
- Stage 1 - 12-month ECL, net	(877)	(17,487)	(877)	(17,487)
- Stage 2 - Lifetime ECL not credit impaired, net	(118)	(391)	(118)	(391)
- Stage 3 - Lifetime ECL credit impaired, net	(7,804)	25,256	(7,804)	25,256
Net	(8,799)	7,378	(8,799)	7,378
Financial investments at amortised cost				
- Stage 1 - 12-month ECL, net	85	(21,217)	85	(21,217)
- Stage 2 - Lifetime ECL not credit impaired, net	(7,101)	(1,010)	(7,101)	(1,010)
- Stage 3 - Lifetime ECL credit impaired, net	40,424	(19)	40,424	(19)
Net	33,408	(22,246)	33,408	(22,246)
	24,609	(14,868)	24,609	(14,868)

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A28. Allowances for/(writeback of) Impairment Losses on Financial Investments, net (cont'd.)

	First Quarter Ended		Cumulative 3 Months Ended	
	31 March 2019 RM'000	31 March 2018 RM'000	31 March 2019 RM'000	31 March 2018 RM'000
Bank				
Financial investments at fair value through other comprehensive income				
- Stage 1 - 12-month ECL, net	(1,622)	(18,789)	(1,622)	(18,789)
- Stage 2 - Lifetime ECL not credit impaired, net	(266)	(324)	(266)	(324)
- Stage 3 - Lifetime ECL credit impaired, net	(590)	3,208	(590)	3,208
Net	<u>(2,478)</u>	<u>(15,905)</u>	<u>(2,478)</u>	<u>(15,905)</u>
Financial investments at amortised cost				
- Stage 1 - 12-month ECL, net	(71)	(17,339)	(71)	(17,339)
- Stage 2 - Lifetime ECL not credit impaired, net	(5,059)	(330)	(5,059)	(330)
- Stage 3 - Lifetime ECL credit impaired, net	40,424	(19)	40,424	(19)
Net	<u>35,294</u>	<u>(17,688)</u>	<u>35,294</u>	<u>(17,688)</u>
	<u>32,816</u>	<u>(33,593)</u>	<u>32,816</u>	<u>(33,593)</u>

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

	First Quarter Ended		Cumulative 3 Months Ended	
	31 March 2019 RM'000	31 March 2018 RM'000	31 March 2019 RM'000	31 March 2018 RM'000
Group				
Cash and short-term funds				
- Stage 1 - 12-month ECL, net	6,650	(330)	6,650	(330)
Net	<u>6,650</u>	<u>(330)</u>	<u>6,650</u>	<u>(330)</u>
Deposits and placements with financial institutions				
- Stage 1 - 12-month ECL, net	434	(841)	434	(841)
- Stage 2 - Lifetime ECL not credit impaired, net	-	8,114	-	8,114
Net	<u>434</u>	<u>7,273</u>	<u>434</u>	<u>7,273</u>
Financial assets purchased under resale agreements				
- Stage 1 - 12-month ECL, net	567	4,936	567	4,936
Net	<u>567</u>	<u>4,936</u>	<u>567</u>	<u>4,936</u>
Other assets				
- Stage 1 - 12-month ECL, net	(1,076)	47	(1,076)	47
- Stage 2 - Lifetime ECL not credit impaired	(82)	-	(82)	-
- Stage 3 - Lifetime ECL credit impaired	556	-	556	-
Net	<u>(602)</u>	<u>47</u>	<u>(602)</u>	<u>47</u>
Reinsurance/retakaful assets and other insurance receivables				
- Stage 1 - 12-month ECL, net	1,671	(5,559)	1,671	(5,559)
Net	<u>1,671</u>	<u>(5,559)</u>	<u>1,671</u>	<u>(5,559)</u>
	<u>8,720</u>	<u>6,367</u>	<u>8,720</u>	<u>6,367</u>

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A29. Allowances for/(writeback of) Impairment Losses on Other Financial Assets, net (cont'd.)

	First Quarter Ended		Cumulative 3 Months Ended	
	31 March 2019 RM'000	31 March 2018 RM'000	31 March 2019 RM'000	31 March 2018 RM'000
Bank				
Cash and short-term funds				
- Stage 1 - 12-month ECL, net	(10,823)	670	(10,823)	670
Net	<u>(10,823)</u>	<u>670</u>	<u>(10,823)</u>	<u>670</u>
Deposits and placements with financial institutions				
- Stage 1 - 12-month ECL, net	31	1,036	31	1,036
- Stage 2 - Lifetime ECL not credit impaired, net	-	8,088	-	8,088
Net	<u>31</u>	<u>9,124</u>	<u>31</u>	<u>9,124</u>
Financial assets purchased under resale agreements				
- Stage 1 - 12-month ECL, net	367	-	367	-
Net	<u>367</u>	<u>-</u>	<u>367</u>	<u>-</u>
Other assets				
- Stage 1 - 12-month ECL, net	(1,920)	-	(1,920)	-
Net	<u>(1,920)</u>	<u>-</u>	<u>(1,920)</u>	<u>-</u>
	<u>(12,345)</u>	<u>9,794</u>	<u>(12,345)</u>	<u>9,794</u>

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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 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 =====>						
Three Months Ended 31 March 2019	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	2,655,646	1,371,052	83,843	3,462	302,322	33,833	4,450,158
- Inter-segment	-	-	(3,834)	733	9,991	(6,890)	-
	<u>2,655,646</u>	<u>1,371,052</u>	<u>80,009</u>	<u>4,195</u>	<u>312,313</u>	<u>26,943</u>	<u>4,450,158</u>
Net interest income and income from IBS operations	2,655,646	1,371,052	80,009	4,195	312,313	26,943	4,450,158
Net earned insurance premiums	-	-	-	-	1,626,546	-	1,626,546
Other operating income	719,840	602,548	179,964	64,553	505,155	(394,162)	1,677,898
Total operating income	<u>3,375,486</u>	<u>1,973,600</u>	<u>259,973</u>	<u>68,748</u>	<u>2,444,014</u>	<u>(367,219)</u>	<u>7,754,602</u>
Net insurance benefits and claims incurred, net fee and commission expenses, change in expense liabilities and taxation of life and takaful fund	-	-	-	-	(1,965,692)	71,167	(1,894,525)
Net operating income	<u>3,375,486</u>	<u>1,973,600</u>	<u>259,973</u>	<u>68,748</u>	<u>478,322</u>	<u>(296,052)</u>	<u>5,860,077</u>
Overhead expenses	(1,825,887)	(446,583)	(262,628)	(50,259)	(222,251)	-	(2,807,608)
Operating profit/(loss) before impairment losses	<u>1,549,599</u>	<u>1,527,017</u>	<u>(2,655)</u>	<u>18,489</u>	<u>256,071</u>	<u>(296,052)</u>	<u>3,052,469</u>
(Allowances for)/writeback of impairment losses on loans, advances, financing and other debts, net	(3,492)	(596,433)	2,855	2	(6,926)	-	(603,994)
Writeback of/(allowances for) impairment losses on financial investments, net	238	(24,022)	(72)	-	(753)	-	(24,609)
Allowances for impairment losses on other financial assets, net	(120)	(5,423)	(1,382)	(5)	(1,790)	-	(8,720)
Operating profit/(loss)	<u>1,546,225</u>	<u>901,139</u>	<u>(1,254)</u>	<u>18,486</u>	<u>246,602</u>	<u>(296,052)</u>	<u>2,415,146</u>
Share of profits in associates and joint ventures	-	35,058	227	-	-	-	35,285
Profit/(loss) before taxation and zakat	<u>1,546,225</u>	<u>936,197</u>	<u>(1,027)</u>	<u>18,486</u>	<u>246,602</u>	<u>(296,052)</u>	<u>2,450,431</u>
Taxation and zakat							(575,614)
Profit after taxation and zakat							<u>1,874,817</u>
Non-controlling interests							(65,553)
Profit for the period - attributable to equity holders of the Bank							<u>1,809,264</u>

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A30. Segment Information (cont'd.)

By business segments (cont'd.)

	<===== Business Segments =====>						Head Office and Others RM'000	Total RM'000
	<===== Group Global Banking =====>							
	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			
Three Months Ended 31 March 2019								
Included in other operating income are:								
Fee income:								
Commission	282,999	38,179	8,715	795	-	(29,674)	301,014	
Service charges and fees	210,959	99,882	46,874	24,987	244	(50,580)	332,366	
Underwriting fees	887	2,562	17,745	-	-	(1,081)	20,113	
Brokerage income	-	-	81,085	-	-	-	81,085	
Fees on loans, advances and financing	18,618	21,369	148	-	370	(1,780)	38,725	
Fee income from IBS operations	62,409	45,258	4,872	-	-	(13,581)	98,958	
Included in overhead expenses are:								
Depreciation of property, plant and equipment	(46,394)	(11,335)	(13,406)	(324)	(4,107)	-	(75,566)	
Depreciation of right-of-use assets	(60,100)	(13,987)	(10,293)	(540)	(3,578)	-	(88,498)	
Amortisation of intangible assets	(32,465)	(9,027)	(6,807)	(162)	(8,145)	-	(56,606)	

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A30. Segment Information (cont'd.)

By business segments (cont'd.)

	<===== Business Segments =====>						Total RM'000
	<===== Group Global Banking =====>						
Three Months Ended 31 March 2018	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	2,615,832	1,284,980	129,247	1,844	270,289	65,761	4,367,953
- Inter-segment	-	-	(2,599)	655	7,934	(5,990)	-
	<u>2,615,832</u>	<u>1,284,980</u>	<u>126,648</u>	<u>2,499</u>	<u>278,223</u>	<u>59,771</u>	<u>4,367,953</u>
Net interest income and income from IBS operations	2,615,832	1,284,980	126,648	2,499	278,223	59,771	4,367,953
Net earned insurance premiums	-	-	-	-	1,511,381	-	1,511,381
Other operating income	705,841	592,962	288,998	1,676	(60,241)	(227,660)	1,301,576
Total operating income	<u>3,321,673</u>	<u>1,877,942</u>	<u>415,646</u>	<u>4,175</u>	<u>1,729,363</u>	<u>(167,889)</u>	<u>7,180,910</u>
Net insurance benefits and claims incurred, net fee and commission expenses, change in expense liabilities and taxation of life and takaful fund	-	-	-	-	(1,428,264)	63,827	(1,364,437)
Net operating income	<u>3,321,673</u>	<u>1,877,942</u>	<u>415,646</u>	<u>4,175</u>	<u>301,099</u>	<u>(104,062)</u>	<u>5,816,473</u>
Overhead expenses	(1,772,932)	(507,147)	(266,749)	(23,815)	(196,901)	-	(2,767,544)
Operating profit/(loss) before impairment losses (Allowances for)/writeback of impairment losses on loans, advances, financing and other debts, net	<u>1,548,741</u>	<u>1,370,795</u>	<u>148,897</u>	<u>(19,640)</u>	<u>104,198</u>	<u>(104,062)</u>	<u>3,048,929</u>
Writeback of/(allowances for) impairment losses on financial investments, net	(153,176)	(362,194)	7,297	-	(1,237)	-	(509,310)
Writeback of/(allowances for) impairment losses on other financial assets, net	157	34,736	(18)	(20,311)	304	-	14,868
Operating profit/(loss)	<u>261</u>	<u>(11,215)</u>	<u>(928)</u>	<u>(44)</u>	<u>5,559</u>	<u>-</u>	<u>(6,367)</u>
Share of profits in associates and joint ventures	1,395,983	1,032,122	155,248	(39,995)	108,824	(104,062)	2,548,120
Profit/(loss) before taxation and zakat	<u>-</u>	<u>8,535</u>	<u>13</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,548</u>
Taxation and zakat	1,395,983	1,040,657	155,261	(39,995)	108,824	(104,062)	2,556,668
Profit after taxation and zakat							<u>(657,180)</u>
Non-controlling interests							1,899,488
Profit for the period - attributable to equity holders of the Bank							<u>(28,452)</u>
							<u>1,871,036</u>

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A30. Segment Information (cont'd.)

By business segments (cont'd.)

	<===== Business Segments =====>							Total RM'000
	<===== Group Global Banking =====>							
	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		
Three Months Ended 31 March 2018								
Included in other operating income are:								
Fee income:								
Commission	286,532	42,337	19,210	1,836	-	(20,858)		329,057
Service charges and fees	232,512	102,843	34,699	14,840	380	(75,907)		309,367
Underwriting fees	-	7,201	9,854	-	-	8		17,063
Brokerage income	-	-	125,469	-	-	-		125,469
Fees on loans, advances and financing	12,262	23,149	-	-	36	19,818		55,265
Fee income from IBS operations	65,912	23,270	22,314	-	-	(12,275)		99,221
Included in overhead expenses are:								
Depreciation of property, plant and equipment	(63,633)	(17,706)	(15,771)	(206)	(5,036)	-		(102,352)
Amortisation of intangible assets	(33,385)	(10,101)	(10,185)	(120)	(5,912)	-		(59,703)

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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 2018.

A32. Subsequent Events

There were no material events subsequent to the reporting date, other than as disclosed in Note A8(ii) and B6.

A33. Changes in the Composition of the Group

There were no significant changes to the composition of the Group during the first quarter ended 31 March 2019.

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 31 March 2019			As at 31 December 2018		
	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	11,697,679	10,715,454	6,030,287	11,317,594	10,576,726	6,071,968
Certain transaction-related contingent items	16,825,662	8,294,999	5,058,669	17,430,332	8,393,068	5,303,752
Short-term self-liquidating trade-related contingencies	5,735,430	953,635	579,222	5,086,749	888,197	525,082
Obligations under underwriting agreements	-	-	-	350,106	-	-
	34,258,771	19,964,088	11,668,178	34,184,781	19,857,991	11,900,802
<u>Commitments</u>						
Irrevocable commitments to extend credit:						
- Maturity within one year	116,973,713	16,120,603	8,596,840	118,062,536	20,228,370	9,690,283
- Maturity exceeding one year	35,837,209	31,875,776	13,029,627	32,001,526	26,577,486	11,034,057
	152,810,922	47,996,379	21,626,467	150,064,062	46,805,856	20,724,340
Miscellaneous commitments and contingencies	14,484,896	4,731,590	587,630	11,702,032	3,495,252	395,741
Total credit-related commitments and contingencies	201,554,589	72,692,057	33,882,275	195,950,875	70,159,099	33,020,883

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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 31 March 2019			As at 31 December 2018		
	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
Derivative financial instruments						
Foreign exchange related contracts:						
- Less than one year	446,408,868	3,217,035	791,274	287,282,306	2,409,408	690,829
- One year to less than five years	33,421,544	448,136	188,119	32,474,807	493,586	295,405
- Five years and above	3,357,759	341,805	307,986	2,895,022	357,517	363,386
	483,188,171	4,006,976	1,287,379	322,652,135	3,260,511	1,349,620
Interest rate related contracts:						
- Less than one year	101,115,450	875,945	432,760	80,323,763	1,209,318	638,948
- One year to less than five years	207,247,773	5,309,921	3,217,045	192,871,756	5,591,544	3,777,488
- Five years and above	69,288,632	877,108	1,048,469	71,574,767	992,323	1,253,145
	377,651,855	7,062,974	4,698,274	344,770,286	7,793,185	5,669,581
Equity and commodity related contracts:						
- Less than one year	5,799,903	116,512	36,251	7,127,130	218,094	136,698
- One year to less than five years	2,539,572	502,863	197,105	2,377,639	672,088	327,610
- Five years and above	27,063	-	-	27,063	-	-
	8,366,538	619,375	233,356	9,531,832	890,182	464,308
Credit related contracts:						
- Less than one year	50,000	-	-	50,000	-	-
Total treasury-related commitments and contingencies						
	869,256,564	11,689,325	6,219,009	677,004,253	11,943,878	7,483,509
Total commitments and contingencies						
	1,070,811,153	84,381,382	40,101,284	872,955,128	82,102,977	40,504,392
Bank						
Contingent liabilities						
Direct credit substitutes	9,276,202	8,343,619	4,039,555	8,923,891	8,308,592	4,103,156
Certain transaction-related contingent items	12,948,309	6,395,451	3,678,722	13,406,870	6,456,096	3,815,720
Short-term self-liquidating trade-related contingencies	4,993,085	763,407	439,689	4,382,002	660,908	355,990
	27,217,596	15,502,477	8,157,966	26,712,763	15,425,596	8,274,866
Commitments						
Irrevocable commitments to extend credit:						
- Maturity within one year	75,865,268	9,317,269	4,821,995	76,917,938	8,653,953	4,522,825
- Maturity exceeding one year	18,369,128	20,304,398	8,855,792	16,466,024	19,622,244	8,697,626
	94,234,396	29,621,667	13,677,787	93,383,962	28,276,197	13,220,451
Miscellaneous commitments and contingencies						
	8,455,240	2,672,306	296,144	7,281,538	3,207,675	355,374
Total credit-related commitments and contingencies						
	129,907,232	47,796,450	22,131,897	127,378,263	46,909,468	21,850,691

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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 31 March 2019			As at 31 December 2018		
	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>						
Foreign exchange related contracts:						
- Less than one year	432,568,730	3,140,807	685,360	279,483,984	2,364,015	562,348
- One year to less than five years	32,399,810	354,900	142,421	31,402,000	433,705	264,475
- Five years and above	3,357,759	337,948	305,967	2,895,022	331,951	348,215
	468,326,299	3,833,655	1,133,748	313,781,006	3,129,671	1,175,038
Interest rate related contracts:						
- Less than one year	99,415,737	575,363	352,769	78,303,166	833,030	550,428
- One year to less than five years	195,508,910	4,086,027	2,428,146	181,037,946	4,044,624	2,745,023
- Five years and above	69,047,218	734,683	902,672	71,694,423	835,447	1,091,735
	363,971,865	5,396,073	3,683,587	331,035,535	5,713,101	4,387,186
Equity and commodity related contracts:						
- Less than one year	4,391,581	13,827	1,811	5,538,336	110,116	102,339
- One year to less than five years	2,539,572	502,863	197,105	2,377,639	672,088	327,610
	6,931,153	516,690	198,916	7,915,975	782,204	429,949
Credit related contracts:						
- Less than one year	50,000	-	-	50,000	-	-
Total treasury-related commitments and contingencies						
	839,279,317	9,746,418	5,016,251	652,782,516	9,624,976	5,992,173
Total commitments and contingencies						
	969,186,549	57,542,868	27,148,148	780,160,779	56,534,444	27,842,864

* 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 31 March 2019, the amount of credit risk in the Group, measured in terms of the cost to replace the profitable contracts, was RM7,087.7 million (31 December 2018: RM6,963.5 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 2 February 2018 issued the 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. All financial institutions shall hold and maintain at all times, the following minimum capital adequacy ratios:

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

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

- (ii) Total RWA is calculated as the sum of credit RWA, market RWA, operational RWA and large exposure risk requirements as determined in accordance with 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 February 2018 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) both issued on 2 February 2018. 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) both issued on 2 February 2018. 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 financial year ending 31 December 2019 (2018: 4.5%, 6.0% and 8.0% of total RWA).

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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) both issued on 2 February 2018. 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 financial year ending 31 December 2019 (2018: 4.5%, 6.0% and 8.0% of total RWA).

(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 9% up to less than 10% (2018: 10% up to less than 11%) of total RWA.

(iv) For Maybank Singapore Limited, the computation of capital adequacy ratios are based on MAS Notice 637 dated 14 September 2012 (last revised on 13 November 2018) issued by the Monetary Authority of Singapore ("MAS"). The total RWA are computed based on the following approaches:

- (A) Credit risk under Internal Ratings-Based Approach;
- (B) Market risk under Standardised Approach;
- (C) Operational risk under Basic Indicator Approach; and
- (D) Capital floor adjustment to RWA under MAS Notice 637.

The minimum regulatory capital adequacy requirements for CET1, Tier 1 and Total Capital are 6.5%, 8.0% and 10.0% of total RWA for the financial year ending 31 December 2019 (2018: 6.5%, 8.0% and 10.0% 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.

During the Annual General Meeting held on 11 April 2019, a final dividend in respect of the financial year ended 31 December 2018 of 32 sen single-tier dividend per ordinary share, which consists of a cash portion of 15 sen and an electable portion of 17 sen per ordinary share was approved by the shareholders.

In arriving the capital adequacy ratios for the financial period ended 31 March 2019, the final dividend has not 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	
	31 March 2019	31 December 2018	31 March 2019	31 December 2018
CET1 Capital Ratio	15.071%	15.029%	14.307%	13.757%
Tier 1 Capital Ratio	16.026%	15.983%	15.448%	14.871%
Total Capital Ratio	19.520%	19.024%	19.732%	18.266%

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A35. Capital Adequacy (cont'd.)

(d) Components of capital:

	Group		Bank	
	31 March 2019 RM'000	31 December 2018 RM'000	31 March 2019 RM'000	31 December 2018 RM'000
CET1 Capital				
Share capital	46,747,442	46,747,442	46,747,442	46,747,442
Retained profits ¹	19,625,946	19,905,842	14,343,352	14,410,042
Other reserves ¹	3,237,666	2,154,645	4,948,647	4,111,140
Qualifying non-controlling interests	139,940	133,264	-	-
CET1 Capital before regulatory adjustments	69,750,994	68,941,193	66,039,441	65,268,624
Less: Regulatory adjustments applied on CET1 Capital:				
Deferred tax assets	(641,937)	(1,026,818)	-	(345,186)
Goodwill	(5,546,939)	(5,547,431)	(81,015)	(81,015)
Other intangibles	(996,421)	(1,011,272)	(276,337)	(279,850)
Gains on financial instruments classified as 'fair value through other comprehensive income'	(571,679)	(43,006)	(431,345)	(32,049)
Regulatory reserve	(2,375,408)	(2,127,290)	(1,845,540)	(1,778,997)
Investment in ordinary shares of unconsolidated financial and insurance/takaful entities ²	(3,181,531)	(2,884,910)	(32,051,916)	(31,857,847)
Total CET1 Capital	56,437,079	56,300,466	31,353,288	30,893,680
Additional Tier 1 Capital				
Capital securities	3,500,000	3,500,000	3,500,000	3,500,000
Qualifying CET1 and Additional Tier 1 capital instruments held by third parties	76,452	71,182	-	-
Less: Investment in capital instruments of unconsolidated financial and insurance/takaful entities ²	-	-	(1,000,000)	(1,000,000)
Total Tier 1 Capital	60,013,531	59,871,648	33,853,288	33,393,680
Tier 2 Capital				
Subordinated obligations	11,140,992	9,066,767	11,140,992	9,066,767
Qualifying CET1, Additional Tier 1 and Tier 2 capital instruments held by third parties	41,844	405,381	-	-
General provisions ³	346,405	348,148	58,043	51,305
Surplus of total eligible provision over total expected loss	1,555,983	1,572,006	970,459	988,691
Less: Investment in capital instruments of unconsolidated financial and insurance/takaful entities ²	-	-	(2,780,519)	(2,482,391)
Total Tier 2 Capital	13,085,224	11,392,302	9,388,975	7,624,372
Total Capital	73,098,755	71,263,950	43,242,263	41,018,052

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 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.

³ Refers to loss allowance measured at an amount equal to 12-month and lifetime expected credit losses and regulatory reserve, to the extent they are ascribed to non-credit impaired exposures, determined under Standardised Approach for credit risk.

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.

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A35. Capital Adequacy (cont'd.)

(d) Components of capital (cont'd.):

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).

(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	Maybank Singapore Limited
<u>At 31 March 2019</u>				
CET1 Capital Ratio	15.545%	28.946%	-	16.887%
Tier 1 Capital Ratio	17.094%	28.946%	-	16.887%
Total Capital Ratio	<u>20.696%</u>	<u>30.487%</u>	<u>18.732%</u>	<u>17.188%</u>
<u>At 31 December 2018</u>				
CET1 Capital Ratio	16.368%	24.574%	-	15.455%
Tier 1 Capital Ratio	17.984%	24.574%	-	15.455%
Total Capital Ratio	<u>22.545%</u>	<u>26.198%</u>	<u>19.041%</u>	<u>15.696%</u>

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A35. Capital Adequacy (cont'd.)

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

At 31 March 2019

	Group RM'000	Bank RM'000	Maybank Islamic Berhad RM'000	Maybank Investment Bank Berhad RM'000	PT Bank Maybank Indonesia Tbk RM'000	Maybank Singapore Limited RM'000
Standardised Approach exposure	55,406,912	22,144,685	5,751,418	890,479	33,687,276	18,119,611
Internal Ratings-Based Approach exposure after scaling factor	259,330,495	161,743,191	61,285,711	-	-	20,956,354
Credit valuation adjustment	-	-	-	-	-	223,497
Total RWA for credit risk	314,737,407	183,887,876	67,037,129	890,479	33,687,276	39,299,462
Total RWA for credit risk absorbed by Malayan Banking Berhad and Investment Account*	-	-	(11,294,867)	-	-	-
Total RWA for market risk	17,927,235	11,936,871	1,259,067	266,859	602,604	9,595
Total RWA for operational risk	41,812,290	23,324,956	7,556,151	719,900	5,456,862	3,770,745
Total RWA	374,476,932	219,149,703	64,557,480	1,877,238	39,746,742	43,079,802

At 31 December 2018

	Group RM'000	Bank RM'000	Maybank Islamic Berhad RM'000	Maybank Investment Bank Berhad RM'000	PT Bank Maybank Indonesia Tbk RM'000	Maybank Singapore Limited RM'000
Standardised Approach exposure	53,335,879	22,273,148	5,647,539	1,288,808	33,427,795	17,910,238
Internal Ratings-Based Approach exposure after scaling factor	262,000,921	164,781,857	60,816,283	-	-	21,449,331
Credit valuation adjustment	-	-	-	-	-	238,260
Total RWA for credit risk	315,336,800	187,055,005	66,463,822	1,288,808	33,427,795	39,597,829
Total RWA for credit risk absorbed by Malayan Banking Berhad and Investment Account*	-	-	(13,113,007)	-	-	-
Total RWA for market risk	17,476,305	13,726,342	1,152,312	125,253	494,675	4,976
Total RWA for operational risk	41,792,895	23,777,893	7,381,566	748,111	5,254,843	3,565,646
Total capital floor adjustment to RWA	-	-	-	-	-	3,659,889
Total RWA	374,606,000	224,559,240	61,884,693	2,162,172	39,177,313	46,828,340

* In accordance to the BNM Investment Account policy, the credit risk weighted assets funded by investment accounts (Unrestricted Investment Account and Restricted Investment Account) are excluded from the calculation of capital adequacy ratio of the Bank.

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A36. 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 ----->		Principal Amount RM'000	<----- Fair Value ----->	
At 31 March 2019	Assets RM'000	Liabilities RM'000	RM'000	Assets RM'000	Liabilities RM'000	RM'000
Trading derivatives						
<u>Foreign exchange related contracts</u>						
Currency forwards:						
- Less than one year	36,568,677	274,757	(205,658)	29,024,177	219,142	(179,772)
- One year to three years	2,015,839	39,069	(25,123)	1,595,587	39,849	(24,893)
- More than three years	477,038	3,100	(4,367)	326,094	3,100	(8,278)
	<u>39,061,554</u>	<u>316,926</u>	<u>(235,148)</u>	<u>30,945,858</u>	<u>262,091</u>	<u>(212,943)</u>
Currency swaps:						
- Less than one year	390,500,479	1,147,366	(1,409,649)	382,926,673	1,122,364	(1,352,653)
- One year to three years	1,169,674	60	(8,496)	1,248,501	60	(7,954)
	<u>391,670,153</u>	<u>1,147,426</u>	<u>(1,418,145)</u>	<u>384,175,174</u>	<u>1,122,424</u>	<u>(1,360,607)</u>
Currency spots:						
- Less than one year	3,598,325	3,005	(3,500)	4,299,432	4,143	(4,334)
Currency options:						
- Less than one year	7,179,603	13,674	(20,471)	7,161,880	13,315	(20,384)
- One year to three years	391,449	8,089	(3,124)	411,020	8,584	(3,636)
- More than three years	735,656	54,544	(87,813)	1,266,815	70,860	(100,420)
	<u>8,306,708</u>	<u>76,307</u>	<u>(111,408)</u>	<u>8,839,715</u>	<u>92,759</u>	<u>(124,440)</u>
Cross currency interest rate swaps:						
- Less than one year	7,137,033	282,575	(194,266)	7,731,817	328,247	(252,259)
- One year to three years	15,196,801	373,160	(349,342)	14,428,789	365,501	(333,332)
- More than three years	10,558,085	363,605	(344,031)	10,246,002	358,810	(324,091)
	<u>32,891,919</u>	<u>1,019,340</u>	<u>(887,639)</u>	<u>32,406,608</u>	<u>1,052,558</u>	<u>(909,682)</u>
<u>Interest rate related contracts</u>						
Interest rate swaps:						
- Less than one year	85,349,026	76,280	(113,602)	84,678,828	74,012	(110,906)
- One year to three years	90,730,498	427,242	(1,027,136)	88,532,099	419,079	(1,018,355)
- More than three years	157,556,616	2,574,469	(2,121,924)	154,547,587	2,564,488	(2,113,008)
	<u>333,636,140</u>	<u>3,077,991</u>	<u>(3,262,662)</u>	<u>327,758,514</u>	<u>3,057,579</u>	<u>(3,242,269)</u>
Interest rate futures:						
- Less than one year	14,544,357	370,739	(377,668)	13,959,892	369,119	(377,371)
- One year to three years	4,740,380	720	(3,668)	4,495,150	720	(2,996)
	<u>19,284,737</u>	<u>371,459</u>	<u>(381,336)</u>	<u>18,455,042</u>	<u>369,839</u>	<u>(380,367)</u>
Interest rate options:						
- Less than one year	1,017,742	162	(640)	572,692	134	(640)
- One year to three years	7,044,954	6,128	(6,992)	3,777,703	6,047	(1,983)
- More than three years	15,227,587	725,291	(781,374)	12,202,396	725,399	(767,978)
	<u>23,290,283</u>	<u>731,581</u>	<u>(789,006)</u>	<u>16,552,791</u>	<u>731,580</u>	<u>(770,601)</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 ---->	
<u>At 31 March 2019 (cont'd.)</u>	Assets RM'000	Liabilities RM'000	RM'000	Assets RM'000	Liabilities RM'000	RM'000
<u>Trading derivatives (cont'd.)</u>						
<u>Equity related contracts</u>						
Index futures:						
- Less than one year	18,975	267	-	-	-	-
- More than three years	27,063	1,843	-	-	-	-
	<u>46,038</u>	<u>2,110</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Equity options:						
- Less than one year	221,067	87,951	(105,559)	-	-	-
Equity swaps:						
- Less than one year	1,278,114	73,407	(140,384)	109,834	25,271	-
<u>Commodity related contracts</u>						
Commodity options:						
- Less than one year	3,239,054	30,171	(30,171)	3,239,054	30,171	(30,171)
- One year to three years	1,219,786	49,284	(49,284)	1,219,786	49,284	(49,284)
	<u>4,458,840</u>	<u>79,455</u>	<u>(79,455)</u>	<u>4,458,840</u>	<u>79,455</u>	<u>(79,455)</u>
Commodity swaps:						
- Less than one year	1,042,693	48,255	(48,209)	1,042,693	48,255	(48,209)
- One year to three years	1,315,625	63,260	(60,702)	1,315,625	63,260	(60,702)
- More than three years	4,161	47	(7)	4,161	47	(7)
	<u>2,362,479</u>	<u>111,562</u>	<u>(108,918)</u>	<u>2,362,479</u>	<u>111,562</u>	<u>(108,918)</u>
<u>Credit related contracts</u>						
Credit default swaps						
- Less than one year	50,000	205	-	50,000	205	-
<u>Hedging derivatives</u>						
<u>Foreign exchange related contracts</u>						
Cross currency interest rate swaps:						
- Less than one year	1,424,751	10,201	(119,231)	1,424,751	10,201	(119,230)
- One year to three years	4,101,144	185,599	(25,950)	4,101,144	185,599	(25,950)
- More than three years	2,133,617	34,754	(15,646)	2,133,617	34,754	(15,646)
	<u>7,659,512</u>	<u>230,554</u>	<u>(160,827)</u>	<u>7,659,512</u>	<u>230,554</u>	<u>(160,826)</u>
<u>Interest rate related contracts</u>						
Interest rate swaps:						
- Less than one year	204,325	1,643	-	204,325	813	-
- One year to three years	235,177	-	-	-	-	-
- More than three years	1,001,193	19,764	(15,165)	1,001,193	19,764	(15,165)
	<u>1,440,695</u>	<u>21,407</u>	<u>(15,165)</u>	<u>1,205,518</u>	<u>20,577</u>	<u>(15,165)</u>
Netting effects under MFRS 132 Amendments						
	-	(262,963)	262,963	-	(260,772)	260,772
Total	<u>869,256,564</u>	<u>7,087,723</u>	<u>(7,436,189)</u>	<u>839,279,317</u>	<u>6,899,825</u>	<u>(7,108,835)</u>

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A36. Derivative Financial Instruments (cont'd.)

At 31 December 2018	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	31,194,544	340,334	(224,885)	22,636,448	205,364	(195,765)
- One year to three years	2,419,856	45,870	(18,400)	1,970,597	45,856	(18,356)
- More than three years	97,073	528	(5,593)	294,686	528	(17,956)
	<u>33,711,473</u>	<u>386,732</u>	<u>(248,878)</u>	<u>24,901,731</u>	<u>251,748</u>	<u>(232,077)</u>
Currency swaps:						
- Less than one year	240,620,998	1,526,191	(1,796,461)	239,968,781	1,626,372	(1,837,297)
- One year to three years	326,248	-	(16,607)	473,554	14	(16,651)
	<u>240,947,246</u>	<u>1,526,191</u>	<u>(1,813,068)</u>	<u>240,442,335</u>	<u>1,626,386</u>	<u>(1,853,948)</u>
Currency spots:						
- Less than one year	2,374,825	3,429	(3,976)	3,158,817	3,423	(3,860)
Currency options:						
- Less than one year	3,033,745	9,491	(22,956)	2,882,626	7,966	(20,363)
- One year to three years	730,832	21,942	(14,104)	731,273	20,732	(9,280)
- More than three years	1,276,970	169,270	(224,131)	1,282,935	85,454	(114,836)
	<u>5,041,547</u>	<u>200,703</u>	<u>(261,191)</u>	<u>4,896,834</u>	<u>114,152</u>	<u>(144,479)</u>
Cross currency interest rate swaps:						
- Less than one year	8,934,360	381,262	(412,543)	9,713,478	489,087	(496,897)
- One year to three years	13,236,175	333,367	(295,928)	12,575,553	325,751	(270,406)
- More than three years	12,017,581	443,496	(437,216)	11,703,330	437,900	(410,959)
	<u>34,188,116</u>	<u>1,158,125</u>	<u>(1,145,687)</u>	<u>33,992,361</u>	<u>1,252,738</u>	<u>(1,178,262)</u>
<u>Interest rate related contracts</u>						
Interest rate swaps:						
- Less than one year	73,235,461	63,566	(91,014)	73,056,163	59,536	(84,512)
- One year to three years	81,782,048	332,846	(659,335)	80,165,902	309,787	(638,721)
- More than three years	159,933,739	2,314,314	(2,265,464)	156,468,330	2,280,842	(2,245,824)
	<u>314,951,248</u>	<u>2,710,726</u>	<u>(3,015,813)</u>	<u>309,690,395</u>	<u>2,650,165</u>	<u>(2,969,057)</u>
Interest rate futures:						
- Less than one year	5,638,880	294,289	(296,322)	4,556,489	293,949	(296,123)
- One year to three years	660,095	199	(481)	289,695	199	-
	<u>6,298,975</u>	<u>294,488</u>	<u>(296,803)</u>	<u>4,846,184</u>	<u>294,148</u>	<u>(296,123)</u>
Interest rate options:						
- Less than one year	932,109	32	(119)	483,589	-	(87)
- One year to three years	6,308,531	3,664	(2,204)	3,775,048	4,673	(1,790)
- More than three years	14,718,530	419,925	(591,386)	11,226,386	400,873	(572,180)
	<u>21,959,170</u>	<u>423,621</u>	<u>(593,709)</u>	<u>15,485,023</u>	<u>405,546</u>	<u>(574,057)</u>

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A36. Derivative Financial Instruments (cont'd.)

At 31 December 2018 (cont'd.)	Principal	Group		Principal	Bank	
	Amount	<---- Fair Value ---->		Amount	<---- Fair Value ---->	
	RM'000	Assets	Liabilities	RM'000	Assets	Liabilities
		RM'000	RM'000		RM'000	RM'000
Trading derivatives (cont'd.)						
<u>Equity related contracts</u>						
Index futures:						
- More than three years	27,063	1,865	-	-	-	-
	<u>27,063</u>	<u>1,865</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Equity options:						
- Less than one year	225,554	21,246	(240,799)	-	-	-
	<u>225,554</u>	<u>21,246</u>	<u>(240,799)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Equity swaps:						
- Less than one year	1,484,325	63,626	(172,649)	121,085	26,312	(285)
	<u>1,484,325</u>	<u>63,626</u>	<u>(172,649)</u>	<u>121,085</u>	<u>26,312</u>	<u>(285)</u>
<u>Commodity related contracts</u>						
Commodity options:						
- Less than one year	3,977,049	70,641	(70,641)	3,977,049	70,641	(70,641)
- One year to three years	1,058,800	43,926	(43,926)	1,058,800	43,926	(43,926)
	<u>5,035,849</u>	<u>114,567</u>	<u>(114,567)</u>	<u>5,035,849</u>	<u>114,567</u>	<u>(114,567)</u>
Commodity swaps:						
- Less than one year	1,440,202	132,434	(134,542)	1,440,202	132,434	(134,542)
- One year to three years	1,301,886	77,543	(76,070)	1,301,886	77,543	(76,070)
- More than three years	16,953	796	(729)	16,953	796	(729)
	<u>2,759,041</u>	<u>210,773</u>	<u>(211,341)</u>	<u>2,759,041</u>	<u>210,773</u>	<u>(211,341)</u>
<u>Credit-related contract</u>						
Credit default swaps						
- Less than one year	50,000	302	-	50,000	302	-
	<u>50,000</u>	<u>302</u>	<u>-</u>	<u>50,000</u>	<u>302</u>	<u>-</u>
<u>Hedging derivatives</u>						
<u>Foreign exchange related contracts</u>						
Cross currency interest rate swaps:						
- Less than one year	1,123,834	3,274	(117,548)	1,123,834	3,273	(117,546)
- One year to three years	3,233,806	145,501	(28,254)	3,233,806	145,501	(28,254)
- More than three years	2,031,288	24,501	(34,107)	2,031,288	24,501	(34,107)
	<u>6,388,928</u>	<u>173,276</u>	<u>(179,909)</u>	<u>6,388,928</u>	<u>173,275</u>	<u>(179,907)</u>
<u>Interest rate related contracts</u>						
Interest rate swaps:						
- Less than one year	517,313	1,495	(1,117)	206,925	-	(1,117)
- One year to three years	236,572	520	-	-	-	-
- More than three years	807,008	10,519	(14,960)	807,008	10,519	(14,960)
	<u>1,560,893</u>	<u>12,534</u>	<u>(16,077)</u>	<u>1,013,933</u>	<u>10,519</u>	<u>(16,077)</u>
Netting effects under MFRS 132 Amendments						
	-	(338,683)	338,683	-	(334,991)	334,991
Total	<u>677,004,253</u>	<u>6,963,521</u>	<u>(7,975,784)</u>	<u>652,782,516</u>	<u>6,799,063</u>	<u>(7,439,049)</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, illiquid equities and consumer loans and financing with homogeneous or similar features in the market.

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

Refers to instruments where fair value is measured using significant unobservable inputs. The valuation techniques used are consistent with 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, private equity investments and loans and financing priced primarily based on internal credit assessment.

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 31 March 2019 and 31 December 2018.

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 31 March 2019				
Financial assets measured at fair value:				
Financial assets designated upon initial recognition at fair value through profit or loss	102,300	16,404,754	-	16,507,054
Money market instruments	-	361,209	-	361,209
Quoted securities	102,300	-	-	102,300
Unquoted securities	-	16,043,545	-	16,043,545
Financial investments at fair value through profit or loss	5,167,779	9,956,347	779,947	15,904,073
Money market instruments	-	5,671,241	-	5,671,241
Quoted securities	5,167,779	-	-	5,167,779
Unquoted securities	-	4,285,106	779,947	5,065,053
Financial investments at fair value through other comprehensive income	189,406	124,509,800	687,552	125,386,758
Money market instruments	-	66,960,175	-	66,960,175
Quoted securities	189,406	-	-	189,406
Unquoted securities	-	57,549,625	687,552	58,237,177
Loans, advances and financing at fair value through profit or loss	-	-	361,667	361,667
Loans, advances and financing at fair value through other comprehensive income	-	-	7,990,680	7,990,680

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

Group (cont'd.) At 31 March 2019	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 (cont'd.):				
Derivative assets	-	6,977,194	110,529	7,087,723
Foreign exchange related contracts	-	2,793,558	-	2,793,558
Interest rate related contracts	-	4,202,438	-	4,202,438
Equity and commodity related contracts	-	243,956	110,529	354,485
Credit related contracts	-	205	-	205
Netting effects under MFRS 132 Amendments	-	(262,963)	-	(262,963)
	5,459,485	157,848,095	9,930,375	173,237,955

Financial liabilities measured at fair value:

Financial liabilities designated at fair value through profit or loss	-	8,288,159	-	8,288,159
Structured deposits	-	611,708	-	611,708
Borrowings	-	7,676,451	-	7,676,451
Derivative liabilities	-	7,325,660	110,529	7,436,189
Foreign exchange related contracts	-	2,816,667	-	2,816,667
Interest rate related contracts	-	4,448,169	-	4,448,169
Equity and commodity related contracts	-	323,787	110,529	434,316
Netting effects under MFRS 132 Amendments	-	(262,963)	-	(262,963)
	-	15,613,819	110,529	15,724,348

Group At 31 December 2018	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 designated upon initial recognition at fair value through profit or loss	114,885	15,601,153	-	15,716,038
Money market instruments	-	621,775	-	621,775
Quoted securities	114,885	-	-	114,885
Unquoted securities	-	14,979,378	-	14,979,378
Financial investments at fair value through profit or loss	4,526,355	8,946,598	779,947	14,252,900
Money market instruments	-	3,710,944	-	3,710,944
Quoted securities	4,526,355	-	-	4,526,355
Unquoted securities	-	5,235,654	779,947	6,015,601
Financial investments at fair value through other comprehensive income	189,166	120,211,367	513,355	120,913,888
Money market instruments	-	67,472,671	-	67,472,671
Quoted securities	189,166	-	-	189,166
Unquoted securities	-	52,738,696	513,355	53,252,051
Loans, advances and financing at fair value through profit or loss	-	-	396,950	396,950
Loans, advances and financing at fair value through other comprehensive income	-	-	8,968,438	8,968,438

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

Group (cont'd.) At 31 December 2018	<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 (cont'd.):				
Derivative assets	-	6,759,574	203,947	6,963,521
Foreign exchange related contracts	-	3,448,456	-	3,448,456
Interest rate related contracts	-	3,441,369	-	3,441,369
Equity and commodity related contracts	-	208,130	203,947	412,077
Credit related contracts	-	302	-	302
Netting effects under MFRS 132 Amendments	-	(338,683)	-	(338,683)
	<u>4,830,406</u>	<u>151,518,692</u>	<u>10,862,637</u>	<u>167,211,735</u>
Financial liabilities measured at fair value:				
Financial liabilities designated at fair value through profit or loss	-	8,892,691	-	8,892,691
Structured deposits	-	1,640,430	-	1,640,430
Borrowings	-	7,252,261	-	7,252,261
Derivative liabilities	-	7,771,837	203,947	7,975,784
Foreign exchange related contracts	-	3,652,709	-	3,652,709
Interest rate related contracts	-	3,922,402	-	3,922,402
Equity and commodity related contracts	-	535,409	203,947	739,356
Netting effects under MFRS 132 Amendments	-	(338,683)	-	(338,683)
	<u>-</u>	<u>16,664,528</u>	<u>203,947</u>	<u>16,868,475</u>
Bank				
<u>Valuation technique using</u>				
Bank At 31 March 2019	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 investments at fair value through profit or loss	227,596	11,079,428	600,549	11,907,573
Money market instruments	-	5,103,228	-	5,103,228
Quoted securities	227,596	-	-	227,596
Unquoted securities	-	5,976,200	600,549	6,576,749
Financial investments at fair value through other comprehensive income	20,391	89,844,259	633,835	90,498,485
Money market instruments	-	42,817,533	-	42,817,533
Quoted securities	20,391	-	-	20,391
Unquoted securities	-	47,026,726	633,835	47,660,561
Loans, advances and financing at fair value through profit or loss	-	-	361,667	361,667
Loans, advances and financing at fair value through other comprehensive income	-	-	7,693,976	7,693,976
Derivative assets	-	6,789,296	110,529	6,899,825
Foreign exchange related contracts	-	2,764,529	-	2,764,529
Interest rate related contracts	-	4,179,575	-	4,179,575
Equity and commodity related contracts	-	105,759	110,529	216,288
Credit related contracts	-	205	-	205
Netting effects under MFRS 132 Amendments	-	(260,772)	-	(260,772)
	<u>247,987</u>	<u>107,712,983</u>	<u>9,400,556</u>	<u>117,361,526</u>

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

Bank (cont'd.) At 31 December 2018	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				
Structured deposits	-	8,507,004	-	8,507,004
Borrowings	-	1,254,743	-	1,254,743
	-	7,252,261	-	7,252,261
Derivative liabilities				
Foreign exchange related contracts	-	7,235,102	203,947	7,439,049
Interest rate related contracts	-	3,592,533	-	3,592,533
Equity and commodity related contracts	-	3,855,314	-	3,855,314
Netting effects under MFRS132 Amendments	-	122,246	203,947	326,193
	-	(334,991)	-	(334,991)
	-	15,742,106	203,947	15,946,053

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

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

Loans, advances and financing at fair value through profit or loss and at fair value through other comprehensive income

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

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 2019 RM'000	Other losses recognised in income statements* RM'000	Unrealised losses recognised in income statements# RM'000	Unrealised gains/(losses) recognised in other comprehensive income RM'000	Purchases/ Issuances/ Additions 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 31 March 2019 RM'000
Financial investments at fair value through profit or loss											
Unquoted securities	779,947	-	-	-	-	-	-	-	-	-	779,947
Financial investments at fair value through other comprehensive income											
Unquoted securities	513,355	-	-	174,778	-	-	-	(581)	-	-	687,552
Loans, advances and financing at fair value through profit or loss	396,950	-	(1,876)	-	-	-	(33,350)	(57)	-	-	361,667
Loans, advances and financing at fair value through other comprehensive income	8,968,438	-	-	(38,070)	412,158	-	(1,351,846)	-	-	-	7,990,680
Derivative assets											
Equity and commodity related contracts	203,947	(50,035)	-	-	9,871	-	(53,254)	-	-	-	110,529
Total Level 3 financial assets	<u>10,862,637</u>	<u>(50,035)</u>	<u>(1,876)</u>	<u>136,708</u>	<u>422,029</u>	<u>-</u>	<u>(1,438,450)</u>	<u>(638)</u>	<u>-</u>	<u>-</u>	<u>9,930,375</u>
Derivative liabilities											
Equity and commodity related contracts	(203,947)	(49,843)	-	-	(9,871)	-	153,132	-	-	-	(110,529)
Total Level 3 financial liabilities	<u>(203,947)</u>	<u>(49,843)</u>	<u>-</u>	<u>-</u>	<u>(9,871)</u>	<u>-</u>	<u>153,132</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(110,529)</u>
Total net Level 3 financial assets/(liabilities)	<u>10,658,690</u>	<u>(99,878)</u>	<u>(1,876)</u>	<u>136,708</u>	<u>412,158</u>	<u>-</u>	<u>(1,285,318)</u>	<u>(638)</u>	<u>-</u>	<u>-</u>	<u>9,819,846</u>

* 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.)

Group	At 1 January 2018 RM'000	Effect of adopting MFRS 9 RM'000	Restated as at 1 January 2018 RM'000	Other gains recognised in income statements* RM'000	Unrealised gains/(losses) recognised in income statements# RM'000	Unrealised gains recognised in other comprehensive income RM'000	Purchases/ Issuances/ Additions 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 31 December 2018 RM'000
Financial investments at fair value through profit or loss													
Unquoted securities	-	260,501	260,501	-	519,446	-	-	-	-	-	-	-	779,947
Financial investments at fair value through other comprehensive income													
Unquoted securities	508,225	(182,136)	326,089	-	-	197,846	533	-	(2,677)	(8,436)	-	-	513,355
Loans, advances and financing at fair value through profit or loss	-	-	-	-	9,943	-	386,867	-	-	140	-	-	396,950
Loans, advances and financing at fair value through other comprehensive income	-	3,816,059	3,816,059	-	-	46,364	6,203,564	-	(1,097,549)	-	-	-	8,968,438
Derivative assets													
Equity and commodity related contracts	479,534	-	479,534	238,048	(242,123)	-	120,274	-	(391,786)	-	-	-	203,947
Total Level 3 financial assets	987,759	3,894,424	4,882,183	238,048	287,266	244,210	6,711,238	-	(1,492,012)	(8,296)	-	-	10,862,637
Derivative liabilities													
Equity and commodity related contracts	(478,473)	-	(478,473)	243,703	(240,212)	-	(125,703)	-	396,738	-	-	-	(203,947)
Total Level 3 financial liabilities	(478,473)	-	(478,473)	243,703	(240,212)	-	(125,703)	-	396,738	-	-	-	(203,947)
Total net Level 3 financial assets/(liabilities)	509,286	3,894,424	4,403,710	481,751	47,054	244,210	6,585,535	-	(1,095,274)	(8,296)	-	-	10,658,690

* 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.):

<u>Bank</u> At 31 March 2019	At 1 January 2019 RM'000	Other losses recognised in income statements*	Unrealised losses recognised in income statements#	Unrealised gains/(losses) recognised in other comprehensive income	Purchases/ Issuances/ Additions	Sales	Settlements	Exchange differences	Transfer into Level 3	Transfer out from Level 3	At 31 March 2019 RM'000
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Financial investments at fair value through profit or loss											
Unquoted securities	600,549	-	-	-	-	-	-	-	-	-	600,549
Financial investments at fair value through other comprehensive income											
Unquoted securities	459,057	-	-	174,778	-	-	-	-	-	-	633,835
Loans, advances and financing at fair value through profit or loss	396,950	-	(1,876)	-	-	-	(33,350)	(57)	-	-	361,667
Loans, advances and financing at fair value through other comprehensive income	8,680,217	-	-	(38,253)	403,858	-	(1,351,846)	-	-	-	7,693,976
Derivative assets											
Equity and commodity related contracts	203,947	(50,035)	-	-	9,871	-	(53,254)	-	-	-	110,529
Total Level 3 financial assets	<u>9,943,770</u>	<u>(50,035)</u>	<u>(1,876)</u>	<u>136,525</u>	<u>413,729</u>	<u>-</u>	<u>(1,438,450)</u>	<u>(57)</u>	<u>-</u>	<u>-</u>	<u>9,400,556</u>
Derivative liabilities											
Equity and commodity related contracts	(203,947)	(49,843)	-	-	(9,871)	-	153,132	-	-	-	(110,529)
Total Level 3 financial liabilities	<u>(203,947)</u>	<u>(49,843)</u>	<u>-</u>	<u>-</u>	<u>(9,871)</u>	<u>-</u>	<u>153,132</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(110,529)</u>
Total net Level 3 financial assets/(liabilities)	<u>9,739,823</u>	<u>(99,878)</u>	<u>(1,876)</u>	<u>136,525</u>	<u>403,858</u>	<u>-</u>	<u>(1,285,318)</u>	<u>(57)</u>	<u>-</u>	<u>-</u>	<u>9,290,027</u>

* 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.):

<u>Bank</u>	At 1 January 2018	Effect of adopting MFRS 9	Restated as at 1 January 2018	Other gains recognised in income statements*	Unrealised gains/(losses) recognised in income statements#	Unrealised gains recognised in other comprehensive income	Purchases/ Issuances/ Additions	Sales	Settlements	Exchange differences	Transfer into Level 3	Transfer out from Level 3	At 31 December 2018
At 31 December 2018	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Financial investments at fair value through profit or loss													
Unquoted securities	-	91,562	91,562	-	508,987	-	-	-	-	-	-	-	600,549
Financial investments at fair value through other comprehensive income													
Unquoted securities	355,414	(91,562)	263,852	-	-	197,882	-	-	(2,677)	-	-	-	459,057
Loans, advances and financing at fair value through profit or loss													
	-	-	-	-	9,943	-	386,867	-	-	140	-	-	396,950
Loans, advances and financing at fair value through other comprehensive income													
	-	3,600,803	3,600,803	-	-	39,842	5,885,565	-	(845,993)	-	-	-	8,680,217
Derivative assets													
Equity and commodity related contracts	479,534	-	479,534	238,048	(242,123)	-	120,274	-	(391,786)	-	-	-	203,947
Total Level 3 financial assets	834,948	3,600,803	4,435,751	238,048	276,807	237,724	6,392,706	-	(1,240,456)	140	-	-	10,340,720

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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.):

	At 1 January 2018 RM'000	Effect of adopting MFRS 9 RM'000	Restated as at 1 January 2018 RM'000	Other gains recognised in income statements*	Unrealised gains/(losses) recognised in income statements#	Unrealised gains recognised in other comprehensive income	Purchases/ Issuances/ Additions 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 31 December 2018 RM'000
Bank													
At 31 December 2018													
Derivative liabilities													
Equity and commodity related contracts	(478,473)	-	(478,473)	243,703	(240,212)	-	(125,703)	-	396,738	-	-	-	(203,947)
Total Level 3 financial liabilities	(478,473)	-	(478,473)	243,703	(240,212)	-	(125,703)	-	396,738	-	-	-	(203,947)
Total net Level 3 financial assets/(liabilities)	356,475	3,600,803	3,957,278	481,751	36,595	237,724	6,267,003	-	(843,718)	140	-	-	10,136,773

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

Included within 'Other operating income'.

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 3 months financial period ended 31 March 2019.

Movements in Level 3 financial instruments measured at fair value

There were no transfers into or out of Level 3 for the Group and the Bank during the 3 months financial period ended 31 March 2019.

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

Pursuant to Paragraph 11.4(f) of Bank Negara Malaysia's Financial Reporting Policy issued on 2 February 2018, 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 First Quarter Ended 31 March 2019

Group Three-Month Ended	Life Fund		Family Takaful Fund		General Takaful Fund		Shareholders' and General Fund		Total	
	31 March 2019 RM'000	31 March 2018 RM'000	31 March 2019 RM'000	31 March 2018 RM'000	31 March 2019 RM'000	31 March 2018 RM'000	31 March 2019 RM'000	31 March 2018 RM'000	31 March 2019 RM'000	31 March 2018 RM'000
Interest income	122,329	106,580	119,377	108,834	19,342	16,828	54,608	54,422	315,656	286,664
Interest expense	-	-	-	-	-	-	(3,344)	(8,443)	(3,344)	(8,443)
Net interest income	122,329	106,580	119,377	108,834	19,342	16,828	51,264	45,979	312,312	278,221
Net earned insurance premiums	497,199	607,369	538,350	391,427	308,426	263,836	282,571	248,749	1,626,546	1,511,381
Other operating income	284,333	(50,625)	155,499	(16,550)	890	(605)	60,628	5,687	501,350	(62,093)
Total operating income	903,861	663,324	813,226	483,711	328,658	280,059	394,463	300,415	2,440,208	1,727,509
Net insurance benefits and claims incurred, net fee and commission expenses, change in expense liabilities and taxation of life and takaful fund	(847,062)	(613,683)	(805,776)	(477,761)	(326,897)	(281,247)	14,042	(55,572)	(1,965,693)	(1,428,263)
Net operating income/(loss)	56,799	49,641	7,450	5,950	1,761	(1,188)	408,505	244,843	474,515	299,246
Overhead expenses	(55,025)	(49,031)	(6,823)	(5,545)	(58)	(1)	(157,836)	(140,692)	(219,742)	(195,269)
Operating (loss)/profit before impairment losses	1,774	610	627	405	1,703	(1,189)	250,669	104,151	254,773	103,977
(Allowances for)/writeback of impairment losses on loans, advances, financing and other debts, net	(1,557)	(598)	(424)	(571)	(1,590)	951	(3,354)	4,539	(6,925)	4,321
(Allowances for)/writeback of impairment losses on financial investments, net	(104)	(12)	(203)	166	(113)	238	(332)	(89)	(752)	303
Allowances for impairment losses on other financial assets, net	(113)	-	-	-	-	-	(1,677)	-	(1,790)	-
Operating profit	-	-	-	-	-	-	245,306	108,601	245,306	108,601
Share of profits in associates	-	-	-	-	-	-	-	-	-	-
Profit before taxation and zakat	-	-	-	-	-	-	245,306	108,601	245,306	108,601
Taxation and zakat	-	-	-	-	-	-	(75,595)	(40,361)	(75,595)	(40,361)
Profit for the period	-	-	-	-	-	-	169,711	68,240	169,711	68,240

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

Pursuant to Paragraph 11.4(f) of Bank Negara Malaysia's Financial Reporting Policy issued on 2 February 2018, 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 31 March 2019

Group	Life Fund		Family Takaful Fund		General Takaful Fund		Shareholders' and General Fund		Total	
	31 March 2019	31 December 2018	31 March 2019	31 December 2018	31 March 2019	31 December 2018	31 March 2019	31 December 2018	31 March 2019	31 December 2018
	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	126,459	132,562	13,442	9,787	18,446	73,218	194,398	369,725	352,745	585,292
Deposits and placements with financial institutions	859,367	980,609	729,737	737,368	70,796	132,863	794,401	636,764	2,454,301	2,487,604
Financial investments at fair value through profit or loss	10,445,226	9,970,035	6,808,351	6,542,722	80,189	86,911	1,938,144	2,058,860	19,271,910	18,658,528
Financial investments at fair value through other comprehensive income	1,430,380	1,163,070	3,434,064	3,257,876	1,664,648	1,494,223	2,669,241	2,352,084	9,198,333	8,267,253
Loans, advances and financing	235,080	234,673	-	-	-	-	61,903	57,517	296,983	292,190
Derivative assets	8,164	4,647	-	-	-	-	484	81	8,648	4,728
Reinsurance/retakaful assets and other insurance receivables	101,423	91,112	9,285	73,802	366,540	298,697	3,348,918	3,336,436	3,826,166	3,800,047
Other assets	189,927	125,759	222,974	168,989	4,547	6,423	313,223	303,407	730,671	604,578
Investment properties	763,656	762,240	-	-	-	-	128,419	128,432	892,075	890,672
Interest in associates	-	-	-	-	-	-	152	152	152	152
Property, plant and equipment	84,681	86,256	-	-	-	-	53,935	54,709	138,616	140,965
Right-of-use assets	-	-	-	-	-	-	32,212	-	32,212	-
Intangible assets	46,862	43,949	-	-	-	-	50,608	51,863	97,470	95,812
Deferred tax assets	3,961	5,960	3,027	3,471	6,363	8,841	18,630	23,393	31,981	41,665
TOTAL ASSETS	14,295,186	13,600,872	11,220,880	10,794,015	2,211,529	2,101,176	9,604,668	9,373,423	37,332,263	35,869,486
LIABILITIES										
Derivative liabilities	13,544	14,168	-	-	-	-	-	33	13,544	14,201
Insurance/takaful contract liabilities and other insurance payables	10,909,570	10,407,488	10,720,760	10,313,387	1,845,934	1,789,053	4,322,750	4,343,174	27,799,014	26,853,102
Other liabilities #	3,369,387	3,157,901	482,509	480,726	361,410	310,265	(2,004,252)	(2,038,275)	2,209,054	1,910,617
Provision for taxation and zakat	(34,086)	(199)	(1,889)	(1,803)	-	-	256,658	284,373	220,683	282,371
Deferred tax liabilities	36,771	21,514	19,500	1,705	4,185	1,858	352,248	316,496	412,704	341,573
Subordinated obligations	-	-	-	-	-	-	304,532	301,189	304,532	301,189
TOTAL LIABILITIES	14,295,186	13,600,872	11,220,880	10,794,015	2,211,529	2,101,176	3,231,936	3,206,990	30,959,531	29,703,053
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE SUBSIDIARIES										
Share capital	-	-	-	-	-	-	660,865	660,865	660,865	660,865
Other reserves	-	-	-	-	-	-	5,711,867	5,505,568	5,711,867	5,505,568
	-	-	-	-	-	-	6,372,732	6,166,433	6,372,732	6,166,433
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	14,295,186	13,600,872	11,220,880	10,794,015	2,211,529	2,101,176	9,604,668	9,373,423	37,332,263	35,869,486

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 First Quarter Ended 31 March 2019

<u>Group</u>	First Quarter Ended		Cumulative 3 Months Ended	
	31 March 2019 RM'000	31 March 2018 RM'000	31 March 2019 RM'000	31 March 2018 RM'000
Income derived from investment of depositors' funds	2,343,074	2,070,235	2,343,074	2,070,235
Income derived from investment of investment account funds	278,757	311,419	278,757	311,419
Income derived from investment of Islamic Banking Funds	131,217	107,357	131,217	107,357
Writeback of/(allowances for) impairment losses on financing and advances, net	44,411	(346,408)	44,411	(346,408)
Writeback of impairment losses on financial investments, net	1,751	4,733	1,751	4,733
(Allowances for)/writeback of impairment losses on other financial assets, net	(41)	162	(41)	162
Total distributable income	2,799,169	2,147,498	2,799,169	2,147,498
Profit distributed to depositors	(1,380,241)	(1,146,293)	(1,380,241)	(1,146,293)
Profit distributed to investment account holders	(165,056)	(183,574)	(165,056)	(183,574)
Total net income	1,253,872	817,631	1,253,872	817,631
Finance cost	(97,881)	(90,072)	(97,881)	(90,072)
Overhead expenses	(411,112)	(374,305)	(411,112)	(374,305)
Profit before taxation and zakat	744,879	353,254	744,879	353,254
Taxation	(177,718)	(132,966)	(177,718)	(132,966)
Zakat	(6,296)	(5,851)	(6,296)	(5,851)
Profit for the period	560,865	214,437	560,865	214,437

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

<u>Group</u>	First Quarter Ended		Cumulative 3 Months Ended	
	31 March 2019 RM'000	31 March 2018 RM'000	31 March 2019 RM'000	31 March 2018 RM'000
Income derived from investment of depositors' funds	2,343,074	2,070,235	2,343,074	2,070,235
Income derived from investment of investment account funds	278,757	311,419	278,757	311,419
Income derived from investment of Islamic Banking Funds	131,217	107,357	131,217	107,357
Total income before allowances for impairment losses on financial assets and overhead expenses	2,753,048	2,489,011	2,753,048	2,489,011
Profit distributed to depositors	(1,380,241)	(1,146,293)	(1,380,241)	(1,146,293)
Profit distributed to investment account holders	(165,056)	(183,574)	(165,056)	(183,574)
	1,207,751	1,159,144	1,207,751	1,159,144
Finance cost	(97,881)	(90,072)	(97,881)	(90,072)
Net of intercompany income and expenses	386,748	278,942	386,748	278,942
Income from Islamic Banking Scheme	1,496,618	1,348,014	1,496,618	1,348,014

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

A39b. Unaudited Statements of Comprehensive Income for the First Quarter Ended 31 March 2019

<u>Group</u>	First Quarter Ended		Cumulative 3 Months Ended	
	31 March 2019 RM'000	31 March 2018 RM'000	31 March 2019 RM'000	31 March 2018 RM'000
Profit for the period	560,865	214,437	560,865	214,437
Other comprehensive income/(loss):				
<i>Items that will not be reclassified subsequently to profit or loss:</i>				
Defined benefit plan actuarial (loss)/gain	(577)	495	(577)	495
Income tax effect	144	(124)	144	(124)
	(433)	371	(433)	371
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Net gain on foreign exchange translation	4,447	15,694	4,447	15,694
Net gain on financial investments at fair value through other comprehensive income	133,538	16,149	133,538	16,149
- Net gain from change in fair value	177,507	13,560	177,507	13,560
- Changes in expected credit losses	(1,367)	5,535	(1,367)	5,535
- Income tax effect	(42,602)	(2,946)	(42,602)	(2,946)
	137,985	31,843	137,985	31,843
Other comprehensive income for the period, net of tax	137,552	32,214	137,552	32,214
Total comprehensive income for the period	698,417	246,651	698,417	246,651

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

A39c. Unaudited Statement of Financial Position as at 31 March 2019

<u>Group</u>	Note	31 March 2019 RM'000	31 December 2018 RM'000
ASSETS			
Cash and short-term funds		22,974,855	21,944,445
Deposits and placements with financial institutions		-	251,328
Financial investments at fair value through profit or loss		372,265	995,072
Financial investments at fair value through other comprehensive income		12,588,151	12,447,389
Financial investments at amortised cost		7,333,707	6,608,811
Financing and advances	A39e	177,692,659	174,288,168
Derivative assets		321,694	403,993
Other assets		4,126,302	4,835,851
Statutory deposit with central banks		4,398,766	4,205,000
Right-of-use assets		6,227	-
Deferred tax assets		6,084	30,143
Total Assets		229,820,710	226,010,200
LIABILITIES			
Customers' funding:			
- Deposits from customers	A39f	149,277,488	147,781,751
- Investment accounts of customers ¹	A39g	22,800,306	23,565,061
Deposits and placements from financial institutions		36,884,490	32,174,135
Financial liabilities at fair value through profit or loss	A39h	149,587	385,687
Bills and acceptances payable		20,419	11,050
Derivatives liabilities		317,136	391,949
Other liabilities		966,886	2,555,728
Deferred tax liabilities		18,620	-
Provision for taxation and zakat		34,253	35,826
Term funding	A39i	4,962,574	4,738,180
Subordinated sukuk	A39j	2,005,733	2,534,301
Capital securities	A39k	1,014,647	1,002,441
Total Liabilities		218,452,139	215,176,109
ISLAMIC BANKING CAPITAL FUNDS			
Islamic Banking Funds		7,474,307	7,473,540
Retained profits		3,263,327	3,050,868
Other reserves		630,937	309,683
		11,368,571	10,834,091
Total Liabilities and Islamic Banking Capital Funds		229,820,710	226,010,200
COMMITMENTS AND CONTINGENCIES			
		62,079,630	59,033,318

¹ Investment accounts of customers are used to fund financing and advances as disclosed in Note A39e(ii).

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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 First Quarter Ended 31 March 2019

<u>Group</u>	-----Non-distributable----->							Total RM'000
	Islamic Banking Funds RM'000	Regulatory Reserve RM'000	Fair Value Through Other Comprehensive Income 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	
At 1 January 2019	7,473,540	313,516	(5,865)	(473)	1,697	808	3,050,868	10,834,091
Profit for the period	-	-	-	-	-	-	560,865	560,865
Other comprehensive income/(loss)	-	-	133,538	4,447	-	(433)	-	137,552
Net gain on foreign exchange translation	-	-	-	4,447	-	-	-	4,447
Net gain on financial investments at fair value through other comprehensive income	-	-	133,538	-	-	-	-	133,538
Defined benefit plan actuarial loss	-	-	-	-	-	(433)	-	(433)
Total comprehensive income/(loss) for the period	-	-	133,538	4,447	-	(433)	560,865	698,417
Transfer from/(to) conventional banking operations	767	-	-	(4,028)	-	2	(160,678)	(163,937)
Transfer to regulatory reserve	-	187,728	-	-	-	-	(187,728)	-
At 31 March 2019	7,474,307	501,244	127,673	(54)	1,697	377	3,263,327	11,368,571

¹This 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.)

A39d. Unaudited Statements of Changes in Islamic Banking Capital Funds for the First Quarter Ended 31 March 2019 (cont'd.)

<u>Group</u>	-----Non-distributable----->							Total RM'000
	Islamic Banking Funds RM'000	Regulatory Reserve RM'000	Fair Value Through Other Comprehensive Income Reserve RM'000	Exchange Fluctuation Reserve RM'000	Equity contribution from the holding company RM'000 ¹	Defined Benefit Reserve RM'000	Distributable Retained Profits RM'000	
At 1 January 2018								
- as previously stated	5,769,752	508,700	(32,318)	(5,723)	1,697	448	3,499,853	9,742,409
- effect of adopting MFRS 9	-	(493,501)	1,350	-	-	-	(361,412)	(853,563)
At 1 January 2018, as restated	5,769,752	15,199	(30,968)	(5,723)	1,697	448	3,138,441	8,888,846
Profit for the period	-	-	-	-	-	-	214,437	214,437
Other comprehensive income	-	-	16,149	15,694	-	371	-	32,214
Net gain on foreign exchange translation	-	-	-	15,694	-	-	-	15,694
Net gain on financial investments at fair value through other comprehensive income	-	-	16,149	-	-	-	-	16,149
Defined benefit plan actuarial gain	-	-	-	-	-	371	-	371
Total comprehensive income for the period	-	-	16,149	15,694	-	371	214,437	246,651
Transfer to conventional banking operations	(17,211)	-	-	(8,667)	-	(27)	(1,309)	(27,214)
Transfer to regulatory reserve	-	83,115	-	-	-	-	(83,115)	-
At 31 March 2018	5,752,541	98,314	(14,819)	1,304	1,697	792	3,268,454	9,108,283

¹This 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

	31 March 2019 RM'000	31 December 2018 RM'000
<u>Group</u>		
Financing and advances to customers:		
(A) Financing and advances to customers at fair value through other comprehensive income	479,604	471,122
(B) Financing and advances to customers at amortised cost	<u>274,226,543</u>	<u>271,246,935</u>
	274,706,147	271,718,057
Unearned income	<u>(94,673,697)</u>	<u>(94,879,202)</u>
Gross financing and advances	180,032,450	176,838,855
Allowances for impaired financing and advances:		
- Stage 1 - 12-month ECL	(474,393)	(510,311)
- Stage 2 - Lifetime ECL not credit impaired	(838,553)	(984,565)
- Stage 3 - Lifetime ECL credit impaired	<u>(1,026,845)</u>	<u>(1,055,811)</u>
Net financing and advances	<u>177,692,659</u>	<u>174,288,168</u>

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

A39e. Financing and Advances (cont'd.)

Group	Bai'^	Murabahah	Musarakah	Al-Ijarah	Ijarah	Istisna'	Others	Total
As at 31 March 2019	RM'000	RM'000	RM'000	Al-Bai (AITAB)	RM'000	RM'000	RM'000	Financing
				Thumma				and
				RM'000				Advances
								RM'000
Cashline	-	5,995,851	-	-	-	-	-	5,995,851
Term financing								
- Housing financing	15,613,281	66,858,536	2,125,062	-	-	-	624	84,597,503
- Syndicated financing	-	1,444,007	-	-	-	-	-	1,444,007
- Hire purchase receivables	-	595,723	-	38,218,501	-	-	-	38,814,224
- Lease receivables	-	-	-	-	89,012	-	-	89,012
- Other term financing	15,769,002	102,861,647	813,884	-	-	126,066	27,410	119,598,009
Trust receipts	-	123,334	-	-	-	-	-	123,334
Claims on customers under acceptance credits	-	5,041,460	-	-	-	-	-	5,041,460
Staff financing	496,291	1,721,414	9,539	160,895	3,236	-	47,471	2,438,846
Credit card receivables	-	-	-	-	-	-	1,091,865	1,091,865
Revolving credit	-	15,443,922	-	-	-	-	-	15,443,922
Share margin financing	-	22,805	-	-	-	-	-	22,805
Financing to:								
- Directors of the Bank	-	2,652	-	420	-	-	72	3,144
- Directors of subsidiaries	-	1,408	-	750	-	-	7	2,165
	31,878,574	200,112,759	2,948,485	38,380,566	92,248	126,066	1,167,449	274,706,147
Unearned income								(94,673,697)
Gross financing and advances^^								180,032,450
Allowances for impaired financing and advances:								
- Stage 1 - 12-month ECL								(474,393)
- Stage 2 - Lifetime ECL not credit impaired								(838,553)
- Stage 3 - Lifetime ECL credit impaired								(1,026,845)
Net financing and advances								177,692,659

^ 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	Musarakah	Al-Ijarah	Ijarah	Istisna'	Others	Total
As at 31 December 2018	RM'000	RM'000	RM'000	Al-Bai (AITAB)	RM'000	RM'000	RM'000	Financing and Advances
				RM'000				RM'000
Cashline	-	6,113,118	-	-	-	126	-	6,113,244
Term financing								
- Housing financing	15,968,002	65,870,117	2,140,367	-	-	-	627	83,979,113
- Syndicated financing	-	1,432,287	-	-	-	-	-	1,432,287
- Hire purchase receivables	-	224,525	-	37,895,766	-	-	-	38,120,291
- Lease receivables	-	-	-	-	9,450	-	-	9,450
- Other term financing	17,475,558	99,485,955	563,979	-	102,001	127,395	17,280	117,772,168
Bills receivables	-	163	-	-	-	-	799	962
Trust receipts	-	145,613	-	-	-	-	-	145,613
Claims on customers under acceptance credits	-	4,921,799	-	-	-	-	-	4,921,799
Staff financing	517,202	1,670,905	8,965	156,713	2,539	-	52,723	2,409,047
Credit card receivables	-	-	-	-	-	-	1,104,219	1,104,219
Revolving credit	-	15,681,860	-	-	-	-	-	15,681,860
Share margin financing	-	22,322	-	-	-	-	-	22,322
Financing to:								
- Directors of the Bank	-	2,503	-	465	-	-	8	2,976
- Directors of subsidiaries	-	2,030	-	676	-	-	-	2,706
	<u>33,960,762</u>	<u>195,573,197</u>	<u>2,713,311</u>	<u>38,053,620</u>	<u>113,990</u>	<u>127,521</u>	<u>1,175,656</u>	<u>271,718,057</u>
Unearned income								(94,879,202)
Gross financing and advances^^								<u>176,838,855</u>
Allowances for impaired financing and advances:								
- Stage 1 - 12-month ECL								(510,311)
- Stage 2 - Lifetime ECL not credit impaired								(984,565)
- Stage 3 - Lifetime ECL credit impaired								(1,055,811)
Net financing and advances								<u>174,288,168</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>	31 March 2019 RM'000	31 December 2018 RM'000
At 1 January		
- as previously stated	2,094,107	1,755,299
- effect of adopting MFRS 9	-	121,438
At 1 January, as restated	2,094,107	1,876,737
Newly impaired	234,041	1,367,882
Reclassified as non-impaired	(79,003)	(228,568)
Amount recovered	(6,560)	(444,519)
Amount written-off	(160,749)	(442,632)
Transferred to holding company	-	(34,496)
Exchange differences	-	(297)
Gross impaired financing at 31 March 2019/31 December 2018	2,081,836	2,094,107
Less: Stage 3 - Lifetime ECL credit impaired	(1,026,845)	(1,055,811)
Net impaired financing at 31 March 2019/31 December 2018	1,054,991	1,038,296
<u>Calculation of ratio of net impaired financing:</u>		
Gross impaired financing at 31 March 2019/31 December 2018 (excluding financing funded by RPSIA and IA)	1,969,511	2,030,688
Less: Stage 3 - Lifetime ECL credit impaired	(1,026,845)	(1,055,811)
Net impaired financing at 31 March 2019/31 December 2018	942,666	974,877
Gross financing and advances (excluding financing funded by RPSIA and IA)	141,220,021	137,331,642
Less: Allowances for impaired financing and advances at amortised cost and at fair value through other comprehensive income	(2,343,681)	(2,555,886)
Net financing and advances	138,876,340	134,775,756
Net impaired financing as a percentage of net financing and advances	0.68%	0.72%

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

A39e. Financing and Advances (cont'd.)

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

At fair value through other comprehensive income

	Stage 1	Stage 2	Stage 3	Total ECL RM'000
	12-month ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	
Group				
At 31 March 2019				
At 1 January 2019	1,399	3,800	-	5,199
Changes in models/risk parameters	(787)	(522)	-	(1,309)
At 31 March 2019	<u>612</u>	<u>3,278</u>	<u>-</u>	<u>3,890</u>

	Stage 1	Stage 2	Stage 3	Total ECL RM'000
	12-month ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	
Group				
At 31 December 2018				
At 1 January 2018				
- effect of adopting MFRS 9	522	-	-	522
At 1 January 2018, as restated	522	-	-	522
Net remeasurement of allowances	45	-	-	45
New financial assets originated or purchased	1,354	3,800	-	5,154
Financial assets derecognised	(522)	-	-	(522)
At 31 December 2018	<u>1,399</u>	<u>3,800</u>	<u>-</u>	<u>5,199</u>

At amortised cost

	Stage 1	Stage 2	Stage 3	Total ECL RM'000
	12-month ECL RM'000	Lifetime ECL not credit impaired RM'000	Lifetime ECL credit impaired RM'000	
Group				
At 31 March 2019				
At 1 January 2019	510,311	984,565	1,055,811	2,550,687
Transferred to Stage 1	263,567	(150,337)	(113,230)	-
Transferred to Stage 2	(14,134)	157,886	(143,752)	-
Transferred to Stage 3	(717)	(29,883)	30,600	-
Net remeasurement of allowances*	(240,707)	(67,137)	325,461	17,617
New financial assets originated or purchased	62,304	42,333	-	104,637
Financial assets derecognised	(30,034)	(54,142)	4,890	(79,286)
Changes in models/risk parameters	(76,289)	(44,734)	28,383	(92,640)
Amount written-off	-	-	(160,749)	(160,749)
Transferred from holding company	-	-	(569)	(569)
Exchange differences	92	2	-	94
At 31 March 2019	<u>474,393</u>	<u>838,553</u>	<u>1,026,845</u>	<u>2,339,791</u>

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

A39e. Financing and Advances (cont'd.)

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

At amortised cost (cont'd.)

Group	Stage 1	Stage 2	Stage 3	Total ECL
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
At 31 December 2018	RM'000	RM'000	RM'000	RM'000
At 1 January 2018				
- as previously stated - MFRS 139				1,487,135
- effect of adopting MFRS 9				1,076,449
At 1 January 2018, as restated	409,534	1,061,080	1,092,970	2,563,584
Transferred to Stage 1	410,336	(263,234)	(147,102)	-
Transferred to Stage 2	(32,812)	69,092	(36,280)	-
Transferred to Stage 3	(2,942)	(96,473)	99,415	-
Net remeasurement of allowances*	(329,067)	180,529	723,244	574,706
New financial assets originated or purchased	194,867	128,773	-	323,640
Financial assets derecognised	(70,166)	(88,990)	(270,168)	(429,324)
Changes in models/risk parameters	(69,473)	(6,644)	(1,683)	(77,800)
Amount written-off	-	-	(442,632)	(442,632)
Transferred to holding company	-	-	37,371	37,371
Exchange differences	34	432	676	1,142
At 31 December 2018	510,311	984,565	1,055,811	2,550,687

* As at 31 March 2019, the gross exposure of the financing funded by RPSIA was RM16,012.1 million (31 December 2018: RM15,942.2 million). The expected credit loss relating to these financing amounting to RM107.6 million (31 December 2018: RM274.5 million) are recognised in the Group's conventional banking operations.

The gross exposure of the financing funded by IA as at 31 March 2019 was RM22,800.3 million (31 December 2018: RM23,565.1 million). The expected credit loss 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.

A39f. Deposits from Customers

Group	31 March 2019 RM'000	31 December 2018 RM'000
Savings deposit		
Qard	16,801,213	16,081,568
Demand deposit		
Qard	17,605,948	18,403,934
Term deposit		
Murabahah	112,862,895	111,692,152
Qard	2,007,432	1,604,097
	114,870,327	113,296,249
Total deposits from customers	149,277,488	147,781,751

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

A39g. Investment Accounts of Customers

<u>Group</u>	31 March 2019 RM'000	31 December 2018 RM'000
Mudharabah		
Unrestricted Investment accounts	22,680,210	23,445,562
Restricted Investment accounts*	120,096	119,499
	22,800,306	23,565,061

* Net of credit losses associated with the financing assets funded by the Restricted Investment Accounts.

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

<u>Group</u>	Unrestricted investment accounts RM'000	Restricted investment accounts RM'000	Total investment accounts RM'000
As at 31 March 2019			
Business enterprises	9,920,913	120,096	10,041,009
Individuals	11,229,961	-	11,229,961
Government and statutory bodies	125,809	-	125,809
Others	1,403,527	-	1,403,527
	22,680,210	120,096	22,800,306
As at 31 December 2018			
Business enterprises	11,814,357	119,499	11,933,856
Individuals	10,475,578	-	10,475,578
Government and statutory bodies	128,414	-	128,414
Others	1,027,213	-	1,027,213
	23,445,562	119,499	23,565,061

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

<u>Group</u>	Unrestricted investment accounts RM'000	Restricted investment accounts RM'000	Total investment accounts RM'000
As at 31 March 2019			
- without maturity	11,828,838	-	11,828,838
- with maturity			
Due within six months	8,118,555	120,096	8,238,651
Six months to one year	2,713,282	-	2,713,282
One year to three years	6,012	-	6,012
Three years to five years	13,523	-	13,523
	10,851,372	120,096	10,971,468
Total investment accounts of customers	22,680,210	120,096	22,800,306

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

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

(ii) Maturity structure of investment accounts are as follows (cont'd.):

<u>Group</u>	Unrestricted investment accounts RM'000	Restricted investment accounts RM'000	Total investment accounts RM'000
As at 31 December 2018			
- without maturity	13,067,406	-	13,067,406
- with maturity			
Due within six months	8,233,509	119,499	8,353,008
Six months to one year	2,125,559	-	2,125,559
One year to three years	5,176	-	5,176
Three years to five years	13,912	-	13,912
	<u>10,378,156</u>	<u>119,499</u>	<u>10,497,655</u>
Total investment accounts of customers	<u>23,445,562</u>	<u>119,499</u>	<u>23,565,061</u>

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

<u>Group</u>	Unrestricted investment accounts RM'000	Restricted investment accounts RM'000	Total investment accounts RM'000
As at 31 March 2019			
Retail financing	20,805,177	-	20,805,177
Non-retail financing	1,875,033	120,096	1,995,129
	<u>22,680,210</u>	<u>120,096</u>	<u>22,800,306</u>
As at 31 December 2018			
Retail financing	21,644,759	-	21,644,759
Non-retail financing	1,800,803	119,499	1,920,302
	<u>23,445,562</u>	<u>119,499</u>	<u>23,565,061</u>

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

<u>Group</u>	<u>Investment account holder ("IAH")</u>	
	Average profit sharing ratio (%)	Average rate of return (%)
As at 31 March 2019		
Unrestricted investment accounts	57.91	2.83
Restricted investment accounts	<u>99.95</u>	<u>4.31</u>
As at 31 December 2018		
Unrestricted investment accounts	55.00	2.82
Restricted investment accounts	<u>99.95</u>	<u>4.31</u>

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

A39h. Financial Liabilities at Fair Value Through Profit or Loss

<u>Group</u>	31 March 2019 RM'000	31 December 2018 RM'000
Structured deposits	<u>149,587</u>	<u>385,687</u>

The carrying amount of structured deposits designated at fair value through profit or loss of the Group as at 31 March 2019 was RM147,973,000 (31 December 2018: RM384,986,000). The fair value changes of the financial liabilities that are attributable to the changes in own credit risk are not significant.

A39i. Term Funding

<u>Group</u>	31 March 2019 RM'000	31 December 2018 RM'000
Unsecured term funding:		
(i) Commercial Papers		
- Less than one year	<u>2,938,639</u>	<u>2,734,958</u>
(ii) Medium Term Notes		
- More than one year	<u>2,023,935</u>	<u>2,003,222</u>
	<u>2,023,935</u>	<u>2,003,222</u>
Total term funding	<u>4,962,574</u>	<u>4,738,180</u>

A39j. Subordinated Sukuk

<u>Group</u>	31 March 2019 RM'000	31 December 2018 RM'000
RM1.5 billion Islamic subordinated Sukuk Murabahah due in 2024	-	1,516,593
RM1.0 billion Islamic subordinated Sukuk Murabahah due in 2026	1,005,733	1,017,708
RM1.0 billion Islamic subordinated Sukuk Murabahah due in 2029	1,000,000	-
	<u>2,005,733</u>	<u>2,534,301</u>

A39k. Capital Securities

<u>Group</u>	31 March 2019 RM'000	31 December 2018 RM'000
RM1.0 billion Additional Tier 1 Sukuk Wakalah	<u>1,014,647</u>	<u>1,002,441</u>

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A40. Financial Effects arising from Adoption of MFRS 16 Leases

- (i) The adoption of MFRS 16 resulted in the following financial effects to the statement of financial position of the Group and of the Bank.

Extract of Statements of Financial Position

	31 December 2018 RM'000	Reclassification RM'000	Modified retrospective approach RM'000	1 January 2019 RM'000
Group				
ASSETS				
Other assets ¹	9,873,340	-	(56,095)	9,817,245
Property, plant and equipment ²	2,495,825	(275,363)	-	2,220,462
Right-of-use assets ³	-	275,363	1,332,561	1,607,924
LIABILITIES				
Other liabilities ⁴	21,788,671	-	1,276,466	23,065,137
Bank				
ASSETS				
Other assets ¹	5,267,285	-	(4,390)	5,262,895
Right-of-use assets ³	-	-	460,839	460,839
LIABILITIES				
Other liabilities ⁵	7,341,061	-	456,449	7,797,510

¹ Derecognition of prepayments related to previous operating leases.

² Previously recognised as finance leases under MFRS 117 *Leases*.

³ Recognition of right-of-use assets.

⁴ Recognition of additional lease liabilities, provision for restoration costs and derecognition of accrued rental expenses.

⁵ Recognition of additional lease liabilities and provision for restoration costs.

- (ii) The following table analyses the impact of Capital Adequacy Ratios of the Group and of the Bank:

	31 December 2018	Impact of adopting MFRS 16	1 January 2019
Group			
CET1 Capital (RM'000)	56,300,466	-	56,300,466
Tier 1 Capital (RM'000)	59,871,648	-	59,871,648
Total Capital (RM'000)	71,263,950	-	71,263,950
Risk Weighted Assets (RM'000)	374,606,000	1,248,752	375,854,752
CET1 Capital Ratio	15.029%	(0.050%)	14.979%
Tier 1 Capital Ratio	15.983%	(0.053%)	15.929%
Total Capital Ratio	19.024%	(0.063%)	18.961%
Bank			
CET1 Capital (RM'000)	30,893,680	-	30,893,680
Tier 1 Capital (RM'000)	33,393,680	-	33,393,680
Total Capital (RM'000)	41,018,052	-	41,018,052
Risk Weighted Assets (RM'000)	224,559,240	456,449	225,015,689
CET1 Capital Ratio	13.757%	(0.028%)	13.730%
Tier 1 Capital Ratio	14.871%	(0.030%)	14.841%
Total Capital Ratio	18.266%	(0.037%)	18.229%

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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 and zakat attributable to equity holders of RM1,809.3 million for the three-month financial period ended 31 March 2019, a decrease of RM61.8 million or 3.3% compared to the previous corresponding three-month financial period ended 31 March 2018.

The Group's net interest income and Islamic Banking income for the three-month financial period ended 31 March 2019 increased by RM82.2 million or 1.9% to RM4,450.2 million compared to the three-month financial period ended 31 March 2018.

The Group's net earned insurance premiums from the Insurance and Takaful subsidiaries increased by RM115.2 million or 7.6% to RM1,626.5 million for the three-month financial period ended 31 March 2019 compared to the previous corresponding three-month financial period ended 31 March 2018.

Other operating income of the Group for the three-month financial period ended 31 March 2019 was RM1,677.9 million, an increase of RM376.3 million or 28.9% from RM1,301.6 million in the previous corresponding three-month financial period ended 31 March 2018. The increase was mainly due to higher unrealised mark-to-market gain on revaluation of financial assets/liabilities at FVTPL, derivatives and loans, advances and financing of RM276.2 million, higher net gain in investment income of RM99.4 million, higher foreign exchange gain of RM80.3 million and higher realised gain on derivatives of RM51.0 million compared to the previous corresponding three-month financial period ended 31 March 2018. The increase was, however, offset by lower fee income of RM62.9 million and lower gain on disposal of property, plant and equipment of RM57.5 million compared to the previous corresponding three-month financial period ended 31 March 2018.

The Group's overhead expenses for the three-month financial period ended 31 March 2019 recorded an increase of RM40.1 million or 1.4% to RM2,807.6 million compared to the previous corresponding three-month financial period ended 31 March 2018. The increase in overhead expenses was mainly due to higher personnel expenses of RM96.3 million. The increase was, however, mitigated by lower administration and general expenses of RM38.3 million, lower establishment costs of RM15.9 million and lower marketing expenses of RM2.1 million.

The Group's allowances for impairment losses on loans, advances, financing and other debts increased by RM94.7 million or 18.6% to RM604.0 million for the three-month financial period ended 31 March 2019.

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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 and zakat for the three-month financial period ended 31 March 2019 compared to the previous corresponding three-month financial period ended 31 March 2018 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 and zakat increased by RM150.2 million or 10.8% to RM1,546.2 million for three-month financial period ended 31 March 2019 from RM1,396.0 million for the previous corresponding three-month financial period ended 31 March 2018. The increase was mainly due to lower allowances for impairment losses on loans, advances, financing and other debts of RM149.7 million, higher net interest income and income from IBS operations of RM39.8 million and higher other operating income of RM14.0 million. The increase was, however, offset by higher overhead expenses of RM53.0 million.

Group Global Banking

a) Group Corporate Banking & Global Markets

Group Corporate Banking & Global Markets' profit before taxation and zakat decreased by RM104.5 million or 10.0% to RM936.2 million for the three-month financial period ended 31 March 2019 from RM1,040.7 million for the previous corresponding three-month financial period ended 31 March 2018. The decrease was mainly due to higher net allowances for impairment losses on loans, advances, financing and other debts of RM234.2 million and higher net allowances for impairment losses on financial investments and other financial assets of RM53.0 million. The decrease was, however, mitigated by higher net interest income and income from IBS operations of RM86.0 million, lower overhead expenses of RM60.6 million, higher share of profits in associates and joint ventures of RM26.5 million and higher other operating income of RM9.6 million.

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

Group Investment Banking recorded a loss before taxation and zakat of RM1.0 million for the three-month financial period ended 31 March 2019 compared to a profit before taxation and zakat of RM155.3 million for the previous corresponding three-month financial period ended 31 March 2018. The loss was mainly due to lower other operating income of RM109.0 million, lower net interest income and income from IBS operations of RM46.6 million and lower net writeback of impairment losses on loans, advances, financing and other debts of RM4.4 million. This loss was, however, mitigated by lower overhead expenses of RM4.1 million.

c) Group Asset Management

Group Asset Management recorded a profit before taxation and zakat of RM18.5 million for the three-month financial period ended 31 March 2019 compared to a loss before taxation and zakat of RM40.0 million for the previous corresponding three-month financial period ended 31 March 2018. The profit was mainly due to higher other operating income of RM62.9 million, lower allowances for impairment losses on financial investments and other financial assets of RM20.3 million and higher net interest income and income from IBS operations of RM1.7 million. This profit was, however, offset by higher overhead expenses of RM26.4 million.

Group Insurance and Takaful

Group Insurance and Takaful's profit before taxation and zakat increased by RM137.8 million or 126.6% to RM246.6 million for the three-month financial period ended 31 March 2019 from RM108.8 million for the previous corresponding three-month financial period ended 31 March 2018. The increase was contributed mainly by higher other operating income of RM565.4 million, higher net earned insurance premiums of RM115.2 million and higher net interest income of RM34.1 million. The increase was, however offset 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 RM537.4 million and higher overhead expenses of RM25.4 million.

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B2. Variation of Current Quarter Results Against Preceding Quarter

The Group's profit after tax and zakat attributable to equity holders for the quarter ended 31 March 2019 decreased by RM517.1 million to RM1,809.3 million against the preceding quarter ended 31 December 2018 of RM2,326.4 million.

The Group's net interest income for the quarter ended 31 March 2019 decreased by RM154.8 million to RM2,953.5 million against the preceding quarter of RM3,108.3 million. Income from Islamic Banking Scheme operations decreased by RM3.3 million to RM1,496.6 million for the quarter ended 31 March 2019 compared to RM1,499.9 million in the preceding quarter ended 31 December 2018.

The Group's net earned insurance premiums for the quarter ended 31 March 2019 increased by RM124.3 million to RM1,626.5 million compared to RM1,502.2 million in the preceding quarter ended 31 December 2018.

Other operating income of the Group for the quarter ended 31 March 2019 increased by RM516.9 million to RM1,677.9 million compared to RM1,161.0 million in the preceding quarter ended 31 December 2018. The increase was mainly due to higher net investment income of RM541.2 million and higher realised gain on derivatives of RM101.9 million. The increase, however, was offset by lower unrealised mark-to-market gain on revaluation of financial assets/liabilities at FVTPL, derivatives and loans, advances and financing by RM73.6 million and lower foreign exchange gain of RM33.3 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 RM924.2 million to RM1,894.5 million for the quarter ended 31 March 2019 compared to RM970.3 million in the preceding quarter ended 31 December 2018. The increase was mainly attributable to higher net insurance benefits and claims incurred by the Insurance and Takaful subsidiaries of RM987.8 million.

The Group posted a decrease of RM260.8 million in overhead expenses to RM2,807.6 million for the quarter ended 31 March 2019 compared to RM3,068.4 million in the preceding quarter ended 31 December 2018. The decrease was mainly due to lower administration and general expenses of RM143.9 million, lower personnel expenses of RM64.1 million, lower establishment costs of RM50.4 million and lower marketing expenses of RM2.4 million.

The Group's allowance for impairment losses on loans, advances, financing and other debts increased by RM522.7 million to RM604.0 million in the quarter ended 31 March 2019 compared to RM81.3 million in the preceding quarter ended 31 December 2018.

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B3. Prospects

Global GDP growth is expected to ease in 2019 to +3.3% from +3.6% in 2018 amid fallout from the US-China trade war disrupting global trade flows. Moderating global GDP growth is expected to be led by major advanced economies including the US (2019E: +2.5%; 2018: +2.9%) and Eurozone (2019E: +1.3%; 2018: +1.8%), as well as large emerging markets such as China (2019E: +6.3%; 2018: +6.6%), Brazil (2019E: +1.1%; 2018: +2.0%) and Russia (2019E: +1.5%; 2018: +2.3%).

A slower pace of growth is also projected for the ASEAN-6 countries (2019E: +4.6%; 2018: +5.0%) on the back of global macroeconomic headwinds causing uncertainty. Out of Maybank Group's three home markets, Malaysia is expected to chart stable growth at +4.7% in 2019 (2018: +4.7%) on rebounds in the mining and agriculture sectors as well as stimulus to domestic demand from BNM's interest rate cut and the revival of major infrastructure and Government development spending projects previously put under review. Some factors that could impact Malaysia's economic growth include the outcome of the US-China trade talks and the Government's long term economic growth policy.

Singapore's economic growth is forecasted to expand at +1.6% in 2019 (2018: +3.1%). Impact from US-China trade tensions weigh on growth and has prompted the Government to announce the first deficit spending in four years in Budget 2019.

Indonesia's economy is expected to grow at +5.1% in 2019 (2018: +5.2%), supported by resilient consumer spending and continuity in pro-growth policies that include investment promotion and infrastructure spending following the completion of the presidential election in April 2019.

Against the backdrop of a moderating global growth and uncertainty over trade tensions, Maybank Group will maintain its balance sheet expansion in line with the respective GDP growth in its three home markets and in tandem with the Group's risk posture. Maybank Group will continue building on its diversified franchise and footprint to expand income streams through cross business collaborations and from focusing on diligent pricing of its assets and liabilities.

Other key on-going priorities for Maybank Group in 2019 include our emphasis to improve productivity drivers, upskilling of our workforce to be ready for a digital economy, proactively manage asset quality in line with new accounting standards (MFRS 9) and prioritising capital and liquidity strength given increasing capital markets volatility and global macroeconomic headwinds.

Barring any unforeseen circumstances, the Group expects its financial performance for 2019 to be satisfactory in line with the expected growth prospects of its key home markets. The Group has set its Headline Key Performance Indicator ("KPI") for Return on Equity ("ROE") of approximately 11%.

B4. Profit Forecast or Profit Guarantee

Neither the Group nor the Bank has made any profit forecast or issued any profit guarantee for the first quarter ended 31 March 2019.

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B5. Taxation and Zakat

The analysis of the tax expense for the first quarter ended 31 March 2019 are as follows:

<u>Group</u>	First Quarter Ended		Cumulative 3 Months Ended	
	31 March 2019 RM'000	31 March 2018 RM'000	31 March 2019 RM'000	31 March 2018 RM'000
Malaysian income tax	343,230	592,200	343,230	592,200
Foreign income tax	77,890	101,783	77,890	101,783
	421,120	693,983	421,120	693,983
Over provision in respect of prior period:				
Foreign income tax	(5,333)	(5,971)	(5,333)	(5,971)
	415,787	688,012	415,787	688,012
Deferred tax				
- Relating to origination and reversal of temporary differences	148,053	(38,337)	148,053	(38,337)
Tax expense for the financial period	563,840	649,675	563,840	649,675
Zakat	11,774	7,505	11,774	7,505
	575,614	657,180	575,614	657,180

The Group's effective tax rate for the first quarter ended 31 March 2019 was lower than the statutory tax rate due to the effects of lower tax rates in other tax jurisdictions and certain income not subject to tax.

<u>Bank</u>	First Quarter Ended		Cumulative 3 Months Ended	
	31 March 2019 RM'000	31 March 2018 RM'000	31 March 2019 RM'000	31 March 2018 RM'000
Malaysian income tax	126,779	356,478	126,779	356,478
Foreign income tax	2,518	2,798	2,518	2,798
	129,297	359,276	129,297	359,276
(Over)/under provision in respect of prior period:				
Foreign income tax	(755)	115	(755)	115
	128,542	359,391	128,542	359,391
Deferred tax				
- Relating to origination and reversal of temporary differences	107,168	98,096	107,168	98,096
Tax expense for the financial period	235,710	457,487	235,710	457,487

The Bank's effective tax rate for the first quarter ended 31 March 2019 was higher than the statutory tax rate due to effects of certain non-deductible expenses.

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.

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B6. Status of Corporate Proposals Announced but Not Completed

There are no corporate proposals announced but not completed during the first quarter ended 31 March 2019.

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 first quarter ended 31 March 2019.

B11. Dividend

No interim dividend has been recommended during the first quarter ended 31 March 2019.

B12. 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.

	First Quarter Ended		Cumulative 3 Months Ended	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Net profit for the quarter/period attributable to equity holders of the Bank (RM'000)	1,809,264	1,871,036	1,809,264	1,871,036
Weighted average number of ordinary shares in issue ('000)	11,049,683	10,840,162	11,049,683	10,840,162
Basic earnings per share	16.37 sen	17.26 sen	16.37 sen	17.26 sen

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B13. Earnings Per Share ("EPS") (cont'd.)

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").

In the diluted EPS calculation, it was assumed that certain number of ordinary shares under the ESS relating to the RSU are vested and awarded to employees through issuance of additional 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. This calculation serves 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.

	First Quarter Ended		Cumulative 3 Months Ended	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Net profit for the quarter/period attributable to equity holders of the Bank (RM'000)	1,809,264	1,871,036	1,809,264	1,871,036
Weighted average number of ordinary shares in issue ('000)	11,049,683	10,840,162	11,049,683	10,840,162
Effects of dilution ('000)	-	5,801	-	5,801
Adjusted weighted average number of ordinary shares in issue ('000)	11,049,683	10,845,963	11,049,683	10,845,963
Diluted earnings per share	16.37 sen	17.25 sen	16.37 sen	17.25 sen

By Order of the Board

Wan Marzimin Wan Muhammad

LS0009924

Company Secretary

30 May 2019